State of the Union Address eBook

State of the Union Address by Jimmy Carter

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Page 1

Title: State of the Union Addresses of Woodrow Wilson

Author: Woodrow Wilson

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State of the Union Address
Woodrow Wilson
December 2, 1913

Gentlemen of the Congress:

In pursuance of my constitutional duty to “give to the Congress information of the state of the Union,” I take the liberty of addressing you on several matters which ought, as it seems to me, particularly to engage the attention of your honorable bodies, as of all who study the welfare and progress of the Nation.

I shall ask your indulgence if I venture to depart in some degree from the usual custom of setting before you in formal review the many matters which have engaged the attention and called for the action of the several departments of the Government or which look to them for early treatment in the future, because the list is long, very long, and would suffer in the abbreviation to which I should have to subject it. I shall submit to you the reports of the heads of the several departments, in which these subjects are set forth in careful detail, and beg that they may receive the thoughtful attention of your committees and of all Members of the Congress who may have the leisure to study them. Their obvious importance, as constituting the very substance of the business of the Government, makes comment and emphasis on my part unnecessary.

The country, I am thankful to say, is at peace with all the world, and many happy manifestations multiply about us of a growing cordiality and sense of community of interest among the nations, foreshadowing an age of settled peace and good will. More and more readily each decade do the nations manifest their willingness to bind themselves by solemn treaty to the processes of peace, the processes of frankness and fair concession. So far the United States has stood at the front of such negotiations. She will, I earnestly hope and confidently believe, give fresh proof of her sincere adherence to the cause of international friendship by ratifying the several treaties of arbitration awaiting renewal by the Senate.

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In addition to these, it has been the privilege of the Department of State to gain the assent, in principle, of no less than 31 nations, representing four-fifths of the population of the world, to the negotiation of treaties by which it shall be agreed that whenever differences of interest or of policy arise which can not be resolved by the ordinary processes of diplomacy they shall be publicly analyzed, discussed, and reported upon by a tribunal chosen by the parties before either nation determines its course of action.

There is only one possible standard by which to determine controversies between the United States and other nations, and that is compounded of these two elements: Our own honor and our obligations to the peace of the world. A test so compounded ought easily to be made to govern both the establishment of new treaty obligations and the interpretation of those already assumed.

There is but one cloud upon our horizon. That has shown itself to the south of us, and hangs over Mexico. There can be no certain prospect of peace in America until Gen. Huerta has surrendered his usurped authority in Mexico; until it is understood on all hands, indeed, that such pretended governments will not be countenanced or dealt with by-the Government of the United States. We are the friends of constitutional government in America; we are more than its friends, we are its champions; because in no other way can our neighbors, to whom we would wish in every way to make proof of our friendship, work out their own development in peace and liberty. Mexico has no Government. The attempt to maintain one at the City of Mexico has broken down, and a mere military despotism has been set up which has hardly more than the semblance of national authority. It originated in the usurpation of Victoriano Huerta, who, after a brief attempt to play the part of constitutional President, has at last cast aside even the pretense of legal right and declared himself dictator. As a consequence, a condition of affairs now exists in Mexico which has made it doubtful whether even the most elementary and fundamental rights either of her own people or of the citizens of other countries resident within her territory can long be successfully safeguarded, and which threatens, if long continued, to imperil the interests of peace, order, and tolerable life in the lands immediately to the south of us. Even if the usurper had succeeded in his purposes, in despite of the constitution of the Republic and the rights of its people, he would have set up nothing but a precarious and hateful power, which could have lasted but a little while, and whose eventual downfall would have left the country in a more deplorable condition than ever. But he has not succeeded. He has forfeited the respect and the moral support even of those who were at one time willing to see him succeed. Little by little he has been completely isolated. By a little every day his power and prestige are crumbling and the collapse is not far away. We shall not, I believe, be obliged to alter our policy of watchful waiting. And then, when the end comes, we shall hope to see constitutional order restored in distressed Mexico by the concert and energy of such of her leaders as prefer the liberty of their people to their own ambitions.

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I turn to matters of domestic concern. You already have under consideration a bill for the reform of our system of banking and currency, for which the country waits with impatience, as for something fundamental to its whole business life and necessary to set credit free from arbitrary and artificial restraints. I need not say how earnestly I hope for its early enactment into law. I take leave to beg that the whole energy and attention of the Senate be concentrated upon it till the matter is successfully disposed of. And yet I feel that the request is not needed-that the Members of that great House need no urging in this service to the country.

I present to you, in addition, the urgent necessity that special provision be made also for facilitating the credits needed by the farmers of the country. The pending currency bill does the farmers a great service. It puts them upon an equal footing with other business men and masters of enterprise, as it should; and upon its passage they will find themselves quit of many of the difficulties which now hamper them in the field of credit. The farmers, of course, ask and should be given no special privilege, such as extending to them the credit of the Government itself. What they need and should obtain is legislation which will make their own abundant and substantial credit resources available as a foundation for joint, concerted local action in their own behalf in getting the capital they must use. It is to this we should now address ourselves.

It has, singularly enough, come to pass that we have allowed the industry of our farms to lag behind the other activities of the country in its development. I need not stop to tell you how fundamental to the life of the Nation is the production of its food. Our thoughts may ordinarily be concentrated upon the cities and the hives of industry, upon the cries of the crowded market place and the clangor of the factory, but it is from the quiet interspaces of the open valleys and the free hillsides that we draw the sources of life and of prosperity, from the farm and the ranch, from the forest and the mine. Without these every street would be silent, every office deserted, every factory fallen into disrepair. And yet the farmer does not stand upon the same footing with the forester and the miner in the market of credit. He is the servant of the seasons. Nature determines how long he must wait for his crops, and will not be hurried in her processes. He may give his note, but the season of its maturity depends upon the season when his crop matures, lies at the gates of the market where his products are sold. And the security he gives is of a character not known in the broker’s office or as familiarly as it might be on the counter of the banker.

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The Agricultural Department of the Government is seeking to assist as never before to make farming an efficient business, of wide co-operative effort, in quick touch with the markets for foodstuffs. The farmers and the Government will henceforth work together as real partners in this field, where we now begin to see our way very clearly and where many intelligent plans are already being put into execution. The Treasury of the United States has, by a timely and well-considered distribution of its deposits, facilitated the moving of the crops in the present season and prevented the scarcity of available funds too often experienced at such times. But we must not allow ourselves to depend upon extraordinary expedients. We must add the means by which the, farmer may make his credit constantly and easily available and command when he will the capital by which to support and expand his business. We lag behind many other great countries of the modern world in attempting to do this. Systems of rural credit have been studied and developed on the other side of the water while we left our farmers to shift for themselves in the ordinary money market. You have but to look about you in any rural district to see the result, the handicap and embarrassment which have been put upon those who produce our food.

Conscious of this backwardness and neglect on our part, the Congress recently authorized the creation of a special commission to study the various systems of rural credit which have been put into operation in Europe, and this commission is already prepared to report. Its report ought to make it easier for us to determine what methods will be best suited to our own farmers. I hope and believe that the committees of the Senate and House will address themselves to this matter with the most fruitful results, and I believe that the studies and recently formed plans of the Department of Agriculture may be made to serve them very greatly in their work of framing appropriate and adequate legislation. It would be indiscreet and presumptuous in anyone to dogmatize upon so great and many-sided a question, but I feel confident that common counsel will produce the results we must all desire.

Turn from the farm to the world of business which centers in the city and in the factory, and I think that all thoughtful observers will agree that the immediate service we owe the business communities of the country is to prevent private monopoly more effectually than it has yet been prevented. I think it will be easily agreed that we should let the Sherman anti-trust law stand, unaltered, as it is, with its debatable ground about it, but that we should as much as possible reduce the area of that debatable ground by further and more explicit legislation; and should also supplement that great act by legislation which will not only clarify it but also facilitate its administration and make it fairer to all concerned. No doubt we shall all wish, and the country will expect, this

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to be the central subject of our deliberations during the present session; but it is a subject so many-sided and so deserving of careful and discriminating discussion that I shall take the liberty of addressing you upon it in a special message at a later date than this. It is of capital importance that the business men of this country should be relieved of all uncertainties of law with regard to their enterprises and investments and a clear path indicated which they can travel without anxiety. It is as important that they should be relieved of embarrassment and set free to prosper as that private monopoly should be destroyed. The ways of action should be thrown wide open.

I turn to a subject which I hope can be handled promptly and without serious controversy of any kind. I mean the method of selecting nominees for the Presidency of the United States. I feel confident that I do not misinterpret the wishes or the expectations of the country when I urge the prompt enactment of legislation which will provide for primary elections throughout the country at which the voters of the several parties may choose their nominees for the Presidency without the intervention of nominating conventions. I venture the suggestion that this legislation should provide for the retention of party conventions, but only for the purpose of declaring and accepting the verdict of the primaries and formulating the platforms of the parties; and I suggest that these conventions should consist not of delegates chosen for this single purpose, but of the nominees for Congress, the nominees for vacant seats in the Senate of the United States, the Senators whose terms have not yet closed, the national committees, and the candidates for the Presidency themselves, in order that platforms may be framed by those responsible to the people for carrying them into effect.

These are all matters of vital domestic concern, and besides them, outside the charmed circle of our own national life in which our affections command us, as well as our consciences, there stand out our obligations toward our territories over sea. Here we are trustees. Porto Rico, Hawaii, the Philippines, are ours, indeed, but not ours to do what we please with. Such territories, once regarded as mere possessions, are no longer to be selfishly exploited; they are part of the domain of public conscience and of serviceable and enlightened statesmanship. We must administer them for the people who live in them and with the same sense of responsibility to them as toward our own people in our domestic affairs. No doubt we shall successfully enough bind Porto Rico and the Hawaiian Islands to ourselves by ties of justice and interest and affection, but the performance of our duty toward the Philippines is a more difficult and debatable matter. We can satisfy the obligations of generous justice toward the people of Porto Rico by giving them the ample and familiar rights and privileges accorded our own citizens in our own territories and our obligations toward the people of Hawaii by perfecting the provisions for self-government already granted them, but in the Philippines we must go further. We must hold steadily in view their ultimate independence, and we must move toward the time of that independence as steadily as the way can be cleared and the foundations thoughtfully and permanently laid.

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Acting under the authority conferred upon the President by Congress, I have already accorded the people of the islands a majority in both houses of their legislative body by appointing five instead of four native citizens to the membership of the commission. I believe that in this way we shall make proof of their capacity in counsel and their sense of responsibility in the exercise of political power, and that the success of this step will be sure to clear our view for the steps which are to follow. Step by step we should extend and perfect the system of self-government in the islands, making test of them and modifying them as experience discloses their successes and their failures; that we should more and more put under the control of the native citizens of the archipelago the essential instruments of their life, their local instrumentalities of government, their schools, all the common interests of their communities, and so by counsel and experience set up a government which all the world will see to be suitable to a people whose affairs are under their own control. At last, I hope and believe, we are beginning to gain the confidence of the Filipino peoples. By their counsel and experience, rather than by our own, we shall learn how best to serve them and how soon it will be possible and wise to withdraw our supervision. Let us once find the path and set out with firm and confident tread upon it and we shall not wander from it or linger upon it.

A duty faces us with regard to Alaska which seems to me very pressing and very imperative; perhaps I should say a double duty, for it concerns both the political and the material development of the Territory. The people of Alaska should be given the full Territorial form of government, and Alaska, as a storehouse, should be unlocked. One key to it is a system of railways. These the Government should itself build and administer, and the ports and terminals it should itself control in the interest of all who wish to use them for the service and development of the country and its people.

But the construction of railways is only the first step; is only thrusting in the key to the storehouse and throwing back the lock and opening the door. How the tempting resources of the country are to be exploited is another matter, to which I shall take the liberty of from time to time calling your attention, for it is a policy which must be worked out by well-considered stages, not upon theory, but upon lines of practical expediency. It is part of our general problem of conservation. We have a freer hand in working out the problem in Alaska than in the States of the Union; and yet the principle and object are the same, wherever we touch it. We must use the resources of the country, not lock them up. There need be no conflict or jealousy as between State and Federal authorities, for there can be no essential difference of purpose between them. The resources in question must be used, but not destroyed or wasted; used, but

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not monopolized upon any narrow idea of individual rights as against the abiding interests of communities. That a policy can be worked out by conference and concession which will release these resources and yet not jeopard or dissipate them, I for one have no doubt; and it can be done on lines of regulation which need be no less acceptable to the people and governments of the States concerned than to the people and Government of the Nation at large, whose heritage these resources are. We must bend our counsels to this end. A common purpose ought to make agreement easy.

Three or four matters of special importance and significance I beg, that you will permit me to mention in closing.

Our Bureau of Mines ought to be equipped and empowered to render even more effectual service than it renders now in improving the conditions of mine labor and making the mines more economically productive as well as more safe. This is an all-important part of the work of conservation; and the conservation of human life and energy lies even nearer to our interests than the preservation from waste of our material resources.

We owe it, in mere justice to the railway employees of the country, to provide for them a fair and effective employers' liability act; and a law that we can stand by in this matter will be no less to the advantage of those who administer the railroads of the country than to the advantage of those whom they employ. The experience of a large number of the States abundantly proves that.

We ought to devote ourselves to meeting pressing demands of plain justice like this as earnestly as to the accomplishment of political and economic reforms. Social justice comes first. Law is the machinery for its realization and is vital only as it expresses and embodies it.

An international congress for the discussion of all questions that affect safety at sea is now sitting in London at the suggestion of our own Government. So soon as the conclusions of that congress can be learned and considered we ought to address ourselves, among other things, to the prompt alleviation of the very unsafe, unjust, and burdensome conditions which now surround the employment of sailors and render it extremely difficult to obtain the services of spirited and competent men such as every ship needs if it is to be safely handled and brought to port.

May I not express the very real pleas-are I have experienced in co-operating with this Congress and sharing with it the labors of common service to which it has devoted itself so unreservedly during the past seven months of uncomplaining concentration upon the business of legislation? Surely it is a proper and pertinent part of my report on "the state of the Union" to express my admiration for the diligence, the good temper, and the

full comprehension of public duty which has already been manifested by both the Houses; and I hope that it may not be deemed an impertinent intrusion of myself into the picture if I say with how much and how constant satisfaction I have availed myself of the privilege of putting my time and energy at their disposal alike in counsel and in action.

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State of the Union Address
Woodrow Wilson
December 8, 1914

Gentlemen of the congress:

The session upon which you are now entering will be the closing session of the Sixty-third Congress, a Congress, I venture to say, which will long be remembered for the great body of thoughtful and constructive work which it has done, in loyal response to the thought and needs of the country. I should like in this address to review the notable record and try to make adequate assessment of it; but no doubt we stand too near the work that has been done and are ourselves too much part of it to play the part of historians toward it.

Our program of legislation with regard to the regulation of business is now virtually complete. It has been put forth, as we intended, as a whole, and leaves no conjecture as to what is to follow. The road at last lies clear and firm before business. It is a road which it can travel without fear or embarrassment. It is the road to ungrudged, unclouded success. In it every honest man, every man who believes that the public interest is part of his own interest, may walk with perfect confidence.

Moreover, our thoughts are now more of the future than of the past. While we have worked at our tasks of peace the circumstances of the whole age have been altered by war. What we have done for our own land and our own people we did with the best that was in us, whether of character or of intelligence, with sober enthusiasm and a confidence in the principles upon which we were acting which sustained us at every step of the difficult undertaking; but it is done. It has passed from our hands. It is now an established part of the legislation of the country. Its usefulness, its effects will disclose themselves in experience. What chiefly strikes us now, as we look about us during these closing days of a year which will be forever memorable in the history of the world, is that we face new tasks, have been facing them these six months, must face them in the months to come,-face them without partisan feeling, like men who have forgotten everything but a common duty and the fact that we are representatives of a great people whose thought is not of us but of what America owes to herself and to all mankind in such circumstances as these upon which we look amazed and anxious.

War has interrupted the means of trade not only but also the processes of production. In Europe it is destroying men and resources wholesale and upon a scale unprecedented and appalling, There is reason to fear that the time is near, if it be not already at hand, when several of the countries of Europe will find it difficult to do for their people what they have hitherto been always easily able to do,—many essential and fundamental things. At any rate, they will need our help and our manifold services as

they have never needed them before; and we should be ready, more fit and ready than we have ever been.

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It is of equal consequence that the nations whom Europe has usually supplied with innumerable articles of manufacture and commerce of which they are in constant need and without which their economic development halts and stands still can now get only a small part of what they formerly imported and eagerly look to us to supply their all but empty markets. This is particularly true of our own neighbors, the States, great and small, of Central and South America. Their lines of trade have hitherto run chiefly athwart the seas, not to our ports but to the ports of Great Britain and of the older continent of Europe. I do not stop to inquire why, or to make any comment on probable causes. What interests us just now is not the explanation but the fact, and our duty and opportunity in the presence of it. Here are markets which we must supply, and we must find the means of action. The United States, this great people for whom we speak and act, should be ready, as never before, to serve itself and to serve mankind; ready with its resources, its energies, its forces of production, and its means of distribution.

It is a very practical matter, a matter of ways and means. We have the resources, but are we fully ready to use them? And, if we can make ready what we have, have we the means at hand to distribute it? We are not fully ready; neither have we the means of distribution. We are willing, but we are not fully able. We have the wish to serve and to serve greatly, generously; but we are not prepared as we should be. We are not ready to mobilize our resources at once. We are not prepared to use them immediately and at their best, without delay and without waste.

To speak plainly, we have grossly erred in the way in which we have stunted and hindered the development of our merchant marine. And now, when we need ships, we have not got them. We have year after year debated, without end or conclusion, the best policy to pursue with regard to the use of the ores and forests and water powers of our national domain in the rich States of the West, when we should have acted; and they are still locked up. The key is still turned upon them, the door shut fast at which thousands of vigorous men, full of initiative, knock clamorously for admittance. The water power of our navigable streams outside the national domain also, even in the eastern States, where we have worked and planned for generations, is still not used as it might be, because we will and we won’t; because the laws we have made do not intelligently balance encouragement against restraint. We withhold by regulation.

I have come to ask you to remedy and correct these mistakes and omissions, even at this short session of a Congress which would certainly seem to have done all the work that could reasonably be expected of it. The time and the circumstances are extraordinary, and so must our efforts be also.

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Fortunately, two great measures, finely conceived, the one to unlock, with proper safeguards, the resources of the national domain, the other to encourage the use of the navigable waters outside that domain for the generation of power, have already passed the House of Representatives and are ready for immediate consideration and action by the Senate. With the deepest earnestness I urge their prompt passage. In them both we turn our backs upon hesitation and makeshift and formulate a genuine policy of use and conservation, in the best sense of those words. We owe the one measure not only to the people of that great western country for whose free and systematic development, as it seems to me, our legislation has done so little, but also to the people of the Nation as a whole; and we as clearly owe the other fulfillment of our repeated promises that the water power of the country should in fact as well as in name be put at the disposal of great industries which can make economical and profitable use of it, the rights of the public being adequately guarded the while, and monopoly in the use prevented. To have begun such measures and not completed them would indeed mar the record of this great Congress very seriously. I hope and confidently believe that they will be completed.

And there is another great piece of legislation which awaits and should receive the sanction of the Senate: I mean the bill which gives a larger measure of self-government to the people of the Philippines. How better, in this time of anxious questioning and perplexed policy, could we show our confidence in the principles of liberty, as the source as well as the expression of life, how better could we demonstrate our own self-possession and steadfastness in the courses of justice and disinterestedness than by thus going calmly forward to fulfill our promises to a dependent people, who will now look more anxiously than ever to see whether we have indeed the liberality, the unselfishness, the courage, the faith we have boasted and professed. I can not believe that the Senate will let this great measure of constructive justice await the action of another Congress. Its passage would nobly crown the record of these two years of memorable labor.

But I think that you will agree with me that this does not complete the toll of our duty. How are we to carry our goods to the empty markets of which I have spoken if we have not the ships? How are we to build up a great trade if we have not the certain and constant means of transportation upon which all profitable and useful commerce depends? And how are we to get the ships if we wait for the trade to develop without them? To correct the many mistakes by which we have discouraged and all but destroyed the merchant marine of the country, to retrace the steps by which we have.. it seems almost deliberately, withdrawn our flag from the seas.. except where, here and there, a ship of war is bidden carry it or some wandering yacht displays it, would take a long time and involve many detailed items of legislation, and the trade which we ought immediately to handle would disappear or find other channels while we debated the items.

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The case is not unlike that which confronted us when our own continent was to be opened up to settlement and industry, and we needed long lines of railway, extended means of transportation prepared beforehand, if development was not to lag intolerably and wait interminably. We lavishly subsidized the building of transcontinental railroads. We look back upon that with regret now, because the subsidies led to many scandals of which we are ashamed; but we know that the railroads had to be built, and if we had it to do over again we should of course build them, but in another way. Therefore I propose another way of providing the means of transportation, which must precede, not tardily follow, the development of our trade with our neighbor states of America. It may seem a reversal of the natural order of things, but it is true, that the routes of trade must be actually opened-by many ships and regular sailings and moderate charges-before streams of merchandise will flow freely and profitably through them.

Hence the pending shipping bill, discussed at the last session but as yet passed by neither House. In my judgment such legislation is imperatively needed and can not wisely be postponed. The Government must open these gates of trade, and open them wide; open them before it is altogether profitable to open them, or altogether reasonable to ask private capital to open them at a venture. It is not a question of the Government monopolizing the field. It should take action to make it certain that transportation at reasonable rates will be promptly provided, even where the carriage is not at first profitable; and then, when the carriage has become sufficiently profitable to attract and engage private capital, and engage it in abundance, the Government ought to withdraw. I very earnestly hope that the Congress will be of this opinion, and that both Houses will adopt this exceedingly important bill.

The great subject of rural credits still remains to be dealt with, and it is a matter of deep regret that the difficulties of the subject have seemed to render it impossible to complete a bill for passage at this session. But it can not be perfected yet, and therefore there are no other constructive measures the necessity for which I will at this time call your attention to; but I would be negligent of a very manifest duty were I not to call the attention of the Senate to the fact that the proposed convention for safety at sea awaits its confirmation and that the limit fixed in the convention itself for its acceptance is the last day of the present month. The conference in which this convention originated was called by the United States; the representatives of the United States played a very influential part indeed in framing the provisions of the proposed convention; and those provisions are in themselves for the most part admirable. It would hardly be consistent with the part we have played in the whole matter to let it drop and go by the board as if forgotten and neglected. It was ratified in May by the German Government and in August by the Parliament of Great Britain. It marks a most hopeful and decided advance in international civilization. We should show our earnest good faith in a great matter by adding our own acceptance of it.

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There is another matter of which I must make special mention, if I am to discharge my conscience, lest it should escape your attention. It may seem a very small thing. It affects only a single item of appropriation. But many human lives and many great enterprises hang upon it. It is the matter of making adequate provision for the survey and charting of our coasts. It is immediately pressing and exigent in connection with the immense coast line of Alaska, a coast line greater than that of the United States themselves, though it is also very important indeed with regard to the older coasts of the continent. We can not use our great Alaskan domain, ships will not ply thither, if those coasts and their many hidden dangers are not thoroughly surveyed and charted. The work is incomplete at almost every point. Ships and lives have been lost in threading what were supposed to be well-known main channels. We have not provided adequate vessels or adequate machinery for the survey and charting. We have used old vessels that were not big enough or strong enough and which were so nearly unseaworthy that our inspectors would not have allowed private owners to send them to sea. This is a matter which, as I have said, seems small, but is in reality very great. Its importance has only to be looked into to be appreciated.

Before I close may I say a few words upon two topics, much discussed out of doors, upon which it is highly important that our judgment should be clear, definite, and steadfast?

One of these is economy in government expenditures. The duty of economy is not debatable. It is manifest and imperative. In the appropriations we pass we are spending the money of the great people whose servants we are,-not our own. We are trustees and responsible stewards in the spending. The only thing debatable and upon which we should be careful to make our thought and purpose clear is the kind of economy demanded of us. I assert with the greatest confidence that the people of the United States are not jealous of the amount their Government costs if they are sure that they get what they need and desire for the outlay, that the money is being spent for objects of which they approve, and that it is being applied with good business sense and management.

Governments grow, piecemeal, both in their tasks and in the means by which those tasks are to be performed, and very few Governments are organized, I venture to say, as wise and experienced business men would organize them if they had a clean sheet of paper to write upon. Certainly the Government of the United States is not. I think that it is generally agreed that there should be a systematic reorganization and reassembling of its parts so as to secure greater efficiency and effect considerable savings in expense. But the amount of money saved in that way would, I believe, though no doubt considerable in itself, running, it may be, into the millions, be relatively small,-small,

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I mean, in proportion to the total necessary outlays of the Government. It would be thoroughly worth effecting, as every saving would, great or small. Our duty is not altered by the scale of the saving. But my point is that the people of the United States do not wish to curtail the activities of this Government; they wish, rather, to enlarge them; and with every enlargement, with the mere growth, indeed, of the country itself, there must come, of course, the inevitable increase of expense. The sort of economy we ought to practice may be effected, and ought to be effected, by a careful study and assessment of the tasks to be performed; and the money spent ought to be made to yield the best possible returns in efficiency and achievement. And, like good stewards, we should so account for every dollar of our appropriations as to make it perfectly evident what it was spent for and in what way it was spent.

It is not expenditure but extravagance that we should fear being criticized for; not paying for the legitimate enterprise and undertakings of a great Government whose people command what it should do, but adding what will benefit only a few or pouring money out for what need not have been undertaken at all or might have been postponed or better and more economically conceived and carried out. The Nation is not niggardly; it is very generous. It will chide us only if we forget for whom we pay money out and whose money it is we pay. These are large and general standards, but they are not very difficult of application to particular cases.

The other topic I shall take leave to mention goes deeper into the principles of our national life and policy. It is the subject of national defense.

It can not be discussed without first answering some very searching questions. It is said in some quarters that we are not prepared for war. What is meant by being prepared? Is it meant that we are not ready upon brief notice to put a nation in the field, a nation of men trained to arms? Of course we are not ready to do that; and we shall never be in time of peace so long as we retain our present political principles and institutions. And what is it that it is suggested we should be prepared to do? To defend ourselves against attack? We have always found means to do that, and shall find them whenever it is necessary without calling our people away from their necessary tasks to render compulsory military service in times of peace.

Allow me to speak with great plainness and directness upon this great matter and to avow my convictions with deep earnestness. I have tried to know what America is, what her people think, what they are, what they most cherish and hold dear. I hope that some of their finer passions are in my own heart,—some of the great conceptions and desires which gave birth to this Government and which have made the voice of this people a voice of peace and hope and liberty among the peoples of the world, and that, speaking my own thoughts, I shall, at least in part, speak theirs also, however faintly and inadequately, upon this vital matter.

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We are at peace with all the world. No one who speaks counsel based on fact or drawn from a just and candid interpretation of realities can say that there is reason to fear that from any quarter our independence or the integrity of our territory is threatened. Dread of the power of any other nation we are incapable of. We are not jealous of rivalry in the fields of commerce or of any other peaceful achievement. We mean to live our own lives as we will; but we mean also to let live. We are, indeed, a true friend to all the nations of the world, because we threaten none, covet the possessions of none, desire the overthrow of none. Our friendship can be accepted and is accepted without reservation, because it is offered in a spirit and for a purpose which no one need ever question or suspect. Therein lies our greatness. We are the champions of peace and of concord. And we should be very jealous of this distinction which we have sought to earn. Just now we should be particularly jealous of it because it is our dearest present hope that this character and reputation may presently, in God's providence, bring us an opportunity such as has seldom been vouchsafed any nation, the opportunity to counsel and obtain peace in the world and reconciliation and a healing settlement of many a matter that has cooled and interrupted the friendship of nations. This is the time above all others when we should wish and resolve to keep our strength by self-possession, our influence by preserving our ancient principles of action.

From the first we have had a clear and settled policy with regard to military establishments. We never have had, and while we retain our present principles and ideals we never shall have, a large standing army. If asked, Are you ready to defend yourselves? we reply, Most assuredly, to the utmost; and yet we shall not turn America into a military camp. We will not ask our young men to spend the best years of their lives making soldiers of themselves. There is another sort of energy in us. It will know how to declare itself and make itself effective should occasion arise. And especially when half the world is on fire we shall be careful to make our moral insurance against the spread of the conflagration very definite and certain and adequate indeed.

Let us remind ourselves, therefore, of the only thing we can do or will do. We must depend in every time of national peril, in the future as in the past, not upon a standing army, nor yet upon a reserve army, but upon a citizenry trained and accustomed to arms. It will be right enough, right American policy, based upon our accustomed principles and practices, to provide a system by which every citizen who will volunteer for the training may be made familiar with the use of modern arms, the rudiments of drill and maneuver, and the maintenance and sanitation of camps. We should encourage such training and make it a means of discipline which our young men will learn to value.

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It is right that we should provide it not only, but that we should make it as attractive as possible, and so induce our young men to undergo it at such times as they can command a little freedom and can seek the physical development they need, for mere health's sake, if for nothing more. Every means by which such things can be stimulated is legitimate, and such a method smacks of true American ideas. It is right, too, that the National Guard of the States should be developed and strengthened by every means which is not inconsistent with our obligations to our own people or with the established policy of our Government. And this, also, not because the time or occasion specially calls for such measures, but because it should be our constant policy to make these provisions for our national peace and safety.

More than this carries with it a reversal of the whole history and character of our polity. More than this, proposed at this time, permit me to say, would mean merely that we had lost our self-possession, that we had been thrown off our balance by a war with which we have nothing to do, whose causes can not touch us, whose very existence affords us opportunities of friendship and disinterested service which should make us ashamed of any thought of hostility or fearful preparation for trouble. This is assuredly the opportunity for which a people and a government like ours were raised up, the opportunity not only to speak but actually to embody and exemplify the counsels of peace and amity and the lasting concord which is based on justice and fair and generous dealing.

A powerful navy we have always regarded as our proper and natural means of defense, and it has always been of defense that we have thought, never of aggression or of conquest. But who shall tell us now what sort of navy to build? We shall take leave to be strong upon the seas, in the future as in the past; and there will be no thought of offense or of provocation in that. Our ships are our natural bulwarks. When will the experts tell us just what kind we should construct-and when will they be right for ten years together, if the relative efficiency of craft of different kinds and uses continues to change as we have seen it change under our very eyes in these last few months?

But I turn away from the subject. It is not new. There is no new need to discuss it. We shall not alter our attitude toward it because some amongst us are nervous and excited. We shall easily and sensibly agree upon a policy of defense. The question has not changed its aspects because the times are not normal. Our policy will not be for an occasion. It will be conceived as a permanent and settled thing, which we will pursue at all seasons, without haste and after a fashion perfectly consistent with the peace of the world, the abiding friendship of states, and the unhampered freedom of all with whom we deal. Let there be no misconception. The country has been misinformed. We have not been negligent of national defense. We are not unmindful of the great responsibility resting upon us. We shall learn and profit by the lesson of every experience and every new circumstance; and what is needed will be adequately done.

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I close, as I began, by reminding you of the great tasks and duties of peace which challenge our best powers and invite us to build what will last, the tasks to which we can address ourselves now and at all times with free-hearted zest and with all the finest gifts of constructive wisdom we possess. To develop our life and our resources; to supply our own people, and the people of the world as their need arises, from the abundant plenty of our fields and our marts of trade to enrich the commerce of our own States and of the world with the products of our mines, our farms, and our factories, with the creations of our thought and the fruits of our character,-this is what will hold our attention and our enthusiasm steadily, now and in the years to come, as we strive to show in our life as a nation what liberty and the inspirations of an emancipated spirit may do for men and for societies, for individuals, for states, and for mankind.

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State of the Union Address
Woodrow Wilson
December 7, 1915

Gentlemen of the congress:

Since I last had the privilege of addressing you on the state of the Union the war of nations on the other side of the sea, which had then only begun to disclose its portentous proportions, has extended its threatening and sinister scope until it has swept within its flame some portion of every quarter of the globe, not excepting our own hemisphere, has altered the whole face of international affairs, and now presents a prospect of reorganization and reconstruction such as statesmen and peoples have never been called upon to attempt before.

We have stood apart, studiously neutral. It was our manifest duty to do so. Not only did we have no part or interest in the policies which seem to have brought the conflict on; it was necessary, if a universal catastrophe was to be avoided, that a limit should be set to the sweep of destructive war and that some part of the great family of nations should keep the processes of peace alive, if only to prevent collective economic ruin and the breakdown throughout the world of the industries by which its populations are fed and sustained. It was manifestly the duty of the self-governed nations of this hemisphere to redress, if possible, the balance of economic loss and confusion in the other, if they could do nothing more. In the day of readjustment and recuperation we earnestly hope and believe that they can be of infinite service.

In this neutrality, to which they were bidden not only by their separate life and their habitual detachment from the politics of Europe but also by a clear perception of international duty, the states of America have become conscious of a new and more vital community of interest and moral partnership in affairs, more clearly conscious of the many common sympathies and interests and duties which bid them stand together.

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There was a time in the early days of our own great nation and of the republics fighting their way to independence in Central and South America when the government of the United States looked upon itself as in some sort the guardian of the republics to the South of her as against any encroachments or efforts at political control from the other side of the water; felt it its duty to play the part even without invitation from them; and I think that we can claim that the task was undertaken with a true and disinterested enthusiasm for the freedom of the Americas and the unmolested Self-government of her independent peoples. But it was always difficult to maintain such a role without offense to the pride of the peoples whose freedom of action we sought to protect, and without provoking serious misconceptions of our motives, and every thoughtful man of affairs must welcome the altered circumstances of the new day in whose light we now stand, when there is no claim of guardianship or thought of wards but, instead, a full and honorable association as of partners between ourselves and our neighbors, in the interest of all America, north and south. Our concern for the independence and prosperity of the states of Central and South America is not altered. We retain unabated the spirit that has inspired us throughout the whole life of our government and which was so frankly put into words by President Monroe. We still mean always to make a common cause of national independence and of political liberty in America. But that purpose is now better understood so far as it concerns ourselves. It is known not to be a selfish purpose. It is known to have in it no thought of taking advantage of any government in this hemisphere or playing its political fortunes for our own benefit. All the governments of America stand, so far as we are concerned, upon a footing of genuine equality and unquestioned independence.

We have been put to the test in the case of Mexico, and we have stood the test. Whether we have benefited Mexico by the course we have pursued remains to be seen. Her fortunes are in her own hands. But we have at least proved that we will not take advantage of her in her distress and undertake to impose upon her an order and government of our own choosing. Liberty is often a fierce and intractable thing, to which no bounds can be set, and to which no bounds of a few men's choosing ought ever to be set. Every American who has drunk at the true fountains of principle and tradition must subscribe without reservation to the high doctrine of the Virginia Bill of Rights, which in the great days in which our government was set up was everywhere amongst us accepted as the creed of free men. That doctrine is, "That government is, or ought to be, instituted for the common benefit, protection, and security of the people, nation, or community"; that "of all the various modes and forms of government, that is the best which is capable of producing the greatest degree of happiness

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and safety, and is most effectually secured against the danger of maladministration; and that, when any government shall be found inadequate or contrary to these purposes, a majority of the community hath an indubitable, inalienable, and indefeasible right to reform, alter, or abolish it, in such manner as shall be judged most conducive to the public weal." We have unhesitatingly applied that heroic principle to the case of Mexico, and now hopefully await the rebirth of the troubled Republic, which had so much of which to purge itself and so little sympathy from any outside quarter in the radical but necessary process. We will aid and befriend Mexico, but we will not coerce her; and our course with regard to her ought to be sufficient proof to all America that we seek no political suzerainty or selfish control.

The moral is, that the states of America are not hostile rivals but cooperating friends, and that their growing sense of community or interest, alike in matters political and in matters economic, is likely to give them a new significance as factors in international affairs and in the political history of the world. It presents them as in a very deep and true sense a unit in world affairs, spiritual partners, standing together because thinking together, quick with common sympathies and common ideals. Separated they are subject to all the cross currents of the confused politics of a world of hostile rivalries; united in spirit and purpose they cannot be disappointed of their peaceful destiny.

This is Pan-Americanism. It has none of the spirit of empire in it. It is the embodiment, the effectual embodiment, of the spirit of law and independence and liberty and mutual service.

A very notable body of men recently met in the City of Washington, at the invitation and as the guests of this Government, whose deliberations are likely to be looked back to as marking a memorable turning point in the history of America. They were representative spokesmen of the several independent states of this hemisphere and were assembled to discuss the financial and commercial relations of the republics of the two continents which nature and political fortune have so intimately linked together. I earnestly recommend to your perusal the reports of their proceedings and of the actions of their committees. You will get from them, I think, a fresh conception of the ease and intelligence and advantage with which Americans of both continents may draw together in practical cooperation and of what the material foundations of this hopeful partnership of interest must consist,-of how we should build them and of how necessary it is that we should hasten their building.

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There is, I venture to point out, an especial significance just now attaching to this whole matter of drawing the Americans together in bonds of honorable partnership and mutual advantage because of the economic readjustments which the world must inevitably witness within the next generation, when peace shall have at last resumed its healthful tasks. In the performance of these tasks I believe the Americas to be destined to play their parts together. I am interested to fix your attention on this prospect now because unless you take it within your view and permit the full significance of it to command your thought I cannot find the right light in which to set forth the particular matter that lies at the very font of my whole thought as I address you to-day. I mean national defense.

No one who really comprehends the spirit of the great people for whom we are appointed to speak can fail to perceive that their passion is for peace, their genius best displayed in the practice of the arts of peace. Great democracies are not belligerent. They do not seek or desire war. Their thought is of individual liberty and of the free labor that supports life and the uncensored thought that quickens it. Conquest and dominion are not in our reckoning, or agreeable to our principles. But just because we demand unmolested development and the undisturbed government of our own lives upon our own principles of right and liberty, we resent, from whatever quarter it may come, the aggression we ourselves will not practice. We insist upon security in prosecuting our self-chosen lines of national development. We do more than that. We demand it also for others. We do not confine our enthusiasm for individual liberty and free national development to the incidents and movements of affairs which affect only ourselves. We feel it wherever there is a people that tries to walk in these difficult paths of independence and right. From the first we have made common cause with all partisans of liberty on this side the sea, and have deemed it as important that our neighbors should be free from all outside domination as that we ourselves should be. We have set America aside as a whole for the uses of independent nations and political freemen.

Out of such thoughts grow all our policies. We regard war merely as a means of asserting the rights of a people against aggression. And we are as fiercely jealous of coercive or dictatorial power within our own nation as of aggression from without. We will not maintain a standing army except for uses which are as necessary in times of peace as in times of war; and we shall always see to it that our military peace establishment is no larger than is actually and continuously needed for the uses of days in which no enemies move against us. But we do believe in a body of free citizens ready and sufficient to take care of themselves and of the governments which they have set up to serve them. In our constitutions themselves we have commanded that “the right of the people to keep and bear arms shall not be infringed,” and our confidence has been that our safety in times of danger would lie in the rising of the nation to take care of itself, as the farmers rose at Lexington.

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But war has never been a mere matter of men and guns. It is a thing of disciplined might. If our citizens are ever to fight effectively upon a sudden summons, they must know how modern fighting is done, and what to do when the summons comes to render themselves immediately available and immediately effective. And the government must be their servant in this matter, must supply them with the training they need to take care of themselves and of it. The military arm of their government, which they will not allow to direct them, they may properly use to serve them and make their independence secure,-and not their own independence merely but the rights also of those with whom they have made common cause, should they also be put in jeopardy. They must be fitted to play the great role in the world, and particularly in this hemisphere, for which they are qualified by principle and by chastened ambition to play.

It is with these ideals in mind that the plans of the Department of War for more adequate national defense were conceived which will be laid before you, and which I urge you to sanction and put into effect as soon as they can be properly scrutinized and discussed. They seem to me the essential first steps, and they seem to me for the present sufficient.

They contemplate an increase of the standing force of the regular army from its present strength of five thousand and twenty-three officers and one hundred and two thousand nine hundred and eighty-five enlisted men of all services to a strength of seven thousand one hundred and thirty-six officers and one hundred and thirty-four thousand seven hundred and seven enlisted men, or 141,843, all told, all services, rank and file, by the addition of fifty-two companies of coast artillery, fifteen companies of engineers, ten regiments of infantry, four regiments of field artillery, and four aero squadrons, besides seven hundred and fifty officers required for a great variety of extra service, especially the all important duty of training the citizen force of which I shall presently speak, seven hundred and ninety-two noncommissioned officers for service in drill, recruiting and the like, and the necessary quota of enlisted men for the Quartermaster Corps, the Hospital Corps, the Ordnance Department, and other similar auxiliary services. These are the additions necessary to render the army adequate for its present duties, duties which it has to perform not only upon our own continental coasts and borders and at our interior army posts, but also in the Philippines, in the Hawaiian Islands, at the Isthmus, and in Porto Rico.

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By way of making the country ready to assert some part of its real power promptly and upon a larger scale, should occasion arise, the plan also contemplates supplementing the army by a force of four hundred thousand disciplined citizens, raised in increments of one hundred and thirty-three thousand a year throughout a period of three years. This it is proposed to do by a process of enlistment under which the serviceable men of the country would be asked to bind themselves to serve with the colors for purposes of training for short periods throughout three years, and to come to the colors at call at any time throughout an additional “furlough” period of three years. This force of four hundred thousand men would be provided with personal accoutrements as fast as enlisted and their equipment for the field made ready to be supplied at any time. They would be assembled for training at stated intervals at convenient places in association with suitable units of the regular army. Their period of annual training would not necessarily exceed two months in the year.

It would depend upon the patriotic feeling of the younger men of the country whether they responded to such a call to service or not. It would depend upon the patriotic spirit of the employers of the country whether they made it possible for the younger men in their employ to respond under favorable conditions or not. I, for one, do not doubt the patriotic devotion either of our young men or of those who give them employment,—-those for whose benefit and protection they would in fact enlist. I would look forward to the success of such an experiment with entire confidence.

At least so much by way of preparation for defense seems to me to be absolutely imperative now. We cannot do less.

The programme which will be laid before you by the Secretary of the Navy is similarly conceived. It involves only a shortening of the time within which plans long matured shall be carried out; but it does make definite and explicit a programme which has heretofore been only implicit, held in the minds of the Committees on Naval Affairs and disclosed in the debates of the two Houses but nowhere formulated or formally adopted. It seems to me very clear that it will be to the advantage of the country for the Congress to adopt a comprehensive plan for putting the navy upon a final footing of strength and efficiency and to press that plan to completion within the next five years. We have always looked to the navy of the country as our first and chief line of defense; we have always seen it to be our manifest course of prudence to be strong on the seas. Year by year we have been creating a navy which now ranks very high indeed among the navies of the maritime nations. We should now definitely determine how we shall complete what we have begun, and how soon.

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The programme to be laid before you contemplates the construction within five years of ten battleships, six battle cruisers, ten scout cruisers, fifty destroyers, fifteen fleet submarines, eighty-five coast submarines, four gunboats, one hospital ship, two ammunition ships, two fuel oil ships, and one repair ship. It is proposed that of this number we shall the first year provide for the construction of two battleships, two battle cruisers, three scout cruisers, fifteen destroyers, five fleet submarines, twenty-five coast submarines, two gunboats, and one hospital ship; the second year, two battleships, one scout cruiser, ten destroyers, four fleet submarines, fifteen coast submarines, one gunboat, and one fuel oil ship; the third year, two battleships, one battle cruiser, two scout cruisers, five destroyers, two fleet sub marines, and fifteen coast submarines; the fourth year, two battleships, two battle cruisers, two scout cruisers, ten destroyers, two fleet submarines, fifteen coast submarines, one ammunition ship, and one fuel oil ship; and the fifth year, two battleships, one battle cruiser, two scout cruisers, ten destroyers, two fleet submarines, fifteen coast submarines, one gunboat, one ammunition ship, and one repair ship.

The Secretary of the Navy is asking also for the immediate addition to the personnel of the navy of seven thousand five hundred sailors, twenty-five hundred apprentice seamen, and fifteen hundred marines. This increase would be sufficient to care for the ships which are to be completed within the fiscal year 1917 and also for the number of men which must be put in training to man the ships which will be completed early in 1918. It is also necessary that the number of midshipmen at the Naval academy at Annapolis should be increased by at least three hundred in order that the force of officers should be more rapidly added to; and authority is asked to appoint, for engineering duties only, approved graduates of engineering colleges, and for service in the aviation corps a certain number of men taken from civil life.

If this full programme should be carried out we should have built or building in 1921, according to the estimates of survival and standards of classification followed by the General Board of the Department, an effective navy consisting of twenty-seven battleships of the first line, six battle cruisers, twenty-five battleships of the second line, ten armored cruisers, thirteen scout cruisers, five first class cruisers, three second class cruisers, ten third class cruisers, one hundred and eight destroyers, eighteen fleet submarines, one hundred and fifty-seven coast submarines, six monitors, twenty gunboats, four supply ships, fifteen fuel ships, four transports, three tenders to torpedo vessels, eight vessels of special types, and two ammunition ships. This would be a navy fitted to our needs and worthy of our traditions.

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But armies and instruments of war are only part of what has to be considered if we are to provide for the supreme matter of national self-sufficiency and security in all its aspects. There are other great matters which will be thrust upon our attention whether we will or not. There is, for example, a very pressing question of trade and shipping involved in this great problem of national adequacy. It is necessary for many weighty reasons of national efficiency and development that we should have a great merchant marine. The great merchant fleet we once used to make us rich, that great body of sturdy sailors who used to carry our flag into every sea, and who were the pride and often the bulwark of the nation, we have almost driven out of existence by inexcusable neglect and indifference and by a hopelessly blind and provincial policy of so-called economic protection. It is high time we repaired our mistake and resumed our commercial independence on the seas.

For it is a question of independence. If other nations go to war or seek to hamper each other's commerce, our merchants, it seems, are at their mercy, to do with as they please. We must use their ships, and use them as they determine. We have not ships enough of our own. We cannot handle our own commerce on the seas. Our independence is provincial, and is only on land and within our own borders. We are not likely to be permitted to use even the ships of other nations in rivalry of their own trade, and are without means to extend our commerce even where the doors are wide open and our goods desired. Such a situation is not to be endured. It is of capital importance not only that the United States should be its own carrier on the seas and enjoy the economic independence which only an adequate merchant marine would give it, but also that the American hemisphere as a whole should enjoy a like independence and self-sufficiency, if it is not to be drawn into the tangle of European affairs. Without such independence the whole question of our political unity and self-determination is very seriously clouded and complicated indeed.

Moreover, we can develop no true or effective American policy without ships of our own, —not ships of war, but ships of peace, carrying goods and carrying much more: creating friendships and rendering indispensable services to all interests on this side the water. They must move constantly back and forth between the Americas. They are the only shuttles that can weave the delicate fabric of sympathy, comprehension, confidence, and mutual dependence in which we wish to clothe our policy of America for Americans.

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The task of building up an adequate merchant marine for America private capital must ultimately undertake and achieve, as it has undertaken and achieved every other like task amongst us in the past, with admirable enterprise, intelligence, and vigor; and it seems to me a manifest dictate of wisdom that we should promptly remove every legal obstacle that may stand in the way of this much to be desired revival of our old independence and should facilitate in every possible way the building, purchase, and American registration of ships. But capital cannot accomplish this great task of a sudden. It must embark upon it by degrees, as the opportunities of trade develop. Something must be done at once; done to open routes and develop opportunities where they are as yet undeveloped; done to open the arteries of trade where the currents have not yet learned to run,-especially between the two American continents, where they are, singularly enough, yet to be created and quickened; and it is evident that only the government can undertake such beginnings and assume the initial financial risks. When the risk has passed and private capital begins to find its way in sufficient abundance into these new channels, the government may withdraw. But it cannot omit to begin. It should take the first steps, and should take them at once. Our goods must not lie piled up at our ports and stored upon side tracks in freight cars which are daily needed on the roads; must not be left without means of transport to any foreign quarter. We must not await the permission of foreign ship-owners and foreign governments to send them where we will.

With a view to meeting these pressing necessities of our commerce and availing ourselves at the earliest possible moment of the present unparalleled opportunity of linking the two Americas together in bonds of mutual interest and service, an opportunity which may never return again if we miss it now, proposals will be made to the present Congress for the purchase or construction of ships to be owned and directed by the government similar to those made to the last Congress, but modified in some essential particulars. I recommend these proposals to you for your prompt acceptance with the more confidence because every month that has elapsed since the former proposals were made has made the necessity for such action more and more manifestly imperative. That need was then foreseen; it is now acutely felt and everywhere realized by those for whom trade is waiting but who can find no conveyance for their goods. I am not so much interested in the particulars of the programme as I am in taking immediate advantage of the great opportunity which awaits us if we will but act in this emergency. In this matter, as in all others, a spirit of common counsel should prevail, and out of it should come an early solution of this pressing problem.

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There is another matter which seems to me to be very intimately associated with the question of national safety and preparation for defense. That is our policy towards the Philippines and the people of Porto Rico. Our treatment of them and their attitude towards us are manifestly of the first consequence in the development of our duties in the world and in getting a free hand to perform those duties. We must be free from every unnecessary burden or embarrassment; and there is no better way to be clear of embarrassment than to fulfil our promises and promote the interests of those dependent on us to the utmost. Bills for the alteration and reform of the government of the Philippines and for rendering fuller political justice to the people of Porto Rico were submitted to the sixty-third Congress. They will be submitted also to you. I need not particularize their details. You are most of you already familiar with them. But I do recommend them to your early adoption with the sincere conviction that there are few measures you could adopt which would more serviceably clear the way for the great policies by which we wish to make good, now and always, our right to lead in enterprises of peace and good will and economic and political freedom.

The plans for the armed forces of the nation which I have outlined, and for the general policy of adequate preparation for mobilization and defense, involve of course very large additional expenditures of money,-expenditures which will considerably exceed the estimated revenues of the government. It is made my duty by law, whenever the estimates of expenditure exceed the estimates of revenue, to call the attention of the Congress to the fact and suggest any means of meeting the deficiency that it may be wise or possible for me to suggest. I am ready to believe that it would be my duty to do so in any case; and I feel particularly bound to speak of the matter when it appears that the deficiency will arise directly out of the adoption by the Congress of measures which I myself urge it to adopt. Allow me, therefore, to speak briefly of the present state of the Treasury and of the fiscal problems which the next year will probably disclose.

On the thirtieth of June last there was an available balance in the general fund of the Treasury Of $104,170,105.78. The total estimated receipts for the year 1916, on the assumption that the emergency revenue measure passed by the last Congress will not be extended beyond its present limit, the thirty-first of December, 1915, and that the present duty of one cent per pound on sugar will be discontinued after the first of May, 1916, will be $670,365,500. The balance of June last and these estimated revenues come, therefore, to a grand total of $774,535,605-78. The total estimated disbursements for the present fiscal year, including twenty-five millions for the Panama Canal, twelve millions for probable deficiency appropriations, and fifty thousand dollars for miscellaneous debt

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redemptions, will be $753,891,000; and the balance in the general fund of the Treasury will be reduced to $20,644,605.78. The emergency revenue act, if continued beyond its present time limitation, would produce, during the half year then remaining, about forty-one millions. The duty of one cent per pound on sugar, if continued, would produce during the two months of the fiscal year remaining after the first of May, about fifteen millions. These two sums, amounting together to fifty-six millions, if added to the revenues of the second half of the fiscal year, would yield the Treasury at the end of the year an available balance Of $76,644,605-78.

The additional revenues required to carry out the programme of military and naval preparation of which I have spoken, would, as at present estimated, be for the fiscal year, 1917, $93,800,000. Those figures, taken with the figures for the present fiscal year which I have already given, disclose our financial problem for the year 1917. Assuming that the taxes imposed by the emergency revenue act and the present duty on sugar are to be discontinued, and that the balance at the close of the present fiscal year will be only $20,644,605.78, that the disbursements for the Panama Canal will again be about twenty-five millions, and that the additional expenditures for the army and navy are authorized by the Congress, the deficit in the general fund of the Treasury on the thirtieth of June, 1917, will be nearly two hundred and thirty-five millions. To this sum at least fifty millions should be added to represent a safe working balance for the Treasury, and twelve millions to include the usual deficiency estimates in 1917; and these additions would make a total deficit of some two hundred and ninety-seven millions. If the present taxes should be continued throughout this year and the next, however, there would be a balance in the Treasury of some seventy-six and a half millions at the end of the present fiscal year, and a deficit at the end of the next year of only some fifty millions, or, reckoning in sixty-two millions for deficiency appropriations and a safe Treasury balance at the end of the year, a total deficit of some one hundred and twelve millions. The obvious moral of the figures is that it is a plain counsel of prudence to continue all of the present taxes or their equivalents, and confine ourselves to the problem of providing one hundred and twelve millions of new revenue rather than two hundred and ninety-seven millions.

How shall we obtain the new revenue? We are frequently reminded that there are many millions of bonds which the Treasury is authorized under existing law to sell to reimburse the sums paid out of current revenues for the construction of the Panama Canal; and it is true that bonds to the amount of approximately $222,000,000 are now available for that purpose. Prior to 1913, $134,631,980 of these bonds had actually been sold to recoup the expenditures at the Isthmus; and

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now constitute a considerable item of the public debt. But I, for one, do not believe that the people of this country approve of postponing the payment of their bills. Borrowing money is short-sighted finance. It can be justified only when permanent things are to be accomplished which many generations will certainly benefit by and which it seems hardly fair that a single generation should pay for. The objects we are now proposing to spend money for cannot be so classified, except in the sense that everything wisely done may be said to be done in the interest of posterity as well as in our own. It seems to me a clear dictate of prudent statesmanship and frank finance that in what we are now, I hope, about to undertake we should pay as we go. The people of the country are entitled to know just what burdens of taxation they are to carry, and to know from the outset, now. The new bills should be paid by internal taxation.

To what sources, then, shall we turn? This is so peculiarly a question which the gentlemen of the House of Representatives are expected under the Constitution to propose an answer to that you will hardly expect me to do more than discuss it in very general terms. We should be following an almost universal example of modern governments if we were to draw the greater part or even the whole of the revenues we need from the income taxes. By somewhat lowering the present limits of exemption and the figure at which the surtax shall begin to be imposed, and by increasing, step by step throughout the present graduation, the surtax itself, the income taxes as at present apportioned would yield sums sufficient to balance the books of the Treasury at the end of the fiscal year 1917 without anywhere making the burden unreasonably or oppressively heavy. The precise reckonings are fully and accurately set out in the report of the Secretary of the Treasury which will be immediately laid before you.

And there are many additional sources of revenue which can justly be resorted to without hampering the industries of the country or putting any too great charge upon individual expenditure. A tax of one cent per gallon on gasoline and naphtha would yield, at the present estimated production, $10,000,000; a tax of fifty cents per horse power on automobiles and internal explosion engines, $15,000,000; a stamp tax on bank cheques, probably $18,000,000; a tax of twenty-five cents per ton on pig iron, $10,000,000; a tax of twenty-five cents per ton on fabricated iron and steel, probably $10,000,000. In a country of great industries like this it ought to be easy to distribute the burdens of taxation without making them anywhere bear too heavily or too exclusively upon any one set of persons or undertakings. What is clear is, that the industry of this generation should pay the bills of this generation.

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I have spoken to you to-day, Gentlemen, upon a single theme, the thorough preparation of the nation to care for its own security and to make sure of entire freedom to play the impartial role in this hemisphere and in the world which we all believe to have been providentially assigned to it. I have had in my mind no thought of any immediate or particular danger arising out of our relations with other nations. We are at peace with all the nations of the world, and there is reason to hope that no question in controversy between this and other Governments will lead to any serious breach of amicable relations, grave as some differences of attitude and policy have been land may yet turn out to be. I am sorry to say that the gravest threats against our national peace and safety have been uttered within our own borders. There are citizens of the United States, I blush to admit, born under other flags but welcomed under our generous naturalization laws to the full freedom and opportunity of America, who have poured the poison of disloyalty into the very arteries of our national life; who have sought to bring the authority and good name of our Government into contempt, to destroy our industries wherever they thought it effective for their vindictive purposes to strike at them, and to debase our politics to the uses of foreign intrigue. Their number is not great as compared with the whole number of those sturdy hosts by which our nation has been enriched in recent generations out of virile foreign stock; but it is great enough to have brought deep disgrace upon us and to have made it necessary that we should promptly make use of processes of law by which we may be purged of their corrupt distempers. America never witnessed anything like this before. It never dreamed it possible that men sworn into its own citizenship, men drawn out of great free stocks such as supplied some of the best and strongest elements of that little, but how heroic, nation that in a high day of old staked its very life to free itself from every entanglement that had darkened the fortunes of the older nations and set up a new standard here, that men of such origins and such free choices of allegiance would ever turn in malign reaction against the Government and people who had welcomed and nurtured them and seek to make this proud country once more a hotbed of European passion. A little while ago such a thing would have seemed incredible. Because it was incredible we made no preparation for it. We would have been almost ashamed to prepare for it, as if we were suspicious of ourselves, our own comrades and neighbors! But the ugly and incredible thing has actually come about and we are without adequate federal laws to deal with it. I urge you to enact such laws at the earliest possible moment and feel that in doing so I am urging you to do nothing less than save the honor and self-respect of the nation. Such creatures of passion, disloyalty, and anarchy must be crushed out. They are not many, but they

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are infinitely malignant, and the hand of our power should close over them at once. They have formed plots to destroy property, they have entered into conspiracies against the neutrality of the Government, they have sought to pry into every confidential transaction of the Government in order to serve interests alien to our own. It is possible to deal with these things very effectually. I need not suggest the terms in which they may be dealt with.

I wish that it could be said that only a few men, misled by mistaken sentiments of allegiance to the governments under which they were born, had been guilty of disturbing the self-possession and misrepresenting the temper and principles of the country during these days of terrible war, when it would seem that every man who was truly an American would instinctively make it his duty and his pride to keep the scales of judgment even and prove himself a partisan of no nation but his own. But it cannot. There are some men among us, and many resident abroad who, though born and bred in the United States and calling themselves Americans, have so forgotten themselves and their honor as citizens as to put their passionate sympathy with one or the other side in the great European conflict above their regard for the peace and dignity of the United States. They also preach and practice disloyalty. No laws, I suppose, can reach corruptions of the mind and heart; but I should not speak of others without also speaking of these and expressing the even deeper humiliation and scorn which every self-possessed and thoughtfully patriotic American must feel when he thinks of them and of the discredit they are daily bringing upon us.

While we speak of the preparation of the nation to make sure of her security and her effective power we must not fall into the patent error of supposing that her real strength comes from armaments and mere safeguards of written law. It comes, of course, from her people, their energy, their success in their undertakings, their free opportunity to use the natural resources of our great home land and of the lands outside our continental borders which look to us for protection, for encouragement, and for assistance in their development; from the organization and freedom and vitality of our economic life. The domestic questions which engaged the attention of the last Congress are more vital to the nation in this its time of test than at any other time. We cannot adequately make ready for any trial of our strength unless we wisely and promptly direct the force of our laws into these all-important fields of domestic action. A matter which it seems to me we should have very much at heart is the creation of the right instrumentalities by which to mobilize our economic resources in any time of national necessity. I take it for granted that I do not need your authority to call into systematic consultation with the directing officers of the army and navy men of recognized leadership and ability from among our

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citizens who are thoroughly familiar, for example, with the transportation facilities of the country and therefore competent to advise how they may be coordinated when the need arises, those who can suggest the best way in which to bring about prompt cooperation among the manufacturers of the country, should it be necessary, and those who could assist to bring the technical skill of the country to the aid of the Government in the solution of particular problems of defense. I only hope that if I should find it feasible to constitute such an advisory body the Congress would be willing to vote the small sum of money that would be needed to defray the expenses that would probably be necessary to give it the clerical and administrative Machinery with which to do serviceable work.

What is more important is, that the industries and resources of the country should be available and ready for mobilization. It is the more imperatively necessary, therefore, that we should promptly devise means for doing what we have not yet done: that we should give intelligent federal aid and stimulation to industrial and vocational education, as we have long done in the large field of our agricultural industry; that, at the same time that we safeguard and conserve the natural resources of the country we should put them at the disposal of those who will use them promptly and intelligently, as was sought to be done in the admirable bills submitted to the last Congress from its committees on the public lands, bills which I earnestly recommend in principle to your consideration; that we should put into early operation some provision for rural credits which will add to the extensive borrowing facilities already afforded the farmer by the Reserve Bank Act, adequate instrumentalities by which long credits may be obtained on land mortgages; and that we should study more carefully than they have hitherto been studied the right adaptation of our economic arrangements to changing conditions.

Many conditions about which we I-lave repeatedly legislated are being altered from decade to decade, it is evident, under our very eyes, and are likely to change even more rapidly and more radically in the days immediately ahead of us, when peace has returned to the world and the nations of Europe once more take up their tasks of commerce and industry with the energy of those who must bestir themselves to build anew. Just what these changes will be no one can certainly foresee or confidently predict. There are no calculable, because no stable, elements in the problem. The most we can do is to make certain that we have the necessary instrumentalities of information constantly at our service so that we may be sure that we know exactly what we are dealing with when we come to act, if it should be necessary to act at all. We must first certainly know what it is that we are seeking to adapt ourselves to. I may ask the privilege of addressing you more at length on this important matter a little later in your session.

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In the meantime may I make this suggestion? The transportation problem is an exceedingly serious and pressing one in this country. There has from time to time of late been reason to fear that our railroads would not much longer be able to cope with it successfully, as at present equipped and coordinated I suggest that it would be wise to provide for a commission of inquiry to ascertain by a thorough canvass of the whole question whether our laws as at present framed and administered are as serviceable as they might be in the solution of the problem. It is obviously a problem that lies at the very foundation of our efficiency as a people. Such an inquiry ought to draw out every circumstance and opinion worth considering and we need to know all sides of the matter if we mean to do anything in the field of federal legislation.

No one, I am sure, would wish to take any backward step. The regulation of the railways of the country by federal commission has had admirable results and has fully justified the hopes and expectations of those by whom the policy of regulation was originally proposed. The question is not what should we undo? It is, whether there is anything else we can do that would supply us with effective means, in the very process of regulation, for bettering the conditions under which the railroads are operated and for making them more useful servants of the country as a whole. It seems to me that it might be the part of wisdom, therefore, before further legislation in this field is attempted, to look at the whole problem of coordination and efficiency in the full light of a fresh assessment of circumstance and opinion, as a guide to dealing with the several parts of it.

For what we are seeking now, what in my mind is the single thought of this message, is national efficiency and security. We serve a great nation. We should serve it in the spirit of its peculiar genius. It is the genius of common men for self-government, industry, justice, liberty and peace. We should see to it that it lacks no instrument, no facility or vigor of law, to make it sufficient to play its part with energy, safety, and assured success. In this we are no partisans but heralds and prophets of a new age.

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State of the Union Address
Woodrow Wilson
December 5, 1916

Gentlemen of the congress:

In fulfilling at this time the duty laid upon me by the Constitution of communicating to you from time to time information of the state of the Union and recommending to your consideration such legislative measures as may be judged necessary and expedient, I shall continue the practice, which I hope has been acceptable to you, of leaving to the reports of the several heads of the executive departments the elaboration of the detailed needs of the public service and confine myself to those matters of more general public

policy with which it seems necessary and feasible to deal at the present session of the Congress.

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I realize the limitations of time under which you will necessarily act at this session and shall make my suggestions as few as possible; but there were some things left undone at the last session which there will now be time to complete and which it seems necessary in the interest of the public to do at once.

In the first place, it seems to me imperatively necessary that the earliest possible consideration and action should be accorded the remaining measures of the program of settlement and regulation which I had occasion to recommend to you at the close of your last session in view of the public dangers disclosed by the unaccommodated difficulties which then existed, and which still unhappily continue to exist, between the railroads of the country and their locomotive engineers, conductors and trainmen.

I then recommended:

First, immediate provision for the enlargement and administrative reorganization of the Interstate Commerce Commission along the lines embodied in the bill recently passed by the House of Representatives and now awaiting action by the Senate; in order that the Commission may be enabled to deal with the many great and various duties now devolving upon it with a promptness and thoroughness which are, with its present constitution and means of action, practically impossible.

Second, the establishment of an eight-hour day as the legal basis alike of work and wages in the employment of all railway employes who are actually engaged in the work of operating trains in interstate transportation.

Third, the authorization of the appointment by the President of a small body of men to observe actual results in experience of the adoption of the eight-hour day in railway transportation alike for the men and for the railroads.

Fourth, explicit approval by the Congress of the consideration by the Interstate Commerce Commission of an increase of freight rates to meet such additional expenditures by the railroads as may have been rendered necessary by the adoption of the eight-hour day and which have not been offset by administrative readjustments and economies, should the facts disclosed justify the increase.

Fifth, an amendment of the existing Federal statute which provides for the mediation, conciliation and arbitration of such controversies as the present by adding to it a provision that, in case the methods of accommodation now provided for should fail, a full public investigation of the merits of every such dispute shall be instituted and completed before a strike or lockout may lawfully be attempted.

And, sixth, the lodgment in the hands of the Executive of the power, in case of military necessity, to take control of such portions and such rolling stock of the railways of the country as may be required for military use and to operate them for military purposes,

with authority to draft into the military service of the United States such train crews and administrative officials as the circumstances require for their safe and efficient use.

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The second and third of these recommendations the Congress immediately acted on: it established the eight-hour day as the legal basis of work and wages in train service and it authorized the appointment of a commission to observe and report upon the practical results, deeming these the measures most immediately needed; but it postponed action upon the other suggestions until an opportunity should be offered for a more deliberate consideration of them.

The fourth recommendation I do not deem it necessary to renew. The power of the Interstate Commerce Commission to grant an increase of rates on the ground referred to is indisputably clear and a recommendation by the Congress with regard to such a matter might seem to draw in question the scope of the commission's authority or its inclination to do justice when there is no reason to doubt either.

The other suggestions-the increase in the Interstate Commerce Commission's membership and in its facilities for performing its manifold duties; the provision for full public investigation and assessment of industrial disputes, and the grant to the Executive of the power to control and operate the railways when necessary in time of war or other like public necessity-I now very earnestly renew.

The necessity for such legislation is manifest and pressing. Those who have entrusted us with the responsibility and duty of serving and safeguarding them in such matters would find it hard, I believe, to excuse a failure to act upon these grave matters or any unnecessary postponement of action upon them.

Not only does the Interstate Commerce Commission now find it practically impossible, with its present membership and organization, to perform its great functions promptly and thoroughly, but it is not unlikely that it may presently be found advisable to add to its duties still others equally heavy and exacting. It must first be perfected as an administrative instrument.

The country cannot and should not consent to remain any longer exposed to profound industrial disturbances for lack of additional means of arbitration and conciliation which the Congress can easily and promptly supply.

And all will agree that there must be no doubt as to the power of the Executive to make immediate and uninterrupted use of the railroads for the concentration of the military forces of the nation wherever they are needed and whenever they are needed.

This is a program of regulation, prevention and administrative efficiency which argues its own case in the mere statement of it. With regard to one of its items, the increase in the efficiency of the Interstate Commerce Commission, the House of Representatives has already acted; its action needs only the concurrence of the Senate.

I would hesitate to recommend, and I dare say the Congress would hesitate to act upon the suggestion should I make it, that any man in any I occupation should be obliged by law to continue in an employment which he desired to leave.

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To pass a law which forbade or prevented the individual workman to leave his work before receiving the approval of society in doing so would be to adopt a new principle into our jurisprudence, which I take it for granted we are not prepared to introduce.

But the proposal that the operation of the railways of the country shall not be stopped or interrupted by the concerted action of organized bodies of men until a public investigation shall have been instituted, which shall make the whole question at issue plain for the judgment of the opinion of the nation, is not to propose any such principle.

It is based upon the very different principle that the concerted action of powerful bodies of men shall not be permitted to stop the industrial processes of the nation, at any rate before the nation shall have had an opportunity to acquaint itself with the merits of the case as between employe and employer, time to form its opinion upon an impartial statement of the merits, and opportunity to consider all practicable means of conciliation or arbitration.

I can see nothing in that proposition but the justifiable safeguarding by society of the necessary processes of its very life. There is nothing arbitrary or unjust in it unless it be arbitrarily and unjustly done. It can and should be done with a full and scrupulous regard for the interests and liberties of all concerned as well as for the permanent interests of society itself.

Three matters of capital importance await the action of the Senate which have already been acted upon by the House of Representatives; the bill which seeks to extend greater freedom of combination to those engaged in promoting the foreign commerce of the country than is now thought by some to be legal under the terms of the laws against monopoly; the bill amending the present organic law of Porto Rico; and the bill proposing a more thorough and systematic regulation of the expenditure of money in elections, commonly called the Corrupt Practices Act.

I need not labor my advice that these measures be enacted into law. Their urgency lies in the manifest circumstances which render their adoption at this time not only opportune but necessary. Even delay would seriously jeopard the interests of the country and of the Government.

Immediate passage of the bill to regulate the expenditure of money in elections may seem to be less necessary than the immediate enactment of the other measures to which I refer, because at least two years will elapse before another election in which Federal offices are to be filled; but it would greatly relieve the public mind if this important matter were dealt with while the circumstances and the dangers to the public morals of the present method of obtaining and spending campaign funds stand clear under recent observation, and the methods of expenditure can be frankly studied in the light of present experience; and a delay would have the further very serious disadvantage of postponing action until another election was at hand and some special

object connected with it might be thought to be in the mind of those who urged it. Action can be taken now with facts for guidance and without suspicion of partisan purpose.

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I shall not argue at length the desirability of giving a freer hand in the matter of combined and concerted effort to those who shall undertake the essential enterprise of building up our export trade. That enterprise will presently, will immediately assume, has indeed already assumed a magnitude unprecedented in our experience. We have not the necessary instrumentalities for its prosecution; it is deemed to be doubtful whether they could be created upon an adequate scale under our present laws.

We should clear away all legal obstacles and create a basis of undoubted law for it which will give freedom without permitting unregulated license. The thing must be done now, because the opportunity is here and may escape us if we hesitate or delay.

The argument for the proposed amendments of the organic law of Porto Rico is brief and conclusive. The present laws governing the island and regulating the rights and privileges of its people are not just. We have created expectations of extended privilege which we have not satisfied. There is uneasiness among the people of the island and even a suspicious doubt with regard to our intentions concerning them which the adoption of the pending measure would happily remove. We do not doubt what we wish to do in any essential particular. We ought to do it at once.

At the last session of the Congress a bill was passed by the Senate which provides for the promotion of vocational and industrial education, which is of vital importance to the whole country because it concerns a matter, too long neglected, upon which the thorough industrial preparation of the country for the critical years of economic development immediately ahead of us in very large measure depends.

May I not urge its early and favorable consideration by the House of Representatives and its early enactment into law? It contains plans which affect all interests and all parts of the country, and I am sure that there is no legislation now pending before the Congress whose passage the country awaits with more thoughtful approval or greater impatience to see a great and admirable thing set in the way of being done.

There are other matters already advanced to the stage of conference between the two houses of which it is not necessary that I should speak. Some practicable basis of agreement concerning them will no doubt be found an action taken upon them.

Inasmuch as this is, gentlemen, probably the last occasion I shall have to address the Sixty-fourth Congress, I hope that you will permit me to say with what genuine pleasure and satisfaction I have co-operated with you in the many measures of constructive policy with which you have enriched the legislative annals of the country. It has been a privilege to labor in such company. I take the liberty of congratulating you upon the completion of a record of rare serviceableness and distinction.

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State of the Union Address
Woodrow Wilson
December 4, 1917

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Gentlemen of the congress:

Eight months have elapsed since I last had the honor of addressing you. They have been months crowded with events of immense and grave significance for us. I shall not undertake to detail or even to summarize those events. The practical particulars of the part we have played in them will be laid before you in the reports of the executive departments. I shall discuss only our present outlook upon these vast affairs, our present duties, and the immediate means of accomplishing the objects we shall hold always in view.

I shall not go back to debate the causes of the war. The intolerable wrongs done and planned against us by the sinister masters of Germany have long since become too grossly obvious and odious to every true American to need to be rehearsed. But I shall ask you to consider again and with a very grave scrutiny our objectives and the measures by which we mean to attain them; for the purpose of discussion here in this place is action, and our action must move straight toward definite ends. Our object is, of course, to win the war; and we shall not slacken or suffer ourselves to be diverted until it is won. But it is worth while asking and answering the question, When shall we consider the war won?

From one point of view it is not necessary to broach this fundamental matter. I do not doubt that the American people know what the war is about and what sort of an outcome they will regard as a realization of their purpose in it.

As a nation we are united in spirit and intention. I pay little heed to those who tell me otherwise. I hear the voices of dissent-who does not? I bear the criticism and the clamor of the noisily thoughtless and troublesome. I also see men here and there fling themselves in impotent disloyalty against the calm, indomitable power of the Nation. I hear men debate peace who understand neither its nature nor the way in which we may attain it with uplifted eyes and unbroken spirits. But I know that none of these speaks for the Nation. They do not touch the heart of anything. They may safely be left to strut their uneasy hour and be forgotten.

But from another point of view I believe that it is necessary to say plainly what we here at the seat of action consider the war to be for and what part we mean to play in the settlement of its searching issues. We are the spokesmen of the American people, and they have a right to know whether their purpose is ours. They desire peace by the overcoming of evil, by the defeat once for all of the sinister forces that interrupt peace and render it impossible, and they wish to know how closely our thought runs with theirs and what action we propose. They are impatient with those who desire peace by any sort of compromise deeply and indignantly impatient—but they will be equally impatient with us if we do not make it plain to them what our objectives are and what we are planning for in seeking to make conquest of peace by arms.

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I believe that I speak for them when I say two things: First, that this intolerable thing of which the masters of Germany have shown us the ugly face, this menace of combined intrigue and force which we now see so clearly as the German power, a thing without conscience or honor of capacity for covenanted peace, must be crushed and, if it be not utterly brought to an end, at least shut out from the friendly intercourse of the nations; and second, that when this thing and its power are indeed defeated and the time comes that we can discuss peace when the German people have spokesmen whose word we can believe and when those spokesmen are ready in the name of their people to accept the common judgment of the nations as to what shall henceforth be the bases of law and of covenant for the life of the world-we shall be willing and glad to pay the full price for peace, and pay it ungrudgingly.

We know what that price will be. It will be full, impartial justice-justice done at every point and to every nation that the final settlement must affect, our enemies as well as our friends.

You catch, with me, the voices of humanity that are in the air. They grow daily more audible, more articulate, more persuasive, and they come from the hearts of men everywhere. They insist that the war shall not end in vindictive action of any kind; that no nation or people shall be robbed or punished because the irresponsible rulers of a single country have themselves done deep and abominable wrong. It is this thought that has been expressed in the formula, “No annexations, no contributions, no punitive indemnities.”

Just because this crude formula expresses the instinctive judgment as to right of plain men everywhere, it has been made diligent use of by the masters of German intrigue to lead the people of Russia astray and the people of every other country their agents could reach-in order that a premature peace might be brought about before autocracy has been taught its final and convincing lesson and the people of the world put in control of their own destinies.

But the fact that a wrong use has been made of a just idea is no reason why a right use should not be made of it. It ought to be brought under the patronage of its real friends. Let it be said again that autocracy must first be shown the utter futility of its claim to power or leadership in the modern world. It is impossible to apply any standard of justice so long as such forces are unchecked and undefeated as the present masters of Germany command. Not until that has been done can right be set up as arbiter and peacemaker among the nations. But when that has been done-as, God willing, it assuredly will be-we shall at last be free to do an unprecedented thing, and this is the time to avow our purpose to do it. We shall be free to base peace on generosity and justice, to the exclusions of all selfish claims to advantage even on the part of the victors.

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Let there be no misunderstanding. Our present and immediate task is to win the war and nothing shall turn us aside from it until it is accomplished. Every power and resource we possess, whether of men, of money, or of materials, is being devoted and will continue to be devoted to that purpose until it is achieved. Those who desire to bring peace about before that purpose is achieved I counsel to carry their advice elsewhere. We will not entertain it. We shall regard the war as won only when the German people say to us, through properly accredited representatives, that they are ready to agree to a settlement based upon justice and reparation of the wrongs their rulers have done. They have done a wrong to Belgium which must be repaired. They have established a power over other lands and peoples than their own—over the great empire of Austria-Hungary, over hitherto free Balkan states, over Turkey and within Asia-which must be relinquished.

Germany's success by skill, by industry, by knowledge, by enterprise we did not grudge or oppose, but admired, rather. She had built up for herself a real empire of trade and influence, secured by the peace of the world. We were content to abide by the rivalries of manufacture, science and commerce that were involved for us in her success, and stand or fall as we had or did not have the brains and the initiative to surpass her. But at the moment when she had conspicuously won her triumphs of peace she threw them away, to establish in their stead what the world will no longer permit to be established, military and political domination by arms, by which to oust where she could not excel the rivals she most feared and hated. The peace we make must remedy that wrong. It must deliver the once fair lands and happy peoples of Belgium and Northern France from the Prussian conquest and the Prussian menace, but it must deliver also the peoples of Austria-Hungary, the peoples of the Balkans and the peoples of Turkey, alike in Europe and Asia, from the impudent and alien dominion of the Prussian military and commercial autocracy.

We owe it, however, to ourselves, to say that we do not wish in any way to impair or to rearrange the Austro-Hungarian Empire. It is no affair of ours what they do with their own life, either industrially or politically. We do not purpose or desire to dictate to them in any way. We only desire to see that their affairs are left in their own hands, in all matters, great or small. We shall hope to secure for the peoples of the Balkan peninsula and for the people of the Turkish Empire the right and opportunity to make their own lives safe, their own fortunes secure against oppression or injustice and from the dictation of foreign courts or parties.

And our attitude and purpose with regard to Germany herself are of a like kind. We intend no wrong against the German Empire, no interference with her internal affairs. We should deem either the one or the other absolutely unjustifiable, absolutely contrary to the principles we have professed to live by and to hold most sacred throughout our life as a nation.

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The people of Germany are being told by the men whom they now permit to deceive them and to act as their masters that they are fighting for the very life and existence of their empire, a war of desperate self-defense against deliberate aggression. Nothing could be more grossly or wantonly false, and we must seek by the utmost openness and candor as to our real aims to convince them of its falseness. We are in fact fighting for their emancipation from the fear, along with our own-from the fear as well as from the fact of unjust attack by neighbors or rivals or schemers after world empire. No one is threatening the existence or the independence of the peaceful enterprise of the German Empire.

The worst that can happen to the detriment the German people is this, that if they should still, after the war is over, continue to be obliged to live under ambitious and intriguing masters interested to disturb the peace of the world, men or classes of men whom the other peoples of the world could not trust, it might be impossible to admit them to the partnership of nations which must henceforth guarantee the world's peace. That partnership must be a partnership of peoples, not a mere partnership of governments. It might be impossible, also, in such untoward circumstances, to admit Germany to the free economic intercourse which must inevitably spring out of the other partnerships of a real peace. But there would be no aggression in that; and such a situation, inevitable, because of distrust, would in the very nature of things sooner or later cure itself, by processes which would assuredly set in.

The wrongs, the very deep wrongs, committed in this war will have to be righted. That, of course. But they cannot and must not be righted by the commission of similar wrongs against Germany and her allies. The world will not permit the commission of similar wrongs as a means of reparation and settlement. Statesmen must by this time have learned that the opinion of the world is everywhere wide awake and fully comprehends the issues involved. No representative of any self-governed nation will dare disregard it by attempting any such covenants of selfishness and compromise as were entered into at the Congress of Vienna. The thought of the plain people here and everywhere throughout the world, the people who enjoy no privilege and have very simple and unsophisticated standards of right and wrong, is the air all governments must henceforth breathe if they would live.

It is in the full disclosing light of that thought that all policies must be received and executed in this midday hour of the world's life. Ger. man rulers have been able to upset the peace of the world only because the German people were not suffered under their tutelage to share the comradeship of the other peoples of the world either in thought or in purpose. They were allowed to have no opinion of their own which might be set up as a rule of conduct for those who exercised authority over them. But the Congress that concludes this war will feel the full strength of the tides that run now in the hearts and consciences of free men everywhere. Its conclusions will run with those tides.

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All those things have been true from the very beginning of this stupendous war; and I cannot help thinking that if they had been made plain at the very outset the sympathy and enthusiasm of the Russian people might have been once for all enlisted on the side of the Allies, suspicion and distrust swept away, and a real and lasting union of purpose effected. Had they believed these things at the very moment of their revolution, and had they been confirmed in that belief since, the sad reverses which have recently marked the progress of their affairs towards an ordered and stable government of free men might have been avoided. The Russian people have been poisoned by the very same falsehoods that have kept the German people in the dark, and the poison has been administered by the very same hand. The only possible antidote is the truth. It cannot be uttered too plainly or too often.

From every point of view, therefore, it has seemed to be my duty to speak these declarations of purpose, to add these specific interpretations to what I took the liberty of saying to the Senate in January. Our entrance into the war has not altered out attitude towards the settlement that must come when it is over.

When I said in January that the nations of the world were entitled not only to free pathways upon the sea, but also to assured and unmolested access to those-pathways, I was thinking, and I am thinking now, not of the smaller and weaker nations alone which need our countenance and support, but also of the great and powerful nations and of our present enemies as well as our present associates in the war. I was thinking, and am thinking now, of Austria herself, among the rest, as well as of Serbia and of Poland.

Justice and equality of rights can be had only at a great price. We are seeking permanent, not temporary, foundations for the peace of the world, and must seek them candidly and fearlessly. As always, the right will prove to be the expedient.

What shall we do, then, to push this great war of freedom and justice to its righteous conclusion? We must clear away with a thorough hand all impediments to success, and we must make every adjustment of law that will facilitate the full and free use of our whole capacity and force as a fighting unit.

One very embarrassing obstacle that stands hi our way is that we are at war with Germany but not with her allies. I, therefore, very earnestly recommend that the Congress immediately declare the United States in a state of war with Austria-Hungary. Does it seem strange to you that this should be the conclusion of the argument I have just addressed to you? It is not. It is in fact the inevitable logic of what I have said. Austria-Hungary is for the time being not her own mistress but simply the vassal of the German Government.

We must face the facts as they are and act upon them without sentiment in this stern business. The Government of Austria and Hungary is not acting upon its own initiative

or in response to the wishes and feelings of its own peoples, but as the instrument of another nation. We must meet its force with our own and regard the Central Powers as but one. The war can be successfully conducted in no other way.

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The same logic would lead also to a declaration of war against Turkey and Bulgaria. They also are the tools of Germany, but they are mere tools and do not yet stand in the direct path of our necessary action. We shall go wherever the necessities of this war carry us, but it seems to me that we should go only where immediate and practical considerations lead us, and not heed any others.

The financial and military measures which must be adopted will suggest themselves as the war and its undertakings develop, but I will take the liberty of proposing to you certain other acts of legislation which seem to me to be needed for the support of the war and for the release of our whole force and energy.

It will be necessary to extend in certain particulars the legislation of the last session with regard to alien enemies, and also necessary, I believe, to create a very definite and particular control over the entrance and departure of all persons into and from the United States.

Legislation should be enacted defining as a criminal offense every wilful violation of the presidential proclamation relating to alien enemies promulgated under section 4o67 of the revised statutes and providing appropriate punishments; and women, as well as men, should be included under the terms of the acts placing restraints upon alien enemies.

It is likely that as time goes on many alien enemies will be willing to be fed and housed at the expense of the Government in the detention camps, and it would be the purpose of the legislation I have suggested to confine offenders among them in the penitentiaries and other similar institutions where they could be made to work as other criminals do.

Recent experience has convinced me that the Congress must go further in authorizing the Government to set limits to prices. The law of supply and demand, I am sorry to say, has been replaced by the law of unrestrained selfishness. While we have eliminated profiteering in several branches of industry, it still runs impudently rampant in others. The farmers for example, complain with a great deal of justice that, while the regulation of food prices restricts their incomes, no restraints are placed upon the prices of most of the things they must themselves purchase; and similar inequities obtain on all sides.

It is imperatively necessary that the consideration of the full use of the water power of the country, and also of the consideration of the systematic and yet economical development of such of the natural resources of the country as are still under the control of the Federal Government should be immediately resumed and affirmatively and constructively dealt with at the earliest possible moment. The pressing need of such legislation is daily becoming more obvious.

The legislation proposed at the last session with regard to regulated combinations among our exporters in order to provide for our foreign trade a more effective organization and method of co-operation ought by all means to be completed at this session.

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And I beg that the members of the House of Representatives will permit me to express the opinion that it will be impossible to deal in any but a very wasteful and extravagant fashion with the enormous appropriations of the public moneys which must continue to be made if the war is to be properly sustained, unless the House will consent to return to its former practice of initiating and preparing all appropriation bills through a single committee, in order that responsibility may be centered, expenditures standardized and made uniform, and waste and duplication as much as possible avoided.

Additional legislation may also become necessary before the present Congress again adjourns in order to effect the most efficient co-ordination and operation of the railways and other transportation systems of the country; but to that I shall, if circumstances should demand, call the attention of Congress upon another occasion.

If I have overlooked anything that ought to be done for the more effective conduct of the war, your own counsels will supply the omission. What I am perfectly clear about is that in the present session of the Congress our whole attention and energy should be concentrated on the vigorous, rapid and successful prosecution of the great task of winning the war.

We can do this with all the greater zeal and enthusiasm because we know that for us this is a war of high principle, debased by no selfish ambition of conquest or spoliation; because we know, and all the world knows, that we have been forced into it to save the very institutions we five under from corruption and destruction. The purpose of the Central Powers strikes straight at the very heart of everything we believe in; their methods of warfare outrage every principle of humanity and of knightly honor; their intrigue has corrupted the very thought and spirit of many of our people; their sinister and secret diplomacy has sought to take our very territory away from us and disrupt the union of the states. Our safety would be at an end, our honor forever sullied and brought into contempt, were we to permit their triumph. They are striking at the very existence of democracy and liberty.

It is because it is for us a war of high, disinterested purpose, in which all the free peoples of the world are banded together for the vindication of right, a war for the preservation of our nation, of all that it has held dear, of principle and of purpose, that we feel ourselves doubly constrained to propose for its outcome only that which is righteous and of irreproachable intention, for our foes as well as for our friends. The cause being just and holy, the settlement must be of like motive and equality. For this we can fight, but for nothing less noble or less worthy of our traditions. For this cause we entered the war and for this cause will we battle until the last gun is fired.

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I have spoken plainly because this seems to me the time when it is most necessary to speak plainly, in order that all the world may know that, even in the heat and ardor of the struggle and when our whole thought is of carrying the war through to its end, we have not forgotten any ideal or principle for which the name of America has been held in honor among the nations and for which it has been our glory to contend in the great generations that went before us. A supreme moment of history has come. The eyes of the people have been opened and they see. The hand of God is laid upon the nations. He will show them favor, I devoutly believe, only if they rise to the clear heights of His own justice and mercy.

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State of the Union Address
Woodrow Wilson
December 2, 1918

Gentlemen of the congress:

The year that has elapsed since I last stood before you to fulfil my constitutional duty to give to the Congress from time to time information on the state of the Union has been so crowded with great events, great processes, and great results that I cannot hope to give you an adequate picture of its transactions or of the far-reaching changes which have been wrought of our nation and of the world. You have yourselves witnessed these things, as I have. It is too soon to assess them; and we who stand in the midst of them and are part of them are less qualified than men of another generation will be to say what they mean, or even what they have been. But some great outstanding facts are unmistakable and constitute, in a sense, part of the public business with which it is our duty to deal. To state them is to set the stage for the legislative and executive action which must grow out of them and which we have yet to shape and determine.

A year ago we had sent 145,918 men overseas. Since then we have sent 1,950,513, an average of 162,542 each month, the number in fact rising, in May last, to 245,951, in June to 278,760, in July to 307,182, and continuing to reach similar figures in August and September, in August 289,570 and in September 257,438. No such movement of troops ever took place before, across three thousand miles of sea, followed by adequate equipment and supplies, and carried safely through extraordinary dangers of attack,-dangers which were alike strange and infinitely difficult to guard against. In all this movement only seven hundred and fifty-eight men were lost by enemy attack, six hundred and thirty of whom were upon a single English transport which was sunk near the Orkney Islands.

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I need not tell you what lay back of this great movement of men and material. It is not invidious to say that back of it lay a supporting organization of the industries of the country and of all its productive activities more complete, more thorough in method and effective in result, more spirited and unanimous in purpose and effort than any other great belligerent had been able to effect. We profited greatly by the experience of the nations which had already been engaged for nearly three years in the exigent and exacting business, their every resource and every executive proficiency taxed to the utmost. We were their pupils. But we learned quickly and acted with a promptness and a readiness of cooperation that justify our great pride that we were able to serve the world with unparalleled energy and quick accomplishment.

But it is not the physical scale and executive efficiency of preparation, supply, equipment and despatch that I would dwell upon, but the mettle and quality of the officers and men we sent over and of the sailors who kept the seas, and the spirit of the nation that stood behind them. No soldiers or sailors ever proved themselves more quickly ready for the test of battle or acquitted themselves with more splendid courage and achievement when put to the test. Those of us who played some part in directing the great processes by which the war was pushed irresistibly forward to the final triumph may now forget all that and delight our thoughts with the story of what our men did. Their officers understood the grim and exacting task they had undertaken and performed it with an audacity, efficiency, and unhesitating courage that touch the story of convoy and battle with imperishable distinction at every turn, whether the enterprise were great or small, from their great chiefs, Pershing and Sims, down to the youngest lieutenant; and their men were worthy of them,-such men as hardly need to be commanded, and go to their terrible adventure blithely and with the quick intelligence of those who know just what it is they would accomplish. I am proud to be the fellow-countryman of men of such stuff and valor. Those of us who stayed at home did our duty; the war could not have been won or the gallant men who fought it given their opportunity to win it otherwise; but for many a long day we shall think ourselves “accurs’d we were not there, and hold our manhoods cheap while any speaks that fought” with these at St. Mihiel or Thierry. The memory of those days of triumphant battle will go with these fortunate men to their graves; and each will have his favorite memory. “Old men forget; yet all shall be forgot, but hell remember with advantages what feats he did that day!”

What we all thank God for with deepest gratitude is that our men went in force into the line of battle just at the critical moment when the whole fate of the world seemed to hang in the balance and threw their fresh strength into the ranks of freedom in time to turn the whole tide and sweep of the fateful struggle,-turn it once for all, so that thenceforth it was back, back, back for their enemies, always back, never again forward! After that it was only a scant four months before the commanders of the Central Empires knew themselves beaten; and now their very empires are in liquidation!

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And throughout it all how fine the spirit of the nation was: what unity of purpose, what untiring zeal! What elevation of purpose ran through all its splendid display of strength, its untiring accomplishment! I have said that those of us who stayed at home to do the work of organization and supply will always wish that we had been with the men whom we sustained by our labor; but we can never be ashamed. It has been an inspiring thing to be here in the midst of fine men who had turned aside from every private interest of their own and devoted the whole of their trained capacity to the tasks that supplied the sinews of the whole great undertaking! The patriotism, the unselfishness, the thoroughgoing devotion and distinguished capacity that marked their toilsome labors, day after day, month after month, have made them fit mates and comrades of the men in the trenches and on the sea. And not the men here in Washington only. They have but directed the vast achievement. Throughout innumerable factories, upon innumerable farms, in the depths of coal mines and iron mines and copper mines, wherever the stuffs of industry were to be obtained and prepared, in the shipyards, on the railways, at the docks, on the sea, in every labor that was needed to sustain the battle lines, men have vied with each other to do their part and do it well. They can look any man-at-arms in the face, and say, We also strove to win and gave the best that was in us to make our fleets and armies sure of their triumph!

And what shall we say of the women,-of their instant intelligence, quickening every task that they touched; their capacity for organization and cooperation, which gave their action discipline and enhanced the effectiveness of everything they attempted; their aptitude at tasks to which they had never before set their hands; their utter self-sacrifice alike in what they did and in what they gave? Their contribution to the great result is beyond appraisal. They have added a new lustre to the annals of American womanhood.

The least tribute we can pay them is to make them the equals of men in political rights as they have proved themselves their equals in every field of practical work they have entered, whether for themselves or for their country. These great days of completed achievement would be sadly marred were we to omit that act of justice. Besides the immense practical services they have rendered the women of the country have been the moving spirits in the systematic economies by which our people have voluntarily assisted to supply the suffering peoples of the world and the armies upon every front with food and everything else that we had that might serve the common cause. The details of such a story can never be fully written, but we carry them at our hearts and thank God that we can say that we are the kinsmen of such.

And now we are sure of the great triumph for which every sacrifice was made. It has come, come in its completeness, and with the pride and inspiration of these days of achievement quick within us, we turn to the tasks of peace again,-a peace secure against the violence of irresponsible monarchs and ambitious military coteries and made ready for a new order, for new foundations of justice and fair dealing.

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We are about to give order and organization to this peace not only for ourselves but for the other peoples of the world as well, so far as they will suffer us to serve them. It is international justice that we seek, not domestic safety merely. Our thoughts have dwelt of late upon Europe, upon Asia, upon the near and the far East, very little upon the acts of peace and accommodation that wait to be performed at our own doors. While we are adjusting our relations with the rest of the world is it not of capital importance that we should clear away all grounds of misunderstanding with our immediate neighbors and give proof of the friendship we really feel? I hope that the members of the Senate will permit me to speak once more of the unratified treaty of friendship and adjustment with the Republic of Colombia. I very earnestly urge upon them an early and favorable action upon that vital matter. I believe that they will feel, with me, that the stage of affairs is now set for such action as will be not only just but generous and in the spirit of the new age upon which we have so happily entered.

So far as our domestic affairs are concerned the problem of our return to peace is a problem of economic and industrial readjustment. That problem is less serious for us than it may turn out too he for the nations which have suffered the disarrangements and the losses of war longer than we. Our people, moreover, do not wait to be coached and led. They know their own business, are quick and resourceful at every readjustment, definite in purpose, and self-reliant in action. Any leading strings we might seek to put them in would speedily become hopelessly tangled because they would pay no attention to them and go their own way. All that we can do as their legislative and executive servants is to mediate the process of change here, there, and elsewhere as we may. I have heard much counsel as to the plans that should be formed and personally conducted to a happy consummation, but from no quarter have I seen any general scheme of “reconstruction” emerge which I thought it likely we could force our spirited business men and self-reliant laborers to accept with due pliancy and obedience.

While the war lasted we set up many agencies by which to direct the industries of the country in the services it was necessary for them to render, by which to make sure of an abundant supply of the materials needed, by which to check undertakings that could for the time be dispensed with and stimulate those that were most serviceable in war, by which to gain for the purchasing departments of the Government a certain control over the prices of essential articles and materials, by which to restrain trade with alien enemies, make the most of the available shipping, and systematize financial transactions, both public and private, so that there would be no unnecessary conflict or confusion,-by which, in short, to put every material energy of the country

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in harness to draw the common load and make of us one team in the accomplishment of a great task. But the moment we knew the armistice to have been signed we took the harness off. Raw materials upon which the Government had kept its hand for fear there should not be enough for the industries that supplied the armies have been released and put into the general market again. Great industrial plants whose whole output and machinery had been taken over for the uses of the Government have been set free to return to the uses to which they were put before the war. It has not been possible to remove so readily or so quickly the control of foodstuffs and of shipping, because the world has still to be fed from our granaries and the ships are still needed to send supplies to our men overseas and to bring the men back as fast as the disturbed conditions on the other side of the water permit; but even there restraints are being relaxed as much as possible and more and more as the weeks go by.

Never before have there been agencies in existence in this country which knew so much of the field of supply, of labor, and of industry as the War Industries Board, the War Trade Board, the Labor Department, the Food Administration, and the Fuel Administration have known since their labors became thoroughly systematized; and they have not been isolated agencies; they have been directed by men who represented the permanent Departments of the Government and so have been the centres of unified and cooperative action. It has been the policy of the Executive, therefore, since the armistice was assured (which is in effect a complete submission of the enemy) to put the knowledge of these bodies at the disposal of the business men of the country and to offer their intelligent mediation at every point and in every matter where it was desired. It is surprising how fast the process of return to a peace footing has moved in the three weeks since the fighting stopped. It promises to outrun any inquiry that may be instituted and any aid that may be offered. It will not be easy to direct it any better than it will direct itself. The American business man is of quick initiative.

The ordinary and normal processes of private initiative will not, however, provide immediate employment for all of the men of our returning armies. Those who are of trained capacity, those who are skilled workmen, those who have acquired familiarity with established businesses, those who are ready and willing to go to the farms, all those whose aptitudes are known or will be sought out by employers will find no difficulty, it is safe to say, in finding place and employment. But there will be others who will be at a loss where to gain a livelihood unless pains are taken to guide them and put them in the way of work. There will be a large floating residuum of labor which should not be left wholly to shift for itself. It seems to me important, therefore, that the development of public works of every sort should be promptly resumed, in order that opportunities should be created for unskilled labor in particular, and that plans should be made for such developments of our unused lands and our natural resources as we have hitherto lacked stimulation to undertake.

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I particularly direct your attention to the very practical plans which the Secretary of the Interior has developed in his annual report and before your Committees for the reclamation of arid, swamp, and cutover lands which might, if the States were willing and able to cooperate, redeem some three hundred million acres of land for cultivation. There are said to be fifteen or twenty million acres of land in the West, at present arid, for whose reclamation water is available, if properly conserved. There are about two hundred and thirty million acres from which the forests have been cut but which have never yet been cleared for the plow and which lie waste and desolate. These lie scattered all over the Union. And there are nearly eighty million acres of land that lie under swamps or subject to periodical overflow or too wet for anything but grazing, which it is perfectly feasible to drain and protect and redeem. The Congress can at once direct thousands of the returning soldiers to the reclamation of the arid lands which it has already undertaken, if it will but enlarge the plans and appropriations which it has entrusted to the Department of the Interior. It is possible in dealing with our unused land to effect a great rural and agricultural development which will afford the best sort of opportunity to men who want to help themselves and the Secretary of the Interior has thought the possible methods out in a way which is worthy of your most friendly attention.

I have spoken of the control which must yet for a while, perhaps for a long long while, be exercised over shipping because of the priority of service to which our forces overseas are entitled and which should also be accorded the shipments which are to save recently liberated peoples from starvation and many devastated regions from permanent ruin. May I not say a special word about the needs of Belgium and northern France? No sums of money paid by way of indemnity will serve of themselves to save them from hopeless disadvantage for years to come. Something more must be done than merely find the money. If they had money and raw materials in abundance to-morrow they could not resume their place in the industry of the world to-morrow,-the very important place they held before the flame of war swept across them. Many of their factories are razed to the ground. Much of their machinery is destroyed or has been taken away. Their people are scattered and many of their best workmen are dead. Their markets will be taken by others, if they are not in some special way assisted to rebuild their factories and replace their lost instruments of manufacture. They should not be left to the vicissitudes of the sharp competition for materials and for industrial facilities which is now to set in. I hope, therefore, that the Congress will not be unwilling, if it should become necessary, to grant to some such agency as the War Trade Board the right to establish priorities of export and supply for the benefit of these people whom we have been so happy to assist in saving from the German terror and whom we must not now thoughtlessly leave to shift for themselves in a pitiless competitive market.

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For the steadying, and facilitation of our own domestic business readjustments nothing is more important than the immediate determination of the taxes that are to be levied for 1918, 1919, and 1920. As much of the burden of taxation must be lifted from business as sound methods of financing the Government will permit, and those who conduct the great essential industries of the country must be told as exactly as possible what obligations to the Government they will be expected to meet in the years immediately ahead of them. It will be of serious consequence to the country to delay removing all uncertainties in this matter a single day longer than the right processes of debate justify. It is idle to talk of successful and confident business reconstruction before those uncertainties are resolved.

If the war had continued it would have been necessary to raise at least eight billion dollars by taxation payable in the year 1919; but the war has ended and I agree with the Secretary of the Treasury that it will be safe to reduce the amount to six billions. An immediate rapid decline in the expenses of the Government is not to be looked for. Contracts made for war supplies will, indeed, be rapidly cancelled and liquidated, but their immediate liquidation will make heavy drains on the Treasury for the months just ahead of us. The maintenance of our forces on the other side of the sea is still necessary. A considerable proportion of those forces must remain in Europe during the period of occupation, and those which are brought home will be transported and demobilized at heavy expense for months to come. The interest on our war debt must of course be paid and provision made for the retirement of the obligations of the Government which represent it. But these demands will of course fall much below what a continuation of military operations would have entailed and six billions should suffice to supply a sound foundation for the financial operations of the year.

I entirely concur with the Secretary of the Treasury in recommending that the two billions needed in addition to the four billions provided by existing law be obtained from the profits which have accrued and shall accrue from war contracts and distinctively war business, but that these taxes be confined to the war profits accruing in 1918, or in 1919 from business originating in war contracts. I urge your acceptance of his recommendation that provision be made now, not subsequently, that the taxes to be paid in 1920 should be reduced from six to four billions. Any arrangements less definite than these would add elements of doubt and confusion to the critical period of industrial readjustment through which the country must now immediately pass, and which no true friend of the nation’s essential business interests can afford to be responsible for creating or prolonging. Clearly determined conditions, clearly and simply charted, are indispensable to the economic revival and rapid industrial development which may confidently be expected if we act now and sweep all interrogation points away.

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I take it for granted that the Congress will carry out the naval programme which was undertaken before we entered the war. The Secretary of the Navy has submitted to your Committees for authorization that part of the programme which covers the building plans of the next three years. These plans have been prepared along the lines and in accordance with the policy which the Congress established, not under the exceptional conditions of the war, but with the intention of adhering to a definite method of development for the navy. I earnestly recommend the uninterrupted pursuit of that policy. It would clearly be unwise for us to attempt to adjust our programmes to a future world policy as yet undetermined.

The question which causes me the greatest concern is the question of the policy to be adopted towards the railroads. I frankly turn to you for counsel upon it. I have no confident judgment of my own. I do not see how any thoughtful man can have who knows anything of the complexity of the problem. It is a problem which must be studied, studied immediately, and studied without bias or prejudice. Nothing can be gained by becoming partisans of any particular plan of settlement.

It was necessary that the administration of the railways should be taken over by the Government so long as the war lasted. It would have been impossible otherwise to establish and carry through under a single direction the necessary priorities of shipment. It would have been impossible otherwise to combine maximum production at the factories and mines and farms with the maximum possible car supply to take the products to the ports and markets; impossible to route troop shipments and freight shipments without regard to the advantage or-disadvantage of the roads employed; impossible to subordinate, when necessary, all questions of convenience to the public necessity; impossible to give the necessary financial support to the roads from the public treasury. But all these necessities have now been served, and the question is, What is best for the railroads and for the public in the future?

Exceptional circumstances and exceptional methods of administration were not needed to convince us that the railroads were not equal to the immense tasks of transportation imposed upon them by the rapid and continuous development of the industries of the country. We knew that already. And we knew that they were unequal to it partly because their full cooperation was rendered impossible by law and their competition made obligatory, so that it has been impossible to assign to them severally the traffic which could best be carried by their respective lines in the interest of expedition and national economy.

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We may hope, I believe, for the formal conclusion of the war by treaty by the time Spring has come. The twenty-one months to which the present control of the railways is limited after formal proclamation of peace shall have been made will run at the farthest, I take it for granted, only to the January of 1921. The full equipment of the railways which the federal administration had planned could not be completed within any such period. The present law does not permit the use of the revenues of the several roads for the execution of such plans except by formal contract with their directors, some of whom will consent while some will not, and therefore does not afford sufficient authority to undertake improvements upon the scale upon which it would be necessary to undertake them. Every approach to this difficult subject-matter of decision brings us face to face, therefore, with this unanswered question: What is it right that we should do with the railroads, in the interest of the public and in fairness to their owners?

Let me say at once that I have no answer ready. The only thing that is perfectly clear to me is that it is not fair either to the public or to the owners of the railroads to leave the question unanswered and that it will presently become my duty to relinquish control of the roads, even before the expiration of the statutory period, unless there should appear some clear prospect in the meantime of a legislative solution. Their release would at least produce one element of a solution, namely certainty and a quick stimulation of private initiative.

I believe that it will be serviceable for me to set forth as explicitly as possible the alternative courses that lie open to our choice. We can simply release the roads and go back to the old conditions of private management, unrestricted competition, and multiform regulation by both state and federal authorities; or we can go to the opposite extreme and establish complete government control, accompanied, if necessary, by actual government ownership; or we can adopt an intermediate course of modified private control, under a more unified and affirmative public regulation and under such alterations of the law as will permit wasteful competition to be avoided and a considerable degree of unification of administration to be effected, as, for example, by regional corporations under which the railways of definable areas would be in effect combined in single systems.

The one conclusion that I am ready to state with confidence is that it would be a disservice alike to the country and to the owners of the railroads to return to the old conditions unmodified. Those are conditions of restraint without development. There is nothing affirmative or helpful about them. What the country chiefly needs is that all its means of transportation should be developed, its railways, its waterways, its highways, and its countryside roads. Some new element of policy, therefore, is absolutely necessary—necessary

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for the service of the public, necessary for the release of credit to those who are administering the railways, necessary for the protection of their security holders. The old policy may be changed much or little, but surely it cannot wisely be left as it was. I hope that the Con will have a complete and impartial study of the whole problem instituted at once and prosecuted as rapidly as possible. I stand ready and anxious to release the roads from the present control and I must do so at a very early date if by waiting until the statutory limit of time is reached I shall be merely prolonging the period of doubt and uncertainty which is hurtful to every interest concerned.

I welcome this occasion to announce to the Congress my purpose to join in Paris the representatives of the governments with which we have been associated in the war against the Central Empires for the purpose of discussing with them the main features of the treaty of peace. I realize the great inconveniences that will attend my leaving the country, particularly at this time, but the conclusion that it was my paramount duty to go has been forced upon me by considerations which I hope will seem as conclusive to you as they have seemed to me.

The Allied governments have accepted the bases of peace which I outlined to the Congress on the eighth of January last, as the Central Empires also have, and very reasonably desire my personal counsel in their interpretation and application, and it is highly desirable that I should give it in order that the sincere desire of our Government to contribute without selfish purpose of any kind to settlements that will be of common benefit to all the nations concerned may be made fully manifest. The peace settlements which are now to be agreed upon are of transcendent importance both to us and to the rest of the world, and I know of no business or interest which should take precedence of them. The gallant men of our armed forces on land and sea have consciously fought for the ideals which they knew to be the ideals of their country; I have sought to express those ideals; they have accepted my statements of them as the substance of their own thought and purpose, as the associated governments have accepted them; I owe it to them to see to it, so far as in me lies, that no false or mistaken interpretation is put upon them, and no possible effort omitted to realize them. It is now my duty to play my full part in making good what they offered their life's blood to obtain. I can think of no call to service which could transcend this.

I shall be in close touch with you and with affairs on this side the water, and you will know all that I do. At my request, the French and English governments have absolutely removed the censorship of cable news which until within a fortnight they had maintained and there is now no censorship whatever exercised at this end except upon attempted trade communications with enemy countries. It has been necessary to

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keep an open wire constantly available between Paris and the Department of State and another between France and the Department of War. In order that this might be done with the least possible interference with the other uses of the cables, I have temporarily taken over the control of both cables in order that they may be used as a single system. I did so at the advice of the most experienced cable officials, and I hope that the results will justify my hope that the news of the next few months may pass with the utmost freedom and with the least possible delay from each side of the sea to the other.

May I not hope, Gentlemen of the Congress, that in the delicate tasks I shall have to perform on the other side of the sea, in my efforts truly and faithfully to interpret the principles and purposes of the country we love, I may have the encouragement and the added strength of your united support? I realize the magnitude and difficulty of the duty I am undertaking; I am poignantly aware of its grave responsibilities. I am the servant of the nation. I can have no private thought or purpose of my own in performing such an errand. I go to give the best that is in me to the common settlements which I must now assist in arriving at in conference with the other working heads of the associated governments. I shall count upon your friendly countenance and encouragement. I shall not be inaccessible. The cables and the wireless will render me available for any counsel or service you may desire of me, and I shall be happy in the thought that I am constantly in touch with the weighty matters of domestic policy with which we shall have to deal. I shall make my absence as brief as possible and shall hope to return with the happy assurance that it has been possible to translate into action the great ideals for which America has striven.

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State of the Union Address
Woodrow Wilson
December 2, 1919

To the Senate and house of representatives:

I sincerely regret that I cannot be present at the opening of this session of the Congress. I am thus prevented from presenting in as direct a way as I could wish the many questions that are pressing for solution at this time. Happily, I have had the advantage of the advice of the heads of the several executive departments who have kept in close touch with affairs in their detail and whose thoughtful recommendations I earnestly second.

In the matter of the railroads and the readjustment of their affairs growing out of Federal control, I shall take the liberty at a later date of addressing you.

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I hope that Congress will bring to a conclusion at this session legislation looking to the establishment of a budget system. That there should be one single authority responsible for the making of all appropriations and that appropriations should be made not independently of each other, but with reference to one single comprehensive plan of expenditure properly related to the nation's income, there can be no doubt I believe the burden of preparing the budget must, in the nature of the case, if the work is to be properly done and responsibility concentrated instead of divided, rest upon the executive. The budget so prepared should be submitted to and approved or amended by a single committee of each House of Congress and no single appropriation should be made by the Congress, except such as may have been included in the budget prepared by the executive or added by the particular committee of Congress charged with the budget legislation.

Another and not less important aspect of the problem is the ascertainment of the economy and efficiency with which the moneys appropriated are expended. Under existing law the only audit is for the purpose of ascertaining whether expenditures have been lawfully made within the appropriations. No one is authorized or equipped to ascertain whether the money has been spent wisely, economically and effectively. The auditors should be highly trained officials with permanent tenure in the Treasury Department, free of obligations to or motives of consideration for this or any subsequent administration, and authorized and empowered to examine into and make report upon the methods employed and the results obtained by the executive departments of the Government. Their reports should be made to the Congress and to the Secretary of the Treasury.

I trust that the Congress will give its immediate consideration to the problem of future taxation. Simplification of the income and profits taxes has become an immediate necessity. These taxes performed indispensable service during the war. They must, however, be simplified, not only to save the taxpayer inconvenience and expense, but in order that his liability may be made certain and definite.

With reference to the details of the Revenue Law, the Secretary of the Treasury and the Commissioner of Internal Revenue will lay before you for your consideration certain amendments necessary or desirable in connection with the administration of the law-recommendations which have my approval and support. It is of the utmost importance that in dealing with this matter the present law should not be disturbed so far as regards taxes for the calendar year 1920 payable in the calendar year 1921. The Congress might well consider whether the higher rates of income and profits taxes can in peace times be effectively productive of revenue, and whether they may not, on the contrary, be destructive of business activity and productive of waste and inefficiency. There is a point at which in peace times high rates of income and profits taxes discourage energy, remove the incentive to new enterprises, encourage extravagant expenditures and produce industrial stagnation with consequent unemployment and other attendant evils.

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The problem is not an easy one. A fundamental change has taken place with reference to the position of America in the world's affairs. The prejudice and passions engendered by decades of controversy between two schools of political and economic thought,-the one believers in protection of American industries, the other believers in tariff for revenue only,-must be subordinated to the single consideration of the public interest in the light of utterly changed conditions. Before the war America was heavily the debtor of the rest of the world and the interest payments she had to make to foreign countries on American securities held abroad, the expenditures of American travelers abroad and the ocean freight charges she had to pay to others, about balanced the value of her pre-war favorable balance of trade. During the war America's exports have been greatly stimulated, and increased prices have increased their value. On the other hand, she has purchased a large proportion of the American securities previously held abroad, has loaned some $9,000,000,000 to foreign governments, and has built her own ships. Our favorable balance of trade has thus been greatly increased and Europe has been deprived of the means of meeting it heretofore existing. Europe can have only three ways of meeting the favorable balance of trade in peace times: by imports into this country of gold or of goods, or by establishing new credits. Europe is in no position at the present time to ship gold to us nor could we contemplate large further imports of gold into this country without concern. The time has nearly passed for international governmental loans and it will take time to develop in this country a market for foreign securities. Anything, therefore, which would tend to prevent foreign countries from settling for our exports by shipments of goods into this country could only have the effect of preventing them from paying for our exports and therefore of preventing the exports from being made. The productivity of the country, greatly stimulated by the war, must find an outlet by exports to foreign countries, and any measures taken to prevent imports will inevitably curtail exports, force curtailment of production, load the banking machinery of the country with credits to carry unsold products and produce industrial stagnation and unemployment. If we want to sell, we must be prepared to buy. Whatever, therefore, may have been our views during the period of growth of American business concerning tariff legislation, we must now adjust our own economic life to a changed condition growing out of the fact that American business is full grown and that America is the greatest capitalist in the world.

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No policy of isolation will satisfy the growing needs and opportunities of America. The provincial standards and policies of the past, which have held American business as if in a strait-jacket, must yield and give way to the needs and exigencies of the new day in which we live, a day full of hope and promise for American business, if we will but take advantage of the opportunities that are ours for the asking. The recent war has ended our isolation and thrown upon us a great duty and responsibility. The United States must share the expanding world market. The United States desires for itself only equal opportunity with the other nations of the world, and that through the process of friendly cooperation and fair competition the legitimate interests of the nations concerned may be successfully and equitably adjusted.

There are other matters of importance upon which I urged action at the last session of Congress which are still pressing for solution. I am sure it is not necessary for me again to remind you that there is one immediate and very practicable question resulting from the war which we should meet in the most liberal spirit. It is a matter of recognition and relief to our soldiers. I can do no better than to quote from my last message urging this very action:

“We must see to it that our returning soldiers are assisted in every practicable way to find the places for which they are fitted in the daily work of the country. This can be done by developing and maintaining upon an adequate scale the admirable organization created by the Department of Labor for placing men seeking work; and it can also be done, in at least one very great field, by creating new opportunities for individual enterprise. The Secretary of the Interior has pointed out the way by which returning soldiers may be helped to find and take up land in the hitherto undeveloped regions of the country which the Federal Government has already prepared, or can readily prepare, for cultivation and also on many of the cutover or neglected areas which lie within the limits of the older states; and I once more take the liberty of recommending very urgently that his plans shall receive the immediate and substantial support of the Congress.”

In the matter of tariff legislation, I beg to call your attention to the statements contained in my last message urging legislation with reference to the establishment of the chemical and dyestuffs industry in America:

“Among the industries to which special consideration should be given is that of the manufacture of dyestuffs and related chemicals. Our complete dependence upon German supplies before the war made the interruption of trade a cause of exceptional economic disturbance. The close relation between the manufacture of dyestuffs, on the one hand, and of explosive and poisonous gases, on the other, moreover, has given the industry an exceptional significance and value. Although the

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United States will gladly and unhesitatingly join in the programme of international disarmament, it will, nevertheless, be a policy of obvious prudence to make certain of the successful maintenance of many strong and well-equipped chemical plants. The German chemical industry, with which we will be brought into competition, was and may well be again, a thoroughly knit monopoly capable of exercising a competition of a peculiarly insidious and dangerous kind."

During the war the farmer performed a vital and willing service to the nation. By materially increasing the production of his land, he supplied America and the Allies with the increased amounts of food necessary to keep their immense armies in the field. He indispensably helped to win the war. But there is now scarcely less need of increasing the production in food -and the necessaries of life. I ask the Congress to consider means of encouraging effort along these lines. The importance of doing everything possible to promote production along economical lines, to improve marketing, and to make rural life more attractive and healthful, is obvious. I would urge approval of the plans already proposed to the Congress by the Secretary of Agriculture, to secure the essential facts required for the proper study of this question, through the proposed enlarged programmes for farm management studies and crop estimates. I would urge, also, the continuance of Federal participation in the building of good roads, under the terms of existing law and under the direction of present agencies; the need of further action on the part of the States and the Federal Government to preserve and develop our forest resources, especially through the practice of better forestry methods on private holdings and the extension of the publicly owned forests; better support for country schools and the more definite direction of their courses of study along lines related to rural problems; and fuller provision for sanitation in rural districts and the building up of needed hospital and medical facilities in these localities. Perhaps the way might be cleared for many of these desirable reforms by a fresh, comprehensive survey made of rural conditions by a conference composed of representatives of the farmers and of the agricultural agencies responsible for leadership.

I would call your attention to the widespread condition of political restlessness in our body politic. The causes of this unrest, while various and complicated, are superficial rather than deep-seated. Broadly, they arise from or are connected with the failure on the part of our Government to arrive speedily at a just and permanent peace permitting return to normal conditions, from the transfusion of radical theories from seething European centers pending such delay, from heartless profiteering resulting in the increase of the cost of living, and lastly from the machinations of passionate and malevolent agitators. With the return to normal conditions, this unrest will

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rapidly disappear. In the meantime, it does much evil. It seems to me that in dealing with this situation Congress should not be impatient or drastic but should seek rather to remove the causes. It should endeavor to bring our country back speedily to a peace basis, with ameliorated living conditions under the minimum of restrictions upon personal liberty that is consistent with our reconstruction problems. And it should arm the Federal Government with power to deal in its criminal courts with those persons who by violent methods would abrogate our time-tested institutions. With the free expression of opinion and with the advocacy of orderly political change, however fundamental, there must be no interference, but towards passion and malevolence tending to incite crime and insurrection under guise of political evolution there should be no leniency. Legislation to this end has been recommended by the Attorney General and should be enacted. In this direct connection, I would call your attention to my recommendations on August 8th, pointing out legislative measures which would be effective in controlling and bringing down the present cost of living, which contributes so largely to this unrest. On only one of these recommendations has the Congress acted. If the Government's campaign is to be effective, it is necessary that the other steps suggested should be acted on at once.

I renew and strongly urge the necessity of the extension of the present Food Control Act as to the period of time in which it shall remain in operation. The Attorney General has submitted a bill providing for an extension of this Act for a period of six months. As it now stands, it is limited in operation to the period of the war and becomes inoperative upon the formal proclamation of peace. It is imperative that it should be extended at once. The Department of justice has built up extensive machinery for the purpose of enforcing its provisions; all of which must be abandoned upon the conclusion of peace unless the provisions of this Act are extended.

During this period the Congress will have an opportunity to make similar permanent provisions and regulations with regard to all goods destined for interstate commerce and to exclude them from interstate shipment, if the requirements of the law are not compiled with. Some such regulation is imperatively necessary. The abuses that have grown up in the manipulation of prices by the withholding of foodstuffs and other necessaries of life cannot otherwise be effectively prevented. There can be no doubt of either the necessity of the legitimacy of such measures.

As I pointed out in my last message, publicity can accomplish a great deal in this campaign. The aims of the Government must be clearly brought to the attention of the consuming public, civic organizations and state officials, who are in a position to lend their assistance to our efforts. You have made available funds with which to carry on this campaign, but there is no provision in the law authorizing their expenditure for the purpose of making the public fully informed about the efforts of the Government. Specific recommendation has been made by the Attorney General in this regard. I

would strongly urge upon you its immediate adoption, as it constitutes one of the preliminary steps to this campaign.

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I also renew my recommendation that the Congress pass a law regulating cold storage as it is regulated, for example, by the laws of the State of New Jersey, which limit the time during which goods may be kept in storage, prescribe the method of disposing of them if kept beyond the permitted period, and require that goods released from storage shall in all cases bear the date of their receipt. It would materially add to the serviceability of the law, for the purpose we now have in view, if it were also prescribed that all goods released from storage for interstate shipment should have plainly marked upon each package the selling or market price at which they went into storage. By this means the purchaser would always be able to learn what profits stood between him and the producer or the wholesale dealer.

I would also renew my recommendation that all goods destined for interstate commerce should in every case, where their form or package makes it possible, be plainly marked with the price at which they left the hands of the producer.

We should formulate a law requiring a Federal license of all corporations engaged in interstate commerce and embodying in the license or in the conditions under which it is to be issued, specific regulations designed to secure competitive selling and prevent unconscionable profits in the method of marketing. Such a law would afford a welcome opportunity to effect other much needed reforms in the business of interstate shipment and in the methods of corporations which are engaged in it; but for the moment I confine my recommendations to the object immediately in hand, which is to lower the cost of living.

No one who has observed the march of events in the last year can fail to note the absolute need of a definite programme to bring about an improvement in the conditions of labor. There can be no settled conditions leading to increased production and a reduction in the cost of living if labor and capital are to be antagonists instead of partners. Sound thinking and an honest desire to serve the interests of the whole nation, as distinguished from the interests of a class, must be applied to the solution of this great and pressing problem. The failure of other nations to consider this matter in a vigorous way has produced bitterness and jealousies and antagonisms, the food of radicalism. The only way to keep men from agitating against grievances is to remove the grievances. An unwillingness even to discuss these matters produces only dissatisfaction and gives comfort to the extreme elements in our country which endeavor to stir up disturbances in order to provoke governments to embark upon a course of retaliation and repression. The seed of revolution is repression. The remedy for these things must not be negative in character. It must be constructive. It must comprehend the general interest. The real antidote for the unrest which manifests itself is not suppression, but a deep consideration of the wrongs that beset our national life and the application of a remedy.

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Congress has already shown its willingness to deal with these industrial wrongs by establishing the eight-hour day as the standard in every field of labor. It has sought to find a way to prevent child labor. It has served the whole country by leading the way in developing the means of preserving and safeguarding lives and health in dangerous industries. It must now help in the difficult task of finding a method that will bring about a genuine democratization of industry, based upon the full recognition of the right of those who work, in whatever rank, to participate in some organic way in every decision which directly affects their welfare. It is with this purpose in mind that I called a conference to meet in Washington on December 1st, to consider these problems in all their broad aspects, with the idea of bringing about a better understanding between these two interests.

The great unrest throughout the world, out of which has emerged a demand for an immediate consideration of the difficulties between capital and labor, bids us put our own house in order. Frankly, there can be no permanent and lasting settlements between capital and labor which do not recognize the fundamental concepts for which labor has been struggling through the years. The whole world gave its recognition and endorsement to these fundamental purposes in the League of Notions. The statesmen gathered at Versailles recognized the fact that world stability could not be had by reverting to industrial standards and conditions against which the average workman of the world had revolted. It is, therefore, the task of the states men of this new day of change and readjustment to recognize world conditions and to seek to bring about, through legislation, conditions that will mean the ending of age-long antagonisms between capital and labor and that will hopefully lead to the building up of a comradeship which will result not only in greater contentment among the mass of workmen but also bring about a greater production and a greater prosperity to business itself.

To analyze the particulars in the demands of labor is to admit the justice of their complaint in many matters that lie at their basis. The workman demands an adequate wage, sufficient to permit him to live in comfort, unhampered by the fear of poverty and want in his old age. He demands the right to live and the right to work amidst sanitary surroundings, both in home and in workshop, surroundings that develop and do not retard his own health and wellbeing; and the right to provide for his children’s wants in the matter of health and education. In other words, it is his desire to make the conditions of his life and the lives of those dear to him tolerable and easy to bear.

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The establishment of the principles regarding labor laid down ill the covenant of the League of Nations offers us the way to industrial peace and conciliation. No other road lies open to us. Not to pursue this one is longer to invite enmities, bitterness, and antagonisms which in the end only lead to industrial and social disaster. The unwilling workman is not a profitable servant. An employee whose industrial life is hedged about by hard and unjust conditions, which he did not create and over which he has no control, lacks that fine spirit of enthusiasm and volunteer effort which are the necessary ingredients of a great producing entity. Let us be frank about this solemn matter. The evidences of world-wide unrest which manifest themselves in violence throughout the world bid us pause and consider the means to be found to stop the spread of this contagious thing before it saps the very vitality of the nation itself. Do we gain strength by withholding the remedy? Or is it not the business of statesmen to treat these manifestations of unrest which meet us on every hand as evidences of an economic disorder and to apply constructive remedies wherever necessary, being sure that in the application of the remedy we touch not the vital tissues of our industrial and economic life? There can be no recession of the tide of unrest until constructive instrumentalities are set up to stem that tide.

Governments must recognize the right of men collectively to bargain for humane objects that have at their base the mutual protection and welfare of those engaged in all industries. Labor must not be longer treated as a commodity. It must be regarded as the activity of human beings, possessed of deep yearnings and desires. The business man gives his best thought to the repair and replenishment of his machinery, so that its usefulness will not be impaired and its power to produce may always be at its height and kept in full vigor and motion. No less regard ought to be paid to the human machine, which after all propels the machinery of the world and is the great dynamic force that lies back of all industry and progress. Return to the old standards of wage and industry in employment are unthinkable. The terrible tragedy of war which has just ended and which has brought the world to the verge of chaos and disaster would be in vain if there should ensue a return to the conditions of the past. Europe itself, whence has come the unrest which now holds the world at bay, is an example of standpatism in these vital human matters which America might well accept as an example, not to be followed but studiously to be avoided. Europe made labor the differential, and the price of it all is enmity and antagonism and prostrated industry, The right of labor to live in peace and comfort must be recognized by governments and America should be the first to lay the foundation stones upon which industrial peace shall be built.

Labor not only is entitled to an adequate wage, but capital should receive a reasonable return upon its investment and is entitled to protection at the hands of the Government in every emergency. No Government worthy of the name can “play” these elements against each other, for there is a mutuality of interest between them which the Government must seek to express and to safeguard at all cost.

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The right of individuals to strike is inviolate and ought not to be interfered with by any process of Government, but there is a predominant right and that is the right of the Government to protect all of its people and to assert its power and majesty against the challenge of any class. The Government, when it asserts that right, seeks not to antagonize a class but simply to defend the right of the whole people as against the irreparable harm and injury that might be done by the attempt by any class to usurp a power that only Government itself has a right to exercise as a protection to all.

In the matter of international disputes which have led to war, statesmen have sought to set up as a remedy arbitration for war. Does this not point the way for the settlement of industrial disputes, by the establishment of a tribunal, fair and just alike to all, which will settle industrial disputes which in the past have led to war and disaster? America, witnessing the evil consequences which have followed out of such disputes between these contending forces, must not admit itself impotent to deal with these matters by means of peaceful processes. Surely, there must be some method of bringing together in a council of peace and amity these two great interests, out of which will come a happier day of peace and cooperation, a day that will make men more hopeful and enthusiastic in their various tasks, that will make for more comfort and happiness in living and a more tolerable condition among all classes of men. Certainly human intelligence can devise some acceptable tribunal for adjusting the differences between capital and labor.

This is the hour of test and trial for America. By her prowess and strength, and the indomitable courage of her soldiers, she demonstrated her power to vindicate on foreign battlefields her conceptions of liberty and justice. Let not her influence as a mediator between capital and labor be weakened and her own failure to settle matters of purely domestic concern be proclaimed to the world. There are those in this country who threaten direct action to force their will, upon a majority. Russia today, with its blood and terror, is a painful object lesson of the power of minorities. It makes little difference what minority it is; whether capital or labor, or any other class; no sort of privilege will ever be permitted to dominate this country. We are a partnership or nothing that is worth while. We are a democracy, where the majority are the masters, or all the hopes and purposes of the men who founded this government have been defeated and forgotten. In America there is but one way by which great reforms can be accomplished and the relief sought by classes obtained, and that is through the orderly processes of representative government. Those who would propose any other method of reform are enemies of this country. America will not be daunted by threats nor lose her composure or calmness in these

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distressing times. We can afford, in the midst of this day of passion and unrest, to be self-contained and sure. The instrument of all reform in America is the ballot. The road to economic and social reform in America is the straight road of justice to all classes and conditions of men. Men have but to follow this road to realize the full fruition of their objects and purposes. Let those beware who would take the shorter road of disorder and revolution. The right road is the road of justice and orderly process.

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State of the Union Address
Woodrow Wilson
December 7, 1920

Gentlemen of the congress:

When I addressed myself to performing the duty laid upon the President by the Constitution to present to you an annual report on the state of the Union, I found my thought dominated by an immortal sentence of Abraham Lincoln's—"Let us have faith that right makes might, and in that faith let us dare to do our duty as we understand it"—a sentence immortal because it embodies in a form of utter simplicity and purity the essential faith of the nation, the faith in which it was conceived, and the faith in which it has grown to glory and power. With that faith and the birth of a nation founded upon it came the hope into the world that a new order would prevail throughout the affairs of mankind, an order in which reason and right would take precedence over covetousness and force; and I believe that I express the wish and purpose of every thoughtful American when I say that this sentence marks for us in the plainest manner the part we should play alike in the arrangement of our domestic affairs and in our exercise of influence upon the affairs of the world.

By this faith, and by this faith alone, can the world be lifted out of its present confusion and despair. It was this faith which prevailed over the wicked force of Germany. You will remember that the beginning of the end of the war came when the German people found themselves face to face with the conscience of the world and realized that right was everywhere arrayed against the wrong that their government was attempting to perpetrate. I think, therefore, that it is true to say that this was the faith which won the war. Certainly this is the faith with which our gallant men went into the field and out upon the seas to make sure of victory.

This is the mission upon which Democracy came into the world. Democracy is an assertion of the right of the individual to live and to be treated justly as against any attempt on the part of any combination of individuals to make laws which will overburden him or which will destroy his equality among his fellows in the matter of right

or privilege; and I think we all realize that the day has come when Democracy is being put upon its final test. The Old World is just now suffering from a wanton rejection of the principle of democracy and a substitution of the principle of autocracy as asserted in the name, but without the authority and sanction, of the multitude. This is the time of all others when Democracy should prove its purity and its spiritual power to prevail. It is surely the manifest destiny of the United States to lead in the attempt to make this spirit prevail.

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There are two ways in which the United States can assist to accomplish this great object. First, by offering the example within her own borders of the will and power of Democracy to make and enforce laws which are unquestionably just and which are equal in their administration-laws which secure its full right to Labor and yet at the same time safeguard the integrity of property, and particularly of that property which is devoted to the development of industry and the increase of the necessary wealth of the world. Second, by standing for right and justice as toward individual nations. The law of Democracy is for the protection of the weak, and the influence of every democracy in the world should be for the protection of the weak nation, the nation which is struggling toward its right and toward its proper recognition and privilege in the family of nations.

The United States cannot refuse this role of champion without putting the stigma of rejection upon the great and devoted men who brought its government into existence and established it in the face of almost universal opposition and intrigue, even in the face of wanton force, as, for example, against the Orders in Council of Great Britain and the arbitrary Napoleonic decrees which involved us in what we know as the War of 1812.

I urge you to consider that the display of an immediate disposition on the part of the Congress to remedy any injustices or evils that may have shown themselves in our own national life will afford the most effectual offset to the forces of chaos and tyranny which are playing so disastrous a part in the fortunes of the free peoples of more than one part of the world. The United States is of necessity the sample democracy of the world, and the triumph of Democracy depends upon its success.

Recovery from the disturbing and sometimes disastrous effects of the late war has been exceedingly slow on the other side of the water, and has given promise, I venture-to say, of early completion only in our own fortunate country; but even with us the recovery halts and is impeded at times, and there are immediately serviceable acts of legislation which it seems to me we ought to attempt, to assist that recovery and prove the indestructible recuperative force of a great government of the people. One of these is to prove that a great democracy can keep house as successfully and in as business-like a fashion as any other government. It seems to me that the first step toward providing this is to supply ourselves with a systematic method of handling our estimates and expenditures and bringing them to the point where they will not be an unnecessary strain upon our income or necessitate unreasonable taxation; in other words, a workable budget system. And I respectfully suggest that two elements are essential to such a system-namely, not only that the proposal of appropriations should be in the hands of a single body, such as a single appropriations committee in each house of the Congress, but also that this body should be brought into such cooperation with the Departments of the Government and with the Treasury of the United States as would enable it to act upon a complete conspectus of the needs of the Government and the resources from which it must draw its income.

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I reluctantly vetoed the budget bill passed by the last session of the Congress because of a constitutional objection. The House of Representatives subsequently modified the bill in order to meet this objection. In the revised form, I believe that the bill, coupled with action already taken by the Congress to revise its rules and procedure, furnishes the foundation for an effective national budget system. I earnestly hope, therefore, that one of the first steps to be taken by the present session of the Congress will be to pass the budget bill.

The nation's finances have shown marked improvement during the last year. The total ordinary receipts of $6,694,000,000 for the fiscal year 1920 exceeded those for 1919 by $1,542,000,000, while the total net ordinary expenditures decreased from $18,514,000,000 to $6,403,000,000. The gross public debt, which reached its highest point on August 31, 1919, when it was $26,596,000,000, had dropped on November 30, 1920, to $24,175,000,000.

There has also been a marked decrease in holdings of government war securities by the banking institutions of the country, as well as in the amount of bills held by the Federal Reserve Banks secured by government war obligations. This fortunate result has relieved the banks and left them freer to finance the needs of Agriculture, Industry, and Commerce. It has been due in large part to the reduction of the public debt, especially of the floating debt, but more particularly to the improved distribution of government securities among permanent investors. The cessation of the Government's borrowings, except through short-term certificates of indebtedness, has been a matter of great consequence to the people of the country at large, as well as to the holders of Liberty Bonds and Victory Notes, and has had an important bearing on the matter of effective credit control.

The year has been characterized by the progressive withdrawal of the Treasury from the domestic credit market and from a position of dominant influence in that market. The future course will necessarily depend upon the extent to which economies are practiced and upon the burdens placed upon the Treasury, as well as upon industrial developments and the maintenance of tax receipts at a sufficiently high level. The fundamental fact which at present dominates the Government's financial situation is that seven and a half billions of its war indebtedness mature within the next two and a half years. Of this amount, two and a half billions are floating debt and five billions, Victory Notes and War. Savings Certificates. The fiscal program of the Government must be determined with reference to these maturities. Sound policy demands that Government expenditures be reduced to the lowest amount which will permit the various services to operate efficiently and that Government receipts from taxes and salvage be maintained sufficiently high to provide for current requirements, including interest and sinking fund charges on the public debt, and at the same time retire the floating debt and part of the Victory Loan before maturity.

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With rigid economy, vigorous salvage operations, and adequate revenues from taxation, a surplus of current receipts over current expenditures can be realized and should be applied to the floating debt. All branches of the Government should cooperate to see that this program is realized. I cannot overemphasize the necessity of economy in Government appropriations and expenditures and the avoidance by the Congress of practices which take money from the Treasury by indefinite or revolving fund appropriations. The estimates for the present year show that over a billion dollars of expenditures were authorized by the last Congress in addition to the amounts shown in the usual compiled statements of appropriations. This strikingly illustrates the importance of making direct and specific appropriations. The relation between the current receipts and current expenditures of the Government during the present fiscal year, as well as during the last half of the last fiscal year, has been disturbed by the extraordinary burdens thrown upon the Treasury by the Transportation Act, in connection with the return of the railroads to private control. Over $600,000,000 has already been paid to the railroads under this act-$350,000,000 during the present fiscal year; and it is estimated that further payments aggregating possibly $650,000,000 must still be made to the railroads during the current year. It is obvious that these large payments have already seriously limited the Government's progress in retiring the floating debt.

Closely connected with this, it seems to me, is the necessity for an immediate consideration of the revision of our tax laws. Simplification of the income and profits taxes has become an immediate necessity. These taxes performed an indispensable service during the war. The need for their simplification, however, is very great, in order to save the taxpayer inconvenience and expense and in order to make his liability more certain and definite. Other and more detailed recommendations with regard to taxes will no doubt be laid before you by the Secretary of the Treasury and the Commissioner of Internal Revenue.

It is my privilege to draw to the attention of Congress for very sympathetic consideration the problem of providing adequate facilities for the care and treatment of former members of the military and naval forces who are sick and disabled as the result of their participation in the war. These heroic men can never be paid in money for the service they patriotically rendered the nation. Their reward will lie rather in realization of the fact that they vindicated the rights of their country and aided in safeguarding civilization. The nation's gratitude must be effectively revealed to them by the most ample provision for their medical care and treatment as well as for their vocational training and placement. The time has come when a more complete program can be formulated and more satisfactorily administered for their treatment and training, and I earnestly urge that the Congress give the matter its early consideration. The Secretary of the Treasury and the Board for Vocational Education will outline in their annual reports proposals covering medical care and rehabilitation which I am sure will engage your earnest study and commend your most generous support.

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Permit me to emphasize once more the need for action upon certain matters upon which I dwelt at some length in my message to the second session of the Sixty-sixth Congress. The necessity, for example, of encouraging the manufacture of dyestuffs and related chemicals; the importance of doing everything possible to promote agricultural production along economic lines, to improve agricultural marketing, and to make rural life more attractive and healthful; the need for a law regulating cold storage in such a way as to limit the time during which goods may be kept in storage, prescribing the method of disposing of them if kept beyond the permitted period, and requiring goods released from storage in all cases to bear the date of their receipt. It would also be most serviceable if it were provided that all goods released from cold storage for interstate shipment should have plainly marked upon each package the selling or market price at which they went into storage, in order that the purchaser might be able to learn what profits stood between him and the producer or the wholesale dealer. Indeed, It would be very serviceable to the public if all goods destined for interstate commerce were made to carry upon every packing case whose form made it possible a plain statement of the price at which they left the hands of the producer. I respectfully call your attention also to the recommendations of the message referred to with regard to a federal license for all corporations engaged in interstate commerce.

In brief, the immediate legislative need of the time is the removal of all obstacles to the realization of the best ambitions of our people in their several classes of employment and the strengthening of all instrumentalities by. which difficulties are to be met and removed and justice dealt out, whether by law or by some form of mediation and conciliation. I do not feel it to be my privilege at present to, suggest the detailed and particular methods by which these objects may be attained, but I have faith that the inquiries of your several committees will discover the way and the method.

In response to what I believe to be the impulse of sympathy and opinion throughout the United States, I earnestly suggest that the Congress authorize the Treasury of the United States to make to the struggling government of Armenia such a loan as was made to several of the Allied governments during the war, and I would also suggest that it would be desirable to provide in the legislation itself that the expenditure of the money thus loaned should be under the supervision of a commission, or at least a commissioner, from the United States in order that revolutionary tendencies within Armenia itself might not be afforded by the loan a further tempting opportunity.

Allow me to call your attention to the fact that the people of the Philippine Islands have succeeded in maintaining a stable government since the last action of the Congress in their behalf, and have thus fulfilled the condition set by the Congress as precedent to a consideration of granting independence to the Islands. I respectfully submit that this condition precedent having been fulfilled, it is now our liberty and our duty to keep our promise to the people of those islands by granting them the independence which they so honorably covet.

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I have not so much laid before you a series of recommendations, gentlemen, as sought to utter a confession of faith, of the faith in which I was bred and which it is my solemn purpose to stand by until my last fighting day. I believe this to be the faith of America, the faith of the future, and of all the victories which await national action in the days to come, whether in America or elsewhere.

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