AFFAIRS OF STATE.

The President Transmits His Annual Message to Congress.

Urges an Extension of Powers of National Banks and Proncunces for the Gold Standard -Conditions in New Colonial Pessessions Dwelt Upon.

Washington, Dec. 5 .- President Me-Kinley to-say transmitted the following message to the Fifty-slxth congreas:

To the Senate and House of Representatives: At the threshold of your deliberations you are called to mourn with your countrymen the death of Vice President Robart, who passed from life on the merning of November 21 last. His good soul now rests in eternal peace. Dis private life was pure and elevated, while his public cureer was ever dist againshed by large capacity, statnices integrity, and exalted motives. has been removed from the hi, h office which he honored and dign fied fut his lofty character. his devotion to duty, his honesty of purpose, and noble virtues remain with us, as a priceless legacy and example.

As to the Country's Condition.

The Fifty-sigth congress convenes in its first regular session with the country in a condition of unusual prosperity, of universal cool will among the people at home, and in relations of peace and friendship with every government of the world. Our foreisn commerce has shown great increase in volume and value. The combined imports and exports for the year are the inrgest ever shown in a sin le year in all our history. Our exports for 1890 alone exceeded by more than \$1,9.0,000,00 our imports and exports combined in 1800. The imports per capita are to per cent, less then in (8.0, while the exports per capita are 58 per cent. more than in 1873. showing the enlarged carneity of the United States to satisfy the wants of its own increasing population, as well as to contribute to those of the people of other antions.

Exports of agricultural products were 1784 --776, 142. Of manufactured products we exported in value \$339,597,145, being larger than any previous year. It is a noteworthy fact that the only years in all our history when the products of our manufactories sold abroad were 1898 and 1999. Covernment receipts from all sources for the fiscal year ended June 3), 1989, Including 611,798,314 14, part payment of the Central Pacific railroad indebtedness, aggreg ted 361,082. 001.35. Customs receipts were \$106.124.141.75. and those from Internal revenue, \$23,447,10.51 For the fiscal year the expenditures were \$7%-C93,563.0 , leaving a deficit of \$89,111,559.07. The secretary of the treasury estimates that the recelpts for the current liscal year will aggregate \$645,958,112, and upon the basis of present ap-

4600.958,112, leaving a surplus of \$43,000,000. For the fiscal year ended June 35, 1899, the Internal revenue receipts were increased about \$100,000,000. The present gratifying strength of the treasury is shown by the fact that on December 1, 1899, the available cash balance was \$278,0 4,837.72, of which \$239,744,9 5.36 was in gold coin and builton. The conditions of confidence which prevail throughout the country tave brought gold into more general use and customs receipts are now almost entirely paid In that coin.

propriations the expenditures will aggregate

Increased activity in industry, with its welcome attendant--a larger employment for labor at higher wages-gives to the body of the people a larger power to absorb the circulating medium. It is further true that year by year, with larger areas of land under cultivation, the increasing volume of agricultural products, cotton, corn and wheat, calls for a larger volume of money supply.

The National Banking Act.

In its earlier history the national banking act seemed to prove a reasonable avenue through which needful additions to the circulation could from time to time be made. Changing conditions have apparently rendered it now inoperative to that end. The high margin in bond sees required, resulting from large premi-

constituti and authority for legislation which shall give to the country maritime strength commensurate with ite in austrial achievements and with its rank among the nations of the enrth.

As to Trusts and Combinations.

The industrial commission, created by the net of the congress of June 18, 1995, has been enroyed in extended featings upon the disuted questions involved in the subject of comnutions in restraint of trade and competition. They have not yet completed their investiga-tion of this subject, and the conclusions and recommondations at which they may arrive are undetermined. The subject is one giving rise to many divergent views as to the nature and variety or cause and extent of the injuries to the public which may result from large combinations concentrating more or less numerous enterences, and excaplishments, which provi-pusly to the formation of the combination were carried on separately.

It is universally conceded that combinations which engross or control the market of any particular kind of merchandise or commodity necessary to the general community, by suppressing natural and ordinary competition. whereby prices are unduly enhanced to the general consumer, are obnoxious not only to the common law, but also to the public welfare. There must be a remedy for the evils involved in such organizations. If the present law can be extended more certainly to control or check these monopolies or trusts, it should be done without delay. Whatever power the congress possesses over this most important subject should be promptly ascertained and asserte t

An act to protect trade and commerce against unlawful restraints and monopolies was passed by congress on the 2d of July, 1990. The provisions of this statute are comprehensive and stringent. It decinres every contract or combination. In the form of a trust or otherwise, or conspiracy in the restraint of trade or commerce among the several states or with foreign nations, to be unlawful. It denominates as a criminal may person who make any such contract or engages in any such combination or conspiracy and provides a publishment by fine or imprisonment. It investable circuit courts of the United States with jurisdiction to prevent and restrain violations of the act and makes it the duty of the several United States. district attorneys, under the direction of the attorney general, to institute proseedings in equity to prevent and restrain such violations. It further confers opon any person who shall be injured in his business or property by any person or corporation by reason of unothing forbidden or declared to be unlawful by the act the power to sue therefor in any circuit court of the United States without respect to the amount in controversy, and to recover threefold the damages by him sustained and the costs of the suit, including reasonable attorney fees. It will be per eived that the act is almost at every kind of combination in the nature of a trust or monopoly in restraint of interstate or international commerc

The prosecution by the United States of cffenses under the act of 1893 has been frequently resorted to in the federal courts and notable efforts in the restraint of interstate commerce such as the Transmissouri Freight association and the Joint Traffle association, have been successfully opposed and suppressed.

State Legistation Inadequate.

The state logislation to which Prosident Cleveland looked for relief from the evils of frusts has failed to accomplish fully that object. This probably is due to a great extent to the fact hat different states take different views us to the proper way to discriminate between evil injurious combinations and those associations. hich are beneficial and necessary to the business prosperity of the country. The great di-versity of treatment in different states arising from this cause, and the intimate relations of all parts of the country to each other without regarding state lines in the conduct of business, have made the enforcement of state laws difficult.

It is apparent that uniformity of legislation upon this subject in the several states is much to be desired. It is to be hoped that such unlformity founded in a wise and just discrimination between what is injurious and what is useful and necessary in business operations may be obtained, and that means may be found for the congress within the limitation of its constitutional power so to supplement an effective code of state legislation as to make plete system of laws throughout the United States adequate to compel a general observance of the salutary rules to which I have referred. Favors the Nicaragua Canal. The Nicaragua canal commission which had been engaged upon the work of examination and survey for a ship canal route across Nicaragua, having completed its labors and made its report, was alsolved on May 31, and on June 10 a new commission, known as the isthmiancanal commission, was organized under the terms of the act approved March 3, 1869, for the purpose of examining the American isthmus with a view to determining the most practicable and feasible route for a ship canal across that sthmus, with its probable cost and other esential details. Good progress has been made. but under the law a comprehensive and complete investigation is called for, which will rejuire much labor and considerable time for its accomplishment. The work will be prosecuted as expeditionsly as possible and a report made at the earliest practicable date. The great importance of this work cannot be too often or too strongly pressed upon the attention of the congress. In my message of a year ago I expressed my views of the measury of a canal which would link the two great occans, to which I again invite your consideration. The reasons then presented for early action are even stronger.

Extribut at I aris Experiment.

position to be heatin Parls next year continue man cluberate and dompressionally scale, thanks to do generous appropriation provided by congress and to the friendly interest one French government has shown in furthering a typical Exhibit of American progress. Their has been allotted to the United States

a considerable addition of space, which, while "whitehors, does not sugges to must the increase ingly or cut demands of our manufacturers. The entries of the commissioner general are any directed toward a strictly representative lisplay of all that most characteristically marks and most adoptately shows the excellence of aar matural productions.

Pleasant Relations With Germany

Our minitors with Germany continue to be most cordial. The increasing intimacy of direct association has been marked during the year by the granting permission in April for the landng on our shores of a cable from Borkum Emien, on the North sea, by way of the Azores. and also by the conclusion on september 2 of a parcels post entirention with the Gorman empire. In all that promises closer relations of intercourse and commerce and a better understanding between two races having so many traits in common Germany ran be assured of the most cordial co-operation of this government and people. We may be rivals in many paths, but our rivalve abound be generous and open ever aiming toward the attainment of lar, or results and the mutually beneficial advancement of each in the line of its especial adaptability.

the Transvial War.

This province it has manual an sainte if contracts in the undertracts outest between ipeat Bitlain still the Bost states of Africk We have remained fulthful to the precept of avoiding entangling almances as to affairs not f our direct concern. Had circumstances sugpisted that the parties to the quarrel would have weccomed any kindly expression of the sope of the American people that war might be averted, good offices would have been gladly undered. The United States representative at Prefirit was early instructed to see that all cutral American interests be respected by the combutants. This has been an easy task in view of the positive declarations on both Britsh and Boer authorities that the personal and property rights of our citizens should be ob-

Upon the withdrawal of the British agent at Pretoria the United States concil was author-ced, upon the request of the British governand with the assent of the south African and Orange Free State governments, to exer-rise the sustemary good offices of a neutral for he care of Heitish Interests. In the discharge of this function I am happy to say that about ant apportunity has been afforded to show the imrtiality of this government toward both the mostant

Wants a Cable to Manila.

The Japanese government has shown a lively interest in the proposition of the Pacific Cable company to add to its projected cable lines to Hawall, Guam and the Philippine, a branch connection with the coast of Japan. It would e agratifying consummation were the utility of the contemplated scheme enhanced by bringng Japan and the United States into direct glegraphic relation. Without repeating the observations of my special mestage of February 10, 1993, concerning the necessity of a cubic to Manila, I respectfully invite attention to it. I recommend that in case the concress should not take measures to bring about this result by the firect action of the government, the postmaster reneral be authorize I to invite competitive bids for the establishment of a cable; the company canking the best responsible bid to be awarded the contract; the successful company to give ample bonds to insure the completion of the work within a reasonable time.

The Problem in Cuba.

withdrawal of the authority of Spain The from the island of Cuba was effected by the first of January, so that the full re-establishment of peace found the relinquished territory held by is in trust for the inhabitants, maintaining, unfor the direction of the executive, such government and control therein as should conserve public order, restore the productive conditions ace so long disturbed by the instability and disorder which prevailed for the greater part of the preceding three decades and build up that tranquil development of the domestic tate whereby alone can be realized the high purpose, as proclaimed in the joint resolution adopted by the congress on the 19th of April, 1898, by which the United States disclaimed any opposition or intention to exercise sovereignty. jurisaletion or control over Cuba, except for the pacification thereof, and asserted its determination when that was accomplished to leave the rovernment and control of the island to its peo-The pledge contained in this resolution is of the highest honorable obligation and must be sacrealy kept. I believe that substantial progress has been made in this direction. All the administrative measures adopted in Cuba have aimed to fit it or a regenerated existence by enforcing the supremacy of law and justice; by placing wherever practicable the machinery of administration in the hands of the inhabitants; by instituting needed sanitary reforms; by spreading Slucation; by fostering industry and trade; by nonleating public morality and, in short, by taking every rational step to aid the Cuban peode to attain to that plane of self-conscious reseet and self-reliant unity which fits an enlightened community for self-government within its own sphere, while enabling it to fulfill all utward obligations. This nation has assumed before the world a crave responsibility for the future good govstament of Cuba. We have accepted a trust the fulfiliment of which cashs for the stornest integrity of purpose and the exercise of the inducest wisdom. The new Cubia yet to arise from the ashes of the past must needs be bound ous by ties of singular intimacy and strength its enduring welfare is to be assured. Whether those thes shall be organic or conventional, the destinies of Cuba are in some rightbul form and manner irrevocably linked with sur own, but how or how far is for the future to determine in the ripeness of events Whatever be the outcome, we must see to it that free Cuba be a reality, not a name, a perfect entity, not a masty experiment bearing within itsed the ements of fullure. Our mission, to accomplish which we took up the wayes of battle, is not to be fulfilled by turning advirt any loosely framed commonwealth to face the vicissitudes which too often attend weaker states whose natural ealth and abundant resources are offset by the neongraphies of their political organization and he recurring occusions for internal rivalries to their strength and dissipate their energies. The greatest blessing which can come to Cuba the restoration of her agricultural and indusal prosperity, which will give employment to dle men and re-establish the pursuits of peace. This is her chief and immediate need. By the treaty of peace the Spanish poeple on the is and have until April 11, 19.0, to elect whether they will comain citizens of Spain or some citizens of Cubi. Until then it cannot as definitely ascertained who shall be entitled participate in the formation of the govment of Cuba. By that time the results of he census will have been tabulated, and we duall processed to provide for elections which will commit the municipal governments of the sland to the officers cleered by the people. The experience thus acquired will prove of great aue in the formation of a representative conrentioned the popule to draft a constitution and establish a cone al system of independent vernment for the island. In the meanalme and so long as we exercise control over the shand two products of Cuba should have a market in the United States on as good terms

its as favorable cates of duty as are given | Preparations for the industries, sris, and to the West India identis under treaties of re-products of the United States at the world's ex-

Concerning Our Soldiers and Saltors.

Since my last minimal message and in onedi-ence to the acts of the concreas of April 22 and 1-98, the remaining volunteer force enlisted for the Spanish war, consisting of 34,834 regulars and if (20) volunteers, with over 3.0 0 volunteer floors, has been disch ersed from the military service. Of the volunteers, 637 officers and 14,placing our country in the first rank among | \$11 men were serving in the Philippines and L-150 of the regulars, who were entitled to be mustered out after the ratification of the treaty of peace. They voluntarily remained at the front until their planes could be filled by new troops. They were returned home in the order in which timefean achievement. In the inventive arts they went to Manila, and are now all of them out of the service and in the ranks of citizenship. I recommend that the concress provide a special modul of honor for the volunteers regulars, sailors, and marines on duty in the Philippines, who voluntarily remained in the service after their terms of emistment had ex-

> tilred. By the act of March 2, 1809, congress has authority to increase the regular army to a maxi-mum not exceeding 5.00+ enlisted men and to enlist a force of \$5,00 volunteers, to be recruited from the country at large. By virtue of this authority the regular army has been increased to the number of \$1,959 enfisted men and 2,248 officers and new volunteer regiments have been orconjust aggregating 33,000 enlisted men and 1,524 officers. Two of these volunteer regiments are made up of colored men, with colored line officers. The new troops to take the place of those returning fro w the Philippines have been transport of to Manila to the number of 581 offivers and darf enliste i mon of the regular army and 304 officers and 13.588 enlisted men of the

> new volunteer force, while 5.4 officers and 14,-119 men of the volunteer fores are on the ocean en route to Munila. The force now in Manila consists of 400 officers and 39,5/8 regulars and set officers and 10,288 of the volunteers, making an neuroscate of 1.39 officers and 45.966 men. When the broops now under others shall reach Manila, the force in the archiptiage will comprise 2. Sc officers and \$1.484 min. The muster ut of the great volumeer army organized for the Spanish war and the creation of a new army, the transportation from Maul a to San Francisco of these entitled to dis har e and the transportation of the new troops to take their place have been a work of great magnitude well and ably done, for which too much credit cannot be given the way department.

During the past year we have reduced our force in Cuba and Ports Ries. In Cuba we now have \$4 officers and 19,585 men. In Ports mano, 87 officers and 2,855 enlisted menonica buttalion f 400 men, composed of native Porto kleans; while stationed throughout the United States are 910 officers and 17.317 men and in Hawall, 12 meets and 4 3 onlisted men.

The operations of the army are fully presented in the report of the secretary of war. I can+ not withhold from officers and men the highest ommendation for their soldierly conduct in trying situations, their willing sacrifices for their country and the interest and ability with which they performed unusual and difficult duties in our island possessions.

In the organization of the volunteer regiments uthorized by the act of March 2, 1899, it was found that no provision had been made for haplains. This omission was doubtless from advertence. I recommended the early autherization for the appointment of one chap-lain for each of said regiments. These regiments are in the Philippines and it is important that immediate action be taken

Postal Affairs in the Colonies

In restoring penceful conditions, orderly rule, and civic progress in Cuba. Porto Rico, and, so ar as practicable, in the Philippines, the rehabilitation of postal service has been an important part of the work. It became necessary to provide mail facilities both for our f rees of occupation and for the native population. To meet this requirement has involved a substantial reconstruction. The existing systems were so fragmentary, defective and inadequate that a new and comprehensive organization had to be created. American trained officials have been assigned to the directing and executive possessions, while natives have been chiefly employed in making up the body of the force. In working out this plan the merit rule has been rigorously and faithfully applied.

Domestic Postal Service.

under the text of the third section of the act of June 27, 1890, whose income aside from the proceeds of daily labor is not in excess of \$25) per appum. I believe this to be a simple act of justice and I heartily recommend it.

Favors a Larger Navy.

I heartily concur in the recommendations for the increase of the navy, as suggested by the secretary.

Protecting the Forests.

Protection of the national forests, inaugu-rated by the department of the interior in 1807. has been enused during the past year and much has been accomplished in the way of preventing forest fires and the protection of the timber. There are now large tracts covered by forests which will eventually be reserved and set apart for forest uses. Until that can be done con-gress should increase the appropriations for the work of protecting the forests.

Markets for Farm Products,

Markets are being sought and opened up for surplus farm and factory products in Europe and in Asia. The outlook for the education of young farmers through agricu'tural college experiment stations, with opportunities given to specialize in the department of agriculture, is very promising. The people of Hawaii, Porto Rico and the Philippine islands have been helped by the establishment of experiment sta-tions to a more scient fic knowledge of the production of coffee, India rubber and other tropical products, for which there is a demand in the United States.

There is wide-pread interest in the improvement of our public highways at the present time, and the department of agriculture is cooperating with the people in each locality in making the best possible roads from the local material and in experimenting with steel tracks.

The All-Absorbing Philippine Question. On the 10th of December, 1888, the treaty of peace between the United States and Spain was signed. It provided, among other things, that Spain should cede to the United States the archips are known as the Philippine islands; that the United States should pay to Spain the sum of \$.0,000.000, and that the civil rights and political status of the native inhabitants of the terr tories they ceded to the United States should be determined by the congress. The treaty was ratified by the senate on the 6th of February, 1899, and by the government of Soain on the 19th of March following Tag ratifications were exchanged on the 11th of April and the treaty publicly proclaimed. On the 24 of March the congresss voted the sum contemplated by the treaty, and the amount was paid over to the Spaulsh government on the 1st of May.

In this manner the Philippines came to the United States. The islands were ceded by the government of Spain, which had been in undisputed possession of them for centuries. They were accepted not merely by our author-ized commissioners in Paris under the direction of the executive, but by the constitutional and well considered action of the representatives of the prople of the United States in both houses of congress. I had every reason to believe, and I still believe, that this transfer of sovereignty was in accordance with the wishes and the asp rations of the great mass of the Filipino propie. From the earliest moment no opportunity was lost of assuring the people of the islands of our ardent desire for their welfare and of the intention of this government to do everything possible to advance their intersommander of the military expedition dispatched to the Philippines was instructed to lectare that we came not to make war upon the people of the examing, "nor upon any part or faction among them, but to protect them in their homes, in their employments and in their personal and religious rights.

That there should be no doubt as to the paramount authority there on the 17th of August. it was directed that "there must be no joint occupation with the insurgents:" that the United States must preserve the peace and protect persons and property within the territory occupied by their military and naval forces; that the insurgents and all others must recognize the military occupation and authority of the United States. As early as December 4, before the cession and in anticipation of that event. the commander in Manila was urged to restore peace and tranquillity and to undertake the establishment of a beneficent government, which should afford the fullest security for life

ums which government bonds command in the market, or the tax on note issues, or both operating together, appear to be the influences which impair its public utility.

The attention of congress is respectfully inwited to this important matter with the view of ascertaining whether or not such reasonable enodifications can be made in the national banking act as will render its service in the pardenlars here referred to more responsive to the people's needs. I again urge that national banks be authorized to origanize with a capital of \$25,-

For the Gold Standard.

A urgently recommend that to support the ex-Isting gold standard, and to maintain "the parity in value of the coins of the two metals (gold. and silver) and the equal power of every dollar aball times in the market and in the payment of debts," the secretary of the treasury be given additional power and charged with the duty to seil United States bonds and to employ such other effective means as may be necessary to these ends. The authority should include the power to sell bonds on long and short time as conditions may require, and should provide for a rate of interest lower than th t fixed by the act of January 14, 1875. While there is now no commercial fright which wit draws cold from the government, but, on the contrary, such widesprend confidence that gold seeks the DOW. treasury domanding paper money in exchange, yet the very situation points to the present as the most fitting time to make adequate provision to insure the continuance of the gold standard and of public confidence in the abilit, and purpose of the government to meet all its obligations in the money which the civiliz d world recognizes as the best. The finane ai transactions of the government are conducted upon a cold basis. We receipt gold when we sell United States bonds and use gold for their payment. We are maintaining the parity of all the money issued or coined by authority of the govern-ment. We are doing these things with the means at hand. Happfly at the present time we are not compelled to resort to loans to supply gold. It has been done in the past, however, and may have to be done in the future. It be hooves us, therefore, to provide at once the best means to meet the emergency when it arises, and the best means are those which are the most certain and economical. Those now authorized have the virtue neither of directness or We have already eliminated one of economy. the causes of our financial plicht and embar-rassment during the years 1993, 1997, 1895 and Our receipts now equal our expenditures; deficient reveaues no longer create alatin Let us remove the only remaining cause by conferring the full and necessary power on the secrecary of the treasury and impose upon him the duty to uphold the present gold standard and preserve the coins of the two metals on a parity with each other, which is the repeatedly declared polloy of the United States.

In this connection I repeat my former recommendations that a portion of the gold holdings shall be placed in a trust fund from which greenbacks shall be redeemed upon presentation, but when once redeemed shall not thereafter be paid out except for , of i.

For a Merchant Marine.

The value of an American merchant marine to the extension of our commercial trade and the strengthening of our power upon the sea invites the immediate astion of congress. Our national development will be one-sided and unsatisfactory as long as the remurkable growth of our inland industries remains unlacompaanied by progress on the seas. There is no lack prises

Our Interests in China.

In view of disturbances in the populous provnces of northern China where are many of surcitizens, and of the imminence of disorder acar the c pital and toward the scaboard, a guard of marines was handed and the Boston and stationed during last w the legath a compound at Pekinz, W.... the restoration of one restoration of order this protection was withdrawn. The interests of our citizons in that vast empire have not been neglected during the past year. Adejuste protection has been secured for our misdonaries and some injuries to their property have been redressed.

American capital has sought and found various opportunities of competing to carry out the internal improvements which the imperial government is wisely encouraging, and to develop the natural resources of the empire. Our trade with China has continued to grow, and our commercial rights under existing treation have been everywhere maintained during the past year, as they will be in the future. The extension of the area open to international foreign settlement at Shanghal and the opening of the ports of Nanking, Tsing-Tao (Kiao Chae) and Ta-Lien-Wan to foreign trade and settlement will doubtles, afford American enterprise additional facilities and new fields of which it will not be slow to take advantage.

In my message to congress of December 5. 1898, i urged that the recommendation which had been mide to the speaker of the house of representatives by the secretary of the treasary on the 14th of Jung, 1828, for an appropriation for a commission to study the commercial and industrial conditions in the Chinese empire and report as to the opportunities for, and obstacles to, the enlargement of markets in China for the raw products and manufactures of the United States, should receive at your hands the consideration which its importance and timelinessembrited, but the congress faller to take

"I now renew this recommendation, as the importan e of the subject has sleadily grown since t was first submitted to you, and no time should. he lost in studying for ourselves the resources of this great field for American trade and enter-

> 1.0 10 × 10

The domestic postal service continues to grow

with extraordinary rapidity. The expenditures and the revenues will each exceed \$19.700,000 during the current year. Fortunately, since the revival of prosperous Ames the revenues have grown much faster than the expenditures, and there is every indication that a short period will witness obliteration of the annual deficit. In this connection the report of the postmaster general embodies a statement of some evils which have grown up outside of the contemplation of law in the treatment of some classes of mail mait r which wrongly exercises the privilege of pound rate, and shows that if this mater had been properly classified and had paid the rate which it should have paid, instead of a postal deficit the last fiscal year of \$6,61,000 there would have been on one basis a surplus of \$17,637,570, and on another of \$1,7.3,839. The reform thus suggested, in the opinion of the postmuster general, would not only put the postal service at once on a self-sustaining busis, but would permit great and valuable improvements, and I commend the subject to the consideration of convress.

The Question of Fensions,

On the 30th of June, 1839, the pension roll of the United States mumbered 901.565. These includy the pensioners of the firmy and mavy in il our wars. The number added to the rolls furing the year was 4 (90). The number dropped by reason of death remarriage, minors by legal limitations, failure to claim within three years and other causes was i 156, and the number of claims disailowed was 197,977. During the year-89, 54 pension certificates were issued, of which-37,67 were for new or original pensions. The amount disbursed for army and navy pensions . during the year was \$128.3.5, 52.35, which was \$1.6st.45t.of less than the sum of the appropriations

The Grand Army of the Republic at its recent national encampment held at Philadelphia has brought to my attention and to that of congress the wisdom and justice of a modification of the third section of the act of June 27, 1830, whileh provides pensions for the widows of officers and enlisted men who served 90 days or more during the war of the rebellion and were honorably discharged, provided that such widows are without other means of support than their daily labor and were remarried to the soldier, sailor or marine on account of whose service they claim pension prior to the date of the act.

The present holding of the department is that If the widow's income aside from her daily labor does not exceed in amount what her pension would be, to wit: \$36 par annum, she would be deemed to be without other means of support than her daily labor, and would be entitled to a pension under this act, while if the widow's income, independent of the amount received by her as the result of her daily labor exceeds \$96. she would not be pension ib e under the net. I am advised by the commissioner of pensions that the amount of the income allowed before title to pension would be barred, has varied widely under different administrations of the pension office, is well as during different periods of the same administration, and has be 11 1.810 use of just complaint and criticism. With the approval of the secretary of the interior, the ommissioner of pansions recommends that in order to make the practice at all times uniform and to do justice to the dependent widow, the amount of income allowed independent of the proceeds of her daily labor should be not less han \$ 50 per annum, and he urges that congress shall so among the act as to permit the pension office to grant pensionable status to widews

and property

On the 21st of December, after the treaty was signed, the commander of the forces of occupation was instructed "to announce and proclaim in the most public manner that we come, not as invaders and conquerors, but as friends to protect the natives in their homes, in their employments and in their personal and religious rights."

The same day, while ordering Gen. Otis to see that the peace should be preserved in Lolto he was admonished that: "It is most important that there should be no conflict with the insurgents. On the first day of January, 18 9, your general orders were reiterated that the kindly intentions of this government should be in every possible way communicated to the insurgents

On the 21st of January I announced my intentions of dispatching to Manila a commission composed of three gentlemen of the highest character and distinction, thoroughly acquainted with the oright, who, in association with Admiral Dowey and Maj. Gen. Otis, were instructed to "facilitate the most humane and effective extension of authority throughout the is and a and to secure, with the least possible delay, the bonefits of a wise and generous protection of Life and property to the inhabitants."

These gentlemen were Dr. Jacob Gould Schurman, president of Cornell University; Hon. Charles Deaby, for many years minister to China, and Prof. Dean C. Worcester, of the University of Mienigan, who had made a most careful study of life in the Philippines. While the trenty of peace was under consideration in the senate these committees set out on their massion of good will und liberation. Their character was a sufficient guaranty of the beneficent purpose with which they went, even if they had not borne the positive instructions of this government, which made their errand pre-eminently one of peace and friendship.

But before their arrival at Manila the sinister ambition of a few leaders of the Filipinos had created a situation full of embarrassments for us and most grievous in its consequences to themselves. The clear and impartial preliminary report of the commissioners, which I transmit herewith, gives so lucid and compreh-nsive a history of the present insurrectionary movement that the story need not be repeated. It is enough to say that the claim of the recei leader that he was promised independence by any officer of the United States in return for his assistance has no foundation in fact and is categorieally denied by the very witnesses who were called to prove it. The most the insurgent leader hoped for when he came back to Manila was the liberation of the islands from the Spanish control, which they had been laboring for years without success to throw off.

The prompt accomplishment of this work by the American army and navy gave him other ideas and ambitions, and insidious suggestions from various quarters perverted the purposes and intentions with which he had taken. arms No sooner had our army captured Manils than the Flipino forces began to assume an attitude of suspicion and hostility which the utmost efforts of our officers and troops were unable to disarm or modify. Their kindness and forbearance were taken as a proof of cowardice. The accressions of the Filipinos continually increased until finally, just before the time set for the senate of the United States for a vote upon the treaty, an attack, evidently prepared in advan 4, was made all al ne the American lines, which resulted in a terribly dastructive and sanguinary repulse of the insurgenth.