

# PRESIDENT'S MESSAGE TO CONGRESS.

Washington, D. C.—President McKinley transmitted his annual message to congress, as follows, in part:

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 Hobart, who passed from this life on the morning of November 21 last. His great soul now rests in eternal peace. His private life was pure and elevated, while his public career was ever distinguished by large capacity, stainless integrity and exalted motives. He was removed from the high office which he honored and dignified, but his lofty character, his devotion to duty, his honesty of purpose and noble virtues remain with us, as a priceless legacy and example.

The fifty-sixth congress convenes in its first regular session with the country in a condition of unusual prosperity, of universal good will among the people at home and in relations of peace and friendship with every government of the world. Our commerce has shown great increase in volume and value.

**IMPORTS AND EXPORTS.**

The combined imports and exports for the year are the largest ever shown by a single year in all our history. Our exports for 1899 alone exceeded by more than a billion dollars our imports and exports combined in 1870. The imports per capita are 20 per cent less than in 1870, while the exports per capita are 58 per cent more than in 1870, showing the enlarged capacity of the United States to satisfy the wants of its own increasing population, as well as to contribute to those of the peoples of other nations.

Exports of agricultural products were \$784,776,142. Of manufactured products we exported in value \$339,592,146, larger than any previous year. It is a noteworthy fact that the only years in all our history when the products of our manufactures sold abroad exceeded those bought abroad were 1898 and 1899.

Government receipts from all sources for the fiscal year ended June 30, 1899, including \$1,738,214, in part, from the Central Pacific railroad indebtedness, aggregated \$610,982,004.35. Customs receipts were \$206,127,481.75, and those from internal revenue \$273,437,161.51.

**DEFICIT OF \$89,111,559.67.**

For the fiscal year the expenditures were \$700,093,564.02, leaving a deficit of \$89,111,559.67.

The secretary of the treasury estimates that the receipts for the current fiscal year will aggregate \$640,958,112, and upon the basis of present appropriations the expenditures will aggregate \$600,958,112, leaving a surplus of \$40,000,000.

For the fiscal year ended June 30, 1899, the internal revenue receipts were increased about \$108,000. The present gratifying strength of the treasury is shown by the fact that on December 1, 1899, the available cash balance was \$278,004,837.72, of which \$239,744,905.36 was in gold and silver. The condition of confidence which prevails throughout the country has brought gold into more general use and customs receipts are now almost entirely paid in that coin.

**THE PURCHASE OF BONDS.**

The strong condition of the treasury with respect to cash on hand and the favorable showing made by the revenues have made it possible for the secretary of the treasury to take action under the provisions of section 3594, revised statutes, relating to the sinking fund. Receipts exceeded expenditures for the first five months of the current fiscal year by \$13,413,398.91, and, as mentioned above, the secretary of the treasury estimates that there will be a surplus of approximately \$40,000,000 at the end of the year. Under such conditions it was deemed advisable and proper to resume compliance with the provisions of the sinking fund law, which for eight years has not been done because of deficiencies in the revenues. The treasury department therefore offered to purchase during November \$25,000,000 of the 5 per cent loan of 1891, or the 4 per cent funded loan of 1897, at the current market price. The amount offered and purchased during November was \$18,008,000. The premium on the government on such purchases was \$2,263,521, and the net saving in interest was about \$2,855,000. The success of this operation was sufficient to induce the government to continue the offer to purchase bonds to and including the 24th day of December, inst. The remainder of the \$25,000,000 called for should be presented in the meantime for redemption.

**LARGER VOLUME OF MONEY.**

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. This is especially noticeable at the crop-harvesting and crop-moving period.

In its earlier history the national banking act seemed to prove a reasonable venue through which needed 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 securities required, resulting from large premiums 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 invited to this important matter with the view of ascertaining whether or not such reasonable modifications can be made in the national banking act as will render its service in the particulars here referred to more responsive to the people's needs. I again urge that national banks be authorized to organize with a capital of \$25,000.

**MAINTAIN THE GOLD STANDARD.**

I urgently recommend that to support the existing 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 at all times in the market and in the payment of debts," the secretary of the treasury be given additional authority charged with the duty to sell United States bonds and to employ such other effective means as may be necessary to these ends. This 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 that fixed by the act of January 14, 1875. While there is now no commercial disturbance of the sort which would draw gold from the government, the secretary of the treasury is authorized to sell gold on the open market, and to use the proceeds to the extent of \$25,000,000.

make adequate provision to insure the continuance of the gold standard and purpose of the government to meet all its obligations in the money which the civilized world recognizes as the best. The financial transactions of the government are conducted upon a gold basis. We receive 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 government. We are doing these things with the means at hand. Happily 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 behooves us therefore to provide once the gold 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 economy. We have already eliminated one of the causes of our financial embarrassment during the years 1892, 1894, 1895 and 1896. Our receipts now equal our expenditures; deficient revenues no longer create alarm. Let us remove the only remaining cause by conferring the full and necessary power on the secretary 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 policy 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 gold.

**AID THE 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 action of congress. Our national development will be one-sided and unsatisfactory so long as the remarkable growth of our inland industries remains unaccompanied by progress on the seas. The national authority for legislation which shall give to the country maritime strength commensurate with its industrial achievements and with its rank among the nations of the earth. The last year has recorded exceptional activity in our ship yards and the promises of continual prosperity in ship building are abundant. Advanced legislation for the protection of our seamen has been enacted. Our coast trade, under regulations wisely framed at the beginning of the century and since, shows results for the last fiscal year, unequaled in our records or those of any other power. We shall fail to realize our opportunities, however, if we complacently regard only matters at home and blind ourselves to the necessity of carrying trade of the world.

**EVIL AND BENEFICIAL TRUSTS.**

Combinations of capital organized into trusts to control the conditions of trade among our citizens, and to limit production and determine the prices of products used and consumed by the people, are justly provoking public discussion and should early claim the attention of the congress. The industrial commission, created by the act of congress of June 18, 1898, has been engaged in extended hearings upon the disputed questions involved in the subject of combinations in restraint of trade and competition. They have not yet completed their investigation of this subject, and the conclusions and recommendations 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 injury to the public which may result from these combinations, contrasting more or less numerous enterprises and establishments, which previously 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. The same may be said of 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, it is its most important subject should be promptly ascertained and asserted.

**QUOTES BENJAMIN HARRISON.**

President Harrison, in his annual message of December 3, 1898, says: "Earnest attention should be given by congress to a consideration of the question how far the restraint of those combinations of capital commonly called 'trusts' is matter of federal jurisdiction. When organized, as they are, to crush out all healthy competition and to monopolize the production or sale of an article of commerce and general necessity they are dangerous conspiracies against the public good and should be made the subject of prohibitory and even penal legislation."

**THE ACT OF 1890.**

An act to protect trade and commerce against unlawful restraints and monopolies was passed by congress on the 24 day of July, 1890. The provisions of this statute are comprehensive and stringent. It declares 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 every person who makes any such contract or engages in any such combination, by fine or imprisonment. It vests the several circuit courts of the United States with jurisdiction to prevent and restrain such violations. It further confers upon any person who shall be injured in his business or property by any other person or corporation by reason of anything 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 three-fold the damages by him sustained and the costs of the suit, including reasonable attorney fees. It will be perceived that the act is aimed at every kind of combination in the nature of a trust or monopoly in restraint of interstate or international commerce.

The prosecution by the United States of offenses under the act of 1890 has been frequently reported in the federal courts, notable efforts in the restraint of interstate commerce, such as the Trans-Missouri Freight association and the Joint Traffic association, have been successfully opposed and suppressed.

**WHAT CLEVELAND SAID.**

President Cleveland, in his annual message of December 7, 1898—more than six years subsequent to the enactment of this law—after stating the evils of these trust combinations, says: "Though congress has attempted to deal with this matter by legislation, the laws passed for that purpose thus far have proved ineffective, not because of any lack of disposition or attempt to enforce them, but simply because the courts do not reach the difficulty. If the insufficiency of the existing laws can be remedied by further legislation it should be done. The fact must be recognized, however, that all federal legislation on this subject may fall short of its purpose because inherent obstacles and also because of the complex character of our governmental system, which, while making the federal authority supreme within its sphere, has carefully limited that authority by means and bounds which cannot be transgressed. The decision of our highest court on this precise question renders it quite doubtful as to whether the evils of trusts and monopolies can be adequately treated through federal action, unless they seek directly and purposely to include in their objects transportation or intercourse between states or the United States and foreign countries.

"It does not follow, however, that this is the limit of the remedy that may be applied. Even though the federal authority is not broad enough to fully reach the case, there can be no doubt of the power of the several states to act effectively in the premises and there should be no reason to doubt their willingness to judiciously exercise such power."

**STATE LEGISLATION FAILS.**

The state legislation to which President Cleveland alludes has not met the evil of trusts has failed to accomplish fully that object which is probably due to a great extent to the fact that different states take different views as to the proper way to discriminate between evil and injurious associations which are beneficial and necessary to the business prosperity of the country. The great diversity of treatment in different states arising from this cause and the intimate relations of all parts of the country render it difficult without recurring to state lines in the conduct of business have made the enforcement of state laws difficult.

**THE REMEDY.**

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 uniformity, founded in a wise and just discrimination between the evil and the good, and what is useful and necessary in business operations may be obtained, and that means may be found for the congress within the limitations of its constitutional power so to supplement the state laws as to make a complete system of laws throughout the United States adequate to compel a general observance of the salutary rules to which I have referred.

The whole question is so important and far-reaching that I am sure no part of it will be lightly considered, but every phase of it will have the studied deliberation of the congress, resulting in wise and judicious action.

**THE NICARAGUAN CANAL.**

The contract of the Maritime Canal company of Nicaragua was declared forfeited by the Nicaraguan government on the 24th of October, 1898, in violation of the terms of the contract. The Maritime Canal company has lodged a protest against this action, alleging rights in the premises which appear worthy of consideration. The government expects that Nicaragua will afford the protestants a full and fair hearing upon the merits of the case.

The Nicaragua canal commission, which had been engaged upon the work of examination and survey for a ship canal route across the isthmus, having completed its labors and made its report, was dissolved on May 31, and on June 10 a new commission, known as the Isthmian canal commission, was organized under the terms of the act approved March 3, 1899. I am glad to announce the progress of the work, with a view to determining the most practicable and feasible route for a ship canal across that isthmus, with its probable cost, and other essential details.

**THE ISTHMIAN COMMISSION.**

This commission, under the presidency of Rear Admiral John G. Walker, United States navy (retired), entered promptly upon the work entrusted to it in carrying on examinations in Nicaragua along the route of the Panama canal and in Darien from the Atlantic, in the neighborhood of the Atrato river, to the bay of Panama, on the Pacific side. Good progress has been made, but under the law a comprehensive and complete investigation is called for, which will require much labor and considerable time for its accomplishment. The work will be prosecuted as expeditiously 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 necessity of a canal which would link our two great oceans, to which I again invite your attention. The reasons then presented for early action are even stronger now.

**OUR INTERESTS IN CHINA.**

In view of disturbances in the populous provinces of Northern China, where are many of our citizens, and of the imminence of disorder near the capital and toward the seaboard, a guard of marines was landed from the Boston and stationed during last winter in the legation compound at Peking. With the restoration of order this protection was withdrawn.

The interests of our citizens in that vast empire have not been neglected during the past year. Adequate protection has been secured for our missionaries 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 treaties 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 Shanghai and the opening of the ports of Nanking, Tientsin, Kiaochow (Kiao) and La-Lien-wan to foreign trade and

settlement will doubtless afford American enterprise additional facilities and new fields in which it will not be slow to take advantage.

**GERMAN RELATIONS CORDIAL.**

Our relations 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 landing on our shores of a cable from Horkum, on the North Sea, by which the routes are made by way of the conclusion on September 2 of a parcels post convention with the German empire. In all that promises closer relations of intercourse and harmony and a better understanding between two races having so many traits in common. Germany can be assured of the most cordial co-operation of this government and people. We may be rivals in many material paths, but our rivalry should be generous and open, even aiming toward the attainment of a common goal to meet the beneficial advancement of each in the line of its especial adaptability.

**THE ALASKAN BOUNDARY.**

If the failure of an agreement as to the meaning of articles 3 and 4 of the treaty of 1825 between Russia and Great Britain, which defined the boundary between Alaska and Canada, the American commissioners proposed that the subject of the boundary be laid aside and that the remaining questions of difference be proceeded with, some of which were so far advanced as to assure the probability of a settlement. This being declined by the British commissioners, an adjustment of the boundary should be adjusted by the two governments. The subject has been receiving the careful attention which its importance demands, with the result that a modus vivendi for provisional demarcation of the region has been agreed upon; and it is hoped that the negotiations now in progress between the two governments will end in an agreement for the establishment and delimitation of a permanent boundary.

These questions, growing out of our relationship with our northern neighbor, the most friendly agreement have marked the discussion of numerous matters arising out of the vast and intimate intercourse of the United States with that region.

**THE WAR IN SOUTH AFRICA.**

This government has maintained an attitude of neutrality in the unfortunate contest between Great Britain and the Boer states of Africa. We have remained faithful to the precept of avoiding entangling alliances as to affairs not of our direct concern. The circumstances suggested that the parties to the quarrel would have welcomed any kindly expression of the hope of the American people that war might be averted good offices would have been rendered. The United States representative at Pretoria was early instructed to see that all neutral American interests be respected by the combatants. This has been an easy task in view of the positive declarations of both British and Boer authorities that the personal and property rights of our citizens should be observed.

Upon the withdrawal of the British agent from Pretoria the United States consul was authorized upon the request of the British government and with the assent of the South African and Orange Free State governments to exercise the customary good offices of a neutral for the care of British interests. In the discharge of this function I am happy to say that abundant opportunity has been afforded to show the impartiality of this government toward both the combatants.

**THE SAMOAN ISLANDS.**

Important events have occurred in the Samoan islands. The election, according to the laws and customs of Samoa, of a successor to the late King Mafetao Laupapa, developed a contest as to the validity of the result, which was to be decided by the chief justice, who rendered a judgment in favor of Mafetao Tanu, the rival chief. Mataafa took up arms. The active intervention of American and British warships became imperative to restore order, at the cost of sanguinary encounters.

A joint commission of representatives of the United States, Germany and Great Britain was sent to Samoa to investigate the situation and provide a temporary remedy. By its active efforts a peaceful solution was reached and a provisional government established. Recommendations unanimously made by the commission for a permanent adjustment of the Samoan question were taken under consideration by the three parties to the general act. But the more they were examined the more evident it became that a radical change was necessary in the relations of the powers to Samoa.

The inconveniences and possible perils of the tripartite scheme of supervision and control in the Samoan archipelago having little interest in common in that quarter beyond commercial rivalry, has been once more emphasized by the recent events. The suggested remedy of the joint commission, like the scheme it aimed to replace, amounted to what has been termed the abdication of sovereignty by an unanimous agreement of three powers. The situation had become far more intricate and embarrassing from every point of view than it was when my predecessor in 1894 assumed up its perplexities and condemned the participation in it of the United States.

**THE TRIPARTITE AGREEMENT.**

The arrangement under which Samoa was administered had proved impracticable and unacceptable to all the powers concerned. To withdraw from the agreement and abandon the islands to Germany and Great Britain would not be compatible with our interests in the archipelago. To relinquish our rights in the harbor of Pago Pago, the bes tanchorage in the Pacific, the occupancy of which had been leased to the United States in 1878 by the first Foreign treaty ever concluded by Safford, was not to be thought of either as regards the needs of our navy or the interests of our growing commerce with the east. We could not have considered any proposition for the abrogation of the tripartite control rights and safeguard all our national interests in the islands.

Our views commended themselves to the other powers. A satisfactory arrangement was concluded between the governments of Germany and of Great Britain by which we retained our Samoan rights and compensations in other directions, and both powers renounced in favor of the United States all their rights and claims over and in respect to that portion of that group lying to the east of the 17th degree of longitude, embracing the islands of Ofofo, Olofenga and Manua. I transmit to the senate, for its constitution action thereon, a convention which, besides the provisions above mentioned, also guarantees us the same privileges and conditions in respect to commerce and commercial ves-

sels in all of the islands of Samoa as those possessed by Germany.

It is to be noted that the appointed consul has been referred by white residents of Samoa on account of injuries alleged to have been suffered through the acts of the treaty governments in putting down the late disturbances.

A convention has been made between the three powers for the investigation and settlement of these claims by a neutral arbitrator to which the attention of the senate will be invited.

**THE INDEPENDENCE OF CUBA.**

My annual message of last year was necessarily devoted in great part to a consideration of the Spanish war and of the results it wrought and the conditions it imposed for the future. I am gratified to announce that the treaty of peace has restored friendly relations between the two powers. Effect has been given to its most important provisions. The evacuation of Porto Rico having been already accomplished on the 18th of October, 1898, nothing remained necessary there but to continue the provisional military control of the island until the congress should enact a suitable government for the ceded territory. Of the character and the extent of the measures that end shall treat in another part of this message.

The withdrawal of the authority of Spain from the island of Cuba was effected by the 1st of January, so that the full and complete independence of the relinquished territory held by us in trust for the inhabitants, maintaining, under the direction of the executive, such government and control therein as should conserve public order, restore the productive conditions of peace 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 state whereby alone can be realized the high purpose, as proclaimed by the joint resolution adopted by the congress on the 19th of April, 1898, by which the United States disclaimed any disposition or intention to exercise sovereignty, jurisdiction or control over Cuba, except for the pacification thereof, and declared its intention that when that was accomplished to leave the government and control of the island to its people. The pledge contained in this resolution is of the highest honorable obligation and must be sacredly kept.

**FIT THEM FOR INDEPENDENCE.**

I believe that substantial progress has been made in this direction. All the administrative measures adopted by Cuba have aimed to fit it for 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 and sanitary reforms; by spreading education; by fostering industry and trade; by inculcating public morality, and, in short, by taking every rational step to aid the Cuban people to attain to that plane of self-conscious respect and self-reliant unity which is the highest community for self-government within its own sphere, while enabling it to fulfill all outward obligations.

This nation has assumed before the world a grave responsibility for the future good government of Cuba. We cannot expect a trust in the fulfillment of which calls for the sternest integrity of purpose and the exercise of the highest wisdom.

**CUBA BOUND TO US.**

The new Cuba yet to arise from the ashes of the past must needs be bound to us by ties of singular intimacy and strength if its enduring welfare is to be secured. Whether those ties shall be organic or conventional, the destinies of Cuba are in some rightful form and manner irrevocably linked with ours, but how and how far is for the future to determine in the hands of the Cuban people. We must see to it that free Cuba be a reality, not a name; a perfect entity, not a hastily experiment bearing within itself the elements of failure.

**MUST RESTORE PROSPERITY.**

Our mission to accomplish which we took up the wages of battle, is not to be fulfilled by turning a deaf ear to the necessities of the Cuban people, but by the vicissitudes which too often attend weaker states whose natural wealth and abundant resources are offset by the incongruities of their political organization and the recurring occasions for international rivalries to sap their energies. The greatest blessing which can come to Cuba is the restoration of her agricultural and industrial prosperity, which will give employment to idle men and re-establish the pursuits of peace. This is her chief and immediate need.

On the 19th of August last an order was made for the taking of the census of the island, to be completed on the 30th of November. By the treaty of peace the Spanish people are to have until April 11, 1900, to elect whether they will remain citizens of Spain or become citizens of Cuba. Until then it cannot be definitely ascertained who shall be entitled to participate in the formation of the government of Cuba. By that time the results of the census will have been tabulated and we shall proceed to provide for elections which will commit the municipal governments of the island to the officers elected by the people.

**HOW WE WILL GRANT FREEDOM.**

The experience thus acquired will prove of great value in the formation of a representative convention of the people in 1894, and in the establishment of a general system of independent government for the island. In the meantime, and so long as we exercise control over the island, the products of Cuba should have a market in the United States on as good terms as are given to the West India islands under treaties of reciprocity which shall be made.

For the relief of the distressed in the island of Cuba the war department has supplied to destitute persons through the officers of the army, which have amounted to 5,492,000 rations, at a cost of \$1,417,554.97.

To procure the disarmament of the Cuban volunteer army and in the interest of public peace and the welfare of the people the sum of \$75 was paid to each Cuban soldier borne upon the authenticated rolls, on conditions that he should deposit his arms with the authorities designated by the United States. The sum thus disbursed aggregated \$2,547,734, which was paid from the emergency fund provided by the act of January 8, 1899, for that purpose.

Out of the Cuban island revenues during the six months ending June 30, 1899, \$1,712,014.20 was expended for sanitation, \$293,881.70 for charities and hospitals and \$88,944.03 for and to the destitute.

**RELATIONS WITH SPAIN.**

Following the exchange of ratifications of the treaty of peace the two governments accredited ministers to each other, Spain sending to Washington the Duke of Arco and the United States, previously stationed in Mexico, the Hon. United States transferred to Madrid Hon. Bellamy Storer,

its minister at Brussels. This was followed by the respective appointments of consuls, thereby fully resuming relations interrupted by the war. D addition to its consular representation in the United States, the Spanish government has appointed consuls for Cuba, who have been provisionally recognized during the military administration of the affairs of that island.

Judicial intercourse between the courts of Cuba and Porto Rico and of Spain has been established as provided by the treaty of peace. The Cuban political prisoners in Spanish penal stations have been and are being released and being returned to their homes, in accordance with article 6 of the treaty. Negotiations are about to be had for defining the conventional relations between the two countries, which fell into abeyance by reason of the war. It is trusted that those will include a favorable arrangement for commercial reciprocity under the terms of sections 3 and 4 of the current tariff act. In these, as in all matters of international concern, no effort will be spared to secure the good disposition of Spain and to cultivate in all practicable ways the intimacy which should prevail between the two nations, whose past history has so often and in so many ways been marked by sincere friendship and by community of interests. I would recommend appropriate legislation in order to carry into execution article 7 of the treaty of peace with Spain, by which the United States assured the payment of certain claims for indemnity of its citizens against Spain.

**REGULAR AND VOLUNTEER ARMY.**

Since my last annual message, and in obedience to the act of the congress of April 22 and 26, 1898, the remaining volunteer force enlisted for the Spanish war, consisting of 34,834 regulars and 110,292 volunteers, with over 6,000 volunteer officers, has been discharged from the military service. Of the 6,000 officers and 14,831 men were serving in the Philippines and 1,650 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 places could be filled by regulars. They were returned home in the order in which they went to Manila, and now all of them are out of the service and in the ranks of citizenship. I recommend that congress provide a special medal of honor for the volunteer officers and privates who voluntarily remained in the service after their terms of enlistment had expired.

By the act of March 3, 1899, congress has authority to increase the regular army to 25,000 men, and to enlist a force of 35,000 volunteers, to be recruited from the country at large. By virtue of this authority the regular army has been increased to the number of 81,999 enlisted men and 2,248 officers and non-commissioned regiments have been organized, aggregating 33,050 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 places of those returning from the Philippines have been transferred to Manila to the number of 58 officers and 26,322 enlisted men of the regular army and 694 officers and 15,358 enlisted men of the new volunteer force, while 504 officers and 14,119 men of the volunteer force are on the ocean en route to Manila.

**TROOPS IN THE PHILIPPINES.**

The force now in Manila consists of 395 officers and 36,000 regulars and 594 officers and 15,383 of the volunteers, making an aggregate of 1,499 officers and 45,966 men. When the troops now under orders shall reach Manila, the force in the archipelago will comprise 1,051 officers and 108,358 men. The major portion of the great volunteer army organized for the Spanish war and the creation of a new army, the transportation from Manila to San Francisco of those entitled to discharge and the transportation of the new troops to take their places, have been a work of great magnitude, well and ably done, for which too much credit cannot be given the war department.

During the past year we have reduced our force in Cuba and Porto Rico. In Cuba we now have 234 officers and 2,248 enlisted men; in Porto Rico, 180 officers and 2,555 enlisted men, and a battalion of 400 men composed of native Porto Ricans; while stationed throughout the United States are 910 officers and 17,317 men, and in Hawaii twelve officers and 453 enlisted men.

**COMMENTS OFFICERS AND MEN.**

The operations of the army are fully presented in the reports of the officers and men. I cannot withhold from officers and men the highest commendation for their soldierly conduct in trying situations, their willing sacrifices for their country and the interest and ability with which they have performed unusual and difficult duties in our island possessions.

In the organization of the volunteer regiments authorized by the act of March 2, 1899, it was found that no provision had been made for chaplains. The omission was doubtless from inadvertence. I recommend the early authorization for the appointment of one chaplain for each of said regiments. These regiments are now in the Philippines, and it is important that immediate action be had.

**THE AMERICAN NAVY.**

The navy has maintained the spirit and high efficiency which have always characterized that subject, and has made more than a commendable record which has signalized its brilliant and glorious past. The nation has equal pride in its early and later achievements. Its habitual readiness for every emergency has won the confidence and admiration of the courts of the world and is interested in the continued preparation and prestige of the navy and will approve liberal appropriations for its maintenance and improvement. The officers have shown peculiar adaptation for the performance of new and delicate duties which our recent war has imposed.

It cannot be doubted that congress will at once make necessary provision for the armor plates for the vessels now under contract and building. Its attention is respectfully called to the report of the secretary of the navy, in which the subject is fully presented, and in his recommendation that the congress enact such special legislation as may be necessary to enable the department to make contracts early in the coming year for armor of the best quality that can be obtained in this country for the Maine, Ohio and Wisconsin; and that the provision of the act of March 3, 1899, limiting the price of armor to \$300 per ton be removed.

In the matter of naval construction, Italy and Japan of the great powers, laid down less tonnage in the year 1899 than the country and Italy, and has less tonnage under construction. I heartily concur in the recommendations for increasing the navy, as suggested by the secretary of the navy.

**THE PENSION BILL.**

June 30, 1899, the pension roll of the United States numbered 961,119. These include the pensioners of the war of 1812, the war of 1812, and the number added to the rolls during the year was 4,991. The number dropped by reason of death, minors by legal

its minister at Brussels. This was followed by the respective appointments of consuls, thereby fully resuming relations interrupted by the war. D addition to its consular representation in the United States, the Spanish government has appointed consuls for Cuba, who have been provisionally recognized during the military administration of the affairs of that island.

Judicial intercourse between the courts of Cuba and Porto Rico and of Spain has been established as provided by the treaty of peace. The Cuban political prisoners in Spanish penal stations have been and are being released and being returned to their homes, in accordance with article 6 of the treaty. Negotiations are about to be had for defining the conventional relations between the two countries, which fell into abeyance by reason of the war. It is trusted that those will include a favorable arrangement for commercial reciprocity under the terms of sections 3 and 4 of the current tariff act. In these, as in all matters of international concern, no effort will be spared to secure the good disposition of Spain and to cultivate in all practicable ways the intimacy which should prevail between the two nations, whose past history has so often and in so many ways been marked by sincere friendship and by community of interests. I would recommend appropriate legislation in order to carry into execution article 7 of the treaty of peace with Spain, by which the United States assured the payment of certain claims for indemnity of its citizens against Spain.

**REGULAR AND VOLUNTEER ARMY.**

Since my last annual message, and in obedience to the act of the congress of April 22 and 26, 1898, the remaining volunteer force enlisted for the Spanish war, consisting of 34,834 regulars and 110,292 volunteers, with over 6,000 volunteer officers, has been discharged from the military service. Of the 6,000 officers and 14,831 men were serving in the Philippines and 1,650 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 places could be filled by regulars. They were returned home in the order in which they went to Manila, and now all of them are out of the service and in the ranks of citizenship. I recommend that congress provide a special medal of honor for the volunteer officers and privates who voluntarily remained in the service after their terms of enlistment had expired.

By the act of March 3, 1899, congress has authority to increase the regular army to 25,000 men, and to enlist a force of 35,000 volunteers, to be recruited from the country at large. By virtue of this authority the regular army has been increased to the number of 81,999 enlisted men and 2,248 officers and non-commissioned regiments have been organized, aggregating 33,050 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 places of those returning from the Philippines have been transferred to Manila to the number of 58 officers and 26,322 enlisted men of the regular army and 694 officers and 15,358 enlisted men of the new volunteer force, while 504 officers and 14,119 men of the volunteer force are on the ocean en route to Manila.

**TROOPS IN THE PHILIPPINES.**

The force now in Manila consists of 395 officers and 36,000 regulars and 594 officers and 15,383 of the volunteers, making an aggregate of 1,499 officers and 45,966 men. When the troops now under orders shall reach Manila, the force in the archipelago will comprise 1,051 officers and 108,358 men. The major portion of the great volunteer army organized for the Spanish war and the creation of a new army, the transportation from Manila to San Francisco of those entitled to discharge and the transportation of the new troops to take their places, have been a work of great magnitude, well and ably done, for which too much credit cannot be given the war department.

During the past year we have reduced our force in Cuba and Porto Rico. In Cuba we now have 234 officers and 2,248 enlisted men; in Porto Rico, 180 officers and 2,555 enlisted men, and a battalion of 400 men composed of native Porto Ricans; while stationed throughout the United States are 910 officers and 17,317 men, and in Hawaii twelve officers and 453 enlisted men.

**COMMENTS OFFICERS AND MEN.**

The operations of the army are fully presented in the reports of the officers and men. I cannot withhold from officers and men the highest commendation for their soldierly conduct in trying situations, their willing sacrifices for their country and the interest and ability with which they have performed unusual and difficult duties in our island possessions.

In the organization of the volunteer regiments authorized by the act of March 2, 1899, it was found that no provision had been made for chaplains. The omission was doubtless from inadvertence. I recommend the early authorization for the appointment of one chaplain for each of said regiments. These regiments are now in the Philippines, and it is important that immediate action be had.

**THE AMERICAN NAVY.**

The navy has maintained the spirit and high efficiency which have always characterized that subject, and has made more than a commendable record which has signalized its brilliant and glorious past. The nation has equal pride in its early and later achievements. Its habitual readiness for every emergency has won the confidence and admiration of the courts of the world and is interested in the continued preparation and prestige of the navy and will approve liberal appropriations for its maintenance and improvement. The officers have shown peculiar adaptation for the performance of new and delicate duties which our recent war has imposed.

It cannot be doubted that congress will at once make necessary provision for the armor plates for the vessels now under contract and building. Its attention is respectfully called to the report of the secretary of the navy, in which the subject is fully presented, and in his recommendation that the congress enact such special legislation as may be necessary to enable the department to make contracts early in the coming year for armor of the best quality that can be obtained in this country for the Maine, Ohio and Wisconsin; and that the provision of the act of March 3, 1899, limiting the price of armor to \$300 per ton be removed.

In the matter of naval construction, Italy and Japan of the great powers, laid down less tonnage in the year 1899 than the country and Italy, and has less tonnage under construction. I heartily concur in the recommendations for increasing the navy, as suggested by the secretary of the navy.

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