M'KINLEY'S MESSAGE

The Annual Communication of the President to Congress.

MANY IMPORTANT RECOMMENDATIONS

Ouflines Our Policy in China-Approves of Ship Subsidy-Proposes Legislation for the Philippines and Asks Ratification of May-Panneclote Trenty.

Washington, Dec. 4 .- The following is a comprehensive synopsis of the president's annual message to congress:

The president gives first place in his message to the troubles in China, and our connection with the allied forces operating there. He reviews the causes leading up to the Boxer outbreak, and the first murders of foreigners in Chinese territories. In this connection he asys:

nese territories. In this connection he says:

The increasing gravity of the conditions in China and the imminence of peril to our own diversified interests in the empire, as well as to those of all the other treaty governments, were soon appreciated by this government, causing it profound solicitude. The United States from the earliest days of foreign intercourse with China had followed a policy of peace, omitting no occasions to testify good will, to further the extension of lawful trade, to respect the sovereignty of its government, and to insure by all legitimate and kindly but earnest means the fullest measure of protection for the lives and property of our lawabiding citizens and for the exercise of their beneficent callings among the Chinese people.

Mindful of this, it was felt to be appro-priate that our purposes should be pro-nounced in favor of such course as would nounced in favor of such course as would hasten united action of the powers at Peking to promote the administrative reforms so greatly needed for strengthening the imperial government and maintaining the integrity of China, in which we believed the whole western world to be allike concerned. To these ends I caused to be addressed to the several powers occupying territory and maintaining spheres of influence in China the circular proposals of 1859, inviting the circular proposals of 1859, inviting from them declarations of their intentions and views as to the destrability of the supption of measures insuring the benefits of equality of treatment of all foreign trade throughout China.

Vigor of the Siege.

Vigor of the Siege.

The history of the efforts made at relieving the beleaguered legationers in Perking is thoroughly covered; no important detail is lacking, and every engagement with the Chinese forces is mentioned, whether our forces were engaged or not. To show the vigor with which the siege of the legations was pushed by the Chinese he quotes reports from Minister Conger, as follows:

"From June 20 until July 17," writes Minister Conger, there was scarcely an hour during which there was not firing upon some part of our lines and into some of the legations, varying from a single shot to a general and continuous attack along the whole line." Artillery was placed around the legations and on the overlooking palace walls, and thousands of three-inch shells were fired, destroying some buildings and damaging all. So thickly did the bails rain that, when the ammunition of the besieged ran low, five quarts of Chinese buillets were gathered in an hour in one compound and recast.

Attempts were made to burn the lega-

and recast.

Attempts were made to burn the legations by setting neighboring houses on fire, but the flames were successfully fought off, although the Austrian, Beigian, Italian and Dutch legations were then and subsequently burned. With the aid of the native converts, directed by the missionaries, to whose helpful cooperation Mr. Conger awards unstinted praise, the British legation was made a veritable fortress. The British minister, Sir Claude Macdonald, was chosen general commander of the defense, with the secretary of the American legation, Mr. E. G. Squiers, as chief of staff.

Defense of the Legationers.

To save life and ammunition the be-

To save life and ammunition the To save life and ammunition the besieged sparingly returned the incessant fire of the Chinese soldiery, fighting only to repel attack or make an occasional successful sortie for strategic advantage, such as that of 55 Americans, British and Russian marines led by Capt. Myers, of the United States marine corps, which resulted in the capture of a formidable barricade on the wall that gravely menaced the American position. It was held to the last, and proved an invaluable acquisition, because commanding the water gate through cause commanding the water gate through which the relief column entered.
.During the slege the defenders lost 65
killed, 125 wounded and seven by disease—

the last all children.
On July 14 the besieged had their first communication with the tsung-ii-yamen, from whom a message came inviting to a cenference, which was declined. Correconference, which was declined. Correspondence, however, ensued and a sort of armistice was agreed upon, which stopped the bombardment and lessened the rife fire for a time. Even then no protection whatever was afforded, nor any ald given, save to send to the legations a small supply of fruit and three sacks of flour.

Duplicity of Chinese Government. Indeed, the only communication had with the Chinese government related to the oc-essional delivery or dispatch of a telegram or to the demands of the tsung-li-yamen for the withdrawal of the legation to the coast under escort. Not only are the pro-testations of the Chinese government that it protected and succored the legations positively contradicted, but irresistible proof accumulates that the attacks upon thom were made by imperial troops reguhom were made by imperial troops, regu-ariy uniformed, armed and officered, be-onging to the command of Jung Lu, the longing to the command of Jung Lu, the imperial commander in chief. Decrees encouraging the Boxers, organizing them under prominent imperial officers, provisioning them, and even granting them large sums in the name of the empress dowager, are known to exist. Members of the tsung-li-yamen who counseled protection of the foreigners were beheaded. Even in the distant provinces men suspected of foreign sympathy were put to death, prominent among these being Chang Yen-Hoon, formerly Chinese minister in Washington.

Preparations for Relief.

Ail the preparations for Relief.

Ail the preparations for relief by the combined powers are gone into, and when that object was finally accomplished on August 14 the conditions met with in Peking are described as follows:

The imperial family and the government had fied a few days before. The city was without visible control. The remaining imperial soldiery had made on the night of the 18th a last attempt to exterminate the besieged, which was gallaytly repelled. It fell to the occupying foxes to restore order and organize a provisional administration.

Our Chinese Policy.

Our Chinese Policy. He recalls the circular note to the powers issued by this government on July 3 outlining our policy as one of peace utlining our policy as one of peace, unranteeing the integrity of China, and

says:
As was then said, "the policy of the government of the United States is to seek a solution which may bring about permanent safety and peace to China, preserve Chinese territorial and administrative entity, protect all rights guaranteed to friendly powers by treaty and international law, and safeguard for the world the principle of equal and impartial trade with all parts of the Chinese empire."

empire."
Faithful to those professions which, as it proved, reflected the views and purposes of the other coaperating governments, all our efforts have been directed toward ending the anomalous situation in China by negotiations for a settlement at the

sariest possible moment. As soon as the sacred duty of relieving our legation and its dependents was accomplished we withdrew from active hostilities, leaving our legation under an adequate guard in Peking as a channel of negotiation and settlement—a course adopted by others of the interested powers. Overtures of the empowered representatives of the Chinese emperor have been considerately entertained.

Accepted Russin's Proposition.

The Russian proposition looking to the restoration of the imperial power in Peking has been accepted as in full consonance with our own desires, for we have held and hold that effective reparation for heid and hold that effective reparation for wrongs suffered and an enduring settlement that will make their recurrence impossible can best be brought about under an authority which the Chinese nation reverences and obeys. While so doing we forego no jot of our undoubted right to exact exemplary and deterrent punishment of the responsible authors and abettors of the criminal acts whereby we and other nations have suffered grievous injury.

For the real culprits, the evil counselors who have misled the imperial judgment and diverted the sovereign authority to their own guilty ends, full explation becomes imperative within the rational limits of retributive justice. Regarding this as the initial condition of an acceptable settlement between China and the powers, I said in my message of October 18 to the Chi-

my message of October 18 to the Chi-

"I trust that negotiations may begin so "I trust that negotiations may begin so soon as we and the other offended governments shall be effectively satisfied of your majesty's ability and power to treat with just sternness the principal offenders, who are doubly culpable, not alone toward the foreigners, but toward your majesty, under whose rule the purpose of China to dwell in concord with the world had hitherto found expression in the welcome and protection assured to strangers. protection assured to strangers.

The Peace Negotiations.

Taking, as a point of departure, the imperial edict appointing Earl Li Hung Chang and Prince Ching pienipotentiaries to arrange a settlement, and the edict of September 25, whereby certain high officials were designated for punishment, this government has moved, in concert with the other powers, toward the opening of negotiations, which Mr. Conger, assisted by Mr. Rockhill, has been authorized to conduct on behalf of the United Staes.

General bases of negotiation formulated

Mr. Rockhili, has been authorized to conduct on behalf of the United Staes.

General bases of negotiation formulated by the government of the French republic have been accepted with certain reservations as to details, made necessary by our own circumstances, but, like similar reservations by other powers, open to discussion in the progress of the negotiations. The disposition of the emperor's government to admit liability for wrongs done to foreign governments and their nationals, and to act upon such additional designation of the guilty persons as the foreign ministers at Peking may be in a position to make, gives hope of a complete settlement of all questions involved, assuring foreign rights of residence and intercourse on terms of equality for all the world.

Foundation of Durable Peace.

Foundation of Durable Peace. I regard as one of the essential factors of a durable adjustment the securement of adequate guarantees for liberty of faith. since insecurity of those natives who may embrace alien creeds is a scarcely less ef-fectual assault upon the rights of foreign

fectual assault upon the rights of foreign worship and teaching than would be the direct invasion thereof.

The matter of indemnity for our wronged citizens is a question of grave concern. Measured in money alone, a sufficient reparation may prove to be beyond the ability of China to meet. All the powers concur in emphatic disclaimers of any pur-pose of aggrandizement through the dispose of aggrandizement through the dismemberment of the empire. I am disposed to think that due compensation may be made in part by increased guarantees of security for foreign rights and immunities, and, most important of all, by the opening of China to the equal commerce of all the world. These views have been and will be earnestly advocated by our representation.

sentatives.

The government of Russia has put forward a suggestion that in the event of protracted divergence of views in regard to indemnities the matter may be relegated to the court of arbitration at The Hague. I favorably incline to this, believing that high tribunal could not fail to reach a solution no less conducive to the stability and enlarged prosperity of China itself than immediately beneficial to the powers. sentatives.

First Place at Paris.

Our relations with other countries are gone into in detail. The Paris exposi-tion is referred to as offering an opportunity for a display of the good will ex-isting between this country and France. He notes that there were many draw-

he notes that there were many draw-backs to a proper exhibition of American products, but says:

Despite all these drawbacks the con-tribution of the United States was not only the largest foreign display, but was among the earliest in place and the most orderly in arrangement. Our exhibits among the earliest in place and the most orderly in arrangement. Our exhibits were shown in 101 out of 121 classes, and more completely covered the entire classification than those of any other nation. In total number they rank next after those of France, and the attractive form in which they were presented secured general attention.

A criterion of the extent and success of our participation, and of the thorough.

of our participation and of the thorough-ness with which our exhibits were or-ganized is seen in the awards granted to ness with which our exhibits were organized is seen in the awards granted to American exhibitors by the international jury, namely, grand prizes, 240; gold medals, 597; silver medals, 776; bronze medals, 51, and honorable mentions, 322-2,476 in all, being the greatest total number given to the exhibition of any one exhibiting nation, as well as the largest number in each grade. This significant recognition of merit in competition with the chosen exhibits of all other nations and at the hands of juries almost wholly made up of representatives of France and other competing countries is not only most gratifying, but is especially valuable, since it sets us to the front in international questions of supply and demand, while the large proportion of awards in the classes of art and artistic awards in the classes of art and artistic manufactures afforded unexpected proof of the stimulation of national culture by the prosperity that flows from national productiveness joined to industrial ex-

Relations with Germany.

Of our relations with Germany the president says good will prevails. He advises congress that the question of the admis-sion of our life insurance companies to do business in that country has been reached and the companies admitted. Of the meat inspection law of Germany he

An imperial meat inspection law has An imperial meat inspection law has been enacted for Germany. While it may simplify the inspection, it prohibits cer-tain products heretofore admitted. There is still great uncertainty as to whether our well-nigh extinguished German trade in ment products can revive under its new burdens. Much will depend upon regulations not yet promulgated, which we confidently hope will be free from the discriminations which attended the enforcement of the old statutes.

The Ainskan Boundary.

In connection with our relations with England he refers to the partial settle-ment of the Alaskan boundary dispute, and urges such action as shall defi-nitely settle this vexing question by say-

Ing:
In this relation I may refer again to the need of definitely marking the Alaskan boundary where it follows the one hundred and forty-first meridian. A convention to that end has been before the senate for come two years, but as no action has been some two years, but as no action has been taken I contemplate negotiating a new convention for a joint determination of the meridian by telegraphic observations. These, it is believed, will give more accurate and unquestionable results than the sidereal methods heretofore independently followed, which as is known proved the followed, which, as is known, proved dis-crepant at several points on the line, al-though not varying at any place more than

The War in South Africa.

to neutral cargoes, not contraband in their own nature, shipped to Portuguese South Africa, on the score of probable or suspected sitimate destination to the Boer

Of the final settlement of this question he says: Such consignments in British ships, by Such consignments in British ships, by which alone direct trade is kept up between our ports and Southern Africa, were seized in application of a municipal law prohibiting British vessels from trading with the enemy without regard to any contraband character of the goods, while cargoes shipped to Delagoa Bay in neutral bottoms were arrested on the ground of alleged destination to enemy's country. Appropriate representations on our part resulted in the British government agreeing to purchase obtright all such goods shown to be actual property of American citizens, thus closing the incident to the satisfaction of the immediately interested parties, although, unfortunately, without a broad settlement of the question of a neutral's right to send goods not contraband per se to a neutral port adjacent to a belligerent area.

Relations with Italy.

Relations with Italy. The lynching of the Italians in Louisi-The lynching of the Italians in Louisiana is the one question standing between this government and Italy. That country is still waiting for the punishment of the parties guilty of that crime. The president says that successive grand juries have failed to find indictments, and says: Setting the principle at issue high above all consideration of merely pecuniary indemnification, such as this government made in the three previous cases, Italy has solemniy invoked the pledges of existing treaty and asked that the justice to which she is entitled shall be meted in regard to her unfortunate countrymen in our territory with the same full measin our territory with the same full meas-ure she herself would give to any Amer-ican were his reciprocal treaty rights con-

temned.

I renew the urgent recommendations I made last year that the congress appropriately confer upon the federal courts jurisdiction in this class of international cases where the ultimate responsibility of cases where the ultimate responsibility of the federal government may be involved, and I invite action upon the bills to accom-plish this which were introduced in the senate and house. It is incumbent upon us to remedy the statutory omission which has led, and may again lead, to such un-toward results. I have pointed out the necessity and the precedent for legislation of this character. Its enactment is a sim-ple measure of previsory justice toward the nations with which we as a sovereign equal make treaties requiring reciprocal observ-

Lynching.

In my inaugural address I referred to the general subject of lynching in these words:

Lynching must not be tolerated in a reat and civilized country like the United States; courts, not mobs, must execute the penalties of the law. The preservation of public order, the right of discussion, the integrity of courts, and the orderly administration of justice must continue forever the rock of safety upon which our government securely upon which our government securely

This I most urgently reiterate, and again invite the attention of my countrymen to this reproach upon our civiliza-

The Micarauguan Canal.

He advocates the speedy building of the Nicaraguan canal, and recommends the ratification of the Hay-Pauncefote treaty. On this subject he says: The all-important matter of an inter-oceanic canal has assumed a new phase, Adhering to its refusal to reopen the ques-tion of the forfeiture of the contract of the Maritime Canal company, which was the Maritime Canal company, which was the Maritime Canal company, which was terminated for alleged non-execution in October, 1859, the government of Nicaragua has since supplemented that action by declaring the so-styled Eyre-Cramin option void for nonpayment of its stipulated advance. Protests in relation to these acts have been filed in the state decent of the state decent of the state of partment and are under consideration. Deeming itself relieved from existing en-

Deeming itself relieved from existing engagements, the Nicaraguan government shows a disposition to deal freely with the canal question either in the way of negotiations with the United States or by taking measures to promote the waterway. Overtures for a convention to effect the building of a canal under the auspices of the United States are under consideration. In the meantime the views of the congress upon the general subject, in the light of the report of the commission appointed to examine the comparative merits night of the report of the commission ap-pointed to examine the comparative merits of the various trans-isthmian ship-canal projects, may be awaited.

I commend to the early attention of the senate the convention with Great Britain to facilitate the construction of such a

canal and to remove any objection which might arise out of the convention commonly called the Clayton-Bulwer treaty.

New Treaty with Spain. Of our relations with Spain he says a new convention of extradition is approaching completion and trusts that a commercial convention may follow. Of

commercial convention may follow. Of Spain's claim to a number of the islands in the Philippine group not covered by the Paris treaty he says:

By the terms of the treaty of peace the line bounding the ceded Philippine group in the southwest failed to include several small Islands lying west of the Sulus, which have always been recognized as under Spanish control. The occupation of Sibutu and Cagayan Sulu by our naval forces elicited a claim on the part of Spain, the essential equity of which could not be gainsaid. In order to cure the defect of the treaty by removing all possible ground of future misunderstanding respecting the interpretation of its third article, I directed the negotiation of a supplementary treaty, which will be forthwith laid before the senate, whereby Spain quits all title and claim to the islands named as well at senate, whereby Spain quits all title and claim to the islands named, as well as to any and all islands belonging to the Philinly and an islands belonging to the Philippine archipelago lying outside the lines ascribed in said third article, and agrees that all such islands shall be comprehended in the cession of the archipelago as fully as if they had been expressly included within those lines. In consideration of this cession the United States is to pay to Spain the sum of the consideration of this cession the United States is to pay to Spain the sum of

Still Waiting on the Sultan.

Of the claims against Turkey he says: We await the fulfillment of the promwe await the trainment of the promise of the sultan to make reparation for the injuries suffered by American citizens in Armenia and elsewhere in the Turkish empire. His majesty's good disposition in this regard has been evinced by the issuance of an irade for rebuilding the American college at Harpoot.

Would Extend Reciprocity. He urges the approval of the commer-cial conventions entered into between this government and other powers as soon as possible that the agricultural and other industries of the country may profit thereby. Continuing on this subject he

The policy of reciprocity so manifestly rests upon the principles of international equity and has been so repeatedly approved by the people of the United States, that there ought to be no hesitation in either branch of the congress in giving to it full effect.

Our Financial Showing.

Our Financial Showing.

The president points with much pride to the showing made by the treasury department and quotes exhaustively from the report of Secretary Gage. He shows the surplus for the year to be \$79.527,060.18, and estimates the surplus of the coming year at \$80,000,000. He says the present condition of the treasury is one of undoubted strength. The available cash balance November 20 was \$139,303,794.50. Under the form of statement prior to the financial law of March 14 last this would have been included in the statement of available cash gold coin and bullion held for the redemption of United States notes.

Further Financial Legislation.

Further Financial Legislation.

He recommends further financial legis-lation in the following words:

It will be the duty as I am sure it will be the disposition of the congress to pro-vide whatever further legislation is need-ed to insure the continued parity under all conditions between our two forms of metallic manner silver and gold. A review of the incidents connected with our shipping to South African points is given, and he says that in this connection vexatious questions arose through Great Britain's action in respect

of the fiscal year to call in the funded loan of 1891 continued at two per cent, in the sum of \$25,364,500. To and including November 30, \$23,468,100 of these bonds have been paid. This sum, together with the amount which may accrue from further redemptions under the call, will be applied to the sinking fund.

The law of March 14, 1900, provided for refunding into two per cent. 30-year bonds, payable, principal and interest, in gold coin of the present standard value, that portion of the public debt represented by the three-per-cent bonds of 1908, the four-per-cents of 1907 and the five-per-cents of 1900, of which there was outstanding at the date of said law \$339,149,-930. The holders of the old bonds presented them for exchange March 14 and November 30 to the amount of \$364,943,750. The net saving to the government on these transactions aggregates \$9,106,166.

Banking Facilities Extended.

Banking Facilities Extended.

The beneficial effect of the financial act of 1900, so far as it relates to the modification of the national banking act, is already apparent. The provision for the incorporation of national banks with a capital of not less than \$25,000 in places not exceeding 3,000 inhabitants has resulted in the extension of banking facilities to many small communities hitherto unable to provide themselves with banking institutions under the national system. There were organized from the enactment of the law up to and including November 30, 369 national banks, of which 266 were with capital less than \$50,000 and 103 with capital of \$50,000 or more.

It is worthy of mention that the greater number of banks being organized under the new law are in sections where the need of banking facilities has been most pronounced. Iowa stands first, with 30 banks of the smaller class, while Texas, Oklahoma, Indian territory and the middle and western sections of the country have also availed themselves largely of the privileges under the new law. Banking Facilities Extended.

Our Foreign Trade.

Our foreign trade shows a remarkable record of commercial and industrial progress. The total of imports and exports for the first time in the history of the country exceeds \$2,000,000,000. The exports are greater than they have ever been before, the total for the fiscal year 1900 being \$1,394,483,082, an increase over 1899 of \$167,459,780, an increase over 1898 of \$163,-000,752, over 1897 of \$343,489,526, and greater than 1896 by \$511,876,144.

The growth of manufactures in the United States is evidenced by the fact that exports of manufactured products largely exceed those of any previous year, their value for 1900 being \$423,851,756, against \$539,592,146 in 1839, an increase of 28 per cent.

Agricultural products were also export-Our Foreign Trade.

against \$539,592,146 in 1899, an increase of 28 per cent.

Agricultural products were also exported during 1900 in greater volume than in 1899, the total for the year being \$835,538,-123, against \$784,776,142 in 1899.

The imports for the year amounted to \$849,941,184, an increase over 1899 of \$152,-792,695. This increase is largely in materials for manufacture, and is in response to the rapid development of manufacture. rials for manufacture, and is in response to the rapid development of manufacturing in the United States. While there was imported for use in manufacture in 1900 material to the value of \$79,768,972 in excess of 1859, it is reassuring to observe that there is a tendency toward decrease in the importation of articles manufactured ready for consumption, which in 1900 formed 15.17 per cent. of the total import, against 15.54 per cent. in 1899 and 21.09 per cent. in 1898.

The Internal Revenue Tax.

I recommend that the congress at its present session reduce the internal revenue taxes imposed to meet the expenses of the war with Spain in the sum of \$30,000,000. This reduction should be secured by the remission of those taxes which experience has shown to be the most burdensome to the industries of the people.

I specially urge that there be included in whatever reduction is made the legacy tax, bequests for public uses of a literary, edubequests for public uses of a literary, edu-cational or charitable character.

Recommends Ship Subsidy,

American vessels during the past three years have carried about nine per cent. of our exports and imports. Foreign ships should carry the least, not the greatest, part of American trade. The remarkable growth of our steel industries, the progress of shipbuilding for the domestic trade, and our steadily maintained expenditures for the navy have created an opportuni-ty to place the United States in the first of commercial maritime powers

rank of commercial maritime powers.

Besides realizing a proper national aspiration this will mean the establishment and heaithy growth along all our coasts of a distinctive national industry, expanding the field for profitable employment of labor and capital. It will increase the transportation facilities and reduce freight charges on the vast volume of products brought from the interior to the seaboard for export, and will strengthen an arm of the national defense upon which the founders of the government and their successors have relied.

The Trust Question.

The trust question receives the atten-The trust question receives the attention of the president, and he says:
"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 what is injurious and what is useful and neces sary in business operations, may be ob-tained, and that means may be found for the congress, within the limitations of its constitutional power, so to supplement an effective code of state legislation 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. 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 congress, resulting in wise and judicious "Restraint upon such combinations as are

injurious, and which are within federal jurisdiction, should be promptly applied by the congress.

The Philippines.

Considerable attention is given the sub-ject of the Philippines, and in this con-nection the scope and work of the Phil-ippine commission as outlined to the commissioners is fully outlined for the bene-fit of congress. Of the present condi-tions in the islands the president says: tions in the islands the president says:
In my last annual message I dwelt at some length upon the condition of affairs in the Philippines. While seeking to impress upon you that the grave responsibility of the future government of those islands rests with the congress of the United States, I abstained from recommending at that time a specific and final form of government for the territory actually held by the United States forces and in which, as long as insurrection continues, the military arm must necessarily be supreme. I stated my purpose, until the congress shall have made known the formal expression of its will, to use the authority vested in me by the known the formal expression of its will, to use the authority vested in me by the constitution and the statutes to uphold the sovereignty of the United States in those distant islands as in all other places where our flag rightfully floats, placing to that end, at the disposal of the army and navy all the means which the liberality of the congress and the people have provided. No contrary expression of the will of the congress having been made, I have steadfastly pursued the purpose so declared, employing the civil arm as well toward the accomplishment of pacification and the institution of local governments within the lines of authority and law.

We Are Making Progress. Progress in the hoped-for direction has been favorable. Our forces have suc-cessfully controlled the greater part of the Islands, overcoming the organized forces of the insurgents and carrying forces of the insurgents and carrying order and administrative regularity to all quarters. What opposition remains is for the most part scattered, obeying no concerted plan of strategic action, operating only by the methods common to the traditions of guerrilla warfare, which, while ineffective to alter the general control now established, are still sufficient to bear of the populations. beget insecurity among the populations that have felt the good results of our control, and thus delay the conferment upon them of the fullest measures of

local self-government, of education.

Principles Are Appreciated.

Referring to the manner in which the work of the commission upon the lines iaid down in his instructions to them has been received by the people of the Philippines, the president says:

It is evident that the most enlightened thought of the Philippine islands fully appreciates the importance of these principles and rules, and they will inevitably within a short time command universal assent. Upon every division and branch of the government of the Philippines, therefore, must be imposed three inviolable rules: able rules:

therefore, must be imposed three inviolable rules:

That no person shall be deprived of life, liberty, or property without due process of law; that private property shall not be taken for public use without just compensation; that in all criminal prosecutions the accused shall enjoy the right to a speedy and public trial, to be informed of the nature and cause of the accusation, to be confronted with the witnesses against him, to have compulsory process for obtaining witnesses in his favor, and to have the assistance of counsel for his defense; that excessive ball shall not be required, nor excessive fines imposed, nor cruel and unusual punishment inflicted; that no person shall be put twice in jeopardy for the same offense, or be compelled in any criminal case to be a witness against himself; that the right to be secure against unreasonable searches and seizures shall not be violated; that neither slavery nor involuntary servitude shall exist except as a punishment for crime; that no bill of attainder or ex post facto law shall be passed; that no law shall be passed; that no law shall be made respecting an establishment of religion or prohibiting the free exercise and enjoyment of prohibiting the free exercise thereof, and that the free exercise and enjoyment of religious profession and worship without discrimination or preference shall forever be allowed.

Encouraging Reports.

Encouraging Reports.

Later reports from the commission show yet more encouraging advance toward insuring the benefits of liberty and good government to the Filipinos, in the interest of humanity and with the aim of building up an enduring, self-supporting and self-administering community in those far eastern seas. I would impress upon the congress that whatever legislation may be enacted in respect to the Philippine islands should be along these generous lines. The fortune of war has thrown upon this nation an unsought trust which should be unselfishly discharged, and devolved upon this government a moral as well as material responsibility toward these millions whom we have freed from an oppressive yoke.

Porto Rico.

The civil government of Porto Rico provided for by the act of the congress, approved April 12, 1900, is in successful operation. The courts have been established. The governor and his associates, working intelligently and harmoniously, are meeting with commendable success. On the 6th of November a general election was held in the island for members of the legislature, and the body elected has been called to convene on the first Monday of December.

Dealings with Cuba.

Dealings with Cuba.

The present conditions in Cuba are referred to, citing the call for the election of delegates to a constitutional convention and the meeting of the convention which is now in session, and closes this part of his message with the following:

When the convention concludes its labor I will transmit to the congress the constitution as framed by the convention for its consideration and for such action as it may deem advisable.

The Army.

An increase in the regular army is recommended, and the need of soldiers shown. After saying that we need at least 26,000 troops at home to care for our expensive fortifications and ordnance, he continues:

We have in Cuba between 5,000 and 6,000 troops. For the present our troops in that island cannot be withdrawn or materially diminished, and certainly not until the conclusion of the labors of the constitutional convention now in session and a governconvention now in session and a government provided by the new constitution shall have been established and its stability

assured.

In Porto Rico we have reduced the garrisons to 1,636, which include 896 native troops. There is no room for further reduction here. We will be required to keep a considerable force in the Philippine islands for some time to come. From the best information obtainable we shall need there for the immediate future from 50,000 to 60,000 men. I am sure the num-ber may be reduced as the insurgents

ber may be reduced as the insurgents shall come to acknowledge the authority of the United States, of which there are assuring indications.

It may be apparent that we will require an army of about 60,000, and that during present conditions in Cuba and the Philippines the president should have the Philippines the president should have authority to increase the force to the present number of 100,000. Included in this number authority should be given to raise native troops in the Philippines up to 15,000, which the Taft commission believe will be more effective in detecting and suppressing guerrillas, assassins and Ladrones than our own soldiers.

The full discussion of this subject by the secretary of war in his annual report is called to your earnest attention.

The Postal Service.

Under a discussion of the postal service he urges an extension of the rural free delivery system and says:

This service ameliorates the isolation of farm life, conduces to good roads, and quickens and extends the dissemination of general information. Experience thus far has tended to allay the apprehension that it would be so expensive as to forbid its general adoption or make it a serious bur-den. Its actual application has shown that it increases postal receipts, and can be ac-companied by reductions in other branches of the service, so that the augmented rev-enues and the accomplished savings together materially reduce the net cost. The evidences which point to these conclusions are presented in detail in the annual re-port of the postmaster general which with its recommendations is recommended to the consideration of the congress. The full development of this special service, how-ever, requires such a large outlay of money that it should be undertaken only after a careful study and thorough understanding of all that it involves.

The Nawy.
The recommendations of the secretary of the navy for more ships and an in-crease in the personnel of the navy are approved, as well as those of the estab-lishment of a national naval reserve and suitable recognition for all officers who rendered distinguished service during the war with Spain. war with Spain.

Agriculture.

Agriculture has been extending its work during the past year, reaching farther for new varieties of seeds and plants; cooperating more fully with the states and territories in research along useful lines; making progress in meteorological work relating to lines of wireless telegraphy and forecasts for ocean-going vessels; continuing inquiry as to animal disease; looking into the extent and character of food adulteration, outlining plans for the care, preservation and intelligent harvesting of our woodlands; studying soils that producers may cultivate with better knowledge of conditions, and helping to clothe desert places with grasses suitable to our arid regions. Our island possessions are being considered that their peoples may be helped to produce the tropical products now so extensively brought into the United States. Inquiry into methods of improving our roads has been given to many localities, and scientific investigation of material in the states and territories has been inaugurated. Irrigation problems in our semi-arid regions are receiving careful and increased consider-Agriculture. problems in our semi-arid regions receiving careful and increased consider-