

Heve that this exposition will tend more firmly to cement the cordial relations between the nations on this continent.

In accordance with an act of congress, approved December 21, 1898, and under the auspices of the Philadelphia Commercial museum, a most interesting and valuable exposition of products and manufactures... was held in Philadelphia from the 14th of September to the 1st of December, 1899.

In connection with the exposition an international congress was held, upon the invitation of the Philadelphia Commercial museum, and transmitted by the Department of State to the various foreign governments...

CONFERENCE AT THE HAGUE.

In response to the invitation of his majesty, the emperor of Russia, delegates from twenty-six countries were assembled at The Hague on the 18th of May, as members of a conference in the interest of peace.

The final act of the conference includes conventions upon the amelioration of the laws and customs of war on land, the adaptation to modern warfare of the principles of the Geneva convention of 1864, and the extension of judicial methods to international cases.

The mediation provided for by the convention is purely voluntary and advisory, and is intended to avoid any invasion or limitation of the sovereign rights of the adhering states.

The advantages of such a permanent tribunal over impromptu commissions of arbitration are obvious, and the actual existence of a competent court, prepared to administer justice, the greater economy resulting from a well devised system, and the accumulated judicial skill of those which such a tribunal would soon possess.

Nothing contained in this convention shall be construed as to require the United States of America to depart from its traditional policy of not intruding upon, interfering with, or entangling itself in the political questions or policy of international administration of any foreign state.

Thus interpreted the convention for the pacific settlement of international conflicts may be regarded as realizing the earnest desire of great numbers of American citizens, whose deep sense of justice expressed in numerous resolutions and memorials has urged them to labor for this noble achievement.

MEDALS FOR THE VOLUNTEERS.

Since my last annual message, and in obedience to the acts of the congress of April 22 and 26, 1898, the remaining volunteer force enlisted for the Spanish war, consisting of 34,834 regulars and 110,202 volunteers, with over 5,000 volunteer officers, has been discharged from the military service.

831 men were serving in the Philippines, and 1,550 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 new troops.

ENLISTING FOR THE ARMY.

By the act of March 2, 1899, congress gave authority to increase the regular army to a maximum not exceeding 65,000 enlisted men, and to enlist a force of 35,000 volunteers, to be recruited from the country at large.

The force now in Manila consists of 966 officers and 20,578 regulars, and 594 officers and 15,388 of the volunteers, making an aggregate of 14,990 officers and 45,966 men.

During the past year we have reduced our force in Cuba and Porto Rico. In Cuba we now have 334 officers and 10,796 enlisted men; in Porto Rico, eighty-seven officers and 2,855 enlisted men.

The operations of the army are fully presented in the report of the secretary of war. 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. This omission was doubly felt in view of the fact that the early authorization for the appointment of one chaplain for each of said regiments.

INSULAR POSTAL SERVICE.

In restoring peaceful conditions, orderly rule and civic progress in Cuba, Porto Rico and, so far as practicable, in the Philippines the rehabilitation of the postal service has been an essential and important part of the work. It became necessary to provide mail facilities both for our forces of occupation and for the native population.

The appointment of director general of posts of Cuba was given to an expert who had been chief postoffice inspector, and assistant postmaster general, and who united large experience with administrative capacity. For the postmastership at Havana the range of skilled and available men was scanned, and the choice fell upon one who had been twenty years in the service as deputy postmaster and postmaster of a large city.

With the approval of the secretary of the interior the commissioner of pensions 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 than \$250 per annum, and he urges that the congress shall so amend the act so as to permit the pension officers to grant pensionable status to widows under the terms of the third section of the act of June 27, 1890.

Fortunately, since the revival of prosperous times, the revenues have grown much faster than the expenditures, and there is every indication that a short period will witness the 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 matter which wrongly exercise the privilege of the pound rate, and shows that if this matter had been properly classified and had paid the rate which it should have paid, instead of a postal deficit for the last fiscal year of \$6,510,000 there would have been on one basis a surplus of \$17,637,570, and on another of \$5,733,936.

NAVY UP TO ITS TRADITIONS.

The navy has maintained the spirit and high efficiency which have always characterized that arm, and has lost none of the gallantry in heroic action which has glorified 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 country.

It cannot be doubted that congress will at once make necessary provision for the armor plates of the vessels now under contract and building. Its attention is respectfully called to the fact that the subject is fully presented in a unite in his commendation that the congress enact such special legislation as may be necessary to enable the department to receive the armor of the best quality that can be obtained in this country for the Maine, Ohio and Missouri, and that the provision of the act of March 3, 1899, limiting the price of armor to \$200 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 this country, and Italy alone has less tonnage under construction. The present policy of the navy, as suggested by the secretary of the navy.

Our future progress and prosperity depend upon our ability to equal if not surpass other nations in the enlargement and advance of science, industry and commerce. To invention we must turn as one of the most powerful aids to the accomplishment of such a result. The attention of congress is directed to the report of the commissioner of patents, in which were found valuable suggestions and recommendations.

On the 30th of June, 1899, the pension roll of the United States numbered 991,119. These include the pensioners of the army and navy in all our wars. The number added to the roll during the year was 4,991. The number dropped by reason of death, minors by legal limitations, failure to claim within three years and other causes was 43,816, and the number of claims denied was 107,917.

The Grand Army of the Republic at its recent national encampment held at Philadelphia has brought to my attention and to that of the congress the wisdom and justice of a modification of the third section of the act of June 27, 1890, which provides pensions for the widows of officers and enlisted men who served ninety 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 married 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 that if the widow's income, aside from her daily labor, does not exceed in amount what her pension would be, to-wit: \$96 per 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 will not be entitled to a pension.

With the approval of the secretary of the interior the commissioner of pensions 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 than \$250 per annum, and he urges that the congress shall so amend the act so as to permit the pension officers to grant pensionable status to widows under the terms of the third section of the act of June 27, 1890.

With the approval of the secretary of the interior the commissioner of pensions 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 than \$250 per annum, and he urges that the congress shall so amend the act so as to permit the pension officers to grant pensionable status to widows under the terms of the third section of the act of June 27, 1890.

PAYMENT BY PACIFIC ROADS.

Under the authority of the act of congress July 7, 1898, the commission consisting of the secretary of the treasury, the attorney general and secretary of the interior, has made an arrangement of settlement, which has had my approval, of the indebtedness to the government growing out of the issue of bonds to aid in the construction of the Central Pacific and Western Pacific railroads.

The amounts paid and secured to be paid to the government on account of the Pacific railroad subsidy claims are: Union Pacific, cash, \$58,448,233.75; Kansas Pacific, cash, \$9,303,000; Central and Western Pacific, cash, \$17,798,314.14; notes secured, \$48,050,112.38.

Kansas Pacific, dividends for deficiency whole United States, cash, \$821,897.70. Making a total of \$124,421,607.91.

The whole indebtedness was about \$730,000,000, more than half of which consisted of accrued interest, for which sum the government has realized the entire amount, less about \$6,000,000, within a period of two years. On June 30, 1899, there were thirty forest reservations (exclusive of the Afognak forest and fish culture reserve in Alaska) embracing an estimated area of 40,719,474 acres.

During the past year two of the existing forest reservations within the boundaries of the State of California, the Black Hills (South Dakota and Wyoming) have been considerably enlarged, the area of the Mount Ranier reserve, in the state of Washington, had been somewhat reduced and six additional reserves have been established, namely, the San Francisco mountains (Arizona), Black Meza (Arizona), Lake Tahoe (California), Gallatin (Montana), Gila River (New Mexico) and Fish Lake (Utah).

The protection of the reserves, organized by the department of the interior in 1897, has been continued during the past year, and much has been accomplished in the way of protecting the 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.

HELPS FOR AGRICULTURISTS.

The department of agriculture is constantly consulting the needs of producers in all the states and territories. It is introducing seeds and plants of various kinds and promoting the diversification of crops. Grains, grasses, fruits, legumes and vegetables are imported for all parts of the United States. Under its encouragement we have beet sugar factory multiples in the territory, and the introduction of semi-tropical plants are sent to the south and tropical climates are sought for the choice productions of the far east.

The subject of irrigation, where it is of vital importance to the people, is being carefully studied, steps are being taken to reclaim all arid or abandoned lands, and information for people along these lines is being distributed.

Markets are being sought and opened up for surplus farm and factory products in Europe and Asia. The outlook for the education of the young farmer through agricultural college and experiment stations with opportunity given to specialize in the department of agriculture is very promising.

The people of Hawaii, Porto Rico and the Philippine Islands should be helped by the establishment of cooperatives to a more scientific knowledge of the production of coffee, India rubber and other tropical products for which there is demand in the United States.

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

A more intelligent system of managing the forests of the country is being pursued, and a careful study of the whole forestry problem is being conducted throughout the United States.

SITUATION IN THE PHILIPPINES.

On the 10th of December, 1898, 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 archipelago known as the Philippine Islands. The United States should pay to Spain the sum of \$20,000,000, and that the civil rights and political status of the native inhabitants of the territories thus ceded to the United States should be determined by congress.

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 authorized commissioners in Paris, under the direction of the executive, but by the constitutional and well considered action of the representatives of the people of the United States in both houses of congress.

From the earliest moment no opportunity was lost in 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 interests. In my order of the 19th of May, 1898, the commander of the military expedition dispatched to the Philippines was instructed to declare that we came not to make war upon the people of the country, 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.

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, as well as all others, must recognize the military occupation and authority of the United States.

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." On the same day, while ordering General Otis to see that the peace should be preserved in Iloilo, he was admonished "that it is most important that there should be no conflict with the insurgents." On the 1st day of January, 1899, urgent 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 intention of dispatching to Manila a commission composed of three gentlemen of the highest character and distinction thoroughly acquainted with the Orient, who in association with Admiral Dewey and Major General Otis, were instructed "to facilitate the most humane and effective extension of authority throughout the islands and secure with the least possible delay the benefits of a wise, generous protection of life and property to the inhabitants."

These gentlemen were Jacob Gould Schurman, president of Cornell university; Hon. Charles Denby, for many years minister to China, and Prof. Dean C. Worcester of the University of Michigan, who had made a most careful study of life in the Philippines. While the treaty of peace was under consideration in the senate these commissioners set out on their mission of good will and liberation. Their character was a sufficient guaranty of the beneficent purpose with which they went, and they bore the absolute 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 comprehensive a history of the present insurrectionary movement that the story need not be here repeated. It is enough to say that the claim of the rebel leader, that he was promised independence by any officer of the United States in return for his assistance had no foundation in fact and is categorically denied by the very witnesses who were called to prove it. The most insidious 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 the 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 up arms. No sooner had our army captured Manila than the Filipino 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 aggressions of the Filipino continually increased until finally, just before the time for the senate of the United States for a vote upon the treaty, an attack, evidently prepared in advance, was made all along the American lines, which resulted in a terribly destructive and sanguinary repulse of the insurgents.

Ten days later an order of the insurgent government was issued to its adherents who had remained in Manila, of which General Otis justly observes, that "for barbarous intent it is unequalled in modern times." It orders that at 8 o'clock on the night of the 15th of February the territorial militia shall come together in the streets of San Pedro, armed with their bolos, with guns and ammunition where convenient; that Filipino families only shall be respected; but that all other individuals of whatever race they may be shall be exterminated without any compassion, after the termination of the army of occupation, and adds: "Brothers, we must avenge ourselves on the Americans and exterminate them, that we may take our revenge for the infamies and treacheries committed upon us. Have no compassion upon them; attack with vigor." A copy of this fell, by good

fortune, into the hands of our officers, and they were able to take measures to control the rising, which was actually attempted on the night of February 22, a week later than was originally contemplated. Considerable numbers of armed insurgents entered the city by water ways and swamps and in concert with confederates inside attempted to destroy Manila by fire. They were kept in check during the night and the next day driven out of the city with heavy loss.

This was the unhappy condition of affairs which confronted our commissioners on their arrival in Manila. They had come with the hope and intention of co-operating with Admiral Dewey and Major General Otis in establishing peace and order in the archipelago, which is deserving measure of self-government compatible with the true welfare of the people. What they actually found can best be set forth in their own words:

"Deplorable as war is, the one in which we are now engaged was unavoidable by us. We were attacked by a bold, adventurous and intrepid army. No alternative was left to us except to fight or retreat. "It is not to be conceived that any American would have sanctioned the surrender of Manila to the insurgents. Our obligations to other nations and to the Filipinos with ourselves and our flag demanded that force should be met by force.

"Whatever the future of the Philippines may be, there is no course open to us now except the prosecution of the war upon the insurgents, unless we are required to submission. The commission is of the opinion that there has been no time since the destruction of the Spanish squadron by Admiral Dewey when it was possible to withdraw our forces from the islands with honor to ourselves or with safety to the inhabitants."

The course thus clearly indicated has been unflinchingly pursued. The rebellion must be put down. Civil government cannot be thoroughly established until order is restored. With devotion and gallantry worthy of its most brilliant history, the army, ably and loyally assisted by the navy, ably carried on this unenviable but most righteous campaign with richly deserved success. The noble self-sacrifice with which our soldiers and sailors, whose terms of service had expired, refused to avail themselves of their right to return home as long as they were needed at the front, forms one of the brightest pages in our annals. Although their operations have been somewhat interrupted and checked by a rainy season of unusual violence and duration, they have gained ground steadily in every direction and now look forward confidently to a speedy completion of their task.

The unfavorable circumstances connected with an active campaign have not been allowed to interfere with the equally important work of reconstruction. I invite your attention again to the interesting and encouraging details of the work in the establishment of peace and inauguration of self-governing municipalities in many portions of the archipelago. A notable beginning has been made in the establishment of a government in the island of Negros, which is deserving special consideration. This was the first island to accept American sovereignty. Its people unreservedly proclaimed allegiance to the United States and adopted a constitution looking to a popular government. It was impossible to guarantee to the people of Negros that the constitution so adopted should be the ultimate form of government. Such action under the treaty with Spain and in accordance with our own constitution and laws, was conclusively within the jurisdiction of congress. The government actually set up by the inhabitants of Negros eventually proved satisfactory to the natives themselves. A new system was put into force by the major general commanding the department of which the following are the important elements:

It was ordered that the government of the island of Negros should consist of a military government appointed by the United States military commander of the Philippines, and a civil governor and an advisory council elected by the people. The military governor was authorized to appoint secretaries of the treasury, interior, agriculture, public instruction, an attorney general and an auditor. The seat of government was fixed at Bacolor. The military governor exercises the supreme executive power. He is to see that the laws are faithfully applied to office and fill all vacancies in office not otherwise provided for, and may, with the approval of the military governor of the Philippines, remove any officer from office. It was immediately advised the military governor on all civil questions and presides over the advisory council. He, in general, performs the duties which are performed by secretaries of state in our own system.

The advisory council consists of eight members, elected by the people, within the territorial limits which are defined in the order of the commanding general. The time and place of holding elections are to be fixed by the military governor in the island of Negros. The qualifications of voters are as follows: (1) A voter must be a male citizen of the island of Negros. (2) Of the age of 21 years. (3) He shall be able to speak, read and write the English, Spanish or Visayan language, or he must own real property worth \$500, or pay a rental on real property of the value of \$7,000. (4) He must have resided in the island not less than one year preceding, and in the district in which he offers to register as a voter not less than three months immediately preceding the time he offers to register. (5) He must register at a time fixed by law before voting. (6) Prior to such registration he shall have paid all taxes due by him to the government. Provided that no insane person shall be allowed to register or vote.

The military governor has the right to veto all bills or resolutions adopted by the advisory council, and his veto is final if not disapproved by the military governor of the Philippines. The advisory council discharges all the ordinary duties of a legislature. The usual duties pertaining to said offices are to be performed by the sec-