CLEVELAND'S MESSAGE.

(Continued from last week.)

WATCHING ALL WITH CARE.

And yet neither the government nor the people in the United States have shut their eyes to the course of events in Cuba, nor have failed to realize the extent of conceded grievances which have led to the present revolt from the authority of Spain—grievances recognized by the queen regent and by the cortes, voiced by the most patriotic and enlightened of Spanish statesmen, without regard to party and demonstrated by reforms proposed by the executive and approved by the legislative branch of the Spanish government. It is in the assumed temper and dispositon of the Spanish government to remedy these grievances, fortified by indications of influential public opinion in Spain, that this government has hoped to discover the most promising and effective means of composing the present strife, with honor and advantage to Spain and with the achievement of all the reasonable objects of the insurrection.

It would seem that if Spain should offer to Cuba genuine autonomy—a measure of home rule, which, while preserving the sovereignty of Spain, would satisfy all rational requirements of her Spanish subjects—there should be no just reason why the pacification of the island might not be effected on that basis. Such a result would appear to be in the true interest of all concerned. It would at once stop the conflict which is now consuming the resources of the island, and making it worthless for whichever party may ultimately prevail. It would keep intact the possessions of Spain without touching her honor, which will be sustained, rather than impugned, by the adequate redress of admitted grievances.

WOULD TEST THE PEOPLE.

It would put the prosperity of the island and the fortunes of its inhabitants within their own control, without severing the natural and ancient ties which bind them to the mother country, and would yet enable them to test their capacity for self-government under the most favorable conditions. It has been objected, on the one side, that Spain should not promise autonomy until her insurgent subjects lay down their arms; on the other side, that promised autonomy, however liberal, is insufficient, because without assurance of the promise being fulfilled.

But the reasonableness of a requirement by Spain of unconditional surrender on the part of the insurgent Cubans, before their autonomy is conceded, is not altogether apparent. It ignores important features of the situation—the stability two years' duration has given to the insurrection; the feasibility of its indefinite prolongation, in the nature of things, and as shown by past experience; the utter and imminent ruin of the island, unless the present strife is speedily composed; above all, the rank abuses which all parties in Spain, all branches of her government, and all her leading public men concede to exist and profess a desire to remove.

SPAIN ASKS TOO MUCH.

Facing such circumstances, to withhold the proffer of needed reforms until the parties demanding them put themselves at their mercy by throwing down their arms, has the appearance of neglecting the gravest of perils and inviting suspicion as to the sincerity of any professed willingness to grant reforms. The objection on behalf of the insurgents—that promised reforms cannot be relied upon—must, of course, be considered, though we have no right to assume and no reason for assuming that anything Spain undertakes to do for the relief of Cuba will not be done according to both the spirit and the letter of the undertaking.

Nevertheless realizing that suspicions and precautions on the part of the weaker of the two combatants are always natural and not always unjustifiable—being sincerely desirous in the interest of both as well as on its own account that the Cuban problem should be solved with the least possible delay—it was intimated by this government to the government of Spain some months ago that, if a satisfactory measure of home rule were tendered the Cuban insurgents, and would be accepted by them upon a guarantee of its execution, the United States would endeavor to find a way, not objectionable to Spain, of furnishing such guaranty.

NO ANSWER YET RECEIVED.

While no definite response to this intimation has yet been received from the Spanish government, it is believed to be not altogether unwelcome, while as already suggested, no reason is perceived why it should not be approved by the insurgents. Neither party can fail to see the importance of early action and both must realize that to prolong the present state of things for even a short period will add enormously to the time and labor and expenditure necessary to bring about industrial recuperation of the island. It is therefore fervently hoped on all grounds that earnest efforts for healing the breach between Spain and the insurgent Cubans, upon the lines above indicated, may be at once inaugurated and pushed to an immediate and successful issue. The friendly offices of the United States, either in the manner above outlined, or in any other way consistent with our constitution and laws, will always be at the disposal of either party.

Whatever circumstances may arise, our policy and our interest would constrain us to object to the acquisition of the island, or an interference with its control, by any other power.

It should beadded that it cannot be reasonably assumed that the hitherto expectant attitude of the United States will be indefinitely maintained.

PATIENCE HAS A LIMIT.

While we are anxious to accord all due respect to the sovereignty of Spain, we cannot view the pending conflict in all its features, and properly apprehend our inevitably close relations to it and its possible results, without considering that by the course of events we may be drawn into such an unusual and unprecedented condition, as will fix a limit to our patient waiting for Spain to end the contest, either alone and in her own way, or with our friendly co-operation.

When the inability of Spain to deal successfully with the insurgents has become manifest, and it is demonstrated that her sovereignty is extinct in Cuba for all purposes of its rightful existence, and when a hopeless struggle for its reestablishment has degenerated into a strife which means nothing more than the useless sacrifice of human life and the utter destruction of the very subject matter of conflict, a situation will be presented in which our obligations to the sovereignty of Spain will be superseded by higher obligations, which we can hardly hesitate to recognize and discharge.

Deferring the choice of ways and methods until the time for action arrives, we should make them depend upon the precise conditions then existing; and they should not be determined upon without giving careful heed to every consideration involving our honor and interest, or the international duty we owe to Spain.

CANNOT YET SPEAK OUT.

Until we face the contingencies suggested, or the situation is by other incidents imperatively changed, we should continue in the line of conduct heretofore pursued, thus in all circumstances exhibiting our obedience to the requirements of public law and our regard for the duty enjoined upon us by the position we occupy in the family of nations.

A contemplation of emergencies that may arise should plainly lead us to avoid their creation, either through a careless disregard of present duty or even an undue stimulation and ill-timed expression of feeling. But I have deemed it not amiss to remind the congress that a time may arrive when a correct policy and care for our interests, as well as a regard for the interests of other nations and their citizens, joined by considerations of humanity and a desire to see a rich and fertile country, intimately related to us, saved from complete devastation will constrain our government to such action as will subserve the interests thus involved and at the same time promise to Cuba and its inhabitants an opportunity to enjoy the blessings of peace.

VENEZUELAN AFFAIR ENDED.

No Differences With Great Britain—Treaty of Arbitration.

The Venezuelan boundary question has ceased to be a matter of difference between Great Britain and the United States, their respective governments having agreed upon the substantial provisions of a treaty between Great Britain and Venezuela, submitting the whole controversy to arbitration. The provisions of the treaty are so eminently just and fair, that the assent of Venezuela thereto may confidently be anticipated.

Negotiations for a treaty of general arbitration for all differences between Great Britain and the United States are far advanced and promise to reach a successful consummation at an early date.

IN THE CONSULAR SERVICE.

Scheme of Examining Applicants Pronounced a Success.

The scheme of examining applicants for certain consular positions, to test their competency and fitness, adopted under an executive order issued on the the 20th of September, 1895, has fully demonstrated the usefulness of this innovation. In connection with this plan of examination, promotion and transfers of deserving incumbents have been quite extensively made with excellent results.

During the past year thirty-five appointments have been made in the consular service, twenty-seven of which were made to fill vacancies caused by death or resignation or to supply newly created posts, two to succeed incumbents removed for cause, two for the purpose of displacing alien consular officials by American citizens and four merely changing the official title of incumbent from commercial agent to consul.

ALL WERE WELL QUALIFIED.

Twelve of these appointments were transfers or promotions from other positions under the department of state, four of those appointed had rendered previous service under the department, eight were made of persons who passed satisfactory examination, seven were appointed to places not included in the order of September 20, 1895, and four appointments, as above stated, involved no change of incumbency.

The inspection of consular officers provided for by an appropriation for that purpose at the last session of the congress, has been productive of such wholesome effects that I hope this important work will in the future be continued. I know of nothing that can be done with the same slight expense so improving to the service.

I desire to repeat the recommendation contained in my last annual message in favor of providing at public expense official residences for our ambassadors and ministers at foreign capitals. The reasons supporting this recommendation are strongly stated in the report of the secretary of state, and the subject seems of such importance that I hope it may receive the early attention of the congress.

BERING SEA PROBLEM.

Progress of the Efforts to Protect the Seal

We have during the last year labored faithfully and against unfavorable conditions, to secure better preservation of seal life in the Bering sea. Both the United States and Great Britain have lately dispatched commissioners to these waters to study the habits and condition of the seal herd and the causes of their rapid decrease. Upon the reports of these commissioners, soon to be submitted, and with the exercise of patience and good sense on the part of all interested parties, it is earnestly hoped that hearty co-operation may be secured for the protection against threatened extinction of seal life in the Northern Pacific and Bering sea.

RECEIPTS AND EXPENDITURES.

Resume of the Report From the Treasury Department.

The secretary of the treasury reports that during the fiscal year ended June 30, 1896, the receipts of the government from all sources amounted to $409,475,408.78. During the same period its expenditures were $434,678,654.48, the excess of expenditures over receipts thus amounting to $25,203,245.70. The ordinary expenditures during the year were $4,615,852.21, less than the preceding fiscal year. Of the receipts mentioned, there was derived from customs the sum of $180,021,751.67, and from internal revenue $146,830,615.66. The receipts from customs show an increase of $7,863,134.22 over those from the same source for the fiscal year ending June 30, 1895, and the receipts from internal revenue an increase of $3,584,537.91.

The value of our imported dutiable merchandise during the last fiscal year was $369,757,470, and the value of free goods imported $409,967,470, being an increase of $6,523,675 in the value of dutiable goods and $41,231,034 in the value of free goods over the preceding year. Our exports of merchandise, foreign and domestic, amounted in value to $882,606,938, being an increase over the preceding year of $75,068,773. The average advalorem duty paid on dutiable goods imported during the year was 39.94 per cent, and on free and dutiable goods taken together 20.55 per cent.

The cost of collecting our internal revenue was 2.78 per cent, as against 2.81 per cent for the fiscal year ending June 30, 1895.

TOTAL DISTILLED SPIRITS.

The total production of distilled spirits, exclusive of fruit brandies, was 88,588,703 taxable gallons, being an increase of 6,639,108 gallons over the preceding year. There was also an increase of 1,443,676 gallons of spirits, produced from fruit, as compared with the preceding year. The number of barrels of beer produced was 35,809,250, as against 33,589,784 produced in the preceding fiscal year, being an increase of 2,269,466 barrels.

The total amount of gold exported during the last fiscal year was $112,409,947, and of silver $60,541,670, being an increase of $45,941,466 of gold and $13,246,384 of silver over the exportations of the preceding fiscal year. The imports of gold were $33,525,065, and of silver $28,777,186, being $2,859,695 less of gold, and $8,566,007 more of silver than during the preceding year. The total stock of metallic money in the United States at the close of the last fiscal year ended on the 30th day of June, 1896, was $1,228,326,035, of which $599,597,964 was in gold, and $628,728,071 in silver.

On the 1st day of November, 1896, the total stock of money of all kinds in the country was $2,285,410,590, and the amount in circulation, not including that in the treasury holdings, was $1,627,055,641, being $22.63 per capita, upon an estimated population of 71,902,000.

MONEY METAL PRODUCTION.

The production of the precious metals in the United States during the calendar year 1895 is estimated to have been 2,254,760 fine ounces of gold of the value of $46,610,000, and 55,727,000 fine ounces of silver of the commercial value of $36,445,000 and the coinage value of $72,051,000. The estimated production of these metals throughout the world during the same period was 9,688,821 fine ounces of gold, amounting to $200,285,700 in value, and 169,189,249 fine ounces of silver of the commercial value of $110,654,000 and of the coinage value of $218,738,100, according to our ratio.

The coinage of these metals in the various countries of the world during the same calendar year amounted to $232,701,438 in gold and $121,996,219 in silver.

The total coinage at the mints of the United States during the fiscal year ended June 30, 1896, amounted to $71,188,466.52, of which $58,878,490 was in gold coins and $12,309,978.52 in standard silver dollars, subsidiary coins and minor coins.

The number of national banks organized from the time the law authorizing their creation was passed up to October 31, 1896, was 5,051, and of this number 3,679 were at the date last mentioned in active operation, having authorized capital stock of $550,014,895, held by 288,902 stockholders.

NATIONAL BANK NOTES.

The total outstanding circulating notes of all national banks on the 31st day of Octover, 1896, amounted to $234,553,807, including unredeemed, but fully secured notes of banks insolvent and in process of liquidation. The increase in national bank circulation during the year ending on that day, was $21,099,429. On October 6, 1896, when the condition of national banks was last reported, the total resources of the 3,679 active institutions was $8,263,685,313.83, which included $1,893,268,839.31 in loans and discounts, and $362,165,733.85 in money of all kinds on hand. Of their liabilities $1,590,891,058.03 was due to individual depositors and $209,944,019 consisted of outstanding circulating notes. There were organized during the year preceding the date last mentioned, twenty-eight national banks, located in fifteen states, of which twelve were organized in the eastern states with a capital of $1,180,000, six in the western states, with a capital of $875,000 and ten in the southern states with a capital of $1,190,000. During the year, however, thirty banks voluntarily abandoned their franchises, under the national law, and in the case of twenty-seven others it was necessary to appoint receivers. Therefore, as compared with the year preceding, there was a decrease of thirty-six in the number of active banks. The number of existing banks organized under state laws is 5,708.

FIGURES ON IMMIGRATION.

Interesting Statistics Regarding Foreigners Coming to America.

The number of immigrants arriving in the United States during the fiscal year was 343,267, of whom 340,468 were permitted to inad and 2,799 were debarred on various grounds prescribed by law and returned to the countries whence they came, at the expense of the steamship company by which they were brought in. The increase in immigration over the preceding year amounted to 84,131. It is reported that, with some exceptions, the immigrants of the last year were of a hardy, laboring class, accustomed and able to earn a support for themselves, and it is estimated that the money brought with them amounted to at least $5,000,000 though it was probably much in excess of that sum, since only those having less than $30 are required to disclose the exact amount, and it is known that many brought considerable sums of money to buy land and build homes.

PER CENT OF ILLITERATES.

Including all the immigrants arriving who were over 14 years old, 28.63 per cent were illiterate, as against 20.3 per cent of those of that age arriving during the preceding fiscal year. The number of immigrants over 14 years old, the countries from which they came and the percentage of illiterates among them were as follows: Italy, 57,515, with 54.59 per cent; Ireland, 37,496, with 7 per cent; Russia, 35,188, with 41.14 per cent; Austria, Hungary and provinces, 57,053, with 38.92 per cent; Germany, 25,334, with 2.96 per cent; Sweden, 18,821, with 1.16 per cent, while from Portugal there came 2,067, of whom 77.69 per cent were illiterate. There arrived from Japan during the year only 1,110 immigrants, and it is the opinion of the immigration authorities that the apprehension heretofore existing to some extent of a large immigration from Japan to the United States is without any substantial foundation.

30 [redacted]

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Ripans Tabules: for sour stomach.

LIFE SAVING SERVICE.

Wonderful Work During the Year—Marine Hospitals.

From the life saving service, it is reported that the number of disasters to documented vessels within the limits of its operations during the year was 437. These vessels had on board 4,608 reported that the number of disasters persons, of whom 4,596 were saved, and thirteen lost. The value of such vessels is estimated at $8,880,140, and of their cargoes, $3,846,380, making the total value of property imperiled $12,726,520. Of this amount, $11,292,707 was saved and $1,432,750 was lost. Sixty-seven of the vessels were totally wrecked. There were besides 243 casualties to small undocumented craft, on board of which there were 594 persons, of whom 587 were saved and seven were lost.

The value of the property involved in these latter casualties is estimated at $119,265, of which $114,915 was saved and $4,350 was lost. The life saving crews during the year also assisted numerous other vessels and warned many from danger by signals both by day and night. The number of disasters during the year exceeded that of any previous year in the history of the service, but the saving of both life and property was greater than ever before in proportion to the value of the property involved and to the number of persons imperiled.

The operations of the marine hospital service, the revenue cutter service, the steamboat inspection service, the lighthouse service, the bureau of navigation and other branches of public work attached to the treasury department, together with various recommendaions concerning their support and improvement are fully stated in the report of the secretary, to which the attenion of the congress is especially invited.

CONDITION OF THE ARMY.

Much Progress in Its Entire Organization—Slight Troubles.

The report of the secretary of war exhibits satisfactory conditions in the several branches of the public service ntrusted to his charge.

The limit of our military force as fixed by law is constantly and readily maintained. The present discipline and morale of our army are excellent, and marked progress and efficiency are apparent throughout its entire organization.

With the exception of delicate duties in the suppression of slight Indian disturbances along our southwestern boundary, in which the Mexican troops co-operated and the compulsory, but peaceful return, with the consent of Great Britain, of a band of Cree Indians from Montana to the British possessions, no active operations have been required of the army during the year past.

Changes in methods of administration, the abandonment of unnecessary posts and consequent concentration of troops, and the exercise of care and vigilance by the various officers charged with the responsibility, in the expenditure of the appropriations, have resulted in reducing to a minimum the cost of maintenance of our military establishment.

MANY PERMANENT POSTS.

During the past year the work of constructing permanent infantry and cavalry posts has been continued at the places heretofore designated. The secretary of war repeats his recommendation, that appropriations for barracks and quarters should more strictly conform to the need of the service as judged by the department, rather than respond to the wishes and importunities of localities. It is imperative that such of the money provided for such construction should now be allotted to the erection of necessary quarters for the garrison assigned to the coast defenses, where many men will be needed to properly care for and operate modern guns. It is essential, too, that early provision be made to supply the necessary force of artillery to meet the demands of this service.

The entire army has been equipped with the new magazine arms, and wise policy demands that all available public and private resources should be so employed as to provide within reasonable time a sufficient number to supply the state militia with these modern weapons and provide an ample reserve for any emergency.

MILITIA'S NEED OF ARMS.

The organized militia numbers 112,379 men. The appropriations for its support by the several states approximates $2,800,000 annually and $400,000 is contributed by the general government. Investigation shows these troops to be usually drilled and inspired with much military interest, but in many instances they are so deficient in proper arms and equipment that a sudden call to active duty would find them inadequately prepared for field service. I therefore recommend that prompt measures be taken to remedy this condition and that every encouragement be given to this deserving body of unpaid and voluntary citizen soldiers upon whose assistance we must largely rely in time of trouble.

DEFENSE OF THE SEA COAST.

Rapid Progres in Arranging Proper Fortifications.

During the last year rapid progress has been made toward the completion of the scheme adopted for the protection and armament of fortifications along our sea coast, while equal progress has been made in providing the material for submarine defense in connection with these works. It is peculiraly gratifying at this time to note the great advance that has been made in this important undertaking since the date of my annual message to the Fifty-third congress at the opening of its second session, in December, 1893. At that time I informed the congress of the approaching completion of nine 12-inch, twenty 10-inch and thirty-four 8-inch high power steel guns, and seventy-five 12-inch rifled mortars.

This total then seemed insignificant when compared with the great work remaining to be done. Yet it was none the less a source of satisfaction to every citizen when he reflected that it represented the first installment of the new ordnance of American design and American manufacture, and demonstrated our ability to supply from our own resources guns of unexcelled power and accuracy.

BUT THREE YEARS AGO.

At that date, however, there were practically no carriages upon which to mount these guns, and only thirty-one emplacements for guns and sixty-four for mortars. Nor were all these emplacements in condition to receive their armament. Only one high power gun was at that time in position for the defense of the entire coast.

Since that time the number of guns actually completed has been increased to twenty-one 12-inch, fifty-six 10-inch, sixty-one 8-inch high power breech-loading steel, ten rapid fire guns and eighty 12-inch rifled mortars. In addition there are in process of construction one 16-inch type gun, fifty 12-inch, fifty-six 10-inch, twenty-seven 8-inch high power guns and sixty-six 12-inch rifled mortars; in all 428 guns and mortars. During the same year immediately preceding the message referred to, the first modern gun carriage had been completed and eleven more were in process of construction. All but one were of the non-disappearing type. These, however, were not such as to secure necessary cover for the artillery gunners against the intense fire of modern machine rapid-fire and high-power guns.

GRATEFUL TO INVENTORS.

The inventive genius of ordnance and civilian experts has been taxed in designing carriages that would obviate this fault, resulting, it is believed, in the solution of this difficult problem. Since 1893 the number of gun carriages constructed or building has been raised to a total of 129, of which ninety are on the disappearing principle, and the number of mortar carriages to 152, while the ninety-five emplacements which were provided for prior to that time have been increased to 280 built and building.

This improved situation is largely due to the recent generous response of congress to the recommendations of the war department. Thus we shall soon have complete about one-fifth of the comprehensive system, the first step in which was noted in my message to the congress of December 4, 1893.

When it is understood that masonry emplacement not only furnishes a platform for the heavy modern high-power gun, but also in every particular serves the purpose and takes the place of the fort of former days, the importance of the work accomplished is better comprehended.

PLANS FOR THE FUTURE.

In the hope that the work will be prosecuted with no less vigor in the future, the secretary of war has submitted an estimate by which, if allowed, there will be provided and either built or building by the end of the next fiscal year, such additional guns, mortars, gun carriages and emplacements as will represent not far from one-third of the total work to be done under the plan adopted for our coast defenses, thus affording a prospect that the entire work will be substantially completed within six years. In less time than that, however, we shall have attained a marked degree of security.

The experience and results of the past year demonstrate that with a continuation of present careful methods the cost of the remaining work will be much less than the original estimate. We should always keep in mind that of all forms of military preparation coast defense alone is essentially pacific in its nature. While it gives the sense of security due to a consciousness of strength, it is neither the purpose nor the effect of such permanent fortification to involve us in foreign complications, but rather to guarantee us against them. They are not temptation to war, but security against it. Thus they are thoroughly in accord with all the traditions of our national diplomacy.

FORT LEAVENWORTH PRISON.

Plans for Proper Care of Federal Convicts Discussed.

The attorney general presents us a detailed and interesting statement of the important work done under his supervision during the last fiscal year. The ownership and management by the government of penitentiaries for the confinement of those convicted in United States courts of violations of federal laws, which for many years has been a subject of executive recommendation, has at last, to a slight extent, been realized by the utilization of the abandoned military prison at Fort Leavenworth as a United States penitentiary.

This is certainly a move in the right direction, but it ought to be at once supplemented by the rebuilding or the extensive enlargement of this improvised prison and the construction of at least one more, to be located in the southern states. The capacity of the Leavenworth penitentiary is so limited that the expenses of its maintenance, calculated at a per capita rate upon the number of prisoners it can accommodate, does not make as economical an exhibit as it would if it were larger and better adapted to prison purposes; but I am thoroughly convinced that economy and humanity, and a proper sense of responsibility and duty toward those whom we punish for violations of feueral law, dictate that the federal government should have the entire control and management of the penitentiaries where convicted violators are confined.

SHOULD HAVE EMPLOYMENT.

It appears that since the transfer of the Fort Leavenworth military prison to its new uses the work previously done by prisoners confined there, and for which expensive machinery has been provided, has been discontinued. This work consisted of the manufacture of articles for army use, now done elsewhere. On all grounds it is exceedingly desirable that the convicts confined in this penitentiary be allowed to resume work of this description.

It is most gratifying to note the satisfactory results that have followed the inauguration of the system provided for by the act of May 28, 1896, under which certain federal officials are compensated by salaries, instead of fees. The new plan was put in operation on the 1st day of July, 1896, and already the great economy it enforces, its prevention of abuses and its tendency to a better enforcement of the laws are strikingly apparent. Detailed evidence of the usefulness of this long-delayed, but now happily accomplished reform will be found clearly set forth in the attorney general's report.

IN THE POSTAL DEPARTMENT.

Exhibit Is Satisfactory—When Reform Is Wanted.

Our posoffice department is in good condition, and the exhibit made of its operations during the fiscal year ended June 30, 1896, if allowance is made for imperfections in the laws applicable to it, is very satisfactory. The total receipts during the year were $82,499,208.40. The total expenditures were $90,626,286.84, exclusive of $1,559,898.27, which was earned by the Pacific railroads for transportation and credited on their debt to the government. There was an increase of receipts over the previous year of $5,516,080.21 or 7.1 per cent, and an increase of expenditures of $3,326,124.02 or 4.42 per cent.

The chief expenditures of the postal service are regulated by law and are not in the control of the postmaster general. All that he can accomplish by the most watchful administration and economy is to enforce prompt and thorough collection and accounting for public moneys and such minor savings in small expenditures and in letting those contracts for postoffice supplies and service, which are not regulated by statute.

NEW RULES SAVE MONEY.

An effective co-operation between auditor's office and the postoffice department and the making and enforcement of orders by the department requiring immediate notification to the sureties of any delinquencies on the part of postmasters and compelling such postmasters to make more frequent deposits of postal funds, have resulted in a prompter auditing of their accounts and much less default to the government than heretofore.

The year's report shows large extensions of both star route service and railway mail service, with increased postal facilities. Much higher accuracy in handling mails has also been reached, as appears by the decrease of errors in the railway mail service and the reduction of mail matter returned to the dead letter office.

The deficit for the last year, although much less than that of last and preceding years, emphasizes the necessity for legislation to correct the growing abuse of second class rates, to which the deficiency is mainly attributable. The transmission at the rate of 1 cent a pound of serial libraries, advertising sheets, "house organs," (periodicals advertising some particular "house" or institution) sample copies and the like, ought certainly to be discontinued.

ABUSE OF THE SERVICE.

A glance at the revenues received for the work done last year will show more plainly than any other statement the gross abuse of the postal service and the growing waste of its earnings. The free matter carried in the mails for the department, offices, etc., of the government, and for congress, in pounds, amounted to 94,480,189.

If this is offset against buildings for postoffices and stations, the rental of which would more than compensate for such free postal service, we have this exhibit:

Weight of mail matter (other than above) transmitted through the mails for the year ending June 30, 1896:

Class.	Weight Pounds.	Revenue.
Domestic and foreign letters, postal cards etc....	65,337,243	$60,694,464
Newspapers and periodicals, 1 cent per lb..	348,968,648	2,906,403
Books, seeds, etc., 8 cents per lb.....	78,701,148	10,324,069
Parcels, etc., 16 cents pound....	19,950,187	3,120,321
Totals..	512,977,226	$77,044,257

The remainder of our postal revenue, amounting to something more than $5,000,000, was derived from box rents, registry fees, money order business and other similar items.

EXPENSE OF HANDLING.

The entire expenditures of the department, including pay for transportation credited to the Pacific railroads, was $92,186,195.11, which may be considered as the cost of receiving, carrying and delivering the above mail matter. It thus appears that though the second class matter constituted more than two thirds of the total that was carried, the revenue derived from it was less than one-thirtieth of the total expense. The average revenue from each pound of first class matter was 93 cents. From each pound of second class, 8½ mills (of the second class, 52,348,297 pounds was county-free matter). From each pound of third class, 13.1 cents. From each pound of ourth class, 15.6 cents.

The growth of weight of second class matter has been from 299,000,000 pounds in 1894 to 312,000,000 in 1895, and to almost 349,000,000 in 1896, and it is quite evident this increasing drawback is far outstripping any possible growth of postal revenues.

Our mail service should, of course, be such as to meet the wants and even the conveniences of our people, at a direct charge upon them so light as perhaps to exclude the idea of our postoffice department being a money making concern; but in the face of a constantly recurring deficiency in its revenues and in view of the fact that we supply the best mail service in the world, it seems to me it is quite time to correct the abuses that swell enormously our annual deficit.

REASON FOR THE LOSS.

If we concede the public policy of carrying weekly newspapers free in the county of publication and even the policy of carrying at less than one-tenth of their cost, other bona fide newspapers and periodicals, there can be no excuse for subjecting the service to the further immense and increasing loss involved in carrying at the nominal rate of 1 cent a pound the serial libraries, sometimes including trashy and even harmful literature, and other matter which, under the loose interpretation of a loose statute has been gradually given second class rates, thus absorbing all profitable returns derived from first class matter, which pays three or four times more than its cost, and producing a large annual loss to be paid by general taxation.

If such second-class matter paid merely the cost of its handling, our deficit would disappear and a surplus result which might be used to give the people still better mail facilities or cheaper rate of letter postage. I recommend that legislation be at once enacted to correct these abuses and introduce better business ideas in the regulation of our postal rates.

SOME REFORMS SUGGESTED.

Experience and observation have demonstrated that certain improvements in the organization of the postoffice government must be secured before we can gain the full benefit of the immense sums expended in its administration. This involves the following reforms, which I earnestly recommend:

There should be a small addition to the existing inspector service, to be employed in the supervision of the carrier force, which now numbers 15,000 men, and performs its service practically without the surveillance exercised over all other branches of the postal or public service. Of course such a lack of supervision and freedom from wholesome disciplinary restraints must inevitably lead to imperfect service. There should also be appointed a few inspectors, who could assist the central office in necessary investigation concerning matters of postoffice leases, postoffice sites, allowances for rent, fuel and lights, and in organizing and securing the best results from the work of the 14,000 clerks employed in first and second-class offices.

I am convinced that the small expense attending the inauguration of these reforms would actually be a profitable investment. I especially recommend such a recasting of the appropriations by congress for the postoffice department as will permit the postmaster general to proceed with the work of consolidating postoffices. This work has already been entered upon sufficiently to fully demonstrate, by experiment and experience, that such consolidation is productive of better service, larger revenues and less expenditures, to say nothing of the further advantage of gradually withdrawing postoffices from the spoils system.

UNIVERSAL POSTAL UNION.

The Universal Postal union, which now embraces all the civilized world