## THE NORTHWESTERN.

GEO. E. BBNSCHOTER, Editor and Pub - - NEBRASKA. LOUP CITY,

## M'KINLEY'S MESSAGE.

AS READ BEFORE THE NATION-AL CONGRESS.

Faults of Our Money System Pointed Out-The Cuban Question Discussed at Length - Other Foreign Matters-Speedy Annexation of Hawaii Urged-Alaska in Need of Attention, Etc.

## National and International Questions.

WASHINGTON, Dec. 7.-The mes sage of President McKinley is as follows:

To the Senate and House of Representatives: It gives me pleasure to ex-tend greeting to the Fifty-fifth conembled in regular session at the seat of government, with many of whose senators and representatives I have been associated in the legisla-tive service. Their meeting occurs un-der ielicitous conditions, justifying sincere congratulation and calling for our grateful acknowledgment to a beneficent Providence which has so signally blessed and prospered us as a nation. Peace and good will with all the nations of the earth continue unbroken.

A matter of genuine satisfaction is the growing feeling of fraternal re-gard and unification of all sections of our country, the incompleteness which has too long delayed realization of the highest blessings of the union. The spirit of patriotism is universal and is ever increasing in fervor. The public questions which now most engross us are lifted far above either anship, prejudice or former sectional difference. They affect every part of our common country alike, and permit of no division on ancient lines. Questions of foreign policy, of revenue, the soundness of the currency, the inviolability of national obligations, the improvement of the public service appeal to the individual conscionce of every earnest citizen to whatever party he belongs, or in whatever section of the country he may reside. The extra session of this congress

which closed during July last enacted important legislation, and while its full effect has not yet been realized, what it has already acomplished as us of its timeliness and wisdom. To test its permanent value further time will be required and the people, satisfied with its operation and sults, thus far, are in no mind to with-hold from it a fair trial.

**Pariff legislation having been settled** by the extra session of congress, the question next pressing for consideration is that of the currency. The work of putting our finances upon a sound basis, difficult as it may seem, will appear easier when we recall the financial operations of the government since 1866. On the 30th day of June of that year we had outstanding deand liabilities in the sum of \$728,-868,477.41. On the 1st of January, 1879, these liabilities had been reduced to \$443,889,495.88. Of our interest-bear ing obligations the figures are even more striking. On July 1, 1866, the principal of the interest-bearing debt of the government was \$2,332,331,208. On the 1st of July, 1893, this sum had bena reduced to \$585,037,108 or an agregate reduction of \$1,747,294,108. The Interest-bearing debt of the United States on the 1st day of December, 1897, was \$847,365,620. The government money now outstanding (Decem-ber 1) consists of \$346,681,016 of United States notes, \$107,793,280 of treasury notes issued by authority of the law of 1890, \$384,963,304 of silver certificates and \$61,280,761 of standard silver dollars. With the great resources of the gov ernment and with the honorable example of the past before us, we ought not to hesitate to enter upon a currency revision which will make our demand obligations less onerous to the government and relieve our financial laws from ambiguity and doubt. The brief review of what was accomplished from the close of the war to 1893, makes unreasonable and groundless any distrust either of our financial ability or soundness, while the situation from 1893 to 1897 must admonish congress of the immediate necessity of so legislating as to make the return of the conditions then prevailing impossible. There are many plans proposed as a remedy for the evil. Before we can find the true remedy we must appre-ciate the real evil. It is not that our currency of every kind is not good, for every dollar of it is good; good because the government's pledge is to keep it so, and that pledge will not broken. However, the guaranty of our purpose to keep the pledge will be best own by advancing toward its fulfillment. The evil of the present system is found in the great cost to the government of maintaining the parity of our different forms of money, that is,keepof our ing all of them at par with gold. surely cannot be longer heedless of the burden this imposes upon the people. even under fairly prosperous conditions, while the past four years have demonstrated that it is not only an exnsive charge to the government but a dangerous menace to the national It is manifest that we must devise some plan to protect the government against bond issues for repeated re-demptions. We must either curtail the opportunity for speculation, made easy by the multiplied redemptions of our and obligations or to increase the old reserve for their redemption. We nave \$900,000,000 of currency which the government by solemn enactment has not required to redeem in gold. The government is obliged to redeem in gold but the government. The banks are not required to redeem in gold. The government is obliged to keep equal with gold all its outstanding currency with gold all its outstanding currency and coin obligations, while its re-ceipts are not required to be paid in gold. They are paid in every kind of money but gold, and the only means by which the government can with eertainty get gold is by borrowing. It an get it in no other way when it most needs it. The government, with-out any fixed gold revenue, is pledg-d to maintain gold redemption, which

is has steadily and faithfully done, and which under the authority now given it will continue to do.

The law which requires the government after having redeemed its notes to pay them out again as current demands a constant replenishfunds ment of the gold reserve. This is especially so in times of business panic and when the revenues are insufficient to meet the expenses of the government. At such times the government has no other way to supply its deficit and maintain redemption but through the increase of its bonded indebtedness, and during the administration of my predecessor \$262,313,400 of 4½ per cent bonds were issued and sold and the proceeds used to pay the expenses of the government in excess of the revenues and sustain the gold While it is true that the reserve. greater part of the proceeds of these bonds were used to supply deficeint revenues, a considerable portion was

required to maintain the gold reserve. With our revenues equal to our ex-penditures there would be no deficit requiring the issuance of bonds. But if the gold reserve falls below \$100,-000,000 how will it be replenished except by selling more, bonds? Is there any other way practicable under ex-isting law? The serious question, then is, shall we continue the policy that has been pursued in the pastthat is, when the gold reserve reaches the point of danger, issue more bonds and supply the needed gold, or shall we provide other means to prevent these recurring drains upon the gold reserve? If no further legislation is had and the policy of selling bonds is to be continued, then congress should give the secretary of the treasury authority to sell bonds at long or short periods, bearing a less rate of interest than is now authorized by

I earnestly recommend as soon as the receipts of the government are quite sufficient to pay all the expenses of the government, that when any of the United States notes are presented for redemption in gold, and are redeemed in gold, such notes shall be kept and set apart, and only paid out in exchange for gold. This is an obvious duty. If the holder of the United States note prefers the gold and gets it from the government, he should not receive back from the government a United States note without paying gold in return for it. The reason for this is made all the more apparent when the government issues an interest bearing debt to provide gold for the redemption of United States notes—a non interest bearing debt. Surely it should not pay them out again except on demand, for gold, If they are put out in any other way they may return again, to be followed by another bond issue to redeem a non-interest bearing debt.

In my view it is of the utmost im-portance that the government should be relieved from the business of providing all the gold required for ex-changes and export. This responsibility is alone borne by the government without any of the usual and necessary banking powers to help itself. The banks do not feel the strain of the gold redemption. The whole strain rests upon the government and the size of the gold reserve in the treasury has come to be, with or with-out reason, the signal of danger or of security. This ought to be stopped. If we are to have an era of prosperity in the country, with sufficient recelpts for the expenses of the govern-ment, we may feel no great embarrassment from our present currency, but the danger still exists and will be ever present, menacing us as long as the present ysstem continues. And beside it is in times of adequate revenues and business tranquility that the government should prepare for the worst. We cannot avoid without serious consequences the wise con-

The revolution which began in 1868 lasted for ten years, despite the stren-uous efforts of the successive peninsular governments to suppress it. Then, as now, the government of the United States testified its grave concern and offered its aid to put an end to bloodshed in Cuba. The overtures made by General Grant were refused and the war dragged, entailing great loss of life and treasure and increased injury to American interests, besides throwing enhanced burdens of neutrality upon this government. In 1878 peace was brought about by the truce of Zanjon, obtained by negotlations be-tween the Spanish commander Martinez de Campos and the insurgent leaders. The present insurrection broke out

in February, 1895. It is not my purpose at this time to recall its remarkable increase or to characterize its tenacious resistance against the enormous forces massed against it by The revolt and the efforts to Spain. subdue it carried destruction to every quarter of the island, developing wide proportions and defying the efforts of Spain for its suppression. The civilized code of war has been disregarded, no less so by the Spaniards than by the Cubans.

The existing conditions cannot but fill this government and the American people with the gravest apprehension. There is no desire on the part of our people to profit by the misfortunes of We have only the desire to Spain. see the Cubans prosperous and con-tented, enjoying that measure of selfcontrol which is the inalienable right of man, protected in their right to reap the benefit of the exhaustless treasures of their country.

The offer made by my predecessor in April, 1896, tendering the friendly offices of this government, failed. Any mediation on our part was not ac-cepted. In brief the answer read: "There is no effectual way to pacify Cuba unless it begins with the actual submission of the rebels to the mother country." Then only could Spain act in the promised direction, of her own motion and after her own plans. The cruel policy of concentration was in-itiated February 16, 1896. The productive districts controlled by the Spanish armies were depopulated and the agricultural inhabitants were herded in and about the garrison towns, their land laid waste and their dwellings destroyed. This policy the late cabinet of Spain justified as a necessary measure of war and as a means of cutting off supplies from the insurgents. It has utterly failed as a war measure. It was not civilized warfare. It was extermination.

Against this abuse of the rights of war I have felt constrained on repeated occasions to enter the firm and earnest protest of this government. There was much of public condemnation of the treatment of American citizens by alleged illegal arrests and long imprisonment, awaiting trial or pending protracted judicial procedure. I felt it my first duty to make instant demand for the release or speedy trial of all American citizens under arrest. Before the change of the Spanish cab-inet in October last twenty-two prisoners, citizens of the United States, had been given their freedom.

For the relief of our own citizens suffering because of the conflict, the aid of congress was sought in a special message and under the appropriations of April 4, 1897, effective aid has be given to American citizens in Cuba, and many of them at their own request have been returned to the United States.

The instructions given to our new minister to Spain before his departure for his post directed him to impress the government the sincere wish of the United States to lend its aid toward the ending of the war in Cuba by reaching a peaceful and last-ing result, just and honorable alike to Spain and the Cuban people. These instructions recited the character and duration of the contest, the widespread osses it entails, the burdens and restraints it imposes upon us, with constant disturbance of national interests and the injury resulting from an indefinite continuance of this state of things. It was stated that at this juncture our government was constrained to seriously inquire if the time was not ripe when Spain of her own volition, moved by her own interests and every sentiment of humanity should put a stop to this destructive war and make proposals of settle-ment honorable to herself and just to her Cuban colony. It was urged that as a neighborhing nation, with large interests in Cuba, we could be required to wait only a resonable time for the mother country to establish its authority and restore peace and order within the borders of the island; that we could not contemplate an indefinite period for the accomplish-ment of this result. No solution was proposed to which the slightest idea of humiliation to to Spain could attach, and, indeed, precise proposals were withheld to avoid embarrassment to that government. All that was asked or expected was that some safe way might be speedily provided and perm nent peace restored. It so chanced that the consideration of this offer, addressed to the same Spanish administration which had directed the tenders of my predecessor, and which for more than two years had poured men and treasure into Cuba in the fruitless effort to suppress the revolt, fell to others. Beween the departure of General Wordford, the new envoy, and his arrival ford, the new envoy, and his arrival in Spain, the statesman who had shaped the policy of his country fell by the hand of an assassin, and al-though the cabinet of the late pre-mier still held office and received from our envoy the proposals he bore, that cabinet gave place within a few days thereafter to a new administration un-der the leadership of Sagasta. The reply to our note was received on the 23d day of October. It is in the direction of a better understanding. It appreciates the friendly purposes of this government. It admits that our country is deeply affected by the war in Cuba and that its desires for peace are just. It declares that the esent Spanish government is bound by every consideration to a change 'n policy that should satisfy the United States and pacify Cuba within reason-able time. To this end Spain has de-cided to put into effect the political reforms heretofore advocated by the present premier, without salting for any consideration in the path which in its judgment leads to peace. The military operations, it is said, will

continue, but wil be humane and conducted with all regard to private rights, being accompanied by political action leading to the autonomy of Cuba, while guarding Spanish sover-ingty. This, it is claimed, will result in investing Cuba with a distinct personality; the island to be governed by an executive and by a local council, or chamber, reserving to Spain the control of the foreign relations, the army and navy and the judicial administration. To accomplish this the present government proposes to modify ex-isting legislation by decree, leaving the Spanish Cortes, with the aid of Cuban senators and deputies, to solve the economic problem and properly distribute the existing debt.

In the absence of a declaration of the measures that the government proposes to take in carrying out its proffer of good offices, it suggests that Spain be left free to conduct operations and grant political reforms, while the United States for its part shall enforce its neutral obligations and cut off the assistance which it is asserted the insurgents receive from this country. The supposition of an indefinite prolongation of the war is denied. It is asserted that the western provinces are already well night reclaimed; that the planting of cane and tobacco therein has been resumed and that by force of arms and new and amply reform very early an completed pacification is hoped for. and

The immediate amelioration of isting conditions under the new ad-ministration of Cuban affairs is predicted, and therewith all the disturb ance and all occasion for any change of attitude on the part of the United States. Discussion of questions of international duties and responsibilities of the United States, as Spain understands them, is presented, with an ap parent disposition to charge us with failure in this regard. This charge is without any basis in fact. It could not have been made if Spain had been cog nizant of the constant efforts this gov ernment has made at the cost of millions, and by the employment of the administrative machinery at the command of the nation to perform its full duty according to the laws of nations. That it has successfully presented the departure of a single military expedi-tion or armed vessel from our shores in violation of our laws would seen to be a sufficienty answer. But of this aspect of the Spanish note it is not necessary to speak further now. Firm in the conviction of a wholly performed obligation, due response to this charge has been made in diplomatic issues. Throughout all these horrors and dangers to our own peace this gov-ernment has never in any way abrogated its sovereign prerogative of re-serving to itself the determination of its policy and course according to its own high sense of right and in consonance with the dearest interests and convictions of our own people should the prolongation of the strife so demand

Of the untried measures there remain only: "Recognition of the insurgents as belligerents; recognition of the independence of Cuba; neutral intervention to end the war by imposing a rational compromise between the contestants, and intervention; in favor of one or the other parties. I speak not of forcible annexation, for that cannot be thought of. That by our code of morality would be criminal aggregssion."

Recognition of the belligerency of the Cuban insurgents has often been canvassed as a possible, if not inevitable step, both in regard to the previous ten years' struggle and during the present war. I am not un-mindful that the two houses of con-gress in the spring of 1896 expressed the opinion by concurrent resolution that a condition of public war existed requiring or justifying the recognition of a state of belligerency in Cuba, and during the extra session the senate voted a joint resolution of like import, which, however, was not brought to a vote in the house. In the presence of these significant expressions of sentiment of the legislative branch, it behooves the executive to soberly consider the conditions under which so important a measure must needs rest for justification. It is to be seriously considered whether the Cuban insurrection possesses beyond dispute the attributes of sisterhood which alone can demand the recognition of belligerency in its favor. Possession, in short, of the essential qualifications of sovereignity by the insurgents and the conduct of the war by them according to the recognized code of war are no less important factors toward the determination of the problem of belligerency than are the influences and consequences of the struggle upon the internal policy of the recognizing state. The wise utterances of President Grant in his memorable message of December 7, 1875, are signally relevant to the present situation in Cuba, and it may be wholesome now to recall them. At that time a ruino is confict had for seven years wasted the neighboring island. During all those years an utter disregard of the laws of civilized warfare and the just de-mands of humanity, which called forth expressions of condemnation from the nations of Christendom, continued unabated. Desolation and ruin pervaded that productive region, enormously affecting the commerce of all commercial nations, but that of the United States more than any other by reason of proximity and larger trade and in-tercourse. At that junction General C-ant uttered these words, which now, then, sum up the elements of the obiem: 'A recognition of the independence of Cuba being, in my opinion, imprac-ticable, the question which next pre-sents itself is that of the recognition of the belligerent rights of the parties to the contest. In a former message to congresss I had occasion to consider this question and reached the conclusion that the conflict in Cuba, dreadful and devastating as were it incidents, did not rise to the fearful dignity of war. "It is possible that the acts of for eign powers, and even the acts of Spain itself of this very nature, might be pointed to in defense of such recognition. But now, as in its past his-tory, the United States should carefully avoid the false lights might lead it into the mazes of doubt-ful law and of questionable propri-ety, and adhere rigidly and steruly to the rule which has been its guide, of doing only that which is right and honest and of good report. The gues-

tion of according or withholding rights of bellegerency must be judged in every case in view of the particular attending facts. Unless justified by necessity it is always, and justiy, regarded as an unfriendly act and a gratuitous demonstration of moral support to the rebellion. It is necessary, and it is required, when the interests and rights of another government or of its people are so far affected by a pending civil conflict as to require a definition of its relations to the parties thereto. But this conflict must be one which will be recognized in the sense of international law as war.

"Belligerence, too, is a fact. The more existence of contending armed bodies and their occasional conflicts do not constitute war in the sense referred to. Applying to the existing condition of affairs in Cuba, the tests recognized by publicists and writers on international law, and which have been observed by nations of dignity, honesty and power, when free from sensitive, selfish and unworthy motives, I fail to find in the insurrection the existence of such a substantial political organization, real, palpable and manifest to the world, having the forms and capable of the ordinary functions of government toward its own people and to other states, with courts for the administration of justice, with a local habitation, possessing such organization of force, such material, such occupation of territory as to take the contest out of the category of a mere rebellious insurrection, or occasional skirmishes, and place it on the terible footing of war, to which recognition of belligerency would aim to elevate it.

'The contest, moreover, is solely on land; the insurrection has not pos-sessed itself of a single seaport whence it may send forth its flag, nor has it any means of communication with foreign powers, except through the military lines of its adversaries. No apprehension of any of those andden and difficult complications which a war upon the ocean is apt to precipitate upon the vessels both commercial and national, and upon the consular officers of other powers, calls for the definition of their relations to the parties to the contest. Considered as a question of expediency regard the accordance of belligerent rights still to be as unwise I regard it to be, at present, indefen-sible, as a measure of right.

"Such recognition entails upon the country, according the rights of war which flow from it difficult and complicated duties, and requires the exaction from the contending parties of the strict observance of their rights and obligations. It confers the right of search upon the high seas by ves-sels of both parties; it would subject the carrying of arms and munitions of war, which now may be transported freely and without interruption in vessels of the United States, to detention and to possible seizure; it would give rise to countless vexatious questions, would release the parent government from responsibility for acts done by the insurgents, and would invest Spain with the right to exercise the supervision recognized by our treaty of 1795 over our commerce on the high seas, a very large part of which, in its traffic between the Atlantic and Gulf states and between all of them and the states on the Pacific, passes through the waters which wash the shores of Cuba. The exercise of this supervision could scarce fail to lead, if not to abuses, certainly to collisions perilous to the peaceful relations of the two states. There can be little doubt as to what result supervision would before long draw this nation. It would be unworthy of the United States to inaugurate the possibilities of such result, by measures of questionable right or expedi-ency, or by any indirection." Turning to the practical aspects of recognition of belligerancy and re viewing its inconveniences and positive dangers, still further pertinent considerations appear. In the code of nations there is no such thing as a naked recognition of belligerency unaccompanied by the resumption of international neutrality. Such recognition without more will confer upon neither party to a domestic conflict a status not heretofore actually possessed nor affect the relation of either party to other states. The act of recognition usually takes the form of a solemn proclamation of neutral-ity which recites the de facto condition of belligerency as its motives. It announces a domestic law of neu-trality in the declaring state. It assumes the international obligations of a neutral in the presence of a pub-lic state of war. It warns all citizens and others within the jurisdiction of the proclamation that they violate those rigorous obligations at their peril, and cannot expect to be shielded from the consequences. The right of visit and search on the seas, and seizure of vessels and cargoes and contrabrand of war and good prize under admiralty law must, under international law, be admitted as a legitimate consequence of a proclamation of bellig-erency. While according the equal belligerent rights defined by public aw to each party in our ports, disfavors would be imposed on both. which, while nominally equal, would weigh heavily on behalf of Spain herself. Possessing a navy and controll-ing the ports of Cuba, her maratime rights could be asserted not only for the military investment of the island, but up to the margin of our own territorial waters, and a condition of things would exist for which the Cu-bans within their own domain could not hope to create a parallel, while its creation of aid or sympathy from within our domains would be even more impossible than now, with the additional obligations of neutrality we would perforce assume The enforcement of this enlarged and onerous code of neutrality would only be influential within our own jurisdiction by land and sea and plicable by our own instrumentalities. It could impart to the United States no jurisdiction between Spain and the insurgents. It would give to the United States no right of intervention to enforce the conduct of the strife within the paramount authority of Spain, according to the international code of war. For these reasons I regard the rec-ognition of the belligerency of the Cubana as now unwise, and therefore inndulisable. Should that step hereafter be deemed wise as a meas-ure of right and duty the executive will take it.

Intervention upon humanitariar grounds has been frequently suggested and has not failed to receive my most anxious and earnest consideration. But should such a step be now taken, when it is apparent that a hopeful change has supervened in the policy of Spain toward Cuba? A new government has taken office in the mother country. It is pledged in advance to the declaration that all the effort in the world cannot suffice to maintain peace in Cuba by the bayonet; that vague promises of reform after-subjugation afford no solution of the insular problem; that with a substitution of commanders must come a change of the past system of warfarefor one in harmony with a new policy. which shall no longer aim to drive the Cubans to the "horrible alterna-tive of taking to the thicket or suc-cumbing in misery;" that reforms must be instituted in accordance with the needs and circumstances of time, and that these reforms, while designed to give full autonomy to the colony and to create a virtual entity and self. controlled administration, shall yet conserve and affirm the sovereignty of Spain by a just distribution of powers and burdens upon a basis of mutual interest untainted by methods of selfish expediency.

The first acts of the new government lie in these honorable paths. The policy of cruel rapine and extermination that so long shocked the univer-sal sentiment of humanity has been reversed. Under the new military commander a broad clemency is proffered. Measures have already been set afoot to relieve the horrors of starvation. The power of the Spanish armies, it is asserted, is to be used not to spread ruin and desolation but to protect the resumption of peaceful agricultural pursuits and productive industries. That past methods are futile to force a peace by subjugation is freely admitted, and that ruin without conciliation must inevitably fail to win for Spain the fidelity of a contented dependency.

Decrees in application of the foreshadowed reforms have already been promulgated. The full text of these decrees has not been received, but as furnished in a telegraphic summary from our minster are: All civil and electroal rights of peninsular Spaniards are, in virtue of existing constitutions authority, forthwith extended to colonial Spaniards upon ratification by the Cortes. It creates a Cuban parliament, which, with the insular executive, can consider and vote upon all subjects affecting local order and interests, possessing unlimited powers save as to matters of state, war and navy, as to which the governor general acts by his own authority as the delegate of the central government. This parliament receives the oath of the governorgeneral to preserve faithfully the liberties and privileges of the col-ony, and to it the colonial secretaries are responsible. It has the right to propose to the central government, through the governor general, modi-fications of national charter and to invite new projects of law or executive measures in the interest of the colony.

Besides its local powers it is com petent, fiht, to regulate electoral reg istration and procedure and prescribe the qualifications of electors and the manner of exercising suffrage; second, to organize courts of justice with native judges from members of the local bar; third, to frame the insular budget both as to expenditures and revenues to meet the Cuban share of the national budget, which later will be voted by the national Cortes, with the assistance of Cuban senators and deputies; fourth, to institute or take part in the negotiations of the na-tional government for commercial treaties which may affect Cuban interests; fifth, to accept or reject commercial treaties which the government may have concluded without the participation of the Cuban government; sixth, to frame the colonial tariff, acting in accordance with the penisular government in schedul-ing articles of mutual commerce between the mother country and the col-onies. Before introducing or voting upon a bill, the Cuban government, or the Chambers, will lay the project be-fore the central government and hear its opinion thereon, all the corres-pondence in such regard being made public. Finally, all conflicts of juris-diction arising between the different municipal, provincial and insular as-semblies, or between the latter and the insular executive power, and which from their nature may not be referable to the cen ral government for d cision, shall be submitted to the courts. That the government of Sagasta has entered upon a course from which re-cession with honor is impossible can hardly be questioned; that in the few weeks it has existed it has made earnest of the sincerity of its professions is undeniable. I shall not inpugn its sincerity, nor should impatience be suffered to embarras it in the task it has undertaken. It is honestly due to Spain and to our friendly relations with Spain that it should be given a reasonable chance to realize its expectations and to prove the asserted efficacy of the new order of things to which it stands irrevocably committed. It has recalled the commander whose-brutal orders inflamed the American mind and shocked the civilized world. It has modified the horrible order to concentration and has undertaken to care for the helpless and permit those who desire to resume the cullivation of their fields to do so and assure them of the protection of the Spanish government in the lawful occupations It has just released the Competitor prisoners, heretofore sentenced to death, and who have been the subject of repeated diplomatic corremondence during this and preceding administrations. Not a single American eltizon is now under arrest or in confinement in Cuba of whom this government has any knowledge. The near future will emonstrate whether the indis able condition of a righteous p just alike to the Cubans and to S just alike to the Cubans and to Sprin-ps well as equitable to all our in erests so intimately involved in the welfare of Cuba, is likely to be attained. If not, the exigency of further and other action by the United States will re-main to be taken. When that time comes that action will be determined in the line of the indisputable right and duty. It will be faced without misgiving and besitancy in the 1th of the obligation this government owes to itself, to the people who have coloto itself, to the people who have con

ideration and prompt solution of this question. The secretary of the treasury has

oullined a plan in great detail for the purpose of removing the threatened recurrence of a depleted gold reserve and save us from future embarrassment on that account. To this plan I invite your careful consideration.

I concur with the secretary of the treasury in his recommendation that national banks be allowed to issue notes to the face value of the bonds they have deposited for circulation, and that the tax on circulating notes secured by deposit of such bonds be reduced to one-half of 1 per cent per annum. I also join him in reccommending that authority be given for the establishment of national banks with a minimum capital of \$25,000. This will enable the smaller villages and agricultural regions of the country to be supplied with currency to meet their needs.

I recommend that the issue of national bank notes be restricted to the denomination of \$10 and upward. If the suggestions I have herein made shall have the approval of congress then I would recommend that na-tional banks be required to redeem their notes in gold.

REVIEW OF SITUATION IN CUBA. The most important problem with which this government is now called upon to deal pertaining to its foreign relations concerns its duty towards Spain and the Cuban insurrection. Problems and conditions more or less in common with those now existing have confronted this government at various times in the past. The sory of Cuba for many years has been one of unrest, growing discontent, an ef-fort toward a larger enjoyment of liberty and self-control, of organized resistance to the mother country, or depression and distress and warfare, an 1 of ineffectual settlement, to be fol-lowed by renewed revolt. For no enduring period since the enfranchise-ment of the continental possessi ne of Spain in the western continent has the condition of Cuba or the policy of Spain toward Caba not caused concern to the United States.

The prospect from time to time that the weakness of Spain's hold upon the island and the political victs-situdes and embarassments of the home government might lead to the transfer of Cuba to a continental power, called forth, between 1823 and 1860, various emphatic declarations of the policy of the United States to permit no disturbances of Cuba's connection with Spain unless in the direction of independence or acquisition by the United States through purchase; nor has there been any condition to this declared policy since upon the part of the government.