

# THE MESSAGE.

## First Message of President Harrison to Congress.

His Views on Tariff Revision, Penalties, the Circulation, Silver Coinage, Steamship Subsidies and Other Questions.

WASHINGTON, Dec. 4.—The President's message was received in both houses of Congress yesterday at noon and is principally as follows:

### To the Senate and House of Representatives:

Few transactions in the administration of government are even temporarily held in the confidence of those charged with the conduct of public business. Every step taken is under the observation of an intelligent and watchful people. The state of the Union is known from day to day and suggestions as to needed legislation find an earlier voice than that which speaks in these annual communications of the President to Congress.

Good will and cordiality have characterized our relations and correspondence with other Governments, and the year closed leaves few international questions of importance unadjusted. No obstacle is believed to exist that can long postpone the consideration and adjustment of still pending questions upon satisfactory and honorable terms. The dealings of this Government with other States have been marked by frankness and sincerity, our purposes avowed and our methods free from intrigue. This course has borne rich fruit in the past, and it is our duty as a Nation to preserve the heritage of good repute which a century of right dealing with foreign Governments has secured for us.

It is a matter of significance and no less of congratulation that the first year of the second century of our constitutional existence finds us honored guests within our borders. The representatives of the North and South American States met together in earnest conference touching the best methods of perpetuating and expanding the relations of mutual interest and friendliness existing among them. That the opportunity thus afforded for promoting closer international relations and the increased prosperity of the States represented will be used for the mutual good of all I can not permit myself to doubt. Our people will await with interest and pride the results to be shown on such auspicious a meeting of allied and in large part identical interests.

Recommendations of this international conference of enlightened statesmen will have the attention of Congress and its operation in the removal of unnecessary barriers between the Nations of America. But while the commercial results which it is hoped will follow this conference are worthy of praise and the great interest they have excited, it is believed that the benefits which will be found in the better securities which may be devised for the maintenance of peace among all American Nations and settlement of all contentions by methods Christian civilization can approve. So far as viewing with interest our National resources and products, the delegates, I am sure, will find a higher satisfaction in the evidences of unselfish friendship which everywhere attends the intercourse with our people.

An international conference, having great possibilities for good, has lately assembled and is now in session in this capital. An invitation was extended by the Government, under the act of Congress of July 7, 1883, to the plenipotentiaries of the second delegates to confer touching the revision and amendment of the rules and regulations governing vessels and to adopt a uniform system of marine signals. The response to this invitation has been prompt and very cordial. Delegates from twenty-six Nations are present in the conference and they have entered upon their useful work with great zeal and with an evident agreement to be reached may require legislation to give it effect. The co-operation of Congress is confidently relied upon. It is an interesting and unprecedented fact that the two international conferences have brought together the plenipotentiaries of the three Nations, Bolivia, Ecuador and Honduras are now represented by resident envoys of the plenipotentiary grade. All the States of the American system now maintain diplomatic relations with the United States. In this connection it may be noted that all the Nations of the Western Hemisphere, with one exception, send to Washington Envoys Extraordinary and Ministers Plenipotentiary, being the highest grade of diplomatic representation. The United States, on the contrary, send envoys of the lower grade to some of our sister republics. Our representatives in Paraguay and Uruguay are a Minister Resident, while in Bolivia we send a Minister Resident and a Consul General. In view of the importance of our relations with the States of the American system our diplomatic agents in those countries should be of the uniform rank of Envoy Extraordinary and Minister Plenipotentiary.

Certain missions were so elevated by the last Congress with happy effect, and I recommend the completion of the reform thus begun, with the inclusion also of Hawaii and Hayti, in view of their relations to the American system of States. I also recommend that timely provision be made for extending to Hawaii an invitation to be represented in the international conference now sitting at this capital.

### RELATIONS WITH CHINA.

Our relations with China have the attentive consideration which their magnitude and interest demand. The failure of the treaty negotiated under my predecessor for the further and more complete restriction of Chinese labor, immigration and the location of the mercantile system of Congress dependent thereon leaves some questions open which Congress should now approach in that wise and just spirit which should characterize the relations of two great and friendly powers. Pursuant to a understanding of the exclusion of a laboring element which experience has shown to be incompatible with our social life. All steps to compass this imperative need should be accompanied with a recognition of the claims of those stronger now lawfully among us to humane and just treatment. The accession of the young Emperor of China marks, we may hope, an era of progress and prosperity for the great country over which he is called to rule.

### SAMOA AFFAIRS.

The present state of affairs in respect to the Samoan Islands is encouraging. The conference which was held in this city in the summer of 1888 between the representatives of the United States, Germany and Great Britain had been adjourned because of the persistent divergence of views which was developed in its deliberations. The subsequent course of events in relation to questions of a serious character. On the 4th of February last the German Minister at this capital in behalf of his Government proposed a resumption of the conference at Berlin. This proposition was accepted, as Congress in February last was informed, and reached commissioners were appointed by me, by and with the advice and consent of the Senate, who proceeded to Berlin and the conference was resumed. The deliberations extended through August and resulted in the conclusion of a treaty which will be submitted to the Senate for its approval.

### BRITISH AFFAIRS.

The questions which have arisen during the past few years between Great Britain and the United States are in abeyance or in course of adjustment. On the part of the Government of the Dominion of Canada an effort has been apparent during the season just ended to administer the laws and regulations applicable to the fisheries with as little occasion for friction as was possible, and the temperate expressions of this Government in respect of cases of undue hardship or of harsh representations have in most cases been met

with measures of transitory relief. It is trusted that the attainment of our just rights under existing treaties and by virtue of the concurrent legislation of the two contiguous countries will not be long delayed and that all existing cause of differences may be quickly adjusted.

I recommend that provision be made by an international agreement for visibly marking the water boundary between the United States and Canada in the narrow channels which join the great lakes. The international line therein traced by the Northwestern survey years ago is not in all cases readily ascertainable for the settlement of jurisdictional questions.

A just and acceptable enlargement of the limits of offenses for which extradition may be claimed, and granted is most desirable between this country and Great Britain. The territory of neither should become a secure harbor for the evil doers of the other through any available shortcoming in this regard. A new treaty on this subject between the two Powers has been recently negotiated and will soon be laid before the Senate.

### OTHER FOREIGN QUESTIONS.

The importance of the commerce of Cuba and Porto Rico with the United States, their nearest and principal market, justifies the expectation that the existing relations may be beneficially expanded. The impediments resulting from varying duties on navigation and from the vexatious treatment of our vessels on merely technical grounds of our complaints in West India ports, should be removed.

The progress toward an adjustment of pending claims between the United States and Spain is not so rapid as could be desired. Questions affecting American interests in connection with railways constructed and operated by citizens in Peru have claimed the attention of this Government. It is urged that other Governments in pressing Peru to the payment of their claims have disregarded the property rights of American citizens. The matter will be carefully investigated with a view to securing a proper and equitable adjustment.

A similar issue is now pending with Portugal. The Delagoa Bay railway in Africa was constructed under a concession by Portugal to an American citizen. When the railway was completed the road was seized by the agents of the Portuguese Government. Formal protest has been made through our Minister at Lisbon against this act and no proper effort will be spared to secure proper redress.

In pursuance of the charter granted by Congress and under the terms of its contract with the Government of Nicaragua the Inter-Oceanic Canal Company has begun the construction of the important water way between the two oceans.

Grave complications for a time seemed imminent in view of a supposed conflict of jurisdiction between Nicaragua and Costa Rica in regard to the accessory privilege to be exercised by the latter Nation in the construction of works on the San Juan river, of which the right bank is Costa Rica territory. I am happy to learn that a friendly arrangement has been effected between the two Nations.

The traditional good feeling between this country and the French Republic has received additional testimony in the participation of our Government and people in the International Exposition held at Paris during the past summer. The success of our exhibitors has been gratifying. The reports of the Commission will be laid before Congress in due season.

This Government has accepted, under a proper reserve as to policy in other territories, the invitation of the Government of Belgium to take part in an international congress which opens at Brussels on the 10th of November for the purpose of devising measures to promote the abolition of the slave trade and to prevent the shipment of slaves by sea. Our interest in the extinction of this crime against humanity in the region where it yet survives has been increased by the results of our anti-slavery efforts in Africa.

With Germany the most cordial relations exist. The questions arising from the return to the Empire of Germans naturalized in this country are considered and disposed of in a temperate spirit to the entire satisfaction of the parties concerned.

It is a source of great satisfaction that the internal disturbances of the Republic of Hayti are at last happily ended and that an apparently stable Government has been constituted. The Republic has been duly recognized by the United States.

A mixed commission is now in session in this capital for settlement of long-standing claims against the Republic of Venezuela, and it is hoped that a satisfactory conclusion will be quickly reached.

Questions continue to arise at our relations with several countries in respect to the rights of naturalized citizens. Especially is this the case with France, Italy, Switzerland and Austria and to a less extent with Spain. From time to time earnest efforts have been made to regulate this subject by convention. An improper use of naturalization should not be permitted, but it is important that those who have been naturalized should everywhere be accorded recognition of the rights pertaining to citizenship of the country of their adoption. The appropriation of special conventions for that purpose is recommended in this connection. Government has concluded with a number of European States, and it is advisable that the difficulties which now arise in our relations with other countries on the same subject should be similarly adjusted.

The recent revolution in Brazil in favor of the establishment of a republican form of government is an event of great interest to the United States. Our Minister at Rio Janeiro was at once instructed to maintain friendly diplomatic relations with the provisional government and the Brazilian representatives at the capital were instructed by the Provisional Government to continue their functions. Our friendly intercourse with Brazil has therefore been uninterrupted. Our Minister has been further instructed to extend on the part of this Government a formal and cordial recognition of the new republic so soon as the majority of the people of Brazil shall have manifested their assent to its establishment and maintenance.

### Home Matters.

Within our own borders a general condition of prosperity prevails. The harvests of the last summer were exceptionally abundant and the trade conditions now prevailing seem to promise a successful season to the merchant and the manufacturer and general employment to our working people.

### THE TREASURY.

The report of the Secretary of the Treasury for the fiscal year ended June 30, 1888, has been prepared and will be presented to Congress with the fiscal operations of the Government, and I avail myself of it to obtain some facts for use here. The aggregate receipts from all sources for the year were \$37,660,098.84. It was derived as follows: From customs, \$23,827,741.68; from internal revenue, \$13,862,313.92; from miscellaneous sources, \$2,350,043.23.

The ordinary expenditures for the same period were \$21,896,615.50, and the total expenditures, including the sinking fund, were \$29,728,929.23. The excess of receipts over expenditures was, after providing for the sinking fund, \$7,470,129.59. For the current fiscal year the total revenues, actual and estimated, are \$38,000,000, and the ordinary expenditures, actual and estimated, are \$28,000,000, making, with the sinking fund, a total expenditure of \$34,321,116.59, leaving an estimated surplus of \$4,678,883.40.

### THE SURPLUS.

During the fiscal year there was applied to the purposes of the sinking fund, in addition to the \$7,470,129.59, \$12,235,000, and during the first quarter of the current year the sum of \$7,838,367.77, all of which was credited to the sinking fund.

ate attention of Congress with a view to reducing the receipts of the treasury to the needs of the Government as closely as may be. The collection of moneys not needed for public uses imposes an unnecessary burden upon our people and the presence of so large a surplus of circulating medium is disturbing the element in the conduct of private business. It has called into use expedients for putting into circulation of very questionable propriety. We should not collect revenue for the purpose of anticipating to a remote beyond the requirement of the sinking fund, but any unappropriated surplus in the treasury should be so used, as there is no other lawful way of returning the money to circulation, and the profit realized by the Government offers a substantial advantage.

The loaning of public funds to the banks without interest, upon the security of Government bonds, I regard as an unauthorized and dangerous expedient. It results in a temporary and unnatural increase of the banking capital of favored localities and compels a cautious and gradual recall of the deposits to avoid injury to the commercial interests. It is not to be expected that the banks having these deposits at the present high rate of interest will be inclined to return them to the treasury long as the present highly beneficial arrangement is continued. They now practically get interest both upon the bonds and their proceeds.

No further use should be made of the surplus of the treasury for the purpose of reaching into circulation, and the deposits now outstanding should be gradually withdrawn and applied to the purchase of bonds. It is fortunate that such use can be made of the existing surplus, and for some time the excess of a surplus which may exist after Congress has taken the necessary steps for a reduction of the revenue. Such legislation should be promptly but very considerately enacted.

### THE TARIFF.

I recommend a revision of our tariff law, both in its administrative features and in the schedule. The need of the former is generally conceded, and an agreement upon the evils and inconveniences of the latter will probably not be difficult. Uniformity of valuation at all our ports is essential, and effective measures should be taken to secure it. It is equally desirable that questions of tariff classifications should be promptly decided.

The preparation of a new schedule of duties is a matter of great delicacy, because of its effect upon the business of the country; of great importance, because of the wide divergence of opinion as to the objects that may be promoted by such legislation. Some disturbance of business may perhaps result from consideration of this subject by Congress, but this temporary inconvenience will be amply repaid by prompt action, and the assurance which the country enjoys that any necessary changes will be so made as not to impair the just and reasonable protection of our home industries.

The necessary reduction in our public revenues can, I am sure, be made without making the smaller burden more onerous than the larger by reason of the fact that the best methods for the reduction of the tax upon both capital and labor. The free list is very safely extended by placing thereon articles that do not offer injurious competition to such domestic products as are of American growth and manufacture. The internal tax upon tobacco would relieve an important agricultural product from a burden which was imposed only because our revenue from custom duties was insufficient for the public needs.

If provision can be devised, the removal of the tax upon spirits used in the arts and manufactures would offer an objectionable method of reducing the surplus.

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A table presented by the Secretary of the Treasury showing the amount of money of all kinds in circulation each year from 1875 to the present time is of interest. It appears that the amount of gold and silver in circulation has decreased during that period \$114,109,725, of which \$87,792,229 is chargeable to the last year.

The withdrawal of bank circulation will necessarily continue under existing conditions, and it is hoped that a satisfactory conclusion will be quickly reached.

Questions continue to arise at our relations with several countries in respect to the rights of naturalized citizens. Especially is this the case with France, Italy, Switzerland and Austria and to a less extent with Spain. From time to time earnest efforts have been made to regulate this subject by convention. An improper use of naturalization should not be permitted, but it is important that those who have been naturalized should everywhere be accorded recognition of the rights pertaining to citizenship of the country of their adoption. The appropriation of special conventions for that purpose is recommended in this connection. Government has concluded with a number of European States, and it is advisable that the difficulties which now arise in our relations with other countries on the same subject should be similarly adjusted.

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Treasury for the issuance of notes or certificates upon the deposit of silver bullion at its market value, I have been able to give only a hasty examination owing to the press of other business. The subject has been recently formulated. The details of such a law require careful consideration, but the general plan suggested by him seems to satisfy the purpose to continue the use of silver in connection with the Indian tribes, and to obviate the danger of which I have spoken. At a later day I may communicate further with Congress on this subject.

### THE CHINESE.

The enforcement of the Chinese Exclusion Act has been found to be very difficult on the Northwest frontier. Chinese landing at Victoria find it easy to pass our border owing to the impossibility, with the force at command, of the customs officers of guarding so long an inland line. The Secretary of the Treasury has authorized the employment of additional officers, who will be assigned to this duty, and every effort will be made to enforce the law. The Dominion exacts a head tax of five cents for each Chinaman landing, and when the persons in transit of our territory cross into our territory and are apprehended our officers do not know what to do with them, as the Dominion authorities will not suffer them to be sent back without a second payment of the tax.

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One of the new ships may in fighting strength be equal to two of the old, but it can not do the cruising duties of two. It is important, therefore, that we should have a more rapid increase in the number of serviceable ships. I concur in the recommendation of the Secretary that the construction of eight armored ships, three gunboats and five torpedo boats be authorized.

### THE INDIAN QUESTION.

The report of the Secretary of the Interior exhibits the transactions of the Government with the Indian tribes. Substantial progress has been made in the education of the children of school age and in the allotment of lands to adult Indians. It is to be regretted that the policy of breaking up the tribal reservation and dealing with the Indians as individuals did not appear earlier in our legislation. Large reservations used in common and the maintenance of the authority of the chiefs and headmen have deprived the individual of every incentive to the exercise of thrift and the annuity has had a demoralizing and demoralizing effect. This affirmative impulse towards a state of confirmed pauperism.

The last Congress enacted two distinct laws relating to negotiations with the Sioux Indians of Dakota for a relinquishment of a portion of their lands to the United States and for dividing the remainder into separate reservations. Both were approved on the same day, March 2. The one submitted to the Indians was a specific proposition. The other (Sec. 3 of the Indian Appropriation Act) authorized the President to appoint three Commissioners to negotiate with the Indians for the accomplishment of some general purpose and required that any agreement made should be submitted to Congress for ratification.

On the 18th day of April last I appointed Hon. Charles Foster, of Ohio, Hon. William Warner, of Missouri, and Major-General George Cook, of the United States Army, Commissioners under the last named law. They were, however, authorized and directed first to submit to the Indians the definite proposition made to them by the act first mentioned and only in the event of a failure to secure the assent of the Indians to the terms of that proposition to open negotiations for modified terms under the other act. The work of the Commission was prolonged and arduous but the assent of the requisite number was, it is understood, finally obtained to the proposition made by Congress.

The Commission provided for by section 14 of the Indian Appropriation bill to negotiate with the Cherokee Indians and all other Indians owning or claiming lands lying west of the Mississippi River, was organized on June 29 last. Two conferences have appeared. The cattle syndicate now occupying the lands for grazing purposes is clearly one of the agencies responsible for the delay of our negotiations with the Cherokees. The large body of agricultural lands constituting what is known as "the Cherokee Outlet" ought not to be, and indeed can not long be, held for grazing and for the selection of a few against the public interests and the best advantages of the Indians themselves. The United States has under the treaties certain rights in these lands. These will not be used oppressively, but it can not be allowed that those who by purchase occupy these lands shall interpose to defeat the wise and beneficent purposes of the Government.

I very urgently recommend that Congress at once provide a territorial government for the people of Oklahoma. Serious questions, which may at any time lead to serious breaks, are awaiting the institution of courts for their peaceful adjustment. The American genius for self-government has been illustrated in Oklahoma, but it is neither safe nor wise to leave these people longer to the expedients which have temporarily served them.

### THE LAND LAWS.

In the administration of the land laws the policy of facilitating, in every proper way, the adjustment of the honest claims of individual land holders upon the public lands has been pursued. The number of pending cases had, during the preceding Administration been greatly increased under the operation of orders for a time suspending final action in certain parts of the country, and in the West and Northwest, and by the subsequent use of unusual methods of examination.

Only those who are familiar with the conditions under which our agricultural lands have been settled can appreciate the serious nature of the problem which is presented by a policy that puts his title under suspicion, or delays the issuance of his patents.

While care is taken to prevent and expose fraud, it should not be imposed without reason and for a definite purpose of the Homestead and Pre-emption laws. The settlement of the public domain by persons having a bona fide intent to make homes upon the selected lands. Where this intent is well established and the requirements of the law are complied with, the claimant is entitled to a prompt and friendly consideration of his case.

But where there is reason to believe that the claimant is the mere agent of another who is seeking to evade a law intended to prevent the acquisition of the land by fraudulent methods, large tracts of timber and other lands, both principal and agent should not only be thwarted in their fraudulent purpose but should be made to feel the force of our criminal statutes. The laws should be administered as not to confound these two classes and to visit penalties only upon the latter.

The unsettled state of the titles to large bodies of lands in the territories of New Mexico and Arizona has greatly retarded the development of these Territories. Provision should be made by law for the prompt trial and final adjustment, before a judicial tribunal, of all claims based upon Mexican grants, and the claimant is entitled to a prompt and friendly consideration of his case.

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### THE POST-OFFICE.

The report of the Postmaster-General not only exhibits the operations of the department for the past fiscal year, but contains many valuable suggestions for the improvement of the service, and is highly commended to your attention. No other branch of the Government has so close a contact with the daily life of the people. Almost every one uses the service it offers, and in the management of such a vast and diversified commercial mail has an actual and possible value that only those engaged in trade can understand. The saving of one day in the transmission of mails between New York and San Francisco, or the saving of one day in the transmission of an incident worthy of mention. The plan suggested of a supervision of the post-offices in separate districts that shall involve in the construction and a range of the Secretary shows that while the effective force of the navy is rapidly increasing by reason of the improved build and armament of the new ships, the number of our ships fit for sea duty grows very slowly. We had on the 4th of July last thirty-seven serviceable ships, and though twenty-seven had been added to the list the total number had not been increased, because in the meantime four have been lost or condemned. Twenty-six additional vessels are being built, and it is gratifying to be able to state that when they are completed our list will only be increased to 63, a gain of five. The old wooden ships are appearing almost as fast as the new ones are added. The fact that they are not being

Some of these the Secretary of Interior has called attention. It is gratifying to be able to state that by the adoption of new and better methods in the War Department, the calls of the pension office for information as to the military and hospital records of pension claimants are now promptly answered and the injurious and vexatious delays that have heretofore occurred are being obviated. This will greatly facilitate the adjustment of all pending claims.

### NEW STATES.