

REPORT OF THE TREASURY.

Secretary Gage Exhibits Uncle Sam's Balance Sheet.

SHOWS \$38,047,247 DEFICIT.

Renews His Recommendation for a Bank Note Currency System—Favors Bounties for the Merchant Marine—American Money for Porto Rico.

WASHINGTON, Dec. 7.—The report of the secretary of the treasury to the speaker of the house of representatives was made public to-day. In the report Secretary Gage says:

The revenues of the government from all sources for the fiscal year ended June 30, 1899, were:

RECEIPTS AND EXPENDITURES.

Table with 2 columns: Source/Category and Amount. Includes items like 'From internal revenue', 'From sales of public lands', 'From duties on imports', etc.

Total receipts, \$49,838,915.75

The expenditures for the same period were:

Table with 2 columns: Category and Amount. Includes items like 'For the civil establishment', 'For the military establishment', 'For the naval establishment', etc.

Total expenditures, \$87,886,162.92

Showing a deficit of \$38,047,247.17

As compared with the fiscal year 1897, the receipts for 1898 increased \$2,915,783.84

FOR A MERCHANT MARINE.

In discussing the question of increasing the American merchant marine the secretary says: War with Spain and the annexation of the Hawaiian archipelago, which have changed the political and commercial relations of the United States not only with Cuba, Porto Rico, Hawaii and the Philippines, but also with the continents between which and North America those islands are stepping stones, require the prompt adoption of an affirmative maritime policy by the United States.

It is not to be expected that the government of Spain will long continue its support of the mail steamship lines which have connected its lost possessions with the rest of the world. Whether, then, the military occupation of former Spanish possessions by the United States shall lead to their independence or to their control by this country ultimately, at present it is clear that American vessels must be established in part in the carrying trade of the islands or we must allow Great Britain, France and Germany to fill entirely the place as a carrier which Spain is about to vacate.

Great Britain, Germany and France have consistently pursued for years the policy of contributing liberally from the public funds to establish steamship lines as a political measure, regarding such lines as national necessities rather than as commercial investments. This country is now so placed that the same motive must at least be fully considered in deciding upon our course of action. Even if the motive were absent, the fact of the aid to the foreign lines of vessels with which American vessels compete cannot be ignored.

It is recommended that a system of bounties be placed upon the mileage of vessels upon American vessels nature to eject the tubular foreign carrying lines, and works so upon for the training of a cure for the national defect of the remedy.

The letter of the trade between the United States, Porto Rico and Hawaii and the coasting trade of those islands to vessels of American registry.

PORTO RICAN MONEY TO GO.

The subject of money in Porto Rico is discussed at length. The secretary says: The existing currency of that island consists of silver coins known as pesos and centavos. The peso is of the weight and fineness of the Spanish piece of five pesetas, and corresponds in both respects to the five-franc piece of the Latin union. Its bullion value, compared to the bullion value of the American dollar, is as 93 1/2 to 100. The centavo is 100th of a peso, and the smaller coins consist of pieces of twenty centavos and forty centavos, these being the exact counterparts in weight and fineness of the Spanish pieces of one and two centavos.

The Porto Rican currency is a bad relation to gold, silver, or life here redeemable in silver. They are introducing political and monetary reform, which is only after the full published.

volume of this silver money now circulating in Porto Rico at 5 1/2 million pesos. The oscillation in value as related to gold coin has been constant, rising and falling, as effected by the state of exchanges between Porto Rico and its foreign markets. It is unnecessary here to point out at any length the general evil results upon industry and commerce of a currency medium so out of harmony with the world's money as to induce a widely fluctuating rate of exchange.

It is therefore suggested that at the proper time, action be taken by Congress to assimilate the currency of Porto Rico to that of the United States, so far and so rapidly as this can be done without unduly disturbing existing conditions and contract relations in Porto Rico. This, it is believed, can be accomplished by making customs dues in the island payable in American money, yet receiving the silver pesos and centavos at a fixed relation to the dollar. The limited amount of Porto Rican money would thus find an important avenue where a uniform value on the basis arranged would be realized. This avenue would probably be broad enough to give the assurance needed to keep the peso and its minor subdivisions current through the island at the custom house valuation. If any doubt should arise as to the sufficiency of such a provision, it could be made the duty of the secretary of the treasury to give American coin in direct exchange for the Porto Rican coin at the custom house ratio whenever in his opinion it should be necessary so to do in order to maintain the ratio established.

HIS PLEA FOR BANK NOTES.

The subject of currency and banking is treated at length. The Secretary says: In submitting my report, I feel it my duty to impress upon Congress as best I may, the important subject of currency and banking reform. It is the misfortune of evil conditions to produce derangement and hinder progress, which, if long continued, so accustom the subject of them to their existence as to create in him apathetic indifference to needful and healthful reforms. Making progress in spite of all obstacles and embarrassments to commerce and industry, we ascribe the advancement to the causes which have really hampered and disconcerted the forward and upward movement.

With a financial system condemned by the judgment of the most experienced and wise, both at home and abroad, its evils illustrated in daily business and emphasized in recurring panics, we fall, with an obtuse timidity, to face the questions which must be met and rightly solved before industry and commerce can be established upon enduring conditions of security.

The argument against government issues of paper money as a medium for commercial exchanges have been fully made and need not be repeated in detail. Its rigidity, its failure to meet demands where demand is most urgent, the dependency of the whole industrial structure upon the state of the revenue and public expenditure—these are important links in that chain of argument. The menace to our domestic affairs, several times recurring from a threatened change in the standard under which they are carried on, and our foreign trade settled, has been a companion evil—perhaps the greater of the two.

The cure for these evils is not difficult to find. It lies within the easy range of congressional action. Nor is the remedy one to inflict even temporary pains or penalties on the body politic. The healthful, stimulating effect of right action in these directions would be experienced with the first sense of assurance that the desired end was to be accomplished.

The proposal to substitute bank issues for government notes is opposed with many honest prejudices and assailed by bitter denunciations. The first arise from a failure to comprehend the true philosophy of a paper currency, and must be patiently considered. The latter obscure the question by reckless statements, charging that all propositions for currency reform are bank conspiracies to exploit the people. Referring to such proposals, an eminent speaker recently warned his uninstructed hearers: "These banks will become comorators to eat up your substance, control your politics and warp the political views of all the communities. Send a man to Congress to help defeat this great evil." Such tirades against reason, and such appeals to prejudice and ignorance, the statesman must oppose by simple truth. Is a system of bank credit currency in its ability to meet the varying wants of an industrious, commercial people, superior to the issues of government paper money? If that question be answered affirmatively, it may be safely left to time to show that the nature of the banker differs not at all from the general nature of men in all other callings. The motives for his actions are the same. It is not for the benefit of the banker or any particular class, that the plea for currency reform is urged; it is urged on behalf of the whole people, who will be the recipients of the benefits thereof. And it is on this ground only that the claim is entitled to consideration.

In my last report I ventured upon specific recommendations. The recommendations, if adopted and formulated into law, would in my opinion, be curative of the evils herein pointed out. In House bills 10289 and 10333 are embodied a series of measures in some respects more meritorious. The measures therein proposed are the result of careful study by expert and experienced men. With some modifications, the reasonable fruit of full discussion, they would, I believe, meet the country's needs. I commend the subject to the early and earnest attention of Congress.

LOAN AND WAR TAXES.

Secretary Gage, in discussing the popular \$200,000,000 loan, points out that it was made at a sacrifice of the \$5,000,000 bonus that might have been secured had it been submitted to competitive bidding. Allotments were made to about 325,000. At this time the holdings of 116,000 subscribers, amounting to \$77,361,000, have passed into the ownership of 1,001 persons, firms and corporations. The issue of the loan cost \$357,959.98 of which \$65,000 was for express charges.

Of the war taxes the secretary says: "The estimate of the commissioner of internal revenue of \$100,000,000 from this source seems to be fairly justified by the results to the treasury during the period from July 1 to the present time. His report goes also to show the friction and embarrassment which have arisen from the need of interpreting or securities in the act itself and the application of such interpretation to specific cases coming under the same general head, yet differentiated from each other by more or less important particulars. Many complaints have arisen from those unacquainted with such interpretations or applications, and, granted a well balanced relation between revenues and expenditures, it might be well to consider the propriety of repealing some of the more vexatious features of the act. Until more settled conditions, however, as to the extraordinary expenditures for the army and navy are reached, even such repeal cannot be recommended by this department. Some verbal amendments, making more clear the intentions of Congress, are to be desired, and representations in this direction may be made the subject of a separate communication to Congress at an early day."

A SENATOR WITHOUT A SEAT.

Mr. Butler Will Not Give Up His Place, and Mr. Simon Must Stand.

WASHINGTON, Dec. 7.—When Joseph Simon, the new senator from Oregon, was formally sworn into office yesterday he found that there was no seat for him in the senate. After he had qualified, signed the roll and received congratulations, he was turned over to the sergeant-at-arms, who was expected to provide him with a desk and seat.

The senatorship in Oregon had been vacant so long that in the arrangement of seats no provision was made for Senator Simon on the Republican side of the chamber. The new senator resented the suggestion that he sit on the Democratic side. The Republican leaders consulted and it was suggested that Senator Butler, the Populist from North Carolina, might be willing to move over to the Democratic side. The North Carolina man had tried that side early in the day and was stung by a chance remark that, in view of the race troubles in his state, he would hereafter identify himself with the Democratic party, so he refused to give up his present seat. Senator Simon is still seatless.

VEST LOOKS LIKE SHERMAN.

A Hard Make a Change in the Appearance of the Missouri Senator.

WASHINGTON, Dec. 7.—Senator Vest appeared at the opening of the session yesterday and remained through the reading of the President's message. Last session Senator Vest was obliged to be absent much of the time. Later in the summer there were disquieting reports of his health. Since the return of cold weather Senator Vest's improvement has been marked. His digestion is much better and his strength has increased. In appearance the senator has undergone a great change. He has permitted his beard to grow for the first time since he has been in the Senate. He wears it full, but stubby. The color is white. This change gives him a rather striking resemblance to ex-Senator John Sherman.

Ellis Children Sentenced.

MUSKOGEE, I. T., Dec. 7.—At Wagoner, in the United States court, Judge Springer sentenced Ellis Childers, ex-treasurer of the Creek nation, to two years in the penitentiary and fined him \$10,000, to be paid back to the Creek nation. Burrell Cox and James Eagan also got five years. The two cases against Gibson were transferred to Muskogee, while the charges against George Stidham were dismissed. All these parties were implicated in the fraudulent Creek warrant affair.

Ma Cleveland in a Yacht Collision.

NEW YORK, Dec. 7.—The steam yacht Onaida, having on board her owner, E. C. Benedict and ex-President Grover Cleveland, was in collision with a transfer boat off the battery wall in the upper bay to-day. The bowsprit of the yacht was carried away. Mr. Cleveland and Mr. Benedict landed at the Battery and the yacht continued on her way up the East river.

An Oklahoman Commits Wife Murder.

EL RENO, Okla., Dec. 7.—Conrad Maase, living four miles west of Bridgeport, Blaine county, gave himself up to the sheriff of Canadian county last night, stating that he had killed his wife with a shotgun yesterday. He says he did it in self defense.

Farmers' Congress in Fort Worth, Texas.

FORT WORTH, Texas, Dec. 7.—The Farmers' National congress began its annual session here to-day with several hundred delegates present. After the address of welcome by Governor Culberson and others, the president of the congress, ex-Governor Hoard of Wisconsin, delivered his annual address.

SECRETARY ALGER'S REPORT

It Is Practically a Complete History of the Spanish-American War.

NO CRITICISMS ARE MADE.

It is Largely Made Up of Official Dispatches—General Miles Selected Shafter for Duty in Cuba—Recommends an Army of 100,000.

WASHINGTON, Dec. 5.—The annual report of Secretary Alger is a practically complete history of the Spanish-American war. The secretary has given to the public not only all the official dispatches that passed directly between his own office and commanding officers in the field and camp, but has supplemented these with short explanatory notes, setting forth the reasons for various movements, and then, to complete the record of events, has included in the body of his report the report of General Miles, of all the generals who participated in the campaigns in Cuba, Porto Rico or the Philippines, and, finally, the reports of the bureau officers of the war department. Nowhere is there shown a disposition to criticize, the official dispatches being allowed to tell their own story, and, generally, the secretary finds much to praise and cause for sincere congratulation in the results obtained.

The report proper begins with what may be described as a chronological history of the war, consisting of a number of short paragraphs beginning with the declaration of war on April 21, and setting forth the date upon which any event of importance occurred, but making no comment whatever upon the facts. The only exception to this rule is in reference to the casualties at Santiago. Some criticism having been made that there was a lack of surgeons present, the report states that there were 140 surgeons in attendance, and that of 1,431 wounded, only thirteen died of their wounds.

Touching the surrender at Santiago, the report shows that Shafter demanded the surrender on the 3d and renewed this demand on the 4th. On the morning of the 11th another demand was made. On the evening of that day General Miles arrived, and on the 13th and 14th of July, he, with General Shafter, met the Spanish commander under a flag of truce, to discuss the surrender. On the afternoon of the 14th, General Miles' left General Shafter's headquarters and soon thereafter went aboard ship preparatory to sailing for Porto Rico. July 17 Total surrendered 23,000 men upon our terms and the American flag was hoisted by order of General Shafter.

The secretary, coming down in his history to the middle of August, when an order was issued that is now in execution to muster out 100,000 volunteers, says:

"Thus an army of about 250,000 volunteers and recruits for the regulars was called into existence from civil life, and, including the regular army, the total force was 274,717 men. It was organized, armed and equipped (no supplies being on hand other than those for the regulars, save Springfield muskets) and 50,000 men of this force were transported by land and sea to battlefields in the tropics, 10,000 miles apart, where they won their victories without a single defeat, and all within the period of 113 days from the declaration of war to the signing of the protocol.

Praise for the Entire Army.

"This great achievement can be credited to no individual; it belongs to the nation. It was accomplished through the intelligence and patriotism of all who served, from the commander-in-chief to the private in the ranks. It also speaks volumes for the prompt, patriotic and intelligent assistance of the people who furnished, in so short a period, the supplies necessary to prepare this great army for the field. To the heroic men who served in distant lands, the country will ever offer a true meed of praise; but the mighty army in camp, ready and eager to take the field, should also be given equal credit. It was their presence, ready at an hour's notice for any emergency, that overawed the enemy and proved to them that further resistance would be in vain.

"The deaths in the army from May 1 to October 1, including killed, died of wounds and of disease, were 2,010, the smallest death rate recorded of any army in history, a remarkable fact when it is considered that over 50,000 of our troops, born and reared in the temperate zone, were campaigning in tropical climates, subject to rain and heat almost unprecedented."

The secretary says of the volunteers that to furlough them in winter would be a hardship, so he recommends that, in lieu of the furlough, the officers and men be given two months' pay at the time of their discharge, thus admitting of their prompt discharge in their present camps in the South.

Army of 100,000 Recommended.

"In view of the needs of a military force in the islands occupied by the United States, it is earnestly recommended that the regular army be permanently increased to 100,000 men and the requisite officers; that a portion of this army be recruited from the inhabitants of those islands, to be mustered into the service of the United States, commanded by officers of our army, discretion, however, to be given to the President to make appointments of officers from the force recruited. "These men are acclimated, understand the language and habits of their countrymen, and their enlistment will not only give them employment, but also have the tendency to enable the

with their people than it would otherwise be able to do. This would also relieve our own people from serving in those climates to a large extent, and would, moreover, enable the volunteers to be mustered out of the service and return to the vocations of civil life."

Another suggestion is that there should be employed in the United States service a constabulary force for the cities of Cuba, Porto Rico and the Philippines, who have had experience and can speak the language of the islands.

Government Railroad Suggested.

Secretary Alger thinks that the government will be greatly taxed to supply the destitute, especially in Cuba. The effort should be made, he thinks, to give the people work instead of allowing them to dwell in idleness, living upon charity.

He says: "Would it not be wise economy for the government of the United States to construct a substantial railroad, practically the whole length of the island of Cuba, with branch roads leading to the leading cities on the coast? Such a road would, of course, cost a large sum, perhaps \$20,000,000; but it would give employment to the people of Cuba, teach them habits of industry, be an inducement for them to cultivate their farms and thus furnish supplies for the laborers and for market when the road is constructed. This, in my judgment, is absolutely essential to the pacification and development of that great island. It will bring its minerals, lumber and agricultural products to market and open up communication with all parts of the island with the least possible delay. The road would be a good property, and when it has served its purpose for the government, could be sold for its cost. If such an improvement is not made, the government will, no doubt, expend fully that much in charity."

The secretary says that, even if this road is to be built, there is a necessity for a large appropriation to relieve the destitute. The sanitation of the cities should also have immediate attention and a portion of the taxes collected in the island should be expended for that work.

Expenses of the Army.

Some recommendations that occur in the early portion of the report are that provision be made for a statute of General Grant; that Chief Clerk Tweedale be made a lieutenant colonel; that provision be made for a second assistant secretary of war, and that an appropriation be made for the construction of the Lake Union, Washington, ship canal.

The statement of expenditures and estimates present some formidable figures. The expenditures for the fiscal year ended June 30 last, were \$57,534,784, and the estimates for the next fiscal year, beginning July 1, 1899, are \$195,250,377. Of this great estimate, the sum of \$35,430,990 is charged to pay of the army. The estimate of extraordinary appropriations required for the six months ending June 30, 1899, are \$69,177,539, and the estimates for that period, combined with those for the next fiscal year, reach a total of \$255,427,917.

At this point the secretary includes the reports of General Miles and of all the other generals who participated in active operations. He then takes up the telegraphic and other correspondence relating to the war, and that matter occupies more than a fourth of the secretary's whole report.

The first duty for which General Shafter was selected, viz., to make a reconnaissance in force about 5,000 strong on the south side of Cuba, Secretary Alger says, was abandoned on account of the movements of the enemy's fleet. Says the secretary:

"Major General Shafter was selected to command the expedition to Cuba by the major general of the army, who made the recommendation to the President, and with this recommendation the secretary of war was in full accord. Results proved the wisdom of the assignment."

Speaking of the embarkation of the army from Port Tampa, the report says: "The great difficulty was the want of transports; the loading facilities at Port Tampa were imperfect, and there was great confusion caused by the large concentration of supplies there. Railroad facilities were inadequate; there was a failure to label the cars, and the postoffice was congested so that bills of lading were delayed. Few of the thirty-six transports finally gathered there were fit for such services, but they were the best that could be had, and, while they were rated at 33,000 passengers in capacity, even the 18,000 persons transported was a larger number than should have been carried. Fortunately, they arrived without serious accident, however."

GARCIA AT THE WHITE HOUSE.

Distinguished Cuban General Pays an Unofficial Visit to the President.

WASHINGTON, Dec. 7.—The members of the Cuban commission, headed by General Garcia, called at the White House at 3:30 o'clock yesterday afternoon, and were soon ushered into the cabinet room, where they were received by the President. The meeting, however, was entirely informal and unofficial in character. The greeting of the President was very cordial, but the distinguished Cubans were received as citizens of Cuba and not as having any official status.

Miles' Regular Army Bill.

WASHINGTON, Dec. 5.—General Miles, commanding the army, has prepared the draft of a bill providing for a regular standing army of 100,000 men. The bill, it is said, will provide for an organization of twelve companies to the regiment, with an arrangement for a third lieutenant for each com-

GOV. TANNER IS INDICTED.

Grand Jury Returns Three Counts Against Illinois' Chief Executive.

CARLINVILLE, Ill., Dec. 3.—The Virden riot grand jury made its formal report to Judge P. P. Shirley at 6:30 last evening. It returned true bills against the principal participants in the tragedy of October 12 at Virden. Ten indictments, involving fifty-four persons, were returned.

Against John R. Tanner, governor of Illinois, there are three counts for palpable omission of duty and malfeasance in office.

Fred W. Lukins, general manager of the Chicago-Virden coal company, is charged with manslaughter on two counts. With Lukins, his deputies, Frank Wilder, J. E. Sicksles and J. P. Smith are indicted for the killing of Joseph Gitterels, a Mount Olive miner.

Sixteen Thiel guards are held for riot. In the indictments against Governor Tanner, the complaining witnesses are John Graham, Will Mitchell, Clarence Ross and Charles Stewart, employees of the Chicago-Virden Coal company.

They testified that they were intimidated and prevented from following their legitimate employment by an armed body of men, numbering 1,000, who unlawfully and feloniously were assembled in Virden; that the governor had been notified by the sheriff of Macoupin county that no protection was to be had from the county, and was earnestly implored for state assistance.

Judge Shirley fixed Governor Tanner's bond at \$500.

In each of the indictments against Governor Tanner the omission of duty was identical—failure and refusal to respond to the call of Sheriff Davenport of this county for military aid in suppressing the riotous demonstrations of Virden coal miners—a riot which culminated October 12 in bloodshed.

SPRINGFIELD, Ill., Dec. 3.—When Governor Tanner was informed last evening of the action of the grand jury at Carlville, he received the news with indifference and manifested no interest in the particulars. He was asked for an expression in regard to the matter, but declined to talk about it, simply saying that he did not consider it worth while to discuss the subject.

This is not the first time a governor of Illinois has been indicted. It is but a few years since ex-Governor Altgeld was indicted in Champaign county as one of the trustees of the University of Illinois, ex-officio, because the so-called "flag law" was not observed at the university, but nothing ever came of the indictment, which was soon afterward dismissed.

PLEA FOR HIS COUNTRYMEN.

Chinese Minister Hopes We Will Not Discriminate Against Them.

WASHINGTON, Dec. 3.—In an interview Wu Ting Fang, the Chinese minister, says: "I wish to appeal to the American people not to enforce the Chinese exclusion law in the Philippine islands. By doing so a great injustice will be done my countrymen and the many opportunities of a prosperous and happy life will be denied them. There are a great many Chinese in the Philippines and all of them are a credit to the archipelago. The Chinese population there is entirely different from that in your western countries. In the Philippines my countrymen are engaged in every walk of life. There are innumerable artisans, farmers, storekeepers, merchants, traders, and, in fact, business men of every legitimate character."

THE NEW YORK TO HAVANA.

The First Ameri an Armored in the Harbor Since the Maine.

WASHINGTON, Dec. 3.—Orders have been issued by Secretary Long to the armored cruiser New York to proceed to Havana. The battleship Texas, which has left Tompkinsville for Hampton Roads, has become the flagship of Commodore Philip, who will remain as commander-in-chief of the North Atlantic squadron until the return of Rear Admiral Sampson.

The New York will be the first armored of the United States to enter Havana harbor since the battle ship Maine arrived there. Upon her arrival Rear Admiral Sampson will hoist his flag on board, and it is expected will come north in her the last of next month.

NEWS IN GENERAL.

Lincoln, Neb.—Colonel William J. Bryan has left for Savannah, Ga., to rejoin his regiment.

Princeton, N. J.—At a monster mass meeting the students of Princeton university overwhelmingly passed resolutions abolishing hazing.

Lincoln, Neb.—Fire here practically destroyed the main building of Lincoln Normal university, a private institution, and inflicted damage to the amount of \$120,000.

Houghton, Mich.—The Oliver Mining company gave its 2,000 employes at Ironwood and Bessemer 10 per cent advance in wages. Similar advances at other mines are expected January 1.

Washington.—The monthly statement of the public debt shows that at the close of business November 30 the debt, less cash in the treasury, amounted to \$1,137,473,487, which is an increase over last month of \$16,505,565.

Peabody, Mass.—Mrs. Richard Herley, wife of a gardener, murdered two of her children. She struck her 17-year-old daughter, Mary, with a piece of crockery, beating her over the head until the child was killed. A son, 7 years of age, was also beaten in the same manner. Mrs. Herley has been in the Danvers insane asylum and there is little doubt that she is crazy.