

PRESIDENT'S MESSAGE.

To the Congress of the United States.

Since the close of your last session the American people, in the exercise of their chief right of suffrage, have chosen their highest magistrate for the four years ensuing. When it is remembered that at no period in the country's history has there been a more peaceful and orderly transition of power, and that the national election was waged with greater fervor and intensity, it is a subject of congratulation that after the controversy at the polls was over, and while the slight preponderance by which the leader had been determined was as yet unascertained, the public peace suffered no disturbance, but the people everywhere patiently and quietly awaited the result. Nothing could more strikingly illustrate the temper of the American citizen, his love of order, and his loyalty to law; nothing could more clearly demonstrate the strength and wisdom of our political institutions. Eight years have passed since a controversy concerning the result of a national election sharply called the attention of congress to the necessity of providing more definite regulations for counting the electoral vote. It is of the gravest importance that this question be solved before conflicting claims to the presidency shall again distract the country. And I am confident that the people at large any of the measures of relief thus far proposed would be preferred to continued inaction.

Our Relations With Foreign Countries.

Our relations with all foreign powers continue to be amicable. With Belgium a convention has been signed whereby the scope of present treaties has been so enlarged as to secure to citizens of either country, within the jurisdiction of the other, equal rights and privileges.

In the acquisition and alienation of property, a trade mark treaty has also been concluded. The war between Chili and Peru is at an end. The arbitration of the claims of American citizens who, during its continuance, suffered through the acts of the Chilian authorities, a convention will soon be negotiated.

The state of hostilities between France and China continue to be an embarrassing feature of our eastern relations. The Chinese government has promptly repudiated and repudiated the claims of American citizens whose property was destroyed in the recent riots at Canton. I renew the recommendation of my last annual message that the Canton indemnity fund be returned to the Chinese government. The recent treaty with that country permitting the restriction of Chinese immigration is likely to be again the subject of your deliberations. It may be seriously questioned whether the statute passed in 1882, which does not violate the treaty rights of certain Chinese who have left this country with return certificates valid under the old law, and now seem to be debarred from landing from lack of certificate required by the new law, is not in violation of the treaty. The recent purchases by the United States of a large trading fleet heretofore under the Chinese flag has considerably enhanced our commercial interests in the east. In view of the large vessels built or purchased by American citizens, and the large number of Chinese laborers employed in legitimate traffic between foreign ports under the recognized protection of our flag, it might be well to provide a uniform rate of their registration and documentation so that the bona fide rights of our citizens therein shall be duly evidenced and guarded. Pursuant to the advice of the senate at the last session I recognized the flag of the international association of the Congo that of a friendly government, avoiding, in so doing, any prejudgment of conflicting territorial claims in the region subsequently. In execution of the expressed wish of congress I appointed a commercial agent for the Congo. The importance of the rich prospective trade of the interior led to the general conviction that it should be equal to all nations upon equal terms, an international conference for the consideration of the subject was called by the emperor of Germany in 1884 in session at Berlin, and delegates are in attendance on behalf of the United States. Of the results of the conference you will be duly advised.

The government of Corea has generously aided the United States in their efforts to secure suitable premises for the use of the legation. As the conditions of diplomatic intercourse with eastern nations demand the legation premises to be owned by the represented power, I advise the proposition to be made for the acquisition of this property by the government. The United States already possesses valuable premises at Tangier, as a gift from the sultan of Morocco, and as stated herebefore, I have lately received a similar gift from the Siam government. The government of Japan stands ready to give us extensive grounds at Tokio, wherein to erect a suitable building for the legation, court house and jail, and similar privileges can probably be secured for the same site. The government of each premises would not only affect a large saving of present rentals but would permit of the due assertion of presidential rights in these countries and would be the better way to maintain the dignity of the United States.

The failure of congress to make an appropriation for our representation at the Antiochian court of the khedive has proved a serious embarrassment to our intercourse with Egypt, and in view of the necessary intimacy of diplomatic relations, and the participation of this government as one of the treaty powers in all matters of administration affecting the rights of foreigners, I advise the restoration of the agency and in aid of the same, the necessary appropriation. I do not conceive it to be the wish of congress that the United States should withdraw altogether from the honorable position they have heretofore held with respect to the Egyptian empire, and that this republic, residing or sojourning in Egypt, should be after without the aid and protection of a competent representative.

The Exposition Question.

This government is in frequent receipt of invitations from various states to participate in international exhibitions, often of great interest and importance. Occupying as we do an advanced position in the world's production, and aiming to secure a profitable share for our own products, it is a matter of serious concern that the want of means for participation in these exhibits should so often exclude our products from advantages enjoyed by those other countries. During the past year, formal invitations in this regard tendered by the governments of England, Holland, Belgium, Germany and Austria. The executive has in some instances appointed honorary commissions. This is however a temporary expedient, for without some provision to meet the necessary working expenses of a commission it can effect little, or nothing, in behalf of the exhibitors. An international inventory exhibition is to be held in London in May. This will cover a field of special importance in which our country holds a foremost rank. But the executive is at present powerless to organize a proper representation of our vast national interests in the exhibition, and in several previous messages referred to this subject. It seems to me that a statute giving to the executive general discretionary authority to accept such invitations, and to appoint honorary commissions without salary, and acting at the disposal of the treasury, for the defrayment of their necessary expenses, would be of great public utility.

Foreign Marine Laws.

This government has received official notice that the revised international regulations for preventing collisions at sea have been adopted by all the leading marine powers except the United States, and came into force on the 1st of January last, for the due protection of shipping interests. The provisions of our statute should at once be brought into conformity with these regulations.

The Berne Conference.

For this reason the United States was not represented at the recent conference at Berne. I recommend the scope of the neutrality laws of the United States be so enlarged as to cover all patent acts of hostility committed in our jurisdiction, and to extend to the use of friendly nations. Existing statutes prohibit the

fitting out of armed expeditions and restrict the shipment of explosives, though the enactments in the latter respect were not framed with regard to international obligations, but simply for the protection of passenger travel. All these statutes were intended to meet special emergencies that have arisen since, and modern ingenuity supplies means for organization of hostilities without open resort to armed vessels or to filibustering parties.

The Neutrality Laws.

I see no reason why overt preparations in this country, for the commission of criminal acts, such as are here under consideration, should not be alike punishable, whether such acts are intended to be committed in our own country, or in a foreign country, with which we are at peace. The prompt and thorough treatment of this question is one which intimately concerns the national honor.

The Question of Naturalization.

Our existing naturalization laws also need revision. These sections relating to persons residing within the limits of the United States in 1795 and 1798 have now only a historical interest; section 2712 recognizing the citizenship of children of naturalized parents, and section 2713, which is partly obsolete. There are special provisions of law favoring the naturalization of those who serve in the army, or in merchant vessels, while no similar privileges are granted those who serve in the navy, or in marine vessels. The act of naturalization, such as the constitution contemplated, should, among other things, clearly define the status of persons born within the United States subject to a foreign power.

The Spanish Question.

This government has more than once been called upon to take action in fulfillment of its international obligations toward Spain. An agitation in the island of Cuba hostile to the Spanish crown, having been fermented by the United States, and the rights of hospitality which our territory affords the officers of the government have been instructed to use due vigilance to prevent the infringement of our neutrality laws at Key West and at points near the Cuban coast. It is happy to say that in only one instance where these provisions were successfully eluded, the offenders were found in our territory, and were subsequently tried and convicted. The growing and close relationship of intercourse and traffic between the Spanish and our territory, and the natural market in the United States led to the adoption in January last of a commercial agreement looking to that end. This agreement has since been superseded by a more carefully framed and comprehensive convention, which I shall submit to the senate for approval. It has been the aim of this negotiation to open such a favored reciprocal exchange of production, carried under the flag of the United States, as to make the intercourse between Cuba and Porto Rico and ourselves scarcely less intimate than the commercial movement between our domestic ports, and to insure a removal of the burdens on shipping in Spanish colonies, in which in the past our ship owners and ship masters have so often had cause to complain.

The negotiations for this convention have for a time postponed the prosecution of certain claims on which claims were declared to be without the jurisdiction of the Spanish American claim commission and which were therefore recommended to diplomatic channels for adjustment. The speedy settlement of these claims will now be urged by the government.

The negotiations for a treaty of commercial reciprocity with the American republic have been successfully concluded and the result will shortly be laid before the senate. Certain claims of American citizens against the Ottoman Empire, still remain unsettled; complaints in behalf of our citizens are not satisfactorily adjusted. The senate has sought to withhold from our commerce the right of favoring the American flag, and the existing conventional stipulations, and the revision of the tariff is unaccomplished.

The final disposition of pending questions with Venezuela has not, as yet been reached, and it is necessary to expect an early settlement which provides the means of recovering the Caracas awards, in conformity with the expressed desire of congress and which will recognize the justice of certain claims preferred against Venezuela. The Central and South American commission, appointed by authority of the act of July 7th 1884 will soon proceed to Mexico. It has been furnished with instructions which will be laid before you, they contain a statement of the general policy of the government for the management of its commercial intercourse with the American states. The commissioners have been actively preparing for their responsible task by holding conferences in the principal cities with merchants and other interested parties, and a South American trade and internal market conference lately called in Washington upon the invitation of the government of the United States is composed of representatives from twenty-five nations. The conference convened at London in November, and acting with substantial unanimity, agreed upon the Meridian of Greenwich as the starting point whence longitude is to be computed through one hundred and eighty degrees eastward, and on the adoption of this meridian for all purposes for which it may be found convenient of a universal day which shall begin at midnight on the initial meridian and whose hours shall be counted from zero, up to twenty-four hours. The formal report of the conference of this conference will be hereafter transmitted to congress.

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The Abolition of Excise Taxes.

In my annual message of 1882 I recommended the abolition of all excise taxes except those relating to distilled spirits. The recommendation is now renewed. In case these taxes should be abolished, the revenues that will be retained by the government, and the duties, in my opinion, not only suffice to get its reasonable expenditures, but will afford a surplus large enough to permit such tariff reduction as may seem to be advisable, when the result of the revenue account is ascertained. The revenues shall have shown in what quarters the reductions can be most judiciously effected.

A Commercial Commission.

One of the gravest of the problems which appeal to the wisdom of congress for solution is the depression of the most effecting means of increasing our foreign trade, and relieving the depression under which our industries are now languishing. The secretary of the treasury advises that the duty of investigating to submit the entrance of the tariff into a competent commission. While fully recognizing the considerations that may be urged against this course, I am nevertheless of the opinion that upon the whole the better would be likely to result from a committee of investigation which should be organized and report which concerns the condition of our interests cannot fail to command your attention. He emphatically recommends that as an incentive to the investment of American capital in foreign enterprises, and to the promotion of liberal payments for mail transportation, otherwise, lend its active assistance to individual enterprise, and he declares his belief that unless that course be pursued our foreign carrying trade must remain as it is to-day, almost exclusively in the hands of foreigners. One phase of this subject is now especially prominent in view of the repeal, by the act of June 23, 1884, of all salutatory provisions relating to the mails of American vessels to carry the mails of the United States. It is necessary to make provisions to compensate the owners of such vessels for the performance of the service after April 18, 1885, it is hoped that the whole subject will receive your attention, and that the wisdom of our merchant marine as the wisdom of congress may devise.

The Three Per Cent Bonds.

The three per cent bonds of the government, to the amount of more than \$1,600,000,000, have, since my last message, been redeemed by the treasury. The bonds of that issue still outstanding amount to a little over \$300,000,000, and about 100,000 of them are being retired during the coming year, as these bonds still continue the chief bases for the circulation of national banks. The question, how to avert the serious consequences of a general retirement is one of constant increasing importance. It seems to be generally conceded that the law governing that matter exacts from the banks excessive security, and that upon their present basis a larger circulation than is now allowed may be granted with safety. I hope the bill which passed the senate at the last session, permitting the issue of notes equal to the face value of deposited bonds, will commend itself to the approval of the house of representatives.

War Department.

In the expenses of the war department the secretary reports a decrease of more than \$8,000,000, of which reduction \$5,000,000 was effected by the first class matter removed, and \$2,700,000 in expenditures for the quartermaster's department. Outside of that department, the annual expenses of all the army bureaus proper (except, possibly, the signal bureau) are but slightly increased, which cannot be materially diminished without a change in the numerical strength of the army. The expenditures in the quartermaster's department can easily be subjected to administrative discretion, and the report shows that a better way can be found of exercising such discretion in reducing the number of draught animals in the army, the annual cost of supplying and caring for such animals is now \$1,108,083.90, less than it was in 1883. The reports of military commanders show that the last year has been notable for its entire freedom from Indian outbreaks. In defiance of the president's proclamation of July 1, 1884, certain efforts were sought to make settlements in Indian territory, and they were promptly removed by a detachment of troops. During the last session of congress a bill to provide for a suitable fire proof building for the army medical museum and the library of the signal bureau, and for the purchase of a building for the quartermaster's department, was approved. During the coming session the measure may become a law and therefore immediate steps may be taken to secure a place of safe deposit for these valuable collections. The report of the quartermaster shows that the work of the improvement of rivers and harbors were prosecuted during the past year, were derived from the appropriation of the act of March 3, 1883, and from the balance of appropriations as were on hand from previous appropriations. The balance in the treasury, subject to requisition July 1, 1883, was \$10,021,649.55. The amount appropriated during the year ending June 30, 1884, was \$18,000,000, and the amount drawn from the treasury during the fiscal year was \$8,228,708.54, leaving a balance of \$11,252,941.01 in the treasury subject to requisition July 1, 1884. The secretary of war makes the general report of engineers in relation to the practicability of protecting our important cities on the seaboard by fortifications and other defenses able to repel modern methods of attack. The time has now come when such defenses can be prepared with confidence that the cost will be worth the expenditure, and the result of delay in making no such preparation is seriously considered, delay seems unnecessary, for the most important cities, those whose destruction or capture would be a national calamity, are now being protected by fortifications, may be made by the gradual expenditure of \$60,000,000, a sum much less than a victorious enemy could lay as a contribution, an appropriation of about one-tenth of that amount is asked for the work to be done by the secretary of war, in urging that it be granted.

The war department is proceeding with the conversion of ten inch smooth bore guns into light machine guns, and the work is being done by the use of forged or of cold wrought iron. Fifty guns will thus be converted within the year. This, however, does not obviate the necessity of providing means for the construction of guns of smaller caliber, but for the purpose of coast defense and for the armament of war vessels.

The report of the gun foundry board appointed March 2, 1883, in pursuance of the act of March 3, 1883, was transmitted to congress in my message of February 8, 1884. In my message of March 26, 1884, I called attention to the recommendation of the board that the government should encourage the production of private steel works of the required material, and also provide the armament demanded by consideration of the national safety and honor.

The Delong Expedition.

The bodies of Lieutenant Commander George W. De Long and his companions of the Jeannette expedition have been removed to the United States by the steamer Albatross, under the command of Lieutenant Schultze. The remains were taken from their graves in the Lena Delta in March, 1883, and were retained at Yakutsk until the following winter, the season being too far advanced to admit of their transportation to the United States. They arrived in New York February 23, 1884. They were received with suitable honors.

The Indians.

Allusion has been made to the circumstance that both as between different Indian tribes and as between the Indian and the whites the past year has been one of unbroken rest. In this circumstance the president is glad to find justification for the policy of the government in dealing with the Indian question and a confirmation of the views which he has expressed in his communication to the Forty-seventh congress. The secretary urges a new reenactment of a statute for the punishment of crimes committed on the Indian reservation, and recommends the passage of a bill now pending in the house of representatives for the purchase of a tract of 18,000 square miles from the Sioux reservation. Both of these are worthy of approval. I concur with him, also, in advising the repeal of the provision of the act of March 3, 1883, which reserves the present legal complications touching lands granted to railroad companies and the funding of the debt of the several Pacific railroads, under such guaranty as shall effectually ensure its ultimate payment.

The Mormon Question.

The report of the Utah commission will be read with interest. It discloses the results of the recent legislation looking to the prevention and punishment of polygamy in that territory. I still believe that if that abominable practice can be suppressed by law it only can be by the most radical legislation consistent with the respectability of the constitution. I can not recommend, therefore, that congress assume absolute political control of the territory of Utah, and provide for the appointment of a commission with such governmental powers as in its judgment may justly and wisely put into their hands.

Foreign Trade.

In the course of this communication reference has been made to the policy of this government as regards the extension of our foreign trade. It seems proper to declare the general principles that should, in my opinion, underlie our national efforts in this direction. The main considerations to be kept in mind are: We are a people rich in mechanical pursuits and fertile in invention. We cover a vast extent of territory rich in agricultural products and in nearly all the raw materials necessary for such pursuits. We have a system of productive establishments more than sufficient to supply even our demands. The wages of labor are nowhere else so great. The cost of living of our artisan class is not so high as in other countries. The efforts and the developments of these higher moral and intellectual qualities that go to the

making of good citizens. Our system of tax and tariff legislation is yielding a revenue which is in excess of the present requirements of the government. Those are the elements from which it is sought to devise a scheme by which, without the workmen, Our merchant marine shall be raised from its enfeebled condition, and new markets provided for our products beyond our borders of the market for our industrial enterprises. The problem is complex and can be solved by no single measure of renovation or reform. The countries of the western continent, and the adjacent islands, are for the United States. It is from market of supply and demand that we do not produce or do not produce in sufficiency, and it is to them that the surplus products of our fields, our mills and our workshops flow under conditions that with foreign competition, in comparison with the equal or lower them, in comparative value, seem to point to this end: First, a series of reciprocal commercial treaties with the countries of America which shall foster between us and them an unhampered interchange of goods, and the mission of such merchandise as this country does not produce, in return for admission free, or under a favorable scheme of duties, of products, the benefits of which shall be applied to these goods under the flag of the United States to the contract. The removal on both sides from vessels, so privileged, of all tonnage on dress and national imports so that our vessels may ply unhindered between our ports and those of other contracting parties without infringing on the deserved home coasting trade, the removal or reduction of burdens on the exported products of those countries coming within the benefits of the treaties (and the avoidance of the technical restraints and anomalies by which our intercourse with those countries is at present hampered).

Secondly, The establishment of the consular service of the United States, such as salaries, footing, permitting the relinquishment of consular posts not only as respects vessels under the national flag but also as respects vessels of the treaty nation carrying goods entitled to benefits of treaties. Thirdly, The enactment of measures to favor the construction of a mail line to carry mail under the flag of the United States. Fourthly, The establishment of a uniform commercial treaty for the countries of America so that the coined products of our mints may circulate in all parts of the world, and the whole system of commonwealth. This would require a monetary union of those countries which yield neither gold or silver, and be adjusted in conformity with the population, wealth and commercial needs of each, as many of the countries furnish no bullion to the common stock of the surplus production.

If our mints and mints might thus be utilized, and a step taken toward the accomplishment of their ends, so far as they can be attained by separate treaties the negotiations already concluded and now in progress have been directed and the favor with which enlarged measures to favor the construction of a mail line to carry mail under the flag of the United States. Fourthly, The establishment of a uniform commercial treaty for the countries of America so that the coined products of our mints may circulate in all parts of the world, and the whole system of commonwealth. This would require a monetary union of those countries which yield neither gold or silver, and be adjusted in conformity with the population, wealth and commercial needs of each, as many of the countries furnish no bullion to the common stock of the surplus production.

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The Tariff Problem.

The healthful enlargement of our trade with Europe, Asia and Africa should be sought by reducing the tariff burdens on the raw materials of our manufactures, and nor other American states are fitted to produce, and thus enabling ourselves to obtain in return a better market for our supplies of food, of raw materials, and of the manufacture in which we excel. It seems to me that many of the embarrassing elements in the great national conflict between protection and free trade may thus be turned to good account, that the revenue may be reduced so no longer to overtax the people; that the protective duties may be extended without becoming burdensome; that our shipping interests may be judiciously encouraged, the currency fixed on a firm basis, and above all such an unity of interests established among the people of the American system as will be of great and ever increasing advantage to them all.

On the 29th of February last I transmitted to congress the first annual report of the civil service commission, together with communications from the heads of several executive departments of the government, respecting the practical workings of the law under which the commission had been acting. The good results therein foreshadowed have been more than realized, and the system has fully answered the expectations of its friends in securing competent and faithful public servants, and in protecting the appointing officers of the government from the pressure of personal influence and from the influence of party attachments and pretensions of rival candidates for public employment. The law has had the unequal support of the president and of the heads of the several departments, and the members of the commission have performed their duty with zeal and fidelity. Their report will shortly be submitted and will be accompanied by such recommendation for enlarging the scope of the existing statute, as shall commend themselves to the approval of the commissioners charged with its administration.

In view of the general and persistent demand throughout the commercial community for a national bankrupt law I hope that the differences of sentiment which have hitherto prevented its enactment may not outlast the present season.

The Cholera.

The pestilence which for the past two years has been raging in the countries of the east recently made its appearance in European ports, and which is now spreading with alarming rapidity. The then secretary of state, in his communication of a proclamation of the president, listed certain regulations restricting and for a time prohibiting the importation of goods and the admission of baggage of immigrants from the infected territories, and the quarters. I approve the recommendation of the present secretary that the congress take action in the premises, and I also recommend the immediate adoption of such measures as will be likely to ward off the threatened epidemic and to mitigate its severity, in case it shall unhappily extend to our shores.

Columbia's Commissioners Report.

The annual report of the commissioners of the District of Columbia reviews the operations of the several departments of its municipal government. I ask your careful consideration of its suggestions in respect to legislation and to the improvement of the public works, civil and criminal code, the penal system, labor by persons sentenced to imprisonment in the jail, the construction and occupation of wharves along the river front, and the approval of a suitable building for a district office.

A Pension for General Grant.

I recommend that in recognition of the services of Ulysses S. Grant, last general of the United States and twice president of this nation, that congress confer upon him a suitable pension. Certain of the measures that will be necessary to carry out this recommendation, in obedience to the constitution, are recommended for your adoption. As respects others of less importance, I shall content myself with resting the recommendations already made to the congress, without restating the grounds upon which such recommendations were made.

Concluding Recommendations.

The preservation of forests on the public domain, the granting of government aid for popular education, the amendment of the federal constitution so as to make effective the distribution of the proceeds of the sale of public lands in appropriation bills, the enactment of statutes in regard to the filling of vacancies in presidential office and the determining of presidential questions respecting presidential incapacity, are measures which may justly receive your serious consideration.

As the time draws near when I am to retire from public service I cannot refrain from expressing to the members of the national legislature with which I have had the honor of personal and official intercourse, my sincere appreciation of their unfailing courtesy and generous cooperation with the executive in so many of the measures which have been enacted generally. I acknowledge the deep obligations for the support which they have afforded me in my administration of the executive department.

CHESTER A. ALTHRIP.
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