THE PRESIDENT'S MESSAGE

CLEVELAND'S ANNUAL DOCU-MENT TO CONGRESS.

THE NATION'S AFFAIRS REVIEWED.

Amendments to the New Tariff Bill Are Strongly Urged by Which Coal and Iron May Be Placed on the Free List-Secretary Carlisle Presents a New Banking Scheme to Congress.

WASHINGTON, Dec. 3.-The following is the president's message to congress: Messa, e to the congress of the United States: The assemblage within the nations legislative halls of those charged with the duty of makin; laws for the benefit of a generous and free people impressively surgests the exacting obligation and in exorable responsibility involved in their task. At the threshold of such labor no w to be undertaken by the congress of the U nited States and in the discharge of an executive duty enjoined by the constitution, I submit this communication containing a brief statement of the condition of our national affairs and recommending such le islation as seems to be necessarv and expedient.

The history of our recent dealings with other nations and our peaceful relations with them at this time, additionally demonstrate the advantage of consistently adhering to a firm but just foreign po licy, free from envious or ambitious national schemes and characterized by entire honesty and sincerity. During the past year, pursuant to a law of concress, commissioners were appointed to the Antwerp industrial exposition, though the participation of American exhibitors fell far short of completely filustrating our national ingenuity and industrial achievements, yet it was quite creditable in view of the brief time allowed for preparation.

I have endeavored to impress upon the Belgian government the needlessness and positive harmfulness of its restrictions upon the importation of certain of our food products and have strongly urged that the rigid supervision and inspection under our laws are amply sufficient to prevent the deportation from this country of diseased cattle and unwholesome meat

The termination of the civil war in Brazil has been to lowed by the general prevalence of peace and order. It appearing at an early stuce of the insurrection that its course would fields incident-in what is known as the call for unusual watchfulness on the part of Mosquito Indian strip, b rdering on the Atthis government our naval force in the harbor lantle ocean and within the jurisdiciion of of Rio de Janeiro was strengthened. This Nicararua. By the treaty of 1850 between precaution I am satisfiel, tended to restrict Great Britain and Nicarazua, the former the issue to a simple trial of strength between government expressly recognized the sovthe Brazilian government and the insur cents. ereiznty of the latter over the strip and a and to avert complications which at times limited form of self government was seemed imminent Our firm attitude of neutrality was maintained to the end, the inexercised accordin; to their customs for surgents received no encouragement of eventual asylum from our commanders and such oppositson as they encountered was for the mmerce and was ction of our justified by public law. A serious tension of relations havin; arisen at the close of the war between Brazil and Portugal by reason of the escape of the insurgent Admiral Degama and his followers The friendly offices of our representatives to those countries were exerted for the protection of the subjects of either within the territory of the other Although the government of Brazil was duly notified that the commercial arrangements existing between the United States and that country, based on the third section of the tariff act of 1890, was abrogated on Aug. 23, 1894, by the taking effect of the tariff law now in force, that government subsequently notified us of its intention to terminate such arrangement on the first day of January, 1895, in the exercise of the right reserved in the acree ment between the two countries. I invite a mention to the correspondence between the secretary of state and the Brazilian minister on this subject The China-Japan War. A gratifying recognition of the uniform impartiality of t his country towards all foreign states was man ifested by the coincident reonest of the Chinese and Japanese governments that the agents of the United States should within proper limits afford protection to the subjects of the other during the saspension of dip lomatic relations due to a state of war T his delicate office was accepted, and a misapprehension which gave ri-e to the belief that in affording this kindly unofficial protection our a ents would exercise same authority which the withdrawn acents of the belligerents h d exercised, was promptly corrected. Although the war between Chi na and Japan endangers no policy of the United States it deserves our gravest consideration, by reason of its disturbance of our prowing commercial interest in the two countries and the increased dangers which may result to our citizens domicile 1 or sojourning in the interior of China Acting under a stipulation in our treaty with Korea. (the first concluded with a Western power) I felt constrained at the beginning of the controversy to tender our good offices to induce an amicable arrangement of the initial difficulty growing out of the Japanese demands for administrative reforms in Korea, but the unhappy precipitation of act ual hostilities defeated this kindly purpose Dep loring the destructive war between the two most powerful of the Eastern nations and anxious that our commercial interests in the canal company on groun is purely those countries may be preserved and that the safety of our citizens there shall not be jeopardized. I would not hesitate to heed any intimation that our friendly aid for the honorable termination of hostilities would be acceptable to both belligerents.

offer has yet been made and all efforts to sethe waters mentioned. An understanding has cure payment of this settled claim have also been reached for the payment by the been unavailing. United States of 1425.0 0 in full satisfaction of

coin

\$624,347,758 was silver

\$10.47:00) went into voluntary liquidation

Twenty-one banks with a capital of \$2,770,000

were placed in the hands of receivers. The

total number of national banks in existence

on the 31st day of October last was 3,75", be-

ing forty less than on the 31st day of October.

1893. The capital stock paid in was \$672,671,

365, being \$9.675,491 less than at the same time

in the previous year and the surplus and un-

divided profits, less expenses and taxes paid,

amounted to \$344, 121, 082, 10 which was \$16,059,-

The circulation has increased \$1,741,561.

The obligations of the banks to each other

were increased \$117.26),334, and the individual

deposits were {227,204,439, less than at the

correspondin: date in the previou; years.

Loans and discounts were \$161.206,923 more

checks and other cash items were (90,349,963

War Department.

The message reviews and comments on the

report of the secretary of war. The president

does not believe there is any necessity for in-

creasing the army to 30,000 men, as recom-

mended by Secretary Lamont He advises

against the creation of new military posts

troubles of last summer are briefly referred to

Department of Justice.

to the highest consideration that an addi

and that such an addition would not create a

reater force of judges than the increasing

business of such courts requires. I commend

the suggestion to the careful consideration of

the congress. Other important topics are

time they need only be named, I refer to the

abolition of the fee system as a measure of

minal cases on beha

f write of error in c

and the action of the military commended

780 less than on October 31, 1893.

as a jainst \$3,109,563 281.36 in 1993.

just and gracious act

In my last annual message I adverted to all claims which may be made by Great Britthe claim on the part of Turkey of the right to ain for damages growing out of the controverexpel as persons undesirable and dangerous. sy as to fur seals in Behring sea, or the seizure of British vessels on m el in taking a Armenians naturalized in the United States and returning to Turkish jurisdiction. Nuseal in those waters. The award and findings mercus questions in this relation have arisen. of the Paris tribunal to a great extent determin d the facts and principles upon which While this overnment acquiescos in the athese claims should be adjusted and they serted right of expulsion it will not consent have been subjected b; both governments to that Armenians may be imprisoned or otherthorough examination upon the principles as wise punished for no other reason than havwell as the facts which they involve. I am ing acquired, without imperial consent. Amerconvinced that a settle nent upon the terms can citizenship. Three of the assailants of mentioned would be an equitable and advan-Miss Melton an American teacher at Mosul. have been convicted by the Ottoman courts. tageous one and I recommend that provision be made for the prompt payment of the stated and I am advised that an appeal against the acquittal of the remaining five has been taken sum Thus far only France and Portugal by the Turkish prosecuting officers. have signified their willingness to adhere to

The Samoan Troubles.

In my last annual message I referre 1 briefly to the unsatisfactory state of affairs in sumoa Since communicating the voluminous corunder the operation of the Berlin treaty, as respondence in regard to Hawaii and the acsi-nally illustrating the policy of entancling tion taken by the senate and house of reprealliances with foreign powers and on May 9. sentatives on certain questions submitted to 1894, in response to a resolution of the senate the judgment and wider discretion of congress I sent a special message and documents to the organization of a government in place of that bod ; on the same subject which empirethe provisional arran :ement which followed sized my previously expressed opinions. the deposition of the quien has been an-Later occurrences, the correspondence in renounced with evidence of its effective operagard to which will be laid before concress, tion. The recognition usual in such cases further demonstrated that the government which was devised by the three powers and forced upon the Samoans against their inveterate hostility can be maintained only by the Good will fostered by muny interests in continued presence of foreign military forces common has marked our relations with our and at no small sacrifice of life and treas are. The suppression of the Matasfa insurrection Peace bein; restored along her northern by the powers, and the subsequent banishfrontier. Mexico has asked the punishment of ment of the leader and eleven other chiefs, as the late disturbors of her tranquility. There ought to be a new treaty of commerce and recited in my last message did not bring last navigation with that country to take the ing peace to the islands. Formilable uprisplace of the one which terminated thirteen ings continued and finally a rebellion broke out in the capital island. Upolu, headed in course between the two countrie; is attested Aana the Western district by the youn er by the fact durin ; this lon ; period. The com-Tamasese, and in Atua the Eastern district, by other leaders The insurgents rava ed merce of each has steadily increased under the country and fought the government the rule of mutual consideration, being neither stimulated by conventional arrangements nor troops up to the very doors of Apia The kin; again appealed to the powers retarded by jealous rivalries or settish desire : for help und the combined British and An indemnity tendered by Mexico as a German naval forces reduced the Atuans to gracious act for the murder in 1887 of Leon Baldwin, an American citizen, by a band of apparent subjection not however without considerable loss to the natives. A few days marauders in Durango, has been accepted and later Tamassese and his adherents fearing the ships and marines professed submission. Rewater; of the Rio Grande for irritation ports received from our agents at Apia do not jusitfy the belief that the should be solved by appropriate concurrent peace thus brought about will be of long duraaction of the two interested countries. Ristion It is their conviction that the natives ing in the Colorado heights the stream flows intermittingly, yieldin; little water durm; are at heart hostile to the present : overnment that such of them as profess loyalty to it the dry months to the irrigating channels do so from fear of the powers and that it would already constructed along its course. This scarcity is often severaly felt in the regions speedily go to pieces if the war ships were

withdrawn In reportin : to his government on the unsatisfactory situation since the suppression of the late revolt by foreign armed forces the German consul at Apia stated that that peace will be lasting is hardly to be presumed. The lesson given by firin ; on Atua was not sufficiently sharp and incisive to leave a lasting impression on the forgetful Samoan temperament In fact conditions are existing which show that peace will not last and is not seriously intended. Malietoa the kin ; and his chiefs are convinced that the departure of the war ships will be a signal for a renewal of war The circumstances adverted to the report accompanied by recomthat the representatives of the villages mendations, many of which have been treated of all the districts which were opposed at lar:e in previous messages, and at this guaranteel to the Mosquito Indians to be to the government have already withdrawn to Atua to hold meeting and themselves and their dwellers within its that both Atua and Aana have forbidden incompensation to tederal officers. The enlimits. The so-called native government habitents of those districts which fou ht on largement of the powers of United States which | grew to be largely made up of the side of the government to return to their cemmissioners in the territories the allowance lates and have already partly

prescribed for the protection of seal life in I regret to say that no definite reply to this | subsidary silver coin and \$716 912.25 in minor ; which play upon demagogic fears and mine sport of the patriotic people

Agricultural Department. During the calendar year of 1891, the pro-The secretary of agriculture in his report duction of precious metals in the United reviews the operations of his department for States was estimated at 1.7.9.22 fine ounces of the last fiscal year and makes recommende gold of the commercial and coinage value of \$15.955,030 and 60, .02,000 fine ounces of silver of tions for the further extension of its usefulness The recommendations of the senate the bullion or market value of \$43,840,000 and are concurred in The prohibition of free diof the coinage value of 77, 576 000. It is estimtribution of seed by the department is a ain ated that on the first day of July 1894, the stock of metallic money in the United States, urged. The work done by the department of a ri consisting of coin and bullion, amounted to

culture is very superficially dealt with in thi-\$1.251,610,958, of which (6.7,92,2)1 was gold. communication and I commend the report of Fifty national banks were organized during the secretary and the very important interthe year ending October 31, 1894, with a capital ests with which it deals to the careful attenof \$5,2 5,000 and seventy-nine with a capital of tion of the congress

An'exceedingly important recommendation of the secretary relates to the manner in which contests and litigated cases growin out of efforts to obtain government land are determined. The entire testimony upon which these controversies depend in all their stages is taken before the local registers and receivers and yet these officers have no power to subpoena witnesses or to enforce their attendance to testify. These cases, numbering three or four thousand annually are sent by the officers to the commissioner of the general land office for his action. The execencies of his other duties oblige him to act upon decisions of the registers and receivers without an opportucity of thorough personal examination. Nearly 2.03) of these case; are appealed annually from the commisthan at the same time the previous year and sioner to the secretary of the interior Burdened with other important administrative duties, his determination of these appeals must be more. The total resources of the banks at the date mentioned amounted to \$3, 473 922,055 almost perfunctionary and based upon the examination of others. Through this determination of the secretary operates as final adjudication upon rights of very importance. 1 concur in the opinion that the commissioner of the general land office should be relieved from this duty of deciding litigated land cases that a non-partisan court should be entreated to pass on such cases and that the decisions of this court should be final, at least so far as The secretary's plan of the adoption of the the decis ons of the department are final. batallion - ystem is recommended The strike

Civil Service Reform.

The advantages to the public service of an adherence to the principles of civil service In recognition of the lon t and distinguished military services and faithful discharge of reform are constantly more apparent and delicate and responsible civil duties by Major nothing is so encouraging to those in official General John M. Schofield now the general life who honestly desire good government as commanding the army, it is suggested to conthe increasing appreciation by our people of gress that the temporary revival of the grade these advantages A vist majority of the of lieutenant general in his behalf would be a voters of the land are ready to insist that the time and the attention of those they select to perform for them important public duties, should not be The report of the attorney general notes the distributed by doling out minor offices and gratifyin; progres; made by the supreme they are growing to be unanimous in regardcourt in overcoming the arrears of its busiing party or anizations as something that ness and in reachin; a condition in which it should be used in establishing party principles will be able to dispose of cases as they arise instead of dictating the distribution of public without any unreasonable delay. This result places as rewards of partisan activity. is of course very largely due to the successful Numerous additional offices and places have working of the plan inaugurating circuit been brought within civil service rules and courts of appeals. In respect to these tribun regulations and some others will probably als the suggestion is made in quarters entitled soon be included. The report of the commis sioners will be submitted to the congress and tional c reuit jad e for each circuit would I invite careful attention to the recommengreatly strengthen these courts and the dations it contains. confidence reposed in their adjudications

National Board of Health. 0

I am entirely convinced that we ought not to be longer without a national board of health or national health officer charged with no other duties than such as pertain to the protection of our country from the invasion of pestilence and disease. I earnestly recommend that the inauguration of a national board of health or similar national instrumentality believing the same to be a needed precaution a ainst contagious diseases and in the interast of safety and hea th of poor people.

Strike Commission.

maturing ten years after their issuing, that being the shortest time authorized by the act. lam glad to say, however that on the sale of these bonds the premium received operated to reduce the rate of interest to be paid by the government to less than three per cent Nothing could be worse or further removed from sensible finance than the relations existing between the currency the government has issued, the cold held for its redemption and the means which must be resorted to for the purpose of replenishing such redemption fund when impaired. Even if the claims upon this fund were confined to the obligations originally intended and if the redemption of these obligations meant their cancellation the fund would be very small. But these obligations when received and redeemed in gold are not cancelled but are re-issued and may do duty many times by way of drawin; gold from the treasury. Thus we have an endless chain in operation constantly depleting the treasury's gold and never near a final rest. As if this was not bad enough we have a statutory declaration that it is the policy of the government to maintain the parity between gold and silver aided the force and momentum of the exhausting process and added largely to the currency obligations claiming this peculiar gold redemption. Our small gold reserve is thus subject to draw from every side The demands that increase our dan ;er also increase the necessity of protecting this reserve against depletion and it is most unsatisfactory to know that the protection afforded is only a temporary palliation It is perfectly and palpatly plain that the only way under present conditions by which this reserve when dangerously depleted, can be replen-ished, is through the issue and sale of the bonds of the government for gold and yet congress has not only thus far declined to authorize the issue of bonds best suited to such a purpose, but there seems a disposition in some quarters to deny both the necessity and power for the issue of bonds at all. I cannot for a moment believe that any of our citizens are deliberately willing that their government should default in its pecuniary oblivations, or that its financial operations should be reduced to a silver basis At any rate I should not feel that my duty was done if I omitted any effort I could make to avert such a calamity. As long therefore as no provision is made for the final redemption or the putting aside of the currency obligation now usel to repeatedly and constantly draw from the government 'ts gold and as long as no better authority for bond issues is allowed than at present exists such authority will be utilized whenever and as often as it becomes necessary to maintain a sufficient gold reserve and in abundant time to save the credit of our country and make good the financial declaration; of our covernment Questions relating to our banks and currency are closely connected with the subject just referred to and they also present

meunsatisfactory features New Banking System Advocated.

Prominent among them are the lack of elasticity in our currency circulation and its frequent concentration in financial centres when it is most needed in other parts of the country. The absolute divorcement of the government from the business of banking is the ideal relationship of the government to the circulation of the currency of the country. This condition cannot be immediately reached but as a step in that direction and as a means of securing a more elastic currency and obviating other objections to toe present arrangement of bank circulation the secretary of the treasury presents in his report a scheme modifying present banking laws and

providing for the issue of circulating notes by state banks free from taxation under certain

A convention has been finally concluded for the settlement by arbitration of the prolon ed dispute with Ecuador growing out of the proceedin;s against Emilio Santos, a naturalized citizen of the United States.

Our relations with the republic of France continue to be such as should exist between nations so long bound to ether by friendly sympathy and similarity in their form of government The recent cruel assa sination of the president of this sister republic called forth such universal expressions of sorrow and condolence from our people and government as to leave no doubt of the depth and sincerity of our attachment. The resolutions passed by the senate and house of representatives on the occasion have been communicated to the widow of President Carnot.

The Germany Meat Prohibition.

Acting upon the reported discovery of Texas fever in cargoes of American cattle the German prohibition against importations of live stock and fresh meats from this country has been revived. It is hoped that Germany will soon become convinced that the inhi sition is as needless as it is harmful to mutual interests.

The German government has protested I fully indorse the recommendation of the per cent of their outstanding circulating were entitled to free entry. Fines have been bullion under the act of July 14, 1893, ceased against that provision of the customs tariff of the United States I earnestly recommend secretary that adequate protection be proexacted even when the error has been on the first day of November, 1891, and up to notes, and that such have promptly redeemed act which imposes a discriminating duty of its prompt repeal vided for our forest reserves and that a comtheir circulatin; notes when presented at detected and the Spanish authorities notified that time there had been purchased during one-tenth of one cent a pound on su ars comprehensive forestry system be inaugurated The Gold Reserve. their principal or branch office the final year 11,917,658.78 fine ounces at a ing from countries paying an export bounty before the arrival of the goods in port. This The recommendations of the secretary in During the last month the gold reserves in It is quite likely that this scheme muy be conduct is in strange contrast with the concost of 48,715,521.32, an average cost of \$0.7313 thereon, claiming that the exaction of such regard to dealing with the Indian question is usefully amended in some of its details, but I siderate and liberal treatment extended to per fine ounce. The total amount of silver the treasury for the purpose of redeemin; the duty is in contravention of articles five and concurred in and has already been published notes of the government circulating as money am satisfied it furnishes a basis for a very purchased from the time that law Spanish vessels and cargoes in our ports in nine of the treaty of 1825 w.th Prassia. In the in the hands of the people became so reduced great improvement in our present bankin; like cases. No satisfactory settlement of took effect until the repeal of its Pensions. interests of the commerces of both countries The barefaced and extensive pension frauds and its further depletion in the near future and currency system. these vexatious questions has yet been purchasing clause on the date last mentioned and to avoid even the accusation of treaty exposed under the courageous and renerous seemed so certain that in the exercise of I conclude this communication, fully apprereached. The Mora case referred to in my was 168,674,682.53 fine ounces, which cost a155,violation. I recommend the repeal of so much 931,002 25, the average price per fine ounce be- veteran soldier now at the head of the bureau proper care for the public ciating that the responsibility for legislation welfare it became of the statute as imposes that duty and I inlast annual message remains unsettled From ing \$ 9244 The total a . ount of standard sil- leaves no room for the claim that no purgation necessary to replenish this reserve and thus affecting the people of the United States rests vite attention to the accompanyin; report of the diplomatic correspondence on this submaintain popular faith in the ability and upon their representatives in concress and ject, which has been laid before the senate, it the secretary of state containin : a discussion ver dollars coined at the mints of the United of our pension roll was needed or that con-States since the passage of the act of Febru- tinued visilance and prompt action are not determination of the revernment to meet as assuring them that whatever accordance with will be seen that this government has offered of the question; raised by the German prorecommencations I have made or not I shall ary 28, 1878, is \$421.706,438, of which \$378, 166, 793 | necessary to the same end. The accusation | agreed. its pecuniary oblications II would to conclude a convention with Spain for distests under the provisions of that act, \$38,531,142 | that an effort to detect pension fraud : is evi- have been well if in this emer ency authority be glad to co-operate in perfectin rany lesis a-Behring Sea Arbitration. posal by arbitration of outstanding claims tion that tends to the prosperity and welfars dence of unfriendliness towards our had existed to issue the bonds of the governwere coined under the provisions of the act of between the two countries except the Mora Early in the present year an agreement was worthy veterans and a denial of their meet bearing a low rate of interest of onr people. July 14, 1890, and \$5,078 478 under the act proreached with Great Britain concerning inclaim, which having been long ago adjusted, (Signed) GROVER CLEVELAND. claims to the generosity of the gov- and maturing within a special period, now only awarts payment as stipulated and of viding for the coinage of the trade dollar bulstruction; to be given the nav il commanders Executive Mansion, December 3, 1:91. lion. The total coinage of all metals st our ernment, suggests an unfortunate indiffer- but the congress havin ; failed to confer such course it could not be included in the proof the two povernments in Behring sea and mints during thelast fiscal year consisted of ence to the comissions of any offense which authority resort was necessarily had to the posed convention. It was hoped that this the conti-uous North Pacific ocean for Mother-The doctor says you must offer would remove parliamentary obstacles 63,48,220 pieces, valued at \$106,216.730.06, of has for its motive the securing of a pension resumption act of 1875, and pursuant to its their guidance in the execution of the their guidance in the execution of the mount remove partiamentary owner is mount of the provision bonds were issued drawing interest and fruit. Sick provision bonds were issued drawing interest give me some mince pie. eat meat and fruit. Sick Boy-Well,

aliens for many years disputed the sovereignty of Nicaragua over the strip and cally independent municipal government Early in the past year efforts of Nicaragua to maintain soverai nty over the Mosquito territory le1 to serious destur bances culminating in the suppression of the native government and the attempted substitution of an impracticable compact administration in which Nicara us and alien residents were to participaty. Failure was followed by an insurrection which for a time subverted Nicaraguan rule, expeliing her officers and restorin; the organization. This in tura gave old way to the existing local government established and upheld by Nicaragua. Nicara :us in these transactions have been largely American and the commerce of that region for some time has been and still is controlled by our citizens we cannot for that reason challenge the rightful sovereignty of Nicaragua over this important part of her

the regulations established under the award

The Hawalian Incident.

has been accorded the new government

neare it southern neighbor.

is bein : paid in installments.

ary.

tion.

Relations With Mexico.

years ago. The friendliness of the inter-

The problem of the stora ;e and use of the

where the river forms a common bound-

in its course through level sand often raise

Bluefields Affair.

Prominent amon: the questions of ter-

ritorial inrisdiction of the year was the Blue-

embarassin ; questions of territorial jurisdic-

Moreover the frequent chan es

of the Paris tribunal of arbitration,

domain For some months on an I during part of the term, two of our navil ships have been stationed at Bluefields for the protection of all legitimate interests of our citizens. In September last the government at Managua expelled from its territory twelve or more foreigners including two Americans for alleged participation in the seditious or revolutionary movements 1; ainst the republic at Bluefields already mentioned Through the earnest remonstration of this : overnment the two Americans have been permitted to return to the peaceful minagement of their business. Our naval commanders at the scene of this disturbance by their coastant exhibition of firmness and good judzment contribute | largely to the prevention of more serious consequences and to the restoration of quiet and order

I re ret that in the midst of these occurrences there opened up a most grave irritating failure of Nicara wan justice An American citizen named Wilson, residing at Rama, in the mosquito territory was murdered by one Arguelio the acting governor of the town After some delay the murderer was arrestel. but so insecurely confined or guarded that he escapet, and notwitistualing our repeated demands it is claimed that his recapture his been impossible by reason of his flight beyond Nicaraguan jurisdiction.

The Nicaraguan authorities havin; given notice of forfeiture of their concession to technical and not embraced in the contract receied from tast position Peru, I regrat to say, shows symptoms of domestic disturbance, due probably to the slowness of her recuperation from the war of 1831. Weakened in resources, her difficulties

in facing international obligations invite our kindly sympathy and justify our forbearance in pressing long pending claims I have felt constrained to testify this sympathy in connection with certain domands urgeatly preferred by other powers

The recent death of the czar of Russia c uled forth appropriate expressions of sorrow and sympathy on the pirt of our government with his bereaved family and the Ru-sian people As a further demonstration of respect and friendship our minister at St. Petersburg was directed to represent our government at the funeral ceremonies

Unjust Fines by Spain on Our Ships. Unreasonable and unjust fines imposed by Spain on the vessels and commerce of the United States have demanded from time to time during the last twenty years earnest remonstrance upon the part of our government.

In the immediate past exhorbitant penalties have been imposed upon our vessels and goods by customs authorities of Cuba and Porto Rico for clerical errors of the most trivial character in the manifests or bills of lading. In some cases fines amounting to thousands of dollars have been levied upon cargoes or the carrying vessels when the goods in question

claimed the right to maint in therein a prast- the parties is still far off. And in a note of degrees in the crime of murder A topic dealt the 10th ult inclosing a copy of that report for the information of the government the German ambassador said: "The contents of the reports awakened the imperial government's apprehension that under existing circumstances the peace concluded with the rebels will afford no assurance of the lastin; restoration of tranquility in the islands "

The present covernment utterly failed to correct, if indeed it has not a gravated, the very evils it was intended to prevent. It has not stimulate1 our commerce with the islands Our participation in its establishment a ainst the wishes of the Latives was in Although the alien interests arrayed a minst plain defiance of the conservative teachings and warnings of the wise and patriotic men who laid the foundation of our free institu tions, and I invite and expression of the judement of congress on the propriety of steps bein : taken by th's novernment lookin : to the with Irawal from its engagements with the other nowers on some reasonable terms not prejudicial to any of our existing rights

Treasury Department.

The secretary of the treasury reports that the receipts of the government from all sources of revenue durin : the fiscal year ending June 30, 189 , amounted to 872,812,489 29 and its expenditures to \$142,505,758.87, leaving a deficit of 69,891,25153 There was a decrea e of (15,9)2.674 66 in the ordinary expenses of the covernment as compared with the fiscal year 1893

There was collected from customs \$131,818, 500 62, and from internal revenue \$147, 16 (-413.81 The balance of the income for the year amounting to \$93,815,517 97, was derived from the sale ; of lands and other sources. The value of our total dutiable imports

amounted to \$275, 19 .. 083. bein : .146.657.625 les ; than during the preceding year and the importations free of duty amounted to \$.7.), 7.15,-5:6, bein ; +61,748,675 less than durn ; the preceding year. The receipts from customs were \$73,516 486.11 less and from internal rev enue 13,856,539 97 less than in 1873

The total tax collected from distilled spirits was 185 259,250 2. on manufactured obacco \$28 617,834 62 and on fermented liquors +31.411,788 04.

Our exports of merchandise, domestic and foreign, amountel during the year to (892,14),-572, bein ; an increase over the preceding year of 444, 195, 378

The total amount of gold exported during the fiscal year was \$76 838,051, as against \$105,-689,444 durin; the fiscal year 1893. The amount imported was 17: 419,119 as against \$21,174,181 durin : the previou : year The imports of silver were \$13,:85,5.2 and the exports were 50,451 265

The total bounty paid upon the production of su ar in the United States for the fiscal year was \$12,100,238.89, bein; an increase of \$2,725,078.11 over the payments made during the preceding year. The amount of bounty paid from July 1, 1891, to August 1, 1891, the time when further payments ceased by operation of law. was \$955,155 St. The total expenses incurred in the payment of the bounty upon su (ar durin ; the fiscal year was \$130,140 SJ. It is estimated that upon the basis of the present revenue laws the receipts of the government during the current fiscal year ending June 31, 1835, will be :421,427. 748 44, and its expenditures \$414, 427, 748 44, resulting in a deficit of \$20.000,000.

The first day of November, 1894, the total stock of money of all kinds in the country was \$2,240,773,883, as against \$2,204,651, 007 on the first day of November, 1893, and the money of all kinds in circulation or not included in the treasury holdin (5 was \$1.672.093,422 or \$21.27 per capita upon an estimated population of 68,887,010. At the same date there was held in the treasury gold bullion amounting to \$44,615,307,55 and silver bullion which was purchased at a cost of \$127,770,938. The purchase of silver

the latter, indicates that a real conciliation of | of the United States and the establishment of with by the attorn ey general of much importance is the condition of the administration of justice in the Indian Tearitory. The permanent solution of what is called the Indian problem is probably not to be expected at once, but meanwhile such ameliorations of present conditions of the existing system will admit ought not to be neglected. I am satisfied there should be a federal court established for the territory with sufficient judges and that this court should sit within the territory and have the same jurisdiction as to territorial affairs as now vested in the federal courts sitting in Arkansas and Texas.

Eight years allo in my annual message I urged upon the congress asstrongly as I could the location and construction of two prisons for the confinement of United States prisoners A similar recommendation has been made from time to time since and a few years ago a law was passed providing for the selection of sites for three such institutions. No appropriation has, however, been made to carry the act into effect and the old and discreditible condition still exists

It is not my purpose at this time to repeat the con-iderations which make an imprenable case in favor of the ownership and manarement by the government of the penal ininstitutions in which federal prisoners are contined I simply desire to a ain urge former recommendations on the subject and to particularly call the attention of the congress to that part of the report of the secretary of war, in which he states that the military prison at Fort Leavenworth, Kansas. can be turned over to to the government as a prison for federal convicts without the leas difficulty and with an actual saving of money from every point of view

Pendin: a more complete reform, I hope that by the adoption of the suggestion of the secretary of war this easy step may be taken in the direction of the proper care of its convicts by the government of the United States Postal and Navy Departments.

The message next takes up the report of the postmaster general and strongly urges the recommendations of that official looking to the correction of the abuses of the secondclass mail matter privilege by publishers of advertisin : matter, who send tons of papers through the mail and defraud the government out of millions of dollars postage annually. The free carriage of seeds of grain throu h the mails is also condemned If these abuses were rectified the department would be selfsustaining. The report of the postmustergeneral, which has already been published, is reviewed at length.

Attention is called to the report of the secretary of the navy which shows very gratifying progress in the construction of ships for our new navy.

I recommend that provision be made for the construction of additional battle-ships and torpedo boats The secretary recommends the manufacture not only of a reserve supply of ordnance and ordnance material fo: ships of the navy, but also a supply for the auxiliary fleet Guns and their aportenances should be provided and kept on hand for both those purposes We have not to-day a single gun that could be put upon the ships Paris or New York of the International Navi;ation company or any other ship of our reserve navy. The manufacture of guns at the Washington navy yard is proceeding satisfactorily, and none of our new ships will be required to wait for their Luns or ordnance

equipment. Interior Department.

The report of the secret try of the interior exhibits the situation of the numbrous and interesting branches of the public service connected with his department. I recommend this report and the valuable recommendations of the secretary to the careful attention of congress

By virtue of a statute of the United States passed in 1884, I appointed in July last Hon. J. D Keen of the state of New York and Hon, Nicholas E Worthington, of the state of Illinois, to form with Hon. Carroll D. Wright, commissioner of labor, who was designated by said statute a commissioner for the purpose of making careful inquiry into the causes of the controversies between certain railroads and their employes which had resuited in an extensive and destructive strike, accompanied by much violence and dangerous disturbance with considerable loss of life and great destruction of property. The report of the commissioners has been submitted to me and will be transmitted to concress with the evidence taken upon their inve-ti ation Their work has been well done. and their standing and intelligence give assurance that the report and sugrestions they make are worthy of careful consideration.

Tariff Amendments Urged.

The tariff act passed at the last session of congress need a important amendments if it is executed effectively and with certainty in addition to such necessary amendments as will not chan , e rates of duty. I am still very decidedly in favor of puttin; coal and iron on the free list So far as the sugar schedule is concerned. I would be glad under the existin ; aggravations to see every particle of deferential duty in favor of refined sugar stricken out of our tariff law If with all the favor accorded the sugar refinin; interest in our tariff laws it still lan ruishes to the extent of closed refineries and thousands of di-char;ed workmen it would seem to present a hopeless cese for reasonable legislative aid

Whatever else is done or omitted I carnestly repeat here the recommendation I have made in another portion of this communication that the additional duty of one tenth of a cent per pound laid upon sugar imported from countries paying a bounty on its export he abrogated It seems to me that exceedingly important considerations point to the propriety of this amendment With the advent of a new tariff policy not only contemplated to relieve the consumers of our land in the cost of their daily life, but to invite a better development of American thrift and create for us closer and more profitable commercial relations with the rest of the world it follows as a logi. cal and imperative necessity that we should at once remove the chief if not only obstacle which has so lon; prevented our participation in the foreign carrying trade of the sea A tariff built upon the theory that it is well to check imports and that a home market should bound the industry and effort of American producers, was fitly supplemented by a refusal to allow American registry vessels built abroad thou; howned and navizated by our people, thus exhibiting a willingness to abandon all contest for the advantages of American trans oceanic carriage. Our new tariff policy bill upon the theory that it is well to encourage such importations as our people need and that our products and manufactures should find market in every part of the habitable globe is consistently supplemented by the createst possible liberty to our citizens in the ownership and navigation of ships in which our products and manufactures may be transported The millions now paid to foreigners for carrying American passengers and products across the sea should be turned into American hands. Ship building, which has been protected to stran ulation, should be revived by the prospect of profitable employment for ships when. built, and the American sailor would be resurrected and again take his place, a sturdy and industrious citizen in time of peace, and a patriotic and safe defender of American interests in the day of conflict. The ancient provision of our law denying American re-istry to ships built abroad and owned by Americans, ap-

rears, in the light of present conditions, not only to be a failure for rood at every point, but to be nearer a relic of barbarism than anything that exists under permission of statute

limitations The secretary explains his plan so plainly and its advantages are developed by him with such remarkable clearness that any effort on my part to present arguments in its supports would be surpuflous. I shall therefore content myself with an unqualified indorsement of the secretarys' proposed changes in the law and a brief and imperfect statement of their prominent features

It is proposed to repeal all laws providing for the deposit of United States bonds as se curity for circulation to permit national banks to issue circulating notes not exceeding in amount 75 per cent of their paid up and unimpaired capital provided they deposit with the government as a guarantee fund in United States legal tender notes including treasury notes of 1890, a sum equal in amount to 31 per cent of the notes they desire to issue, this deposit to be maintained at all times but whenever any bank estires any part of its circulation a proportional part of its guarantee fund shall be returned to it to permit the seretary of the treasury to prepare and keep on hand ready for issue in case an increase in circulation is desired blank national bank notes for each bank having circulation and to repeal the provisions of the present law imposing limitations and restrictions upon banks desiring to reduce or increase their circulation, thus permittin; such ncrease or reduction within the limit of iseventy-five per cent of capital to be quickly made as emergency arise In addition to the guarantee fund required it is proposed to provide a safety fund for the immediate redemotion of the circulating notes of failed banks by imposing a small annual tax say one half of one per cent upon the average circu ation of each bank until the fund amounts to five per cent of the total circulation outstanding. When a bank fails its guarantee fund is to be paid into this safety funds and its notes are to be redeemed in the first instance from such safety fund thus au mentel any impairment of such fund caused thereby to be made good from the immediately available cash assets of said bank, and if these should be insufficient, auch impairment to be made good by prorata assessment among the other banks, their contributions constituting a first lien upon the as ets of the failed bank in favor of the contr buting banks.

As a further security it is contemplated that the existing proposition fixing the individual liability of stockholders is to be retained and the bank's indebtedness on account of its circulatin; notes is to be made a first lien on all its assets. For the purpose of meeting the expense of printin; notes, offcials, supervision, cancellation and other like charges, there shall be imposed a tax of say, one-half of one per cent per annum upon the average amount of notes in circulation. It is further provided that there shall be no national bank notes issued of a less denomination taan ten dollars. that each national bank, except in case of a failed bank shall redeem or retire its notes in the first instance at its own office or at agencies to be designate 1 by it, that no fixed reserve used be maintained on account of deposit +

Another very important feature of this plan is the evemption of state banks from taxation by the United States in cases where it is shown to the satisfaction of the secretary of the treasury and comptroller of the currency, by banks claiming such exemption, that they have not hid outstinding their circulating notes exceeding seventy-five per cent of their paid up and unimpaired capital that their stockholders are individually liable for the redemption of their circulatin; notes to the full extent of the ownership of stock: that the liability of such banks upon their circulating notes constitutes under their state law a first lien upon their assets that such banks have and muintained a guarantee kept fund in United States legal tender notes includin : treasury no.e; of 15.0 equal to thirty