

THE MESSAGE.

President Cleveland's Annual Suggestions to Congress.

THE SILVER QUESTION.

The President Holds the Same Views as Heretofore.

Americans who Break the Laws of Foreign Countries not to be Protected in Future—Confidence in the "Tariff for Revenue Only" Plan—The Laboring Classes Recognized—The Army, the Navy and the Postal Service—The Indians—Public Lands—Civil Service Reform.

To the Congress of the United States: In discharge of a constitutional duty, and following a well established precedent in the executive office, I herewith transmit to the congress at its reassembling certain information concerning the state of the Union, together with such recommendations for legislative consideration as appear necessary and expedient.

FOREIGN RELATIONS. Our government has consistently maintained its relations of friendship toward all other powers, and of neighborly interest toward those whose possessions are contiguous to our own. Few questions have arisen during the past year with other governments, and none of those are beyond the reach of settlement in friendly counsel. The cruel treatment of inoffensive Chinese has, I regret to say, been repeated in some of the far western states and territories, and acts of violence against those people, beyond the power of the local constituted authorities to prevent and difficult to punish, are resorted even in distant Alaska. Much of this violence can be traced to race prejudice and competition of labor, which cannot, however, justify the oppression of strangers whose safety is guaranteed by our treaty with China equally with the most favored nations.

In opening our vast domain to alien elements, the purpose of our law givers was to invite assimilation and not to provide an arena for endless antagonisms. The paramount duty of maintaining public order and defending the interests of our own people, may require the adoption of measures of restriction, but they should not tolerate the oppression of individuals of a special race. I am not without assurance that the government of China, whose friendly disposition toward us I am most happy to recognize, will meet us half way in devising a comprehensive remedy by which an effective limitation of Chinese emigration, joined to protection of those Chinese subjects who remain in this country, may be secured. Legislation is needed to execute the provisions of our Chinese convention of 1880 touching the opium traffic.

Cases have continued to occur in Germany, giving rise to much correspondence in relation to the privilege of sojourn of our naturalized citizens of German origin revisiting the land of their birth, yet I am happy to state that our relations with that country have lost none of their accustomed cordiality. The claims for interest upon the amount of tonnage dues illegally exacted from certain German steamship lines were favorably reported in both houses of congress at the last session, and I trust will receive final and favorable action at an early day.

The recommendations contained in my last annual message in relation to a mode of settlement of the fishery rights in the waters of British North America—so long a subject of anxious difference between the United States and Great Britain—was met by an adverse vote of the senate on April 15 last; and thereupon negotiations were instituted to obtain an agreement with her Britannic majesty's government for the pronouncement of such joint interpretation and definition of the article of the convention of 1818, relating to the territorial waters and inshore fisheries of the British provinces, as should secure the Canadian rights from encroachment by United States fishermen and, at the same time, insure the enjoyment by the latter of the privileges guaranteed to them by such convention. Temporary arrangements by treaties have served to allay friction—which, however, has revived as each treaty was terminated. The last arrangement, under the treaty of 1871, was abrogated after due notice by the United States on June 30, 1885, but I was enabled to obtain for our fishermen for the remainder of that season enjoyment of the full privileges accorded by the terminated treaty. The progress of civilization and growth of population in the British provinces to which the fisheries in question are contiguous, and the expansion of commercial intercourse between them and the United States, present to-day a condition of affairs scarcely realizable at the date of the negotiations of 1818. New and vast interests have been brought into existence; modes of intercourse between the respective countries have been invented and multiplied; the methods of conducting the fisheries have been wholly changed; and all this is necessarily entitled to candid and careful consideration in the adjustment of the terms and conditions of intercourse and commerce between the United States and their neighbors along a frontier of over 3,000 miles. This propinquity, community of language and occupation, and similarity of political and social institutions, indicate the practicability and obvious wisdom of maintaining mutually beneficial and friendly relations. Although disappointed in my efforts to secure a satisfactory settlement of the fishery question, negotiations are still pending, with reasonable hope that before the close of the present session of congress announcement may be made that an acceptable conclusion has been reached. As at an early day there may be laid before congress the correspondence of the department of state in relation to this important subject, so

that the history of the past fishing season may be fully disclosed and the action and the attitude of the administration clearly comprehended, a more extended reference is not deemed necessary in this communication.

The question of a general revision of the treaties of Japan is again under discussion at Tokio. As the first to open relations with that empire, and as the nation in most direct commercial relation with Japan, the United States have lost no opportunity to testify their consistent friendship by supporting the just claims of Japan to autonomy and independence among nations. A treaty of extradition between the United States and Japan, the first concluded by that empire, has been lately proclaimed. The weakness of Liberia and the difficulty of maintaining effective sovereignty over its outlying districts, have exposed that republic to encroachment. It cannot be forgotten that this distant community is an offshoot of our system, owing its origin to the associated benevolence of American citizens, whose praiseworthy efforts to create a nucleus of civilization in the dark continent have commanded respect and sympathy everywhere, especially in this country. Although a formal protectorate over Liberia is contrary to our traditional policy, the moral right and duty of the United States to assist in all proper ways in the maintenance of its integrity is obvious, and has been consistently announced during nearly half a century. I recommend that, in the reorganization of our navy, a small vessel, no longer found adequate to our needs, be presented to Liberia, to be employed by it in the protection of its west-wise revenues. The encouraging development of beneficial and intimate relations between the United States and Mexico, which has been so marked within the past few years, is at once the occasion of congratulation and of friendly solicitude. I urgently renew my former representation of the need of speedy legislation by congress to carry into effect the rect society commercial convention of Jan. 20, 1883. Our commercial treaty of 1854 with Mexico was terminated, according to its provisions, in 1881, upon notification given by Mexico in pursuance of her announced policy of rejecting all her commercial treaties. Mexico has since concluded with several foreign governments new treaties of commerce and navigation, defining alien rights of trade, property and residence, treatment of shipping, consular privileges and the like. Our yet unexecuted reciprocity convention of 1883 covers none of these points, the settlement of which is so necessary to good relationship. I propose to initiate with Mexico negotiations for a new and enlarged treaty of commerce and navigation. In compliance with a resolution of the senate I communicated to that body on Aug. 2 last, and also to the house of representatives, the correspondence in the case of A. K. Cutting, an American citizen then imprisoned in Mexico, charged with the commission of a penal offense in Texas, of which a Mexican citizen was the object. After demand had been made for his release the charge against him was amended so as to include a violation of Mexican law within Mexican territory. This joinder of alleged offenses, one within and the other exterior to Mexico, induced me to order a special investigation of the case, pending which Mr. Cutting was released. The incident has, however, disclosed a claim of jurisdiction by Mexico novel in our history, whereby any offense committed anywhere by a foreigner, penal in the place of its commission, and of which a Mexican is the object, may, if the offender be found in Mexico, be there tried and punished in conformity with Mexican laws. This jurisdiction was sustained by the courts of Mexico in the Cutting case, and approved by the executive branch of that government, upon the authority of a Mexican statute. The appellate court, in releasing Mr. Cutting, decided that the abandonment of the complaint by the Mexican citizen aggrieved by the alleged crime (a libelous publication) removed the basis of further prosecution, and also declared justice to have been satisfied by the enforcement of a small part of the original sentence. The admission of such a pretension would be attended with serious results, invasive of the jurisdiction of this government, and highly dangerous to our citizens in foreign lands; therefore I have denied it and protested against its attempted exercise as unwarranted by the principles of law and international usages. When citizens of the United States voluntarily go into a foreign country they must abide by the laws there in force, and will not be protected by their own government from the consequences of an offense against those laws committed in such foreign country; but watchful care and interest of this government over its citizens are not relinquished because they have gone abroad; and if charged with crime committed in the foreign land a fair and open trial, conducted with decent regard for justice and humanity, will be demanded for them. With less than that this government will not be content when the life or liberty of its citizens is at stake. Whatever the degree to which extraterritorial criminal jurisdiction may have been formerly allowed by consent and reciprocal agreement among certain of the European states, no such doctrine or practice was ever known to the laws of this country or of that from which our institutions have mainly been derived.

In the case of Mexico there are reasons especially strong for perfect harmony in the mutual exercise of jurisdiction. Nature has made us irrevocably neighbors, and wisdom and kind feeling should make us friends. The overflow of capital and enterprise from the United States is a potent factor in assisting the development of the resources of Mexico, and in building up the prosperity of both countries. To assist this good work on grounds of apprehension for the security of person and property should be removed; and I trust that in the interests of good neighborhood the statute referred to will be so modified as to eliminate the present possibilities of danger to the peace of the two countries.

AUTHORS AND ARTISTS.

The drift of sentiment in civilized communities toward full recognition of the rights of property in the creations of the human intellect has brought about the adoption by many important nations of an international copyright convention, which was signed at Bern on Sept. 18, 1885. Inasmuch

as the constitution gives to congress the power "to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries," this government did not feel warranted in becoming a signatory pending the action of congress upon measures of international copyright now before it, but the right of adhesion to the Bern convention hereafter has been reserved. I trust the subject will receive at your hands the attention it deserves, and that the just claims of authors, so urgently pressed, will be duly heeded. Representations continue to be made to me of the injurious effect upon American artists studying abroad and having free access to the art collections of foreign countries, of maintaining a discriminating duty against the introduction of the works of their brother artists of other countries; and I am induced to repeat my recommendation for the abolition

THE UNITED STATES TREASURY.

The report of the secretary of the treasury exhibits in detail the condition of the public finances and of the several branches of the government related to his department. I especially direct the attention of the congress to the recommendations contained in this and the last preceding report of the secretary, touching the simplification and amendment of the laws relating to the collection of our revenues; and in the interest of economy and justice to the government, I hope they may be adopted by appropriate legislation. The ordinary receipts of the government for the fiscal year ended June 30, 1886, were \$336,439,727.00. Of this amount \$102,905,023.41 was received from customs and \$116,805,036 from internal revenue. The total receipts, as here stated, were \$13,749,020.08 greater than for the previous year, but the increase from customs was \$11,404,084.10, and from internal revenue \$4,407,310.94. The total ordinary expenses of government for the fiscal year ended June 30, 1886, were \$342,433,138.55, being less by \$17,788,297 than such expenditures for the year preceding, and leaving a surplus in the treasury at the close of the last fiscal year of \$93,036,588.56 as against \$23,454,771.27 at the close of the previous year, being an increase in such surplus of \$30,492,817.29. The expenditures are compared with those of the preceding fiscal year and classified as follows:

	Year ending June 30, 1886.	Year ending June 30, 1885.
For civil expenses.....	\$21,235,601	\$23,220,942
For foreign intercourse.....	1,322,320	5,489,609
For Indians.....	6,059,178	6,533,394
For pensions.....	63,404,864	56,102,207
For the military, including river and harbor improvements and arsenals.....	34,324,159	42,070,578
For the navy, including vessels, machinery, and improvement of navy yards.....	13,807,857	10,021,709
For interest on public debt for the District of Columbia.....	2,192,321	3,499,650
Miscellaneous expenditures, including public buildings, light-houses, and collecting the revenue.....	47,995,683	54,728,076

For the current year to end June 30, 1887, the ascertained receipts up to Oct. 1, 1886, with such receipts estimated for the remainder of the year, amount to \$350,000,000. The expenditures ascertained and estimated for the same period are \$295,000,000, indicating an anticipated surplus at the close of the year of \$50,000,000. The total value of the exports from the United States to foreign countries during the fiscal year is stated and compared with the preceding year as follows:

	For year ending June 30, 1886.	For year ending June 30, 1885.
Domestic merchandise.....	\$655,964,569	\$749,082,946
Foreign merchandise.....	13,959,301	15,506,879
Gold.....	42,053,191	8,477,802
Silver.....	20,511,319	23,753,623

The value of some of our leading exports during the last fiscal year, as compared with the value of the same for the year immediately preceding is here given, and furnishes information both interesting and suggestive.

	For year ending June 30, 1886.	For year ending June 30, 1885.
Cotton and cotton manufactures.....	\$219,045,576	\$213,798,046
Tobacco and its manufactures.....	80,494,908	84,767,208
Breadstuffs.....	12,846,858	160,970,421
Provisions.....	90,625,216	107,323,456

Our imports during the last fiscal year, as compared with the previous year, were as follows:

	1886.	1885.
Merchandise.....	\$635,431,136	\$579,550,053
Gold.....	20,748,519	25,091,629
Silver.....	17,850,307	16,550,927

In my last annual message to the congress attention was directed to the fact that the revenues of the government exceeded its actual needs; and it was suggested that legislative action should be taken to relieve the people from the unnecessary burden of taxation thus made apparent. In view of the pressing importance of the subject I deem it my duty to again urge its consideration.

"A TARIFF FOR REVENUE ONLY."

The income of the government by its increased volume and through economies in its collection is now more than ever in excess of public necessities. The application of the surplus to the payment of such portion of the public debt as is now at our option subject to extinguishment, if continued at the rate which has lately prevailed, would retire that class of indebtedness within less than one year from this date. Thus a continuation of our present revenue system would soon result in the receipt of an annual income much greater than necessary to meet government expenses, with no indebtedness upon which it could be applied. We should then be confronted with a vast quantity of money—the circulating medium of the people—hoarded in the treasury when it should be in their hands, or we should be drawn into wasteful public extravagance with all the corrupting national demoralization which follows in its train. But it is not the simple existence of this surplus and its threatened attendant evils which furnish the strongest argument against our present scale of federal taxation. Its worst phase is the exaction of such a surplus through a perversion of the relations between the people and their government, and a dangerous departure from the rules which limit the right of federal taxation. Good government, and especially the government

of which every American citizen boasts, has for its objects, the protection of every person within its care in the greatest liberty consistent with the good order of society, and his perfect security in the enjoyment of his earnings, with the least possible diminution for public needs. When more of the people's substance is exacted through the form of taxation than is necessary to meet the just obligations of the government and the expense of its economical administration, such exaction becomes ruthless extortion and a violation of the fundamental principles of a free government. The indirect manner in which these exactions are made has a tendency to conceal their true character and their extent. But we have arrived at a stage of superfluous revenues which has aroused the people to a realization of the fact that the amount raised professedly for the support of the government is paid by them as absolutely, if added to the price of the things which supply their daily wants, as if it was paid at fixed periods into the hand of the taxgatherer. Those who toil for daily wages are beginning to understand that capital, though sometimes vaunting its importance and clamoring for the protection and favor of the government, is dull and sluggish, till, touched by the magical hand of labor, it springs into activity, furnishing an occasion for federal taxation and gaining the value which enables it to bear its burden. And the laboring man is thoughtfully inquiring whether, in these circumstances and considering the tribute he constantly pays into the public treasury as he supplies his daily wants, he receives his fair share of advantages. There is also a suspicion abroad, that the surplus of our revenues indicates abnormal and exceptional business profits, which, under the system which produces such surplus, increase, without corresponding benefit to the people at large, the vast accumulations of a few among our citizens whose fortunes, rivaling the wealth of the most favored in anti-democratic nations, are not the natural growth of a steady, plain and industrious republic. Our farmers, too, and those engaged directly and indirectly in supplying the products of agriculture, see that day by day, and as often as the daily wants of their households recur, they are forced to pay excessive and needless taxation, while their products struggle in foreign markets with the competition of nations, which, by allowing a free exchange of productions than we permit, enable their people to sell for prices which distress the American farmer. As every patriotic citizen rejoices in the constantly increasing pride of our people in American citizenship and in the glory of our national achievements and progress, a sentiment prevails that the leading strings useful to a nation in its infancy may well be to a great extent discarded in the present stage of American ingenuity, courage and fearless self-reliance. And for the privilege of indulging this sentiment with true American enthusiasm our citizens are quite willing to forego an idle surplus in the public treasury. And all the people know that the average rate of federal taxation upon imports is to-day, in time of peace, but little less, while upon some articles of necessary consumption it is actually more than was imposed by the grievous burden willingly borne at a time when the government needed millions to maintain by war the safety and integrity of the Union. It has been the policy of the government to collect the principal part of its revenues by a tax upon imports, and no change in this policy is desirable. But the present condition of affairs constrains our people to demand that by a revision of our revenue laws the receipts of the government shall be reduced to the necessary expense of its economical administration; and this demand should be recognized and obeyed by the people's representatives in the legislative branch of the government. In readjusting the burlesque of federal taxation a sound public policy requires that such of our citizens as have built up large and important industries under present conditions should not be suddenly, and to their injury, deprived of advantages to which they have adapted their business; but if the public good requires it they should be content with such consideration as shall deal fairly and cautiously with their interests, while the just demand of the people for relief from needless taxation is honestly answered. A reasonable and timely submission to such a demand should certainly be possible without disastrous shock to any interest; and a cheerful concession sometimes averts abrupt and heedless action, often the outgrowth of impatience and delayed justice. Due regard should be also accorded in any proposed readjustment to the interests of American labor so far as they are involved. We congratulate ourselves that there is among us no laboring class fixed within unyielding bounds and doomed under all conditions to the inexorable fate of daily toil. We recognize in labor a chief factor in the wealth of the republic, and we treat those who have it in their keeping as citizens entitled to the most careful regard and thoughtful attention. This regard and attention should be awarded them, not only because labor is the capital of our workmen, justly entitled to its share of government favor, but for the further and not less important reason that the laboring man surrounded by his family in his humble home, as a consumer, is vitally interested in all that cheapens the cost of living and enables him to bring within his domestic circle additional comforts and advantages. This relation of the workman to the revenue laws of the country, and the manner in which it palpably influences the question of wages, should not be forgotten in the justifiable prominence given to the proper maintenance of the supply and protection of well paid labor. And these considerations suggest such an arrangement of government revenues as shall reduce the expense of living, while it does not curtail the opportunity for work nor reduce the compensation of American labor, and injuriously affect its condition and the dignified place it holds in the estimation of our people. But our farmers and agriculturists—those who from the soil produce the things consumed by all—are perhaps more directly and plainly concerned than any other of our citizens, in a just and careful system of federal taxation. Those actually engaged in and more remotely connected with this kind of work number nearly one-half of our population. None labor harder or more continuously than they. No enactments limit their hours of toil, and no interference of the government enhances to any great extent the