A MESSAGE

Of Nearly 18,000 Words Sent by the President to Congress.

MUCH TO TALK ABOUT

Has Occurred Since the Last Session of the Lawmakers.

BENEFITS OF THE NEW TARIFF

Dwelt Upon at Length, With Figures to Back Them Up.

Foreign Markets Opened to American Producers and Manufacturers—Important Legislation Recommended for the Future—The Valparaiso Affair and Other Foreign Complications—Heavy Work in Mr. Blaine's Department—The Michigan Gerrymander Denounced in Strong Terms—A Strange Indorsement of the Nicaragua Canal Steal—The New Navy and Its Building Up—Other Important Topics Dwelt Upon—Every Word of the Document.

WASHINGTON, Dec. 9.—The following is President Harrison's message in full, as transmitted to Congress to-day:

To the Senate and House of Representatives:

The reports of the heads of the several executive departments required by law to be submitted to me, which are herewith transmitted, and the reports of the Secretary of the Treasury and the Attorney General made directly to Congress, furnish a comprehensive view of the administrative work of the last fiscal year relating to internal affairs. It would be of great advantage if these reports could have an attentive perusal by every member of Congress and by all who take an interest in public affairs. Such a perusal could not fail to excite a higher appreciation of the vast labor and conscientious effort which are given to the conduct of our civil administration.

The reports will, I believe, show that every question has been approached, considered and decided from the standpoint of public duty, and upon considerations affecting the public interests alone. Again, I invite to every branch of the service the attention and scrutiny of Congress.

Important Work Under Mr. Blaine.

The work of the State Department during the last year has been characterized by an unusual number of important negotiations and by diplomatic results of a notable and highly beneficial character. Among these are the reciprocal trade arrangements which have been concluded in the exercise of the powers conferred by section 3 of the tariff law with the Republic of Brazil, with Spain for its West India possessions, and with San Domingo. Like negotiations with other countries have been much advanced, and it is hoped that before the close of the year further definitive trade arrangements of great value will be concluded.

In view of the reports which had been received as to the diminution of the seal herds in the Bering Sea, I deemed it wise to propose to Her Majesty's Government in February last that an agreement for a closed season should be made, pending the negotiations for arbitration which then seemed to be approaching a favorable conclusion.

A Late Agreement as to Seal Fishing.

After much correspondence, and delays for which this Government was not responsible, an agreement was reached and signed on the 15th of June by which Great Britain undertook from that date and until May 1, 1892, to prohibit the killing by her subjects of seals in the Bering Sea, and the Government of the United States during the same period to enforce its existing prohibition against pelagic sealing, and to limit the catch by the fur seal company upon the islands to 7,500 skins. If this agreement could have been reached earlier, in response to the strenuous endeavors of this Government, it would have been more effective; but, coming even as late as it did, it unquestionably resulted in greatly diminishing the destruction of the seals by the Canadian sealers.

In my last annual message I stated that the basis of arbitration proposed by Her Majesty's Government for the adjudication of the long-pending controversy as to the seal fisheries was not acceptable. I am glad now to be able to announce that terms satisfactory to this Government have been agreed upon and that an agreement as to the arbitrators is all that is necessary to the completion of the convention. In view of the advanced position which this Government has taken upon the subject of international arbitration, this renewed expression of our adherence to this method for the settlement of disputes such as have arisen in the Bering Sea will, I doubt not, meet with the concurrence of Congress.

Need of a Distinct Frontier Line.

Provision should be made for a joint demarcation of the frontier line between Canada and the United States, wherever required by the increasing border settlements, and especially for the exact location of the water boundary in the straits and rivers.

I should have been glad to announce some favorable disposition of the boundary dispute between Great Britain and Venezuela, touching the western frontier of British Guiana, but the friendly efforts of the United States in that direction have thus far been unavailing. This Government will continue to express its concern at any appearance of foreign encroachment on territories long under the administrative control of American States. The determination of a disputed boundary is easily attainable by amicable arbitration, where the rights of the respective parties rest, as here, on historic facts readily ascertainable.

The law of the last Congress providing a system of inspection for our meats intended for export, and clothing the President with power to exclude foreign products from our market in case the country sending them should perpetuate unjust discriminations against any product of the United States, placed this Government in a position to effectively urge the removal of such discriminations against our meats.

Foreigners in Love With Our Pork.

It is gratifying to be able to state that Germany, Denmark, Italy, Austria and France, in the order named, have opened their ports to inspected American pork products. The removal of these restrictions in every instance was asked for and given solely upon the ground that we had now provided a meat inspection that should be accepted as adequate to the complete removal of the dangers, real or fancied, which had been previously urged. The State Department, our Ministers abroad and the Secretary of Agriculture have co-operated with unflagging and intelligent zeal for the accomplishment of this great result. The outlines of an agreement have been reached with Germany, looking to equitable trade concessions in consideration of the continued free importation of her sugars, but the time has not yet arrived when this correspondence can be submitted to Congress.

Brazil's Many Political Eruptions.

The recent political disturbances in the Republic of Brazil have excited regret and solicitude. The information we possessed was too meager to enable us to form a satisfactory judgment of the causes leading to the temporary assumption of supreme power by President Fonseca; but this Government did not fail to express to him its anxious solicitude for the peace of Brazil and for the maintenance of the free political institutions which had recently been established there, not to offer our advice that great moderation should be observed in the clash of parties and the contest for leadership. These counsels were received in the most friendly spirit, and the latest information is that constitutional government has been re-established without bloodshed.

The lynching at New Orleans, in March last, of 11 men of Italian nativity by a mob of citizens was a most deplorable and discreditable incident. It did not, however, have its origin in any general animosity to the Italian people, nor in any disrespect to the Government of Italy, with which our relations were of the most friendly character. The fury of the mob was directed against these men as the supposed participants or accessories in the murder of a city officer. I do not allude to this as mitigating in any degree this offense against law and humanity, but only as affecting the international questions which grew out of it.

Friendly Conclusion of the Matter.

It was once represented by the Italian Minister that several of those whose lives had been taken by the mob were Italian subjects, and a demand was made for the punishment of the participants and for an indemnity to the families of those who were killed. It is to be regretted that the manner in which these claims were presented was not such as to promote a calm discussion of the questions involved; but this may well be attributed to the excitement and indignation which the crime naturally evoked. The views of this Government as to its obligations to foreigners domiciled here were fully stated in the correspondence, as well as its purpose to make an investigation of the affair with a view to determine whether there were present any circumstances that could, under such rules of duty as we had indicated, create an obligation upon the United States. The temporary absence of a Minister Plenipotentiary of Italy at this capital has retarded the further correspondence, but it is not doubted that a friendly conclusion is attainable.

Moral of the New Orleans Affair.

Some suggestions growing out of this unhappy incident are worthy the attention of Congress. It would, I believe, be entirely competent for Congress to make offenses against the treaty rights of foreigners domiciled in the United States cognizable in the Federal courts. This has not, however, been done, and the Federal officers and courts have no power in such cases to intervene, either for the protection of a foreign citizen or for the punishment of his slayers. It seems to me, in this state of the law, that the officers of the State charged with police and judicial powers in such cases must in the consideration of international questions, growing out of such incidents, be regarded in such sense as Federal agents as to make this Government answerable for their acts in cases where it would be answerable if the United States had used its constitutional power to define and punish crimes against treaty rights.

The civil war, in Chile, which began in January last, was continued, but fortunately with infrequent and not important armed collisions, until August 28, when the Congressional forces landed near Valparaiso and, after a bloody engagement, captured that city. President Balmaceda, at once recognized that his cause was lost, and a provisional Government was speedily established by the victorious party. Our Minister was promptly directed to recognize and put himself in communication with this Government as soon as it should have established its de facto character, which was done.

One Policy Adopted and Stuck To.

During the pendency of this civil contest frequent indirect appeals were made to this Government to extend belligerent rights to the Insurgents and to give audience to their representatives. This was declined, and that policy was pursued throughout, which this Government, when wrenched by civil war, so strenuously insisted upon on the part of European nations. The Itata, an armed vessel commanded by a naval officer of the insurgent fleet, manned by its sailors and with soldiers on board, was seized under process of the United States Court at San Diego, Cal., for a violation of our neutrality laws. While in the custody of an officer of the court the vessel was forcibly wrested from his control and put to sea. It would have been inconsistent with the dignity and self-respect of this Government not to have insisted that the Itata should be returned to San Diego to abide the judgment of the court. This was so clear to the Junta of the Congressional party, established at Iquique, that, before the arrival of the Itata at that port, the Secretary of Foreign Relations of the Provisional Government addressed to Rear Admiral Brown, commanding the United States naval forces, a communication, from which the following is an extract:

The Itata Case in a Nutshell.

The Provisional Government has learned by the cablegrams of the Associated Press that the transport, Itata, detained by order of the United States for taking on board munitions of war and in possession of the Marshal, left the port, carrying on board this official, who was landed at a point near the coast and then continued her voyage. If this news be correct, this Government would deplore the conduct of the Itata, and, as an evidence that it is not disposed to support or agree to the infraction of the laws of the United States, the undersigned takes advantage of the personal relations you have been good enough to maintain with him since your arrival in this port to declare to you that as soon as she is within reach of our orders his Government will put the Itata, with the arms and munitions she took on board in San Diego, at the disposition of the United States.

A trial in the District Court of the United States for the Southern district of California, has recently resulted in a decision holding, among other things, that, inasmuch as the Congressional party had not been recognized as a belligerent, the acts done in its interest could not be a violation of our neutrality laws. From this judgment the United States has appealed, not that the condemnation of the vessel is a matter of importance, but that we may know that the present state of our law is; for, if this construction of the statute is correct, there is obvious necessity for revision and amendment.

Chile and Its Internal Disruption.

During the progress of the war in Chile, this Government tendered its good offices to bring about a peaceful solution, and it was at one time hoped that a good result might be reached, but in this we were disappointed.

The instructions to our naval officers and to our Minister at Santiago from the first to the last of this struggle, enjoined upon them the most impartial treatment and absolute non-interference. I am satisfied that these instructions were observed and that our representatives were always watchful to use their influence impartially in the interest of humanity, and, on more than one occasion, did so effectively. We could not forget, however, that this Government was in diplomatic relations with then established Government of Chile, as it is now in such relations with the successor of that Government. I am quite sure that President Montt, who has, under circumstance of promise for the peace of Chile, been installed as President of that Republic, will not desire that, in the unfortunate event of any revolt against his authority, the policy of this Government should be other than that which we have recently observed. No official complaint of the conduct of our Minister or of our naval officers during the struggle has been presented to this Government; and it is a matter of regret that so many of our own people should have given ear to unofficial charges and complaints that manifestly had their origin in rival interests, and in a wish to pervert the relations of the United States with Chile.

Balmaceda and His Collapse.

The collapse of the Government of Balmaceda brought about a condition which is unfortunately too familiar with the history of the Central and South American States. With the overthrow of the Balmaceda Government he and many of his councilors and officers became at once fugitives for their lives and appealed to the commanding officers of the foreign naval vessels in the harbor of Valparaiso and to the resident foreign Ministers at Santiago for asylum. This asylum was freely given, according to my information, by the naval vessels of several foreign powers, and by several of the Legations at Santiago. The American Minister, as well as his colleagues, acting upon the impulses of humanity, extended asylum to political refugees whose lives were in peril. I have not been willing to direct the surrender of such of these persons as are still in the American Legation without suitable conditions.

It is believed that the Government of Chile is not in a position, in view of the precedents with which it has been connected, to broadly deny the right of asylum, and the correspondence has not thus far presented any such denial. The treatment of our Minister for a time was such as to call for a decided protest, and it was very gratifying to observe that unfriendly measures, which were undoubtedly the result of the prevailing excitement, were at once rescinded or suitably relaxed.

AN OUTRAGE.

The President's Opinion of the Attack at Valparaiso on American Sailors—Uncle Sam Now Awaiting the Result of an Investigation.

On the 16th of October an event occurred in Valparaiso so serious and tragic in its circumstances and results as to very justly excite the indignation of our people and to call for prompt and decided action on the part of this Government. A considerable number of the sailors of the United States steamship Baltimore, then in the harbor of Valparaiso, being upon shore leave and unarmed, were assaulted by armed men nearly simultaneously in different localities in the city.

One petty officer was killed outright, and seven or eight seamen were seriously wounded, one of whom has since died. So savage and brutal was the assault that several of our sailors received more than two, and one as many as 18 stab wounds. An investigation of the affair was promptly made by a board of officers of the Baltimore, and their report shows that these assaults were unprovoked, that our men were conducting themselves in a peaceable and orderly manner, and that some of the police of the city took part in the assault and used their weapons with fatal effect, while a few others with some well disposed citizens endeavored to protect our men.

Evidences of Premeditated Assault.

Twenty-six of our sailors were arrested, and some of them while being taken to prison were cruelly beaten and maltreated. The fact that they were all discharged, no criminal charge being lodged against any one of them, shows very clearly that they were innocent of any breach of the peace.

So far as I have yet been able to learn, no other explanation of this bloody work has been suggested than that it had its origin in hostility to these men as sailors of the United States, wearing the uniform of their Government, and not in any individual act or personal animosity. The attention of the Chilean Government was at once called to this affair, and a statement of the facts obtained by the investigation we had conducted was submitted, accompanied by a request to be advised of any other or qualifying facts in the possession of the Chilean Government that might tend to relieve this affair of the appearance of an insult to this Government. The Chilean Government was also advised that if such qualifying facts did not exist this Government would confidently expect full and prompt reparation.

Waiting Upon an Investigation.

It is to be regretted that the reply of the Secretary for Foreign Affairs of the Provisional Government was couched in an offensive tone. To this no response has been made. This Government is now awaiting the result of an investigation which has been conducted by the criminal court at Valparaiso. It is reported unofficially that the investigation is about completed, and it is expected that the result will soon be communicated to this Government, together with some adequate and satisfactory response to the note by which the attention of Chile was called to this incident. If these just expectations should be disappointed, or further needless delay intervene, I will, by a special message, bring this matter again to the attention of Congress for such action as may be necessary. The entire correspondence with the Government of Chile will at an early day be submitted to Congress.

I renew the recommendation of my special message, dated January 16, 1890, for the adoption of the necessary legislation to enable this Government to apply in the case of Sweden and Norway the same rule in respect to the levying of tonnage duties as was claimed and secured to the shipping of the United States in 1828, under article 8, of the treaty of 1827.

Suppression of the Slave Traffic.

The adjournment of the Senate without action on the pending acts for the suppression of the slave traffic in Africa, and for the reform of the revenue tariff of the independent State of the Kongo, left this Government unable to exchange those acts on the date fixed, July 2, 1891. A modus vivendi has been concluded by which the power of the Kongo State to levy duties on imports is left unimpaired, and, by agreement of all the signatories to the general slave trade act, the time for the exchange of ratifications on the part of the United States has been extended to February 2, 1892.

The late outbreak against foreigners in various parts of the Chinese Empire has been the cause of deep concern, in view of the numerous establishments of our citizens in the interior of that country. This Government can do no less than to insist upon a continuance of the protective and punitory measures which the Chinese Government has heretofore applied. No effort will be omitted to protect our citizens peaceably sojourning in China, but recent unofficial information indicates that what was at first regarded as an outbreak of mob violence against foreigners has assumed the larger form of an insurrection against public order.

Ex-Senator Blair's Rejection by China.

The Chinese Government has declined to receive Mr. Blair as the United States Minister on the ground that, as a participant while a Senator in the enactment of the existing legislation against the introduction of Chinese laborers, he has become unfriendly and objectionable to China. I have felt constrained to point out to the Chinese Government the untenableness of this position, which seems to rest as much on the unacceptability of our legislation as on that of the person chosen, and which, if admitted, would practically debar the selection of any representative so long as the existing laws remain in force.

You will be called upon to consider the expediency of making special provision by law for the temporary admission of some Chinese artisans and laborers in connection with the exhibit of Chinese industries at the approaching Columbian Exposition. I regard it as desirable that the Chinese exhibit be facilitated in every proper way.

Our Rights on the Caroline Islands.

A question has arisen with the Government of Spain touching the rights of American citizens in the Caroline Islands. Our citizens there, long prior to the confirmation of Spain's claim to the islands, had secured by settlement and purchase certain rights, to the recognition and maintenance of which the faith of Spain was pledged. I have had reason within the past year very strongly to protest against the failure to carry out this pledge on the part of His Majesty's Ministers, which has resulted in great injustice and injury to the American residents.

The Government and people of Spain propose to celebrate the four hundredth anniversary of the discovery of America by holding an exposition at Madrid, which will open on the 12th of September, and continue until the 31st of December, 1892. A cordial invitation has been extended to the United States to take part in this commemoration, and as Spain was one of the first nations to express the intention to participate in the World's Columbian Exposition at Chicago, it would be very appropriate for this Government to give this invitation its friendly promotion.

An Inter-Continental Railway.

Surveys for the connecting links of the projected inter-continental railway are in progress, not only in Mexico, but at various points along the course mapped out. Three surveying parties are now in the field under the direction of the commission. Nearly 1,000 miles of the proposed road have been surveyed, including the most difficult part, that through Ecuador and the southern part of Colombia. The reports of the engineers are very satisfactory and show that no insurmountable obstacles have been met with.

On November 12, 1884, a treaty was concluded with Mexico reaffirming the boundary between the two countries as described in the treaties of February 2, 1848, and December 30, 1853. March 1, 1889, a further treaty was negotiated to facilitate the carrying out of the principles of the treaty of 1884 and to avoid the difficulties occasioned by reason of the changes and alterations that take place from natural causes in the Rio Grande and Colorado rivers, in the portions thereof constituting the boundary line between the two Republics. The International Boundary Commission provided for by the treaty of 1889 to have exclusive jurisdiction of any question that may arise, has been named by the Mexican Government. An appropriation is necessary to enable the United States to fulfill its treaty obligation in this respect.

Close Relations With Hawaii.

The death of King Kalakaua in the United States, afforded occasion to testify our friendship for Hawaii by conveying the King's body to his own land in a naval vessel with all due honors. The Government of his successor, Queen Liliuokalani, is seeking to promote closer commercial relations with the United States. Surveys for the much-needed commercial cable from our Pacific Coast to Honolulu are in progress, and this enterprise should have the suitable promotion of the two Governments. I strongly recommend that provision be made for improving the harbor of Pearl river and equipping it as a naval station.

The arbitration treaty formulated by the International American Conference lapsed by reason of the failure to exchange ratifications fully within the limit of time provided; but several of the Governments concerned have expressed a desire to save this important result of the conference by an extension of the period. It is, in my judgment, incumbent upon the United States to conceive the influential initiative it has taken in this measure by ratifying the instrument and by advocating the proposed extension of the time for exchange. These views have been made known to the other signatories.

The Russian Treatment of Hebrews.

This Government has found occasion to express, in a friendly spirit, but with much earnestness, to the Government of the Czar, its serious concern because of the harsh measures now being enforced against the Hebrews in Russia. By the revival of the anti-Semitic laws, long in abeyance, great numbers of those unfortunate people have been constrained to abandon their homes and leave the Empire by reason of the impossibility of finding subsistence within the pale to which it is sought to confine them. The immigration of these people to the United States—many other countries being closed to them—is largely increasing, and is likely to assume proportions which may make it difficult to find homes and employment for them here, and to seriously affect the labor market. It is estimated that over 1,000,000 will be forced from Russia within a few years. The Hebrew is never a beggar; he has always kept the law—life by toil—often under severe and oppressive civil restrictions.

Not Good for the Race Nor for Us.

It is also true that no race, sect or class has more fully cared for its own than the Hebrew race. But the sudden transfer of such a multitude, under conditions that tend to strip them of their small accumulations and to depress their energies and courage, is neither good for them nor for us.

The banishment, whether by direct decree or by not less certain indirect methods, of so large a number of men and women, is not a local question. A decree to leave one country is, in the nature of things, an order to enter another—some other. This consideration, as well as the suggestions of humanity, furnishes ample ground for the remonstrance which we have presented to Russia, while our historic friendship for that Government cannot fail to give the assurance that our representations are those of a sincere well wisher.

CANAL WORK.

A Strong Indorsement of the Nicaragua Project—Mr. Harrison Wants It Completed as Soon and as Cheaply as Possible—Revolt of Navassa Laborers.

The annual report of the Maritime Canal Company, of Nicaragua, shows that much costly and necessary preparatory work has been done during the year in the construction of shops, railroad tracks and harbor piers and breakwaters, and that the work of canal construction has made some progress.

I deem it to be a matter of the highest concern to the United States that this canal, connecting the waters of the Atlantic and Pacific Oceans, and giving to us a short water communication between our ports on those two great seas, should be speedily constructed, and at the smallest practicable limit of cost. The gain in freights to the people and the direct saving to the Government of the United States in the use of its naval vessels would pay the entire cost of this work within a short series of years. The report of the Secretary of the Navy shows the saving in our naval expenditures which would result.

The Senator from Alabama (Mr. Morgan), in his argument upon this subject before the Senate at the last session, did not overestimate the importance of this work when he said that "the canal is the most important subject now connected with the commercial growth and progress of the United States."

Government Aid Recommended.

If this work is to be promoted by the usual financial methods, and without the aid of this Government, the expenditures in its interest-bearing securities and stocks will probably be twice the actual cost. This will necessitate higher tolls and constitute a heavy and altogether needless burden upon our commerce and that of the world. Every dollar of the bonds and stock of the company should represent a dollar expended in the legitimate and economical prosecution of the work. This is only possible by giving to the bonds the guaranty of the United States Government. Such a guaranty would secure the ready sale at par of 3 per cent bond, from time to time, as the money was needed. I do not doubt that, built upon these business methods, the canal would, when fully inaugurated, earn its fixed charges and operating expenses. But if its bonds are to be marketed at heavy discounts and every bond sold is to be accompanied by a gift of stock, as has come to be expected by investors in such enterprises, the traffic will be seriously burdened to pay interest and dividends.

I am quite willing to recommend Government promotion in the prosecution of a work which, if no other means offered for securing its completion, is of such transcendent interest that the Government should, in my opinion, secure it by direct appropriations from its Treasury. A guaranty of the bonds of the Canal Company to an amount necessary to the completion of the canal could, I think, be so given as not to involve any serious risk of ultimate loss.

A Place to Drop Party Lines.

The things to be carefully guarded are the completion of the work within the limits of the guaranty, the subrogation of the United States to the rights of the first mortgage bondholders for any amount it may have to pay, and in the meantime a control of the stock of the company as a security against mismanagement and loss. I most sincerely hope that neither party nor sectional lines will be drawn upon this great American project, so full of interest to the people of all our States, and so influential in its effects upon the prestige and prosperity of our common country.

The island of Navassa, in the West Indian group, has, under the provisions of Title 72, of the revised statutes, been recognized by the President as appertaining to the United States. It contains guano deposits, is owned by the Navassa Phosphate Company and occupied solely by its employes. In September, 1889, a revolt took place among the laborers, resulting in the killing of some of the agents of the company, caused as the laborers claimed, by cruel treatment. These men were arrested and tried in the United States Court at Baltimore, under Section 5576 of the statute referred to, as if the offenses had been committed on board a merchant vessel of the United States on the high seas.

Death Sentences Dealt Out to Offenders.

There appeared on the trial, and otherwise came to me, such evidences of bad treatment of the men that, in consideration of this and of the fact that the men had no access to any public officer or tribunal for protection or redress of their wrongs, I commuted the death sentences that had been passed by the court upon three of them. In April last my attention was again called to this island and to the unregulated condition of things there by a letter from a colored laborer, who complained that he was wrongfully detained upon the island by the phosphate company after the expiration of his contract of service. A naval vessel was sent to examine into the case of this man and generally into the condition of things on the island. It was found that the laborer referred to had been detained beyond the contract limit and that a condition of revolt again existed among the laborers. A board of naval officers reported, among other things, as follows:

We would desire to state further that the discipline maintained on the island seems to be that of a convict establishment, without its comforts and cleanliness, and that, until more attention is paid to the shipping of laborers, by placing it under Government supervision to prevent misunderstanding and misrepresentation and until some amelioration is shown in the treatment of the laborers, these disorders will be of constant occurrence.

Legislation on Labor Contracts.

I recommend legislation that shall place labor contracts upon this and other islands having the relation that Navassa has to the United States under the supervision of a court commissioner, and that shall provide, at the expense of the owners, an officer to reside upon the islands with power to judge and adjust disputes and to enforce a just and humane treatment of the employes. It is inexcusable that American laborers should be left within our own jurisdiction without access to any Government officer or tribunal for their protection and the redress of their wrongs.

International copyright has been secured in accordance with the condition of the act of March 3, 1891, with Belgium, France, Great Britain and the British possessions and Switzerland, the laws of these countries permitting to our citizens the benefit of copyright on substantially the same basis as to their own citizens or subjects. With Germany a special convention has been negotiated upon this subject, which will bring that country within the reciprocal benefits of our legislation.

OUR FINANCES.

Benefits of the McKinley Bill Already Felt—Figures That Prove the Success of the American Policy—Many Interesting Subjects for Thought.

The general interest in the operation of the Treasury Department has been much augmented during the past year by reason of the conflicting predictions which accompanied and followed the tariff and other legislation of the last Congress affecting the revenues, as to the results of this legislation upon the Treasury and upon the country. On the one hand, it was contended that imports would so fall off as to leave the Treasury bankrupt, and that the prices of articles entering into the living of the people would be so enhanced as to disastrously affect their comfort and happiness, while on the other it was argued that the loss to the revenue, largely the result of placing sugar on the free list, would be a direct gain to the people; that the prices of the necessaries of life, including those most highly protected, would not be enhanced; that labor would have a larger market and the products of the farm advanced prices; while the Treasury surplus and receipts would be adequate to meet the appropriations, including the large exceptional expenditures for the refunding to the States of the direct tax and the redemption of the 4½ per cent bonds.

Calamity Croakers Knocked Out.

It is not my purpose to enter at any length into a discussion of the effects of the legislation to which I have referred; but a brief examination of the statistics of the Treasury, and a general glance at the state of business throughout the country will, I think, satisfy any impartial inquirer that its results have disappointed the evil prophecies of its opponents, and in a large measure realized the hopeful predictions of its friends. Rarely, if ever before in the history of the country, has there been a time when the proceeds of one day's labor or the product of one farmed acre would purchase so large an amount of things that enter into the living of the masses of the people. I believe that a full test will develop the fact that the tariff act of the Fifty-first Congress is very favorable in its average effect upon the prices of articles entering into common use.

During the 12 months from October 1, 1890, to September 30, 1891, the total value of our foreign commerce (imports and exports combined) was $1,747,806,406, which was the largest of any year in the history of the United States. The largest in any previous year was in 1890, when our commerce amounted to $1,647,139,093, and the last year exceeds this enormous aggregate by over one hundred millions.

Comparative Values of Imports.

It is interesting, and to some will be surprising, to know that during the year ending September 30, 1891, our imports of merchandise amounted to $824,715,270, which was an increase of more than $11,000,000 over the value of the imports of the corresponding months of the preceding year, when the imports of merchandise were unusually large in anticipation of the tariff legislation then pending. The average annual value of the imports of merchandise for the ten years from 1881 to 1890 was $692,186,522, and during the year ending September 30, 1891, this annual average was exceeded by $132,528,469.

The value of free imports during the 12 months ending September 30, 1891, was $118,092,387 more than the value of free imports during the corresponding 12 months of the preceding year, and there was during the same period a decrease of $106,846,508 in the value of imports of dutiable merchandise. The percentage of merchandise admitted free of duty during the year to which I have referred, the first under the new tariff, was 48.18, while during the preceding 12 months, under the old tariff, the percentage was 34.27, an increase of 13.91 per cent.

Exports Aided in Great Shape.

If we take the six months ending September 30, last, which covers the time during which sugars have been admitted free of duty, the per cent of value of merchandise imported free of duty is found to be 55.37, which is a larger percentage of free imports than during any prior fiscal year in the history of the Government. If we turn to exports of merchandise the statistics are full of gratification. The value of such exports of merchandise for the 12 months ending September 30, 1891, was $923,091,136, while for the corresponding previous 12 months it was $860,177,115, an increase of $62,914,021, which is nearly three times the average annual increase of exports of merchandise during any year in the history of the Government. The increase in the value of exports of agricultural products during the year referred to over the corresponding 12 months of the prior year was $45,846,197, while the increase in the value of exports of manufactured products was $16,838,240.

There is certainly nothing in the condition of trade, foreign or domestic, there is certainly nothing in the condition of our people of any class, to suggest that the existing tariff and revenue legislation bears oppressively upon the people or retards the commercial development of the nation.

Agitation at Present an Injury.

It may be argued that our condition would be better if our tariff legislation were upon a free trade basis, but it cannot be denied that all the conditions of prosperity and of general contentment are present in a larger degree than ever before in our history, and that, too, just when it was prophesied they would be in the worst state. Agitation for radical changes in tariff and financial legislation cannot help, but may seriously impede, business, to the prosperity of which some degree of stability in legislation is essential.

I think there are conclusive evidences that the new tariff has created several great industries which will, within a few years, give employment to several hundred thousand American working men and women. In view of the somewhat overcrowded condition of the labor market of the United States every patriotic citizen should rejoice at such a result.

The Receipts of the Government.

The report of the Secretary of the Treasury shows that the total receipts of the Government, from all sources, for the fiscal year ending June 30, 1891, were $458,544,233 03, while the expenditures for the same period were $421,304,470 46, leaving a surplus of $37,239,762 57.

The receipts of the fiscal year ending June 30, 1892, actual and estimated, are $433,000,000, and the expenditures $409,000,000. For the fiscal year ending June 30, 1893, the estimated receipts are $455,336,350, and the expenditures $441,300,093.

Under the law of July 14, 1890, the Secretary of the Treasury has purchased since August 15, during the fiscal year, 48,393,113 ounces of silver bullion at an average cost of $1.045 per ounce. The highest price paid during the year was $1.2025, and the lowest $0.9636. In exchange for this silver bullion have been issued $50,577,498 of the treasury notes authorized by the act. The lowest price of silver reached during the fiscal year was $0.9636 on April 22, 1891; but on November 1 the market price was only $0.96, which would give to the silver dollar a bullion value of 74¼ cents.

Friends of Free Silver at Fault.

Before the influence of the prospective silver legislation was felt in the market, silver was worth in New York about $0.955 per ounce. The silver advocates of free coinage in the last Congress were most confident in their prediction that the purchases by the Government required by the law would at once bring the price of silver to $1.2929 per ounce, which would make the bullion value of a dollar 100 cents and hold it there. The prophecies of the anti-silver men of disasters to result from the coinage of $2,000,000 per month were not wider of the mark. The friends of free silver are not agreed, I think, as to the causes that brought their hopeful predictions to naught. Some facts are known. The exports of silver from London to India during the first nine months of this calendar year fell off over 50 per cent, or $17,202,730, compared with the same months of the preceding years. The exports of domestic silver bullion from this country, which had averaged for the last ten years over $17,000,000, fell in the last fiscal year to $13,797,391; while for the first time in recent years, the imports of silver into this country exceeded the exports by the sum of $2,745,365. In the previous year the net exports of silver from the United States amounted to $8,545,455. The production of the United States increased from 50,000,000 ounces in 1889 to 54,500,000 in 1890.

A Depression Not to Last Long.

The Government is now buying and putting aside annually 54,000,000 ounces, which, allowing for 7,140,000 ounces of new bullion used in the arts, is 6,640,000 more than our domestic product available for coinage. I hope the depression in the price of silver is temporary, and that a further trial of this legislation will more favorably affect it. That the increased volume of currency thus supplied for the use of the people was needed, and that beneficial results upon trade and prices have followed this legislation, I think, must be very clear to every one; nor should it be forgotten that for every dollar of these notes issued a full dollar's worth of silver bullion is at the time deposited in the Treasury as a security for its redemption.

Upon this subject, as upon the tariff, my recommendation is that the existing laws be given a full trial, and that our business interests be spared the distressing influence which threats of radical change always impart. Under existing legislation it is in the power of the Treasury Department to maintain that essential condition of national finance as well as commercial prosperity—the parity in use of the coin dollars and their paper representatives. The assurance that these powers would be freely and unhesitatingly used has done much to produce and sustain the present favorable business conditions.

FREE COINAGE.

President Harrison Still Thinks Under Existing Conditions It Would Be a Great Disaster—His Line of Reasoning—Producers Entitled to Consideration, However.

I am still of the opinion that the free coinage of silver under existing conditions would disastrously affect our business interests at home and abroad. We could not hope to maintain an equality in the purchasing power of the gold and silver dollar on our own markets, and in foreign trade the stamp gives no added value to the bullion contained in coins. The producers of the country, its farmers and laborers, have the highest interest that every dollar, paper or coin, issued by the Government shall be as good as any other. If there is one less valuable than another its sure and constant errand will be to pay them for their toil and for their crops. The money lender will protect himself by stipulating for payment in gold, but the laborer has never been able to do that. To place business upon a silver basis would mean a sudden and severe contraction of the currency, by the withdrawal of gold and gold notes, and such an unsettling of all values as would produce a commercial panic. I cannot believe that a people so strong and prosperous as ours will promote such a policy.

Producers Entitled to Consideration.

The producers of silver are entitled to just consideration, but they should not forget that the Government is now buying and putting out of the market what is the equivalent of the entire product of our silver mines. This is more than they themselves thought of asking two years ago. I believe it is the earnest desire of a great majority of the people, as it is mine, that a full coin use shall be made of silver just as soon as the co-operation of other nations can be secured and a ratio fixed that will give circulation equally to gold and silver. The business of the world requires the use of both metals, but I do not see any prospect of gain but much of loss by giving up the present system, in which a full use is made of gold and a large use of silver, for one in which silver alone will circulate. Such an event would be at once fatal to the further progress of the silver movement. Bimetallism is the desired end, and the true friends of silver will be careful not to overrun the goal and bring in silver monometallism, with its necessary attendants, the loss of our gold to Europe and the relief of the pressure there for a larger currency.

A Growing Sentiment for Silver.

I have endeavored, by the use of official and unofficial agencies, to keep a close observation of the state of public sentiment in Europe upon this question, and have not found it to be such as to justify me in proposing an international conference. There is, however, I am sure, a growing sentiment in Europe in favor of a larger use of silver, and I know of no more effectual way of promoting this sentiment than by accumulating gold here. A scarcity of gold in the European reserves will be the most persuasive argument for the use of silver.

The exports of gold to Europe, which began in February last and continued until the close of July, aggregated over $70,000,000. The net loss of gold during the fiscal year was nearly $68,000,000. That no serious monetary disturbance resulted was most gratifying and gave to Europe fresh evidence of the strength and stability of our financial institutions. With the movement of crops the outflow of gold was speedily stopped and a return set in. Up to December 1 we had recovered of our gold loss at the port of New York $27,854,000, and it is confidently believed that during the winter and spring this aggregate will be steadily and largely increased.

The Surplus and Its Drawbacks.

The presence of a large cash surplus in the Treasury has for many years been the subject of much unfavorable criticism, and has furnished an argument to those who have desired to place the tariff upon a purely revenue basis. It was agreed by all that the withdrawal from circulation of so large an amount of money was an embarrassment to the business of the country and made necessary the intervention of the department at frequent intervals to relieve threatened monetary panics. The surplus on March 1, 1889, was $183,827,190 29. The policy of applying this surplus to the redemption of the interest bearing securities of the United States was thought to be preferable to that of depositing it without interest in selected national banks. There have been redeemed since the date last mentioned of interest bearing securities $259,079,350, resulting in a reduction of the annual interest charge of $11,684,675. The money which had been deposited in banks without interest has been gradually withdrawn and used in the redemption of bonds.

Increase of Money in Circulation.

The result of this policy, of the silver legislation and of the refunding of the 4½ per cent bonds, has been a large increase of the money in circulation. At the date last named the circulation was $1,404,205,896, or $23 03 per capita; while on the first day of December, 1891, it had increased to $1,577,262,070, or $24 38 per capita.

The offer of the Secretary of the Treasury to the holders of the 4½ per cent bonds to extend the time of redemption, at the option of the Government, at an interest of 2 per cent, was accepted by the holders of about one-half the amount, and the unextended bonds are being redeemed on presentation.

THE ARMY.

A High Compliment to Ex-Secretary Proctor—The Work on Coast Defences—Indians Make Good Soldiers—Hard to Curb the Immigration of Chinese.

The report of the Secretary of War exhibits the results of an intelligent, progressive and business-like administration of a department which has been too much regarded as one of mere routine. The separation of the Secretary from the department by reason of his appointment as a Senator from the State of Vermont, is a source of great regret to me and to his colleagues in the Cabinet, as I am sure it will be to all those who have had business with the department while under his charge.

In the administration of army affairs some especially good work has been accomplished. The efforts of the Secretary to reduce the percentage of desertions by removing the causes that promoted it have been so successful as to enable him to report for the last year a lower percentage of desertion than has been before reached in the history of the army. The resulting money-saving is considerable, but the improvement in the morals of the enlisted men is the most valuable incident of the reforms which have brought about this result.

Shore Batteries and Their Armaments.

The work of securing sites for shore batteries for harbor defense and the manufacture of mortars and guns of high power to equip them have made good progress during the year. The preliminary work of tests and plans, which was so long delayed in the start, is now out of the way. Some guns have been completed, and with an enlarged shop and a more complete equipment at Watervleit, the army will soon be abreast of the navy in gun construction. Whatever unavoidable cases of delay may arise, there should be none from delayed or insufficient appropriations. We shall be greatly embarrassed in the proper distribution and use of naval vessels until adequate shore defenses are provided for our harbors.

I concur in the recommendation of the Secretary that the three battalion organization be adopted for the infantry. The adoption of a smokeless powder and of a modern rifle, equal in range, precision and rapidity of fire to the best now in use, will, I hope, not be longer delayed.

Indians Make Good Soldiers.

The project of enlisting Indians and organizing them into separate companies upon the same basis as other soldiers, was made the subject of very careful study by the Secretary, and received my approval. Seven companies have been completely organized and seven more are in process of organization. The results of six months' training have more than realized the highest anticipations. The men are readily brought under discipline, acquire the drill with facility and show great pride in the right discharge of their duties and perfect loyalty to their officers, who declare that they would take them into action with confidence. The discipline, order and cleanliness of the military posts will have a wholesome and elevating influence upon the men enlisted, and through them upon their tribes, while a more friendly feeling for the whites and a greater respect for the Government will certainly be promoted.

The great work done in the Record and Pension Division of the War Department by Major Ainsworth, of the Medical Corps, and the clerks under him, is entitled to honorable mention. Taking up the work with nearly 41,000 cases behind, he closed the last fiscal year without a single case left over, though the new cases had increased 52 per cent in number over the previous year by reason of the pension legislation of the last Congress.

Limiting the Right of Appeal.

I concur in the recommendation of the Attorney General that the right in felony cases to a review by the Supreme Court be limited. It would seem that personal liberty would have a safe guaranty if the right of review in cases involving only fine and imprisonment were limited to the Circuit Court of Appeals, unless a constitutional question should in some way be involved.

The Judges of the Court of Private Land Claims, provided for the act of March 3, 1891, have been appointed and the court organized. It is now possible to give early relief to communities long repressed in their development by unsettled land titles, and to establish the possession and right of settlers whose lands have been rendered valueless by adverse and unfounded claims.

The act of July 9, 1888, provided for the incorporation and management of a reform school for girls in the District of Columbia, but it has remained inoperative for the reason that no appropriation has been made for construction and maintenance. The need of such an institution is very urgent. Many girls could be saved from depraved lives by the wholesome influences and restraints of such a school. I recommend that the necessary appropriation be made for a site and for construction.

The Influx of the Mongolians.

The enforcement by the Treasury Department of the law prohibiting the coming of Chinese to the United States has been effective as to such as seek to land from vessels entering our ports. The result has been to divert the travel to vessels entering the ports of British Columbia, whence passage into the United States at obscure points along the Dominion boundary is easy. A very considerable number of Chinese laborers have, during the past year, entered the United States from Canada and Mexico.

The officers of the Treasury Department and of the Department of Justice have used every means at their command to intercept this immigration; but the possibility of perfectly guarding our extended frontier is apparent. The Dominion Government collect a head tax of $50 from every Chinaman entering Canada, and thus derives a considerable revenue from those who only use its ports to reach a portion of advantage to evade our exclusion laws. There seems to be satisfactory evidence that the business of passing Chinamen through Canada to the United States is organized and quite active.

A Difficulty in Sending Them Back.

The Department of Justice has construed the laws to require the return of any Chinaman found to be unlawfully in this country to China as the country from which they came, notwithstanding the fact that he came by way of Canada; but several of the district courts have, in cases brought before them, overruled this view of the law that such persons must be returned to Canada. This construction robs the law of all effectiveness, even if the decrees could be executed, for the men returned can the next day recross our border. But the only appropriation made is for sending them back to China, and the Canadian officials refuse to allow them to re-enter Canada without the payment of the $50 head tax. I recommend such legislation as will remedy these defects in the law.

In previous messages, I have called the attention of Congress to the necessity of so extending the jurisdiction of the United States courts as to make triable therein any felony committed while in the act of violating a law of the United States.

Killing Officers in the Discharge of Duty

These courts cannot have that independence and effectiveness which the Constitution contemplates so long as the felonious killing of high court officers, jurors and witnesses in the discharge of their duties, or by reason of their acts as such, is only cognizable in the State courts. The work done by the Attorney General and the officers of his department, even under the present inadequate legislation, has produced some notable results in the interest of law and order.

The Attorney General and also the Commissioners of the District of Columbia call attention to the defectiveness and inadequacy of the laws relating to crimes against chastity in the District of Columbia. A stringent code upon this subject has been provided by Congress for Utah, and it is a matter of surprise that the needs of this district should have been so long overlooked.

POSTAL POINTS.

The New Improvements in the Ocean Service—Extending Free Delivery and the Money Order Service to Small Towns—The Prospects for American Shipping.

In the report of the Postmaster General, some very gratifying results are exhibited, and many betterments of the service suggested. A perusal of the report gives abundant evidence that the supervision and direction of the postal system have been characterized by an intelligent and conscientious desire to improve the service. The revenues of the department show an increase of over $5,000,000, while the estimate for the year 1893 shows a surplus of receipts over expenditures.

Ocean mail postoffices have been established upon the steamers of the North German Lloyd and Hamburg lines, saving by the distribution on shipboard from 2 to 14 hours' time in the delivery of mail at the port of entry, and often much more than this in the delivery at interior places. So thoroughly has this system, initiated by Germany and the United States, evidenced its usefulness, that it cannot be long before it is installed upon all the great ocean mail-carrying steamships.

Mails En Route and in Small Towns.

Eight thousand miles of new postal service has been established upon railroads. The car distribution to sub-stations in the great cities has been increased about 12 per cent, while the percentage of errors in distribution has, during the past year, been reduced over one-half.

An appropriation was given by the last Congress for the purpose of making some experiments in free delivery in the smaller cities and towns. The results of these experiments have been so satisfactory that the Postmaster General recommends, and I concur in the recommendation, that the free delivery system be at once extended to towns of 5,000 population. His discussion of the inadequate facilities extended under the present system to rural communities, and his suggestions, with a view to give these communities a fuller participation in the benefits of the postal service, are worthy of your careful consideration. It is not just that the farmer, who receives his mail at a neighboring town, should not only be compelled to send to the postoffice for it, but to pay a considerable rent for a box in which to place it or to wait his turn at a general delivery window, while the city resident has his mail brought to his door.

The Rights of Small Communities.

It is stated that over 54,000 neighborhoods are, under the present system, receiving mail at postoffices where money orders and postal notes are not issued. The extension of this system to these communities is especially desirable, as the patrons of such offices are not possessed of the other facilities offered in more populous communities for the transmission of small sums of money.

I have, in a message to the preceding Congress, expressed my views as to a modified use of the telegraph in connection with the postal service.

In pursuance of the ocean mail law of March 2, 1891, and after a most careful study of the whole subject and frequent conferences with shipowners, boards of trade and others, advertisements were issued by the Postmaster General for 53 lines of ocean mail service; to Great Britain and the Continent, 27; to South America, 3; to China and Japan, 4; to Australia and the Pacific islands, 7; to the West Indies and Mexico, 2.

It was not, of course, expected that bids for all these lines would be received, or that service upon them all would be contracted for. It was intended, in furtherance of the act, to secure as many new lines as possible, while including in the list most or all of the foreign lines now occupied by American ships.

Difficulty in Establishing New Lines.

It was hoped that a line to England, and perhaps one to the continent, would be secured, but the outlay required to equip such lines wholly with new ships of the first class, and the difficulty of establishing new lines in competition with those already established, deterred bidders whose interest had been enlisted. It is hoped that a way may yet be found of overcoming these difficulties. The Brazil Steamship Company, by reason of a miscalculation as to the speed of its vessels, was not able to bid under the terms of the advertisement.

The policy of the department was to secure from the established lines an improved service as a condition of giving to them the benefits of the law. This, in all instances, has been attained. The Postmaster General estimates that an expenditure in American shipyards of about $10,000,000 will be necessary to enable the bidders to construct the ships called for by the service which they have accepted.

The Future of American Shipping.

I do not think there is any reason for discouragement or for any turning back from the policy of this legislation. Indeed, a good beginning has been made, and as the subject is further considered and understood by capitalists and shipping people new lines will be ready to meet future proposals, and we may date from the passage of this new law the revival of American shipping interests and the recovery of a fair share of the carrying trade of the world.

We were receiving for foreign postage nearly $2,000,000 under the old system, and