which has now for something more than 30 years continuously prevailed in our legislation, has been a mighty instrument for the development of our national wealth and a most powerful agency in protecting the homes of our workingmen from the invasion rates of wages that would not only give daily bread but supply a comfortable margin for those home attractions and family c forts and enjoyments without which life is neither hopeful nor sweet. They are American citizens—a part of the great people for whom our Constitution and Gov-ernment were framed and instituted-and it cannot be a perversion of that Constitution to so legislate as to preserve in their homes the comfort, independence, loyalty and sense of interest in the Government which are essential to good citizenship in peace, and which will bring this stalwart throng as in 1861 to the defense of the flag when it is assailed.

A New Policy to Be Introduced. It is not my purpose to renew here the

argument in favor of a protective tariff. The result of the recent election must be accepted as having introduced a new policy. must assume that the present tariff, constructed upon the lines of protection, is to be repealed, and that there is to be substituted for it a tariff law constructed solely with reference to revenue; that no duty is to be higher because the increase will keep open an American mill or keep up the wages of an American workman, but that in every case such a rate of duty is to be imposed as will bring to the Treasury of the United States the largest returns of rev-

The contention has not been between schedules, but between principles, and it would be offensive to suggest that the prevatiling party will not carry into legislation the principles advocated by it and the ledges given to the people. The tariff bills passed by the House of Representatives at the last session were, as I suppose, even in the opinion of their promoters, inadequate and justified only by the fact that the Senate and House of Representatives were not in secord, and that a general revision could not, therefore, be undertaken.

A Suggestion to the Senate, I recommend that the whole subject o tariff revision be left to the incoming Con-It is matter of regret that this work must be delayed for at least three months: or the threat of great tariff changes introduces so much uncertainty that an amount, not easily estimated, of business inaction and of diminished production will necessarily result. It is possible also that this uncertainty may result in decreased revewill make cautious orders for foreign goods and the uncertainty as to when they will

Those who have advocated a protective tariff can well afford to have their disastrons forecasts of a change of policy disappointed. If a system of customs duties can be framed that will set the idle wheels and looms of urope in motion and crowd our warehouses with foreign made goods, and at the same time keep our own mills busy; that will give us an increased participation in the markets of the world" of greater value than the home market we surrender; that will give increased work to foreign workmen upon products to be consumed by our out diminishing the amount of ork to be done here: that will enable the American manufacturer to pay to his workmen from 50 to 100 per cent more in wages than is paid in the foreign mill and yet to compete in our market and in foreign marhets with the foreign producer; that will further reduce the cost of articles of wear and food without reducing the wages of those who produce them; that can be cele brated after its effects have been realized, as its expectation has been, in European as well as in American cities, the authors and promoters of it will be entitled to the

All Must Learn by Experience. We have had in our history several exces of the contrasted effects of a revenue and of a protected tariff, but this generation have not felt them and the experience of one generation is not highly instructive to the next. The friends of the fidence in the principles they have advo cated, will await the results of the new

The strained and too often disturbed relations existing between the employes and the employers in our great manufacturing establishments have not been favorable to a calm consideration by the wages carner of the effect upon wage of the protective system.
The facts that his wages were the highest
paid in like callings in the world, and that a maintenance of this rate of wages, in the absence of protective duties upon the prodnot of his labor, was impossible, were obscured by the passion evoked by these contests. He may now be able to review the question in the light of his personal experience under the operation of a tariff for revenue only. If that experience shall demonstrate that present rates of wages are thereby maintained or increased, either absolutely or in their purchasing power, and that the aggregate volume of work to be done in this country is increased, or even maintained so that there are more or as many days work in a year at as good or better wages for the American workman as has been caused under the protective system, everyone will rejoice. A general process of wage reduction cannot be contemplated by any patriotic citizen without the gravest apprehension. It may be, indeed I believe is, possible for the American manufacturer to compele successfully with his foreign rival in many branches of production without the defense of protective duties, if the pay rolls are equalized; but the conflict that stands between the producer and that resuit, and the distress of our working people when it is attained are not pleasant to con The society of the unemployed, now holding its frequent and threatening parades in the streets of foreign cities, should not be allowed to acquire an Ameri-

## REVIEW OF THE WORK

Accomplished by the Administration During the Past Year-Credit Due for Careful, Progressive and Economical Meth ods-The Results of Reciprocity.

The reports of the heads of the several exscutive departments, which are herewith submitted, have very naturally included a resume of the whole work of the administration with the transactions of the last fiscal year. The attention, not only of Congress, but of the country, is again invited to the methods of an organization which have been pursued and to the results which have been attained. Public revenues amounting to \$1,414,079,292 28 have been collected and disbursed without loss from misappropriation, without a single defalcation of such importance as to attract the public attention, and at a diminished per cent of cost

Public business has been transacted not only with fidelity but progressively, and with a view to giving to the people in the fullest possible degree the benefits of a service established and maintained for their protection and comfort.

Our relations with other nations are now undisturbed by any serious controversy. The complicated and threatening differences with Germany, and England relating to Samoun affairs, with England in relation to the seal fisheries in the Bering Sea, and with Chile, growing out of the Baltimore affair, have been adjusted.

The Results of Reciprocity. There have been negotiated and concluded, under section 3 of the tariff law,

have been concluded, since my last annual message. Under these trade arrangements a free or favored admission has been secured in every case for an important list of American products. Especial care has been taken to secure markets for farm products in order of want. I have felt a most solicitous in-terest to preserve to our working people the depression which the lack of an adequate foreign market for our surplus often brings. An opening has also been made for manufactured products that will undoubt-edly, if this policy is maintained, greatly

augment our export trade.

The full benefits of these arrangements cannot be realized instantly. New lines of trade are to be opened. The commercial traveler must survey the field. The manufact urer must adapt his goods to the new marand facilities for exchange must be

New Fields Are Being Opened. This work has been well begun, our mer-chants and manufacturers have entered the new fields with courage and enterprise. In the case of food products, and especially with Cuba, the trade did not need to wait, and the immediate results have been most gratifying. If this policy and these trade arrangements can be continued in force and sided by the establishment of American steamship lines I do not doubt that we shall, within a short period, secure fully one-third of the total trade of the countries of Central and South America, which now amounts to about \$600,000,000 annually. In 1885 we had only 8 per cent of this trade. The following statistics show the increase

in our trade with the countries with which we have reciprocal trade agreements from the date when such agreements went into effect up to September 30, 1892, the increase being in some almost wholly and in others in an important degree the result of these

agreements.
The domestic exports to Germany and Austria-Hungary have increased in value from \$47,673,756 to \$57,993,064, an increase ot \$10,219,308, or 21.63 per cent. With American countries the value of our exports has increased from \$44,160,285 to \$54,-613,598, an increase of \$10,453,313, or 23.67 per cent. The total increase in the value of exports to all the countries with which we reciprocity agreements has been \$20,772,621.

The Lines Most Benefited. This increase is chiefly in wheat, flour, meat and dairy products, and in manufactures of iron and steel and lumber. There has been a large increase in the value of imports from all these countries since the commercial agreements went into effect, amounting to \$74,294,595, but it has been entirely in imports from the American countries, consisting mostly of sugar, coffee, India rubber and crude drugs. The attention of our European competitors for the South American market has been attracted to this new American policy, and to our acquisition and their loss of South American trade.

A treaty providing for the arbitration of the dispute between Great Britain and the United States as to the killing of seals in the Bering Sea was concluded on February 29 last. This treaty was accompanied by an agreement prohibiting pelagic sealing pending the arbitration, and a vigorous ef-tort was made, during this cases to drive fort was made during this season to drive out all poaching sealers from the Bering Sea. Six naval vessels, three revenue cutters and one vessel from the Fish Commission, all under the command of Commander Evans, of the navy, were sent into the sea, which was systematically patrolled. Some seizures were made, and it is believed that the catch in the Berlng Sea by peachers amounted to less than 500 seals.

Where Seals Were S'aughtered It is true, however, that in the North Parific, while the seal herds were on their way to the passes between the Alcutian Islands, a very large number, probably 35,000, were taken. The existing statutes of the United States do not restrain our citizens from taking seals in the Pacific Ocean, and perhaps should not, unless the prohibition can be extended to the citizens of other nations.

I recommend that power be given to the President, by proclamation, to prohibit the taking of seals in the North Pacific by American vessels, in case, either as the result of the findings of the tribunal of arbiprotective system, with undiminished cop- tration or otherwise, the restraints can be applied to the vessels of all countries. The case of the United States for the tribunal of arbitration has been prepared with great care and industry by the Hon. John Foster, and the counsel who represent this Government express confidence that a result substantially establishing our claims and preserving this great industry for the benefit of all nations will be attained.

During the past year, a suggestion was received through the British Minister that the Canadian Government would like to confer as the possibility of enlarging, upon terms of mutual advantage, the commercial exchanges of Canada and of the United States, and a conference was held at Washington, with Mr. Blaine acting for this Government, and the British Minister at this capital and three members of the Dominion Cabinet, acting as commissioners on the part of Great Britain

No Agreement With Canada.

The conference developed the fact that the Canadian Government was only prepared to offer to the United States in exchange for the concession asked the admission of natural products. The statement was frankly made that favored rates could not be given to the United States as against the mother country. This admission, which was foreseen, necessarily terminated the conference upon this question. The benefits of an exchange of natural products would be almost wholly with the people of

Some other topics of interest were con sidered in the conference and have resulted in the making of a con-vention for examining the Alaskan boundary and the waters of Passamaquoddy Bay adjacent to Eastport, Me., and in the initiation of an arrangement for the pro-tection of fish life in the coterminous and neighboring waters of our Northern border. The controversy as to tolks upon the Weiland Canal, which was presented to Congress at the last session by special message, having failed of adjustment, I felt constrained to exercise the authority con-ferred by the act of July 26, 1892, and to proclaim a suspension of the free use of St.
Mary's Falls Caual to cargoes in transit to
ports in Canada. The Secretary of the
Treasury established such tolls as were thought to be equivalent to the exactions unjustly levied upon our commerce in the Canadian canals.

Our Northern Neighbors Unfriendly. Our Northern Neighbors Unfriendly.

If, as we must suppose, the political relations of Canada and the disposition of the Canadian Government are to remain unchanged, a somewhat radical revision of our sible officials in the Aslatic vilatges have trade relations should, I think, be made. Our relations must continue to be intimate, and they should be friendly. I regret to say, however, that in many of the controversies, notably those as to the fisheries on the Atlantic, the sealing interests on the Pacific, and the canal tolls our negotiations with Great Britain have continuously been with the trading ventures of our citizens in thwarted or retarded by unreasonable and Asia Minor is also reported, and the lack untriendly objections and protests from Canada. In the matter of the canal tolls, our treaty rights were flagrantly disre-garded. It is hardly too much to say that the Canadian Pacific and other railway lines which parallel our Northern boundary lines which parallel our Northern boundary are sustained by commerce having either its origin or terminus, or both, in the United States Canadian railreads compete with the act of March 3, 1891, upon assurthose of the United States for our traffic

The Canadian Pacific Railway brought into the United States from China and Japan, via British Columbia, during the year ending June 30, 1892, 23, 239, 689 pounds of treight, and it carried from the United States to be shipped to China and Japan, eia British Columbia, 24,068,346 pounds of freight. There were also shipped company engaged in the construction of the the There have been negotiated and concluded, under section 3 of the tariff law, commercial agreements relating to reciprocal trade with the following countries: Brazil, Dominican Bepublic, Spain for Cuba and Puerto Rico, Guatemala, Salvador, the German Empire, Great Britain for certain West Indian colonies and British Gulana, Nicaragua, Honduras and Austria Hungary.

Of these, those with Guatemala, Salvador, the German Empire, Gr. Vitain, Nicaragua, Honduras and Austria the United States to cur Pacific ports during the same year, 13,912,073 pounds of freight, and it carried from the United States to climbal, 24,068,346 pounds of freight. There were also shipped to China and Japan, see were also shipped from the United States over this road adequate support be given to the American of the Nicaragua Ship Cganal. It is impossible to overstate the value from every standpoint of this great enterprise, and I hope that the United States Eastern ports from ports of the States to the United States to the Value from the United States to the Nicaragua Ship Cganal. It is impossible to overstate the value from every standpoint of this great enterprise, and I hope that the United States to the United States to the United States its proper relation to it when completed.

fore the Senate Select Committee on Rela-tions with Canada, April 26, 1890, said that "the value of goods thus transported be-tween different points in the United States across Canadian territory probably amounts to \$100,000,000 a year." A Question for Canada Alone.

There is no disposition on the part of the people or the Government of the United States to interfere in the smallest degree with the political relations of Canada. That question is wholly with her own people. It is time for us, however, to consider whether, if the present state of things and trend of things is to continue, our interchanges upon the state of the present state of the p lines of land transportation should not be put upon a different basis, and our entire pendence of Canadian canals and of the St. Lawrence as an outlet to the sea secured by the construction of an American canal around the Falis of Niagara and the opening of ship communication between the Great Lakes and one of our own seaports.

our great natural trade advantages. should withdraw the support which given to the railroads and steamship lines of Canada by a traffic that properly belongs to us, and no longer furnish the earnings which lighten the otherwise crushing weight of the enormous public subsidies that have been given to them. The subject of the power of the Treasury to deal with this matter without further legislation has been under consideration, but circumstances have postponed a conclusion. It is probable that a consideration of the propriety of a modification or abrogation of the article of the Treaty of Washington relating to the transit of goods in bond is involved in any complete solution of the question. Difficulties Settled by Diplomacy.

Congress at last session was kept advised of progress of the serious, for a time, threatening differences between the United States and Chile. It gives me now great gratification to report that the Chilean Government, in a most friendly and honorable spirit, has tendered and paid as an indemnity to the families of the sailors of the Baltimore, who were killed, and to those who were injured in the outbreak in the city of Valparaiso, the sum of \$75,000. This has been accepted, not only as an indemnity for a wrong done, but as a most gratifying evidence that the Government of Chile rightly appreciates the disposition this Government to act in a spirit of the most absolute fairness and friendliness in our intercourse with that brave people. A further and conclusive evidence of the mutual respect and confidence now existing is furnished by the fact that a convention sub mitting to arbitration the mutual claims of the citizens of the respective governments has been agreed upon. Some of these claims have been pending for many years, and have been the occasion of much unsatisfactory diplomatic correspondence.

I have endeavored in every way to assur our sister republics of Central and South America that the United States Govern ment and its people have only the most friendly disposition toward them all. We do not covet their territory. We have no disposition to be oppressive or exacting in our dealings with any of them, even the weakest. Our interests and our hopes for them all lie in the direction of stable governments by their people and of the largest development of their great commercial resources. The mutual benefits of enlarged commercial exchanges of a more familian and friendly intercourse between our peo-ples we do desire and in this have sought their friendly co-operation.

A Just Responsibility for Injuries. I have believed, however, while holding these sentiments in the greatest sincerity that we must insist upon a just responsi-bility for any injuries inflicted upon our official representatives or upon our citizens. This insistence, kindly and justly, but firmly made, will, I believe, promote peace

and mutual respect.
Our relations with Hawaii have been such as to attract an increased interest, and must continue to do so. I deem it of great importance that the projected submarine cable, a survey for which has been made, should be promoted. Both for naval and com-mercial uses we should have quick com-munication with Honolulu. We should becession, made many years ago to this Gov-ernment, for a barbor and naval station at Pearl river. Many evidences of the triendiness of the Hawaiian Government had been given in the past, and it is gratifying of a continuance of very close relations i

appreciated.
The friendly act of this Government in expressing to the Government of Italy its reprobation and abhorrence of the lynchin of Italian subjects in New Orleans, by the payment of 125,000 francs, or \$24,339 90, was accepted by the King of Italy with every manifestation of gracious apprecia-tion, and the incident has been highly promotive of mutual respect and good will.

A Protest Sent to France. consequence of the action of th French Government in proclaiming a pro-tectorate over certain tribal districts of the west coast of Africa, eastward of the San Pedro river, I have felt constrained to make protest against this encroachment upon the territory of a Republic which was founded by citizens of the United States, and toward which this country has for many years held the intimate relation of a friendly counselor. The recent disturbances of the public peace by lawless foreign marauders on the Mexican frontier have afforded this Gov-

ernment an opportunity to testify its good will for Mexico and its earnest purpose to fulfill the obligations of international friendship by pursuing and dispersing the evil-doers. The work of relocating the reaty of Guadalupe Hidalgo, westward from El Paso, is progressing favorably.

Our intercourse with Spain continues on a friendly footing. I regret, however, not to be able to report as yet the adjustment of the claims of the American missionaries arising from the disorders at Ponape, in the Caroline Islands, but I anticipate a satisfactory adjustment in view of renewed and urgent representations to the Government

Small Clouds in Turkey. The treatment of the religious and edu-cational establishments of American citizens in Turkey has of late called for more than usual share of attention. A tendency to curtail the toleration which has so beneficially prevailed is discernible and has called forth the earnest remonstrances of this Government. Harassing regulations in regard to schools and churches have been attempted in certain localities, but not without due protest and the assertion of the from time to time been reported. An ag-gravated instance of injury to the property urgent claim for reparation, which I am pleased to say was promptly heeded by the Government of the Ports. Interference with the trading ventures of our citizens in of consular representation in that region is a serious drawback to instant and effective incidents represent a settled policy and shall not cease to urge the adoption of

and without the restraints of our interstant commerce act. Their cars pass almost without detention in and out of our territory.

The Canadian Pacific Railway brought into the United States from China and lanan via British Columbia during the lanan via British

#### MONETARY MATTERS.

Silver and the International Conference— The Condition of the Treasury—An Estimated Surplus at the End of the Fiscal Year if Importations Continue.

The Congress has been already advised that the invitations of this Government for the assembling of an international monetary conference to consider the question of an enlarged use of silver were accepted by the nations to which they were addressed. The conference assembled at Brussels on the 22d of November and has entered upon the consideration of this great question. I have not doubted, and have taken occasion to express that belief, as well in the invitations issued for this conference as in my public messages, that the free coinage of silver upon an agreed international ratio would greatly promote the interests of our people and equally those of other nations. It is too early to predict what results may be accomplished by the conference. If any temporary check or delay intervenes I be lieve that very soon commercial conditions will compel the now reluctant Governments to unite with us in this movement to secure the enlargement of the volume of coined money needed for the transaction of the business of the world. Misleading Statements Corrected

The report of the Secretary of the Treasury will attract especial interest in view of the many misleading statements that have been made as to the state of the public revenues. Three preliminary facts should not only be stated, but emphasized before lookng into details: First—That the public debt has been re-

duced since March 4, 1889, \$259,674,200 and the annual interest charge \$11,684,469. Second-That there have been paid out for pensions during this administration up to November 1, 1892, \$432,564,178 70, an excess of \$114,466,386 09 over the sum expended during the period from March 1, 1885, to March 1, 1889; and, Third—That under the existing tariff up

to December 1 about \$93,000,000 of revenue which would have been collected upon imported sugars if the duty had been maintained has gone into the pockets of the peo-ple, and not into the public treasury as be-fore. If there are any who still think that the surplus should have been kept out of circulation by hoarding it in the Treasury or deposited in favored banks without in terest while the Government continued to pay to these very banks interest upon the bonds deposited as security for the deposits, or who think that the extended pension legislation was a public robbery, or that the duties upon sugar should have been main-tained, I am content to leave the argument where it now rests, while we wait to see whether these criticisms will take the form of legislation.

A Balance in the Treasury. The revenues for the fiscal year ending June 30, 1892, from all sources were \$425,-868,260 22, and the expenditures for all purposes were \$415,953,896 56, leaving a balance of \$9,914,453 66. There were paid during the year upon the public debt \$40,-570,467 98. The surplus in the Treasury and the bank redemption fund, passed by the act of July 14, 1890, to the general fund, furnished in large part the cash available and used for the payments made upon the public debt. Compared with the year 1891, our receipts from customs duties fell off \$42,069,241 08, while our receipts from internal revenue increased \$8,284,823 13, leaving the net loss of revenue from these principal sources \$33,784,417 95. The net loss of revenue from all sources was \$32,075,-

The revenues, estimated and actual, for the fiscal year ending June 30, 1893, are placed by the Secretary at \$463,336,350 44 and the expenditures at \$461,836,350 44, showing a surplus of receipts over expenditures of \$2,000,000. The cash balance in the Treasury at the end of the fiscal year, it is estimated, will be \$20,992,377 03.

So far as these figures are based upon, and estimates of receipts and expenditures for

the remaining months of the current fiscal year, there are not only the usual elements of uncertainty, but some added elements. Possibility of New Legislation.

pectation of it, may seriously reduce the public revenues during the period of un-certainty and during the process of business adjustment to the new conditions when they become known. But the Secretary has very wisely refrained from guessing as to the effect of possible changes in our revenue laws, since the scope of those changes and the time of their taking effect cannot in any degree be forecast or foretold by him. His estimates must be based upon existing laws and upon a continuance of existing business conditions, except so far as these conditions may be affected by causes other than new

legislation. The estimated receipts for the fiscal year ending June 30, 1894, are \$490,121,365 38, and the estimated appropriations \$457,261,-335 33, leaving an estimated surplus of receipts over expenditures of \$32,860,030 05. This does not include any payment to the sinking fund. In the recommendation of the Secretary that the sinking fund law be repealed I concur. The redemption of bonds since the passage of the law to June 30, 1892, has already exceeded the requirements by the sum of \$990,510,681 49. The retirement of bonds in the future before maturity should be a matter of convenience. not of compulsion. We should not collect revenue for that purpose, but only use any casual surplus. To the balance of \$32,860,-030 05 of receipts over expenditures for the year 1894 should be added the estimated surplus at the beginning of the year \$20,-992,377 03; and from this aggregate there must be deducted, as stated by the Secre-tary, about \$44,000,000 of estimated unex-pended appropriations.

No Recommendation Upon Silver. The public confidence in the purpose and ability of the Government to maintain the parity of all our money issues, whether coin or paper, must remain unshaken. The deand for gold in Europe and the conse quent calls upon us are in a considerable degree the result of the efforts of some of the European governments to increase their gold reserves, and these efforts should be met by appropriate legislation upon our part. The conditions that have created this drain of the Treasury gold are in an important degree political and not commer-cial. In view of the fact that a general rerision of our revenue laws in the near fut-ure seems to be probable, it would be better that any changes should be a part of that revision rather than of a temporary nature. During the last fiscal year the Secretary purchased under the act of July 14, 1890, 54,355,748 ounces of silver and issued in payment therefor \$51,106,608 in notes. The total purchases since the passage of the act have been 120,479,981 ounces and the aggre-gate of notes issued \$116,783,590. The average price paid for silver during the year was 94 cents per ounce, the highest price being \$1 02% July 1, 1891, and the lowest 83 cents March 21, 1892. In view of the fact that the Monetary Conference is now sitting and that no conclusion has yet been reached, I withhold any recommendation a to legislation upon this subject.

## THE ARMY AND THE LAW.

Consideration of Reports From the Secre tary of War and the Attorney General-Enormous Amount of Claims Now Pending Against the Government.

The report of the Secretary of War brings again to the attention of Congress some important suggestions as to the reorganization of the infantry and artillery arms of the service, which his predecessors have before urgently presented. Our army is small, but its organization should atl the more be put upon the most approved modern basis. The conditions upon what we called the "frontier" have heretofore required the maintenance of many small

tion of advantage to localities or to States should determine the location of the new posts. The reorganization and enlargement of the bureau of military information which the Secretary has effected is a work the usefulness of which will become every year more apparent. The work of building heavy guns and the construction of coast defenses has been well begun, and should be carried on without check.

Skill of the Attorney General.

Skill of the Attorney General. The report of the Attorney General is by law aubmitted directly to Congress, but I cannot refrain from saying that he has conducted the increasing work of the De-partment of Justice with great professional skill. He has in several directions secured from the courts decisions giving increased protection to the officers of the United States, and bringing some classes of crime that escaped local cognizance and punishment into the tribunals of the United States where they could be tried with impartiality. The numerous applications for Executive clemency presented in behalf of persons convicted in the United States courts, and given penitentiary sentences, have called my attention to a fact referred to by the Attorney General in his report, namely, that a time allowance for good behavior for such prisoners is prescribed by the Federal statutes only where the State in which the penitentiary is located has made such pro-vision. Prisoners are given the benefit of the provisions of the State law regulating the penitentiary to which they may be sent. These are various, some perhaps too liberal and some perhaps too iiliberal. The result is that a sentence for five years means one thing if the prisoner is sent to one State for confinement and quite a different thing if he is sent to another. I recommend that a uniform credit for good behavior be prescribed by Congress. Relief for the Executive.

I have before expressed my concurrence in the recommendation of the Attorney General that degrees of murder should be recognized in the Federal statutes as they are, I believe, in all the States. These grades are founded on correct distinctions in crime. The recognition of them would enable the courts to exercise some discretion in appor-tioning punishment, and would greatly relieve the Executive of what is coming to be a very heavy burden-the examination of these cases on application for commutation.

The aggregate of claims pending against the Government in the Court of Claims is enormous. Claims to the amount of nearly \$400,000,000 for the taking of or injury to the property of persons claiming to be loyal during the war are now before that court for examination. When to these are added the Indian depredation claims and the French spoliation claims an aggregate is reached that is indeed startling. In the defense of these claims the Government is at a great disadvantage. The claimants have preserved their evidence, whereas the Government has to send agents to rummage the field for what they can find.
This difficulty is peculiarly great where
the fact to be established is the disloyalty
of the claimant during the war. If this great threat against our revenues is to have no other check, certainly Congress should supply the Department of Justice with appropriations sufficiently liberal to secure the best legal talent in the defense of these claims and to pursue its vague search for evidence effectively.

#### POSTAL PROGRESS.

Remarkable Increase in the Revenues and Number of Offices-The Connection of the Service With the Merchant Marine -Some Earnest Recommendations.

The report of the Postmaster General shows a most gratifying increase and a most efficient and progressive management of the great business of that department. The remarkable increase in revenues, in the number of postoffices and in the miles of mail carriage furnishes further evidence of the high state of prosperity which our people are enjoying. New offices mean new hamlets and towns, new routes mean the extension of our border settlements. and increased revenue means an active commerce. The Postmaster General reviews the whole period of his administration of the office and brings statistics down to the month of November

The postal revenues have increased during the last year nearly \$5,000,000. The deficit for the year ending June 30, 1892, is \$848,341 less than the deficiency of the preceding year. The deficiency of the present fiscal year it is estimated will be reduced to \$1,552,423, which will not only be ex-tinguished during the next fiscal year, but a surplus of nearly \$1,000,000 should then be shown. In these calculations the payments to be made under the contracts ocean mail service have not been included. There have been added 1,590 new mail routes during the year with a mileage of 8,563 miles; and the total number of new miles of mail trips added during the year is nearly 17,000,000. The number of mail journeys added during four years is about 76,000,000, this addition being 21,000,000 miles more than were in operation in the whole country in 1861.

The Increase in Business. The number of postoffices has been in-creased by 2,790 during the year; and dur-ing the past four years and up to October 29 last the total increase in the number of offices has been nearly 9,000. The number of free delivery offices has been nearly doubled in the past four years, and the number of money order offices more than doubled within that time.

For the three years ending June 30, 1892, the postal revenue amounted to \$197,744,which was an increase of \$52,263,150 over the revenue for the three years ending June 30, 1888, the increase during the last three years being more than 314 times as great as the increase during the three years ending June 30, 1888. No such increase as that shown for these three years has ever previously appeared in the revenues of the department. The Postmaster General has extended to the postoffices in the larger cities the merit system of promotion, in-troduced by my direction into the depart-ments here, and it has resulted there, as in the departments, in a large volume of work

and that better done.

Ever since our merchant marine was driven from the sea by the rebel cruisers during the War of the Rebellion, the United States has been paying an enormous annual tribute to foreign countries in the shape of freight and passage moneys. Our grain and meats have been taken at our own docks and our large imports there laid down by foreign shipmasters. Americans Paying Tribute.

An increasing torrent of American travel to Europe has contributed a vast sum annually to the dividends of foreign ship wners. The balance of trade shown by the books of our custom houses has been very largely reduced and in many years altoether extinguished by this constant drain. In the year 1892 only 12.3 per cent of our imports were brought in American vessels. These great foreign steamships maintained by our traffic are, many of them, under contracts with their respective governments by which, in time of war, they will become a part of their armed naval establishments. Profiting by our commerce in peace, they will become the most formidable destroyers of our commerce in time of war. I have felt, and have before expressed the feeling, that this condition of things was both intolerable and disgraceful.

A a wholesome change of policy, and one having in it much promise, as it seems to me, was begun by the law of March 3, 1891. Under this law contracts have been made by the Postmaster General for 11 mail routes. The expenditure involved by these contracts for the next fiscal year approximates \$954,123 33. As one of the results already reached 16 American steamships of an aggregate tonnage of 57,400 tons, costing \$7,400,-000, have been built or contracted to be built in American shipyards.

Prospects of a Powerful Fleet. The estimated tonnage of all steamships required under existing contracts is 165,802, and when that full service required by these contracts is established, there will be posts, but now the policy of concentration is obviously the right one.

The new posts should have the proper strategic relations to the only "frontiers" 4 mail steamers under the American flag, with the probability of further necessary additions in the Brazilian and Argentine boundary. I do not think that any ques-

naval reserve.

1892.

The contracts made with the lines sailing to Central and South American ports have increased the frequency and shortched the time of the trips, added new ports of call, and sustained some lines that otherwise would almost exterior. would almost certainly have been withdrawn. The service to Buenos Ayres is the first to the Argentine Republic under the American flag. The service to Southampton, Boulogne and Antwerp is also new, and is to be begun with the steamships City of New York and City of Paris in February

No Change in This Policy.

I earnestly urge a continuance of the olicy inaugurated by this legislation, and that the appropriations required to meet, the obligations of the Government under the contracts may be made promptly, so that the lines that have entered into these engagements may not be embarrassed. We have had, by reason of connections with the transcontinental railway lines constructed through our own territory, some advan-tages in ocean trade of the Pacific that we did not possess on the Atlantic. The construction of the Canadian Pacific railway and the establishment under large subventions from Canada and England of fast steamship service from Vancouver with Japan and Chius seriously threaten our shipping interests in the Pacific. This line of English steamers receives, as is stated by the Commissioner of Navigation, a direct subsidy of \$400,000 annually, or \$30,767 per trip for 13 voyages, in addition to some further ald from the admiralty in connec-tion with contracts under which the vessels may be used for naval purposes. The com-petiting American Pacific Mail line under the act of March 3,1891, receives only \$6,389 per

round trip,

Efforts have been making within the last year, as I am informed, to establish under similar conditions a line between Vancouver and some Australian port, with a view of seizing there a trade in which we have had a large interest. The Commissioner of Navigation states that a very large per cent of our imports from Asia are now brought to us by English steamships and their con ecting railways in Canada. A Protest Against Discrimination. With a view of promoting this trade, specially in tea, Canada has imposed a discriminating duty of 10 per cent upon tea and coffee brought into the Dominion from the United States. If this unequal contest between American lines without subsidy, or with diminished subsidies, and the English-

Canadian line to which I have referred is to ored one, and that the discrimination as to duties, to which I have referred, is met by a like discrimination as to the importation of these articles from Canada. No subject, I think, more nearly touches the pride, the power and the prosperity of our country than this of the development of our merchant marine upon the sea. If we could enter into conference with other competitors, and all would agree to with-hold government aid, we could perhaps take our chances with the rest, but our great competitors have established and mai-

#### at least, the same lines. GROWTH OF THE NAVY.

ained their lines by Government subsidie

until now they have practically excluded us from participation. In my opinion no

choice is left us but to pursue, moderately

Great Deal Has Been Accomplished by the Present Administration-Large Sums Expended Without Scandal or Any Charge of Fraud or Partiality.

The report of the Secretary of the Navy xhibits great progress in the construction of our new navy. When the present Secretary entered upon his duties only three The vessels since put in commission and to be put in commission during the winter will make a total of 19 during his administration of the department. During the current year 10 war vessels and three navy tugs have been launched and during the our years 25 vessels will have been launched. Two other large ships and a torpedo boat are under contract and the work upon ther well advanced, and the four monitors are awaiting only the arrival of their armor, which has been unexpectedly delayed, or they would have been before this in com

Contracts have been let during this administration, under the appropriations for the increase of the navy, including new vessels and their appurtenances, to the amount of \$35,000,000, and there has been expended during the same period for labor at navy yards upon similar work \$8,000,000, without the smallest scandal or charge of fraud or partiality. The enthusiasm and interest of our naval officers, both of staff and line, have been greatly kindled. The have responded magnificently to the confi-dence of Congress and have demonstrated to the world an unexcelled capacity in con struction, in ordnance, and in everything involved in the building, equipping and sailing of great war ships. Several Difficult Problems.

At the beginning of Secretary Tracy's administration several difficult problems remained to be grappled with and solved before the efficiency in action of our ships could be secured. It is believed that as the result of new processes in the construction of armor plate our later ships will be clothed with defensive plates of higher resisting power than are found on any war vessel afloat. We were without torpedoes. Tests have been made to ascertain the relative efficiency of the different constructions, a torpedo has been adopted and the work of construction is now being carried on sucessfully. We were without armor-pierccessfully. We were without a rmor-piercing shells, and without a shop instructed
and equipped for the construction of them.

We are now making what is believed to
be a projectile superior to any before in
use. A smokeless powder has been deyeloped and a slow burning powder for
guns of large caliber. A high explosive capable of use in shells fired from service guns has been found, and the manufacture of gun cotton has been developed so that the question of supply is no longer in

organizations 1,800 men and they are likely to be greatly extended. I recommend such legislation and appropriations as will en-courage and develop this movement.

The recommendations of the Secretary will, I do not doubt, receive the friendly consideration of Congress, for he has en-joyed, as he has deserved, the confidence of all those interested in the development of our navy, without any division upon parti-san lines. I earnestly express the hope that a work which has made such noble progress may not be stayed. The wholesome influence for peace and the in-creased sense of scentrity which our citizens demiciled in other lands feed when there domiciled in other lands feel when these magnificent ships under the American flag pear are already most gratefully apparent. The ships from our navy which will in the great naval parade next April in the harbor of New York will be a convincing demonstration to the world that the United

The development of a naval militia which

has been organized in eight States and brought into cordial and co-operative rela-

ions with the navy is another important

achievement. There are now enlisted in these

## PENSIONS AND INDIANS.

The Vast Amount of Work Accomplished by the Interior Department-Lands Which Should Be Opened to Settle-

States is again a naval power.

transatlantic service will result in the construction of five ships of 10,000 tons each costing \$9,000,000 or \$10,000,000, and will add, with the City of New York and City of Paris, to which the Treasury Department was authorized by legislation at the last session to give American registry, seven of the swiftest vessels upon the sea to our naval reserve. testify to the ability, fidelity and industry of the head of the department and his

Several important agreements for the cession of Indian lands negotiated by the commission appointed under the act of March 2, 1889, are awaiting the action of Congress. Perhaps the most important of these is that for the cession of the Cherokee strip. This region has been the source of great vexation to the Executive Department and of great friction and unrest be-tween the settlers who desire to occupy it and the Indians who assert title. The agreement which has been made by the amission is perhaps the most satisfactory that could have been reached. It will be noticed that it is conditioned upon its ratification by Congress before March 4, 1893.

Lands to Be Opened. The Secretary of the Interior, who has given the subject very careful thought, recommends the ratification of the agreement, and I am inclined to follow his recommendation. Certain it is that some action by which this controversy shall be brought to an end and these lands opened to settlement is urgent.

The form of government provided by Congress on May 17, 1884, for Alsaka was, in its frame and purpose, temporary. The increase of population and the development f some important mining and commercial interests make it imperative that the law should be revised and better provision made for the arrest and punishment of crim-

The report of the Secretary shows a very gratifying state of facts as to the condition of the General Land Office. The work of issuing agricultural patents, which seemed to be hopelessly in arrear when the present Secretary undertook the duties of his office. has been so expedited that the bureau is now upon current business. The relief thus afforded to honest and worthy settlers upon the public lands, by giving to them an assured title to their entries, has been of in-calculable benefit in developing the new States and the Territories. A Prospect of Development.

The Court of Private Land Claims, established by Congress for the promotion of this policy of speedily settling contested land titles, is making satisfactory progress in its work and when the work is completed a great impetus will be given to the development of those regions where un-settled claims under Mexican grants have so long exercised their repressive influence. When to these results are added the enormous cessions of Indian lands which have been opened to settlement, aggregating continue. I think we should at least see during this administration nearly 26,000,000 that the facilities for customs entry and transportation across our territory are not such as to make the Canadian route a favbe opened to settlement, it will be seen how much has been accomplished.

The work in the Indian Bureau in the

execution of the policy of recent legislation has been largely directed to two chief purposes; first, the allotment of lands in severalty to the Indians and the cession to the United States of the surplus lands; and, secondly, to the work of educating the Indians for their own protection in closer contact with the white man, and for the intelligent exercise of his new citizenship. Allotments have been made and patents issued to 5,900 Indians under the present Secretary and Commissioner and 7,600 additional allotments have been made for which patents are now in process of preparation. The school attendance of Indian children has been increased dur-ing that time over 13 per cent, the enrollment for 1892 being nearly 20,000. A uniform system of school text books and of study has been adopted and the work in these national schools brought as near as may be to the basis of the free common schools of the States. These schools can be transferred and merged into the common school systems of the States when the Indian has fully assumed his new relation to the organ-ized civil community in which he resides, and the new States are able to assume the

A Good Degree of Efficience I have several times been called upon to move Indian agents appointed by me, and have done so promptly upon every sustained complaint of unfitness or misconduct. I believe, however, that the Indian service at the agencies has been improved, and is now administered on the whole with a good degree of efficiency. If any legislation is pos-sible by which the selection of Indian agents can be wholly removed from all partisan suggestions or considerations, sure it would be a great relief to the Executive and a great benefit to the service. The appropriation for the subsistence of the Cheyenne and Arapahoe Indians made at the last session of Congress was inadequate. This smaller appropriation was estimated for by the Comm upon the theory that the large fund belong ing to the tribe in the public Treasury could be and ought to be used for their support. In view, however, of the pending depredation claims against this fund and other considerations, the Secretary of the Interior on the 12th of April last submitted a supplemental estimate of \$50,000. This appropriation was not made as it should have been, and the oversight ought to be

remedied at the earliest possible date. In a special message to this Congress at the last session I stated the reasons why I had not approved the deed for the release t the United States by the Choctaws and Chickasaws of the lands formerly embraced in the Cheyenne and Arapahoe reservation, and remaining after allotments to that tribe. A resolution of the Senate expressing the opinion of that body, notwithstanding the facts stated in my special message, that the deed should be approved and the money, \$2,991,450, paid over, was presented A Controversy With Congress. My special message was intended to call the attention of Congress to the subject, and in view of the fact that it is conceded that the appropriation proceeded upon a false

basis as to the amount of lands to be paid

for, and is by \$50,000 in excess of the amount they are entitled to (even if their claim to the land is given full recognition at the rate agreed upon), I have not felt willing to approve the deed, and shall not do so at least until both Houses of Congress have acted upon the subject. It has been informally proposed by the claimants to re-lease this sum of \$50,000, but I have no power to demand or accept such a release, and such an agreement would be without consideration and void. I desire further to call the attention of Congress to the fact that the recent agree-ment concluded with the Kiowas and is precisely that recognized by Congress in the legislation I have referred to. The surplus lands to which this claim would attach in the Kiowa and Comache reservation is 2,500,000 acres, and at the same rate the Government will be called upon to pay to the Choctaws and Chicasaws for these lands \$3,125,000. This sum will be further augmented, especially if the title of the Indians to the tract now Grier county, Tex., is es-tablished. The duty devolved upon me in this connection was simply to pass upon the form of the deed; but, as in my opinion the facts mentioned in my special message were not adequately brought to the attention of Congress in connection with the legislation, I have felt that I would not be justified in acting without some new ex-pression of the legislative will.

The Large Pension List
The report of the Commissioner of Pensions, to which extended notice is given by
the Secretary of the Interior in his report, the Secretary of the Interior in his report, will attract great attention. Judged by the nggregate amount of work done the last year it has been the greatest in the history of the office. I believe that the organization of the office is efficient and that the work has been done with fidelity. The passage of what is known as the disability bill has, as was foreseen, very largely increased the annual disbursements to the disabled veterans of the civil war. The estimate for this fiscal year was \$144,956,000, Continued on Third Page.

The Present Year Far Surpasses 1891 According to Kleber & Bro.'s Sales of Pianos and Organs and Other Instru

The Messrs. Kleber & Bro., 506 Wood street, are doing a phenomenal business in pianos and organs for holiday gifts, far exceeding that of 1891, and which was an excellent year. They have to order reset stock by telegraph almost daily. Their stock of new pianos from \$200 to \$1,000 enables the poorest and the richest man to get a first-class instrument. The Messrs, Kleber are considered the most conscientious and honest dealers in the city as well as the best judges of instruments. Yesterday's sales were two ments. Yesterday's sales were two Steinways, two Conovers and four Operas. Nobody was ever deceived by the firm of H. Kleber & Bro., 595 Wood

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to \$1.25. Ladies' Velvet Slippers, 75c to \$1. Dancing Pumps in Patent Leather and Dongola at \$1.50 and \$2,

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# HUGUS & HACKE.

On Monday, December 5, we com-Comaches relates to lands which were a celliber 5, we compart of the "leased district," and to which the claim of the Choctaws and Chickasaws mence our annual Stock-Taking and Holiday Sale, during which we will offer our entire lines at such Bargain Prices that must create a ready sale.

Silks. Dress Goods. Cloaks. Linens. Upholstery.

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