PRESIDENT'S MESSAGE.

MANY RECOMMENDATIONS OFFERED TO CONGRESS.

A Careful Review of the Chilian Complications—Other Foreign Relations—Tariff Legislation—His Views on the Silver Question—Concerning Suffrage, Etc.

The Annual Document.

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 high 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.

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 definite 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 Behring 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 which then seemed to be approaching a favorable conclusion. 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 Behring 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 island 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 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 adjustment 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 arbitrators is all that is necessary to the completion of the convention.

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 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. 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.

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, nor 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 eleven 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. It was 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 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.

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 to follow in this state of law that 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 Chilian Complications.

The civil war in Chili, 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 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 it should have established its de facto character, which was done. 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 Provisional Government has learned by the cablegrams of the Associated Press that the transport Itata, detained at San Diego 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 thus 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 this 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 what the present state of our law is; for, if this construction of the statute is correct, there is obvious necessity for revision and amendment.

During the progress of the war in Chili this Government tendered its good offices to bring about a peaceful adjustment, 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 the then established Government of Chili, as it is now in such relations with the successor of that Government. I am quite sure that President Montt, who has, under circumstances of promise for the peace of Chili, 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 our naval officers during the struggle has been presented to this Government, and it is a matter of regret that so many of our people 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 Chili.

The collapse of the government of Balmaceda brought about a condition which is unfortunately too familiar in the history of the Central and South American States. With the overthrow of the Balmaceda Government, he and many of his councillors 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 Chili 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.

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 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 Chilian 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 Chilian government that might tend to relieve this affair of the appearance of an insult to this Government. The Chilian government was also advised that if such qualifying facts did not exist this Government could confidently expect full and prompt reparation.

It is to be regretted that the reply of the Secretary of Foreign Affairs of the provisional government was couched in an offensive tone. To this no response has been made. Our 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 Chili 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 Chili will at an early day be submitted to Congress.

Other Foreign Relations.

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 dues as was claimed and secured to the shipping of the United States in 1828 under Article 8 of the treaty of 1827.

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 Congo 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 Congo 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 Feb. 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 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. The Chinese Government has declined to receive Mr. Blair as the Minister of the United States on the ground that, as 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 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.

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, 1893. 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 appropriate for this government to give this invitation its friendly promotion.

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 Equador 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 Nov. 12, 1884, a treaty was concluded with Mexico reaffirming the boundary between the two countries as described in the treaties of Feb. 2, 1848, and Dec. 30, 1853. March 1, 1889, a further treaty was negotiated to facilitate the carrying out of the principles of the treaty of 1884.

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 honors. The Government of his successor, Queen Liliuokalani, is seeking to promote closer commercial relations with the United States.

This Government has found a reason 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. 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.

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 in the canal's 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 us water communication between our ports on these two great seas should be speedily constructed, and at the smallest practicable limit of cost.

International Copyright.

International copyright has been secured, in accordance with the conditions 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.

Tariff Legislation.

The general interest in the operations of the Treasury Department has been much augmented during the last 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.

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. During the twelve months from October 1, 1890, to September 30, 1891, the total value of our foreign commerce (imports and exports) 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. 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 Sept. 30, 1891, this annual average was exceeded by $132,528,469.

The value of free imports during the twelve months ending Sept. 30, 1891, was $118,092,387 more than the value of free imports during the corresponding twelve 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 twelve months, under the old tariff, the percentage was 34.27, an increase of 13.91 per cent. If we take the six months ending Sept. 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 55.27, which is a larger percentage of free imports than during any prior fiscal year in the history of the Government.

If we return to exports of merchandise the statistics are full of gratification. The value of such exports of merchandise for the twelve months ending September 30, 1891, was $923,091,136, while for the corresponding previous twelve months it was $860,177,115, an increase of $62,914,021, which is nearly three times the average 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 twelve 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.

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 workingmen 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.

Receipts and Expenditures.

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.

Silver as Currency.

Under the law of July 14, 1890, the Secretary of the Treasury has purchased since Aug. 13, 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 there have been issued $50,577,498 of the treasury notes authorized by the act. The ablest advocates of free coinage in the last Congress were most confident in their prediction that the purchase 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 from 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 20 per cent., or $17,202,730 compared with the same months of the preceding year. 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. 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.

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 in our own markets, and in foreign trade the stamp gives no added value to the bullion contained in coins. The producers of the country, the 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 financial panic. I cannot believe that a people so strong and prosperous as ours will promote such a policy.

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. Bi-metalism is the desired end, and the true friends of silver will be careful not to overrun the goal and bring in silver monometalism, with its necessary attendants, the loss of our gold to Europe and the relief of the pressure there for a larger currency.

The Flow of Gold.

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 has speedily stopped, and a return set in. Up to Dec. 1 we had recovered of our gold loss at the port of New York $27,854,000.

Surplus Revenues.

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 the 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 is 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 $259,079,625, 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.

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.

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 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 project of enlisting Indians 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.

Private Land Claims.

The Judges of the Court of Private Land Claims provided for by 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 Chinese Question.

The enforcement of 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 a passage into the United States at obscure points along the Dominion boundary is easy. The Dominion Government collects 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 position 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. 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 he came, notwithstanding the fact that he came by way of Canada. This construction robs the law of all effectiveness, and I recommend such legislation as will remedy defects in the law.

The Postal Service.

In the report of the Postmaster General some very gratifying results are exhibited and many betterments of the service suggested. Ocean mail postoffices have been established upon the steamers of the North German Lloyd and Hamburg Lines, saving, by the distribution on shipboard, from two to fourteen hours' time.

Eight thousand miles of new postal service have been established upon railroads, the car distribution to substations in the great cities have 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 those 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. 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 also to pay 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. I also recommend the extension of the money order system.

The Navy.

The report of the Secretary of the Navy shows a gratifying increase of new naval vessels in commission. When it is recollected that the work of building a modern navy was only initiated in 1883, that our naval constructors and ship-builders were practically without experience in the construction of large iron or steel ships, the progress that has been made is highly satisfactory. I commend to your favorable consideration the recommendations of the Secretary, who has, I am sure, given to them most conscientious study. There should be no hesitation in promptly completing a navy of the best modern type, large enough to enable this country to display its flag in all seas for the protection of its citizens and of its extending commerce.

Indian Affairs.

The report of the Secretary of the Interior shows that a very gratifying progress has been made in all of the bureaus which make up that complex and difficult department. The work in the Bureau of Indian Affairs was perhaps never so large as now by reason of the numerous negotiations which have been proceeding with the tribes for a reduction of the reservations. The providing of adequate school facilities for Indian children and the locating of adult Indians upon farms involve the solution of the "Indian question."

It has been my thought that the Government school and school building upon the reservation should be absorbed by the school systems of the States and Territories; but as it has been found necessary to protect the Indian against the compulsory alienation of his land by exempting him from taxation for a period of twenty-five years, it would seem to be right that the General Government, certainly where there are tribal funds in its possession, should pay to the school fund of the State what would be equivalent to the local school tax upon the property of the Indian. There is great advantage, I think, in bringing the Indian children into mixed schools. This process will be gradual, and in the meantime the present educational provisions and arrangements, the result of the best experience of those who have been charged with this work, should be continued.

The outbreak among the Sioux which occurred in December last is, as to its causes and incidents, fully reported upon by the War Department and the Department of the Interior. That these Indians had some just complaints is probably true, but the Sioux are naturally warlike and turbulent, and their warriors were excited by their medicine men and chiefs, who preached the coming of an Indian messiah, who was to give them power to destroy their enemies. In view of the alarm that prevailed among the white settlers near the reservation and of the fatal consequences that would have resulted from an Indian incursion, I placed at the disposal of General Miles, commanding the Division of the Missouri, all such forces as were thought by him to be required. He is entitled to the credit of having given thorough protection to the settlers and of bringing the hostiles into subjection with the least possible loss of life.

The appropriation of $2,991,350 for the Choctaws and Chickasaws contained in Indian appropriation bill of March 3, 1891, has not been expended, for the reason that I have not yet approved a release to the Government of the Indian claim to the lands mentioned. This matter will be made the subject of a special message, placing before Congress all the facts which have come to my knowledge.

The relation of the five civilized tribes, now occupying the Indian Territory, to the United States, is not, I believe, that best calculated to promote the highest advancement of these Indians. That there should be within our borders five independent states, having no relations except those growing out of treaties, with the Government of the United States, no representation in the National Legislature, its people not citizens, is a startling anomaly. It seems to me to be inevitable that there shall before long be some organic changes in the relation of these people to the United States.

In September last I was enabled to open to settlement in the Territory of Oklahoma 900,000 acres of land, all of which was taken up by settlers in a single day. It was a source of great regret that I was not able to open at the same time the surplus lands of the Cheyenne and Arapahoe Reservation, amounting to about 3,000,000 acres, by reason of the insufficiency of the appropriation for making the allotments. Deserving and impatient settlers are waiting to occupy these lands, and I urgently recommend that a special deficiency appropriation be made so that the allotments may be completed and the surplus lands opened in time to permit the settlers to get upon their homestead in the early spring.

Since March 4, 1889, about 23,000,000 acres have been separated from Indian reservations and added to the public domain for the use of those who desired to secure free homes under our beneficent laws. It is difficult to estimate the increase of wealth which will result from the conversion of these waste lands into farms, and it is more difficult to estimate the betterment which will result to the families that have found renewed hope and courage in the ownership of a home and the assurance of a comfortable subsistence under free and healthful conditions. It is also gratifying to be able to feel, as we may, that this work has proceeded upon lines of justice towards the Indian.

The Land Office.

Early in this administration a special effort was begun to bring up the work of the General Land Office. By faithful work the arrearages have been rapidly reduced. At the end of the last fiscal year only 84,172 final agricultural entries remained undisposed of. Your attention is called to the difficulty presented by the Secretary of the Interior as to the administration of the law of March 3, 1891, establishing a court of private land claims. The small holdings intended to be protected by the law are estimated to be more than 15,000 in number. The claimants are a most deserving class, and their titles are supported by the strongest equities.

The Pension Bureau.

The administration of the Pension Bureau has been characterized during the year by great diligence. The total number of pensioners upon the rolls on the 30th day of June, 1891, was 676,160. There were allowed during the fiscal year ending at that time 250,575 cases. Of this number 102,387 were allowed under the act of June 27, 1890. The issuing of certificates has been proceeding at the rate of about 30,000 per month, about 75 per cent. of those being cash under the new law. The Commissioner expresses the opinion that he will be able to carefully adjudicate and allow 350,000 claims during the present fiscal year. The appropriation for the payment of pensions for the fiscal year 1890-91 was $127,685,793.89, and the amount expended $118,530,649.25, leaving an unexpended surplus of $9,155,144.64.

The Commissioner is quite confident that there will be no call this year for a deficiency appropriation, notwithstanding the rapidity with which the work is being pushed. The mistake which has been made by many in their exaggerated estimates of the cost of pensions is in not taking account of the diminished value of first payments under the recent legislation. These payments, under the general law, have been for many years very large, as the pensions, when allowed, dated from the time of filing the claim, and most of these claims had been pending for years. The first payment under the law of June, 1890, are relatively small, and, as the per cent. of these cases increases and that of the old cases diminishes, the annual aggregate of first payments is largely reduced. The Commissioner, under date of Nov. 13, furnishes me with the statement that during the last four months 113,175 certificates were issued, 27,893 under the general law and 25,282 under the act of June 27, 1890. The average first payment during these four months was $131.85, while the average first payment upon cases allowed during the year ending June 30, 1891, was $239.33.

The estimate for pension expenditures for the next fiscal year ending June 30, 1893, is $144,956,000, which, after a careful examination of the subject, the Commissioner is of the opinion will be sufficient.

Subsidized Railroads.

The report of the Commissioner of Railroads shows that the total debt of the subsidized railroads to the United States was, on Dec. 31, 1890, $112,512,613. A large part of this debt is now fast approaching maturity, with no adequate provision for its payment. Some policy for dealing with this debt, with a view to its ultimate collection, should be at once adopted.

Progress of the Census.

The work of the Census Bureau is now far in advance and the great bulk of the enormous labor involved completed. It will be more strictly a statistical exhibit and less incumbered by essays than its immediate predecessors. The methods pursued have been fair, careful and intelligent, and have secured the approval of the statisticians, who have followed them with a scientific and non-partisan interest.

Irrigating Arid Territories.

The report of the Secretary exhibits, with interesting fullness, the condition of the Territories. They have shared with the States the great increase in products, and are bringing yearly large areas into cultivation by extending their irrigating canals. This work is being done by individuals or local corporations, and without that system which a full preliminary survey of the water supply and of the irrigable lands would enable them to adopt. The future of the Territories of New Mexico, Arizona and Utah in their material growth and in the increase, independence and happiness of their people is very largely dependent upon wise and timely legislation, either by Congress or their own Legislatures, regulating the distribution of the water supply furnished by their streams. If this matter is much longer neglected, private corporations will have unrestricted control of one of the elements of life of the arid lands. The United States should part with its ownership of the water sources and the sites for reservoirs, whether to the States and Territories or to individuals or corporations, only upon conditions that will insure to the settlers their proper water supply upon equal and reasonable terms.

Utah and Polygamy.

The legislation of Congress for the repression of polygamy has, after years of resistance on the part of the Mormons, at last brought them to the conclusion that resistance is unprofitable and unavailing. The power of Congress over this subject should not be surrendered until we have satisfactory evidence that the people of the State to be created would exercise the exclusive power of the State over this subject in the same way. The question is not whether these people now obey the laws of Congress against polygamy, but rather would they make, enforce and maintain such laws themselve if absolutely free to regulate the subject? We cannot afford to experiment with this subject, for when a State is once constituted the act is final, and any mistake irretrievable.

Alaska.

I recommend that provision be made for the organization of a simple form of town government in Alaska with power to regulate such matters as are usually in the States under municipal control.

Department of Agriculture.

If the establishment of the Department of Agriculture was regarded by any one as a mere concession to the unenlightened demand of a worthy class of people, that impression has been most effectually removed by the great results already attained. Its home influence has been very great in disseminating agricultural and horticultural information; in stimulating and directing a further diversification of crops; in detecting and eradicating diseases of domestic animals; and, more than all, in the close and informal contact which it has established and maintains with the farmers and stock-raisers of the whole country. Every request for information has had prompt attention and every suggestion merited consideration. The scientific corps of the department is of a high order, and is pushing its investigations with method and enthusiasm.

The inspection by this department of cattle and pork products intended for shipment abroad has been the basis of the success which has attended our efforts to secure the removal of the restrictions maintained by the European governments. It is particularly fortunate that the increased demand for food products, resulting from the removal of the restrictions upon our meats and from the reciprocal trade arrangements to which I have referred, should have come at a time when the agricultural surplus is so large. Without the help thus derived, lower prices would have prevailed. The Secretary of Agriculture estimates that the restrictions upon the importation of our pork products into Europe lost us a market for $20,000,000 worth of these products annually.

The grain crop of this year was the largest in our history, 50 per cent. greater than that of last year, and yet the new markets that have been opened and the larger demand resulting from short crops in Europe, have sustained prices to such an extent that the enormous surplus of meats and breadstuffs will be marketed at good prices bringing relief and prosperity to an industry that was much depressed. The value of the grain crop of the United States is estimated by the Secretary to be this year five hundred million dollars more than last; of meats, one hundred and fifty millions more; and of all products of the farm, seven hundred millions more. It is not inappropriate, I think, here to suggest that our satisfaction in the contemplation of this marvelous addition to the national wealth is unclouded by any suspicion of the currency by which it is measured and in which the farmer is paid for the product of his fields.

Civil Service.

The report of the Civil Service Commission should receive the careful attention of the opponents, as well as the friends of this reform. The commission invites a personal inspection of its records and methods. The efforts of the several executive departments have been directed to establish at once an efficiency record as the basis of a comparative rating of the clerks within the classified service, with a view to placing promotions therein upon the basis of merit. I am confident that such a record, fairly kept and open to the inspection of those interested, will powerfully stimulate the work of the departments and will be accepted by all as placing the troublesome matter of promotions upon a just basis. I recommend that the appropriations for the Civil Service Commission be made adequate to the increased work of the next fiscal year.

Protection for Railroad Employes.

I have twice before urgently called the attention of Congress to the necessity of legislation for the protection of the lives of railroad employes, but nothing has yet been done. During the year ending June 30, 1890, 369 brakemen were killed and 7,841 maimed while engaged in coupling cars. The total number of railroad employes killed during the year was 2,451, and the number injured 22,390. This is a cruel and largely a needless sacrifice. A law requiring of every railroad engaged in interstate commerce the equipment each year of a given per cent. of its freight cars with automatic couplers and air brakes to be used would very soon and very greatly reduce the present fearful death rate among railroad employes.

Constitutional Amendment Suggested.

The method of appointment by the States of Electors of President and Vice President has recently attracted renewed interest by reason of a departure by the State of Michigan from the method which had become uniform in all the States. Prior to 1832 various methods had been used by the different States, and even by the same State. After a full test of other methods, without important division or dissent in any State and without any purpose of party advantage, as we must believe the practice of all the States was brought into harmony. That this concurrence should now by broken is, I think, an unfortunate and even threatening episode, and one that may well suggest whether the States that still give their approval to the old and prevailing methods ought not to secure by a constitutional amendment, a practice which has had the approval of all. The recent Michigan legislation provides for choosing what are popularly known as the Congressional Electors for President by Congressional districts, and the two Senatorial Electors by districts created for that purpose. This legislation was, of course, accompanied by a new Congressional apportionment, and the two statutes bring the electoral vote of the State under the influence of the gerrymander.

These gerrymanders for Congressional purposes are in most cases buttressed by a gerrymander of the legislative districts, thus making it impossible for a majority of the legal voters of the State to correct the apportionment and to equalize the Congressional representation of all the districts. A minority rule is established that only a political convulsion can overthrow. I have recently been advised that in one county of a certain State three districts for the election of members of the Legislature are constituted as follows: One has 65,000 population, one 15,000, and one 10,000, while in another county detached non-contiguous sections have been united to make a legislative district. These methods have already found effective application to the choice of Senators and Representatives in Congress, and now an evil start has been made in the direction of applying them to the choice by the States of Electors of President and Vice President. If this is accomplished we shall then have three great departments of the Government in the grasp of the "gerrymander," the legislative and the executive directly and the judiciary indirectly through the power of appointment.

An election implies a body of electors electors having prescribed qualifications—each of whom has an equal status and influence in determining the result. So when the Constitution provides that each State shall appoint (elect) in such manner as the Legislature thereof may direct, a number of electors, etc., an unrestricted power was not given to the Legislatures in the selection of the methods to be used. "A republican form of government" is guaranteed by the Constitution to each State, and the power given by the same instrument to the legislatures of the States to prescribe methods for the choice, by the State, of electors, must be exercised under that limitation. The essential features of such a government are the right of the people to choose their own officers and the nearest practicable equality of value in the suffrages given in determining that choice.

Nothing just now is more important than to provide every guarantee for the absolutely fair and free choice by an equal suffrage, with the respective States, of all the officers of the National Government, whether that suffrage is applied directly, as in the choice of members of the House of Representatives, or indirectly, as in the choice of Senators and electors of President. Respect for public officers and obedience to the law will not cease to be the characteristics of our people until our elections cease to declare the will of majorities fairly ascertained, without fraud, suppression, or gerrymander.

All the States have acting freely and separately, determined that the choice of elections by a general ticket is the wisest and safest method, and it would seem there could be no objection to a constitutional amendment making that method permanent. If a legislature chosen in one year upon purely local questions should, pending a Presidential contest, rescind the law for a choice upon a general ticket and provide for the choice of electors by the Legislature and this trick should determine the result, it is not too much to say that the public peace might be seriously and widely endangered.

I have alluded to the "gerrymander" as affecting the method of selecting electors of President by Congressional districts, but the primary intent and effect of this form of political robbery have relation to the selection of members of the House of Representatives. The power of Congress is ample to deal with this threatening and intolerable abuse, and to put into force such measures as will most effectually preserve the right of the people to free and equal representation.

Frauds Against the Suffrage.

An attempt was made in the last Congress to bring to bear the constitutional powers of the General Government for the correction of frauds against the suffrage. It is important to know whether the opposition to such measures is really rested in particular features supposed to be objectionable or includes any proposition to give to the election laws of the United States adequacy to the correction of grave and acknowledged evils. I must yet entertain the hope that it is possible to secure a calm, patriotic consideration of such constitutional or statutory changes as may be necessary to secure the choice of the officers of the Government to the people by fair appointments and free elections. I believe it would be possible to constitute a commission non-partisan in its membership, and composed of patriotic, wise and impartial men, to whom a consideration of the question of the evils connected with our election system and methods might be committed with a good prospect of securing unanimity in some plan for removing or mitigating those evils. The constitution would permit the selection of the commission to be vested in the Supreme Court, if that method would give the best guaranty of impartiality.

While the policies of the General Government upon the tariff, upon the restoration of our merchant marine, upon river and harbor improvements and other such matters of grave and general concern are liable to be turned this way or that by the results of Congressional elections and administrative policies, sometimes involving issues that tend to peace or war, to be turned this way or that by the results of a Presidential election, there is a rightful interest in all the States and in every Congressional district that will not be deceived or silenced by the audacious pretense that the question of the right of any body of legal voters in any State, or in any Congressional district, to give their suffrages freely upon these general questions is a matter only of local concern or control. The demand that the limitation of suffrage shall be found in the law, and only there, is a just demand, and no just man should resent or resist it. My appeal is, and must continue to be, for a consultation that shall "proceed with candor, calmness and patience upon the lines of justice and humanity, not of prejudice and cruelty."

To the consideration of these very grave questions I invite not only the attention of Congress, but that of all patriotic citizens. A trust, momentous in its influence upon our people and upon the world, is for a brief time committed to us, and we must not be faithless to its first condition—the defense of the free and equal influence of the people in the choice of public officers and in the control of public affairs.

(Signed) BENJAMIN HARRISON.

EXECUTIVE MANSION, Dec. 9, 1891.