

NATIONAL FINANCES.

Cleveland Sends a Message to Congress on the Subject.

ASKS FOR PROMPT LEGISLATION TO RESTORE CONFIDENCE.

The Only Way Left Open to the Government in Procuring Gold, He Asserts, Is by the Issue and Sale of Bonds of Long Duration, to Bear Interest at the Rate of Three Per Cent.

Special to the RECORD-UNION.

WASHINGTON, Jan. 28.—The President to-day sent to Congress the following message:

To the Senate and House of Representatives: In my last annual message I commended to the serious consideration of Congress the condition of our national finances, and in connection with the subject indorsed a plan of currency legislation, which, at that time, would seem to furnish protection against the impending danger of a depletion of the gold reserve then in the treasury. I am now convinced that its reception by Congress and our present advanced stage of financial perplexity necessitate additional or different legislation.

It is hardly disputed that a predicament confronts us to-day, therefore no one in any degree responsible for the making and carrying out of our national policy can fail to see the patriotic duty, so easily and sincerely, to relieve the situation. Manifestly this effort will not succeed unless it is made by prejudice, partisanship and with a candid and unflinching regard to resist temptation to accept such party advantage. We may well remember, if we are affected with financial difficulties, that the wishes of our people in all stations of life are concurred in, surely those who suffer will not receive the promotion of party interests as an excuse for permitting our present troubles to advance to a disastrous stage.

It is also of the utmost importance that we approach the study of the problem of the present as free as possible from the tyranny of preconceived opinions, to the end that in what course of action we seek with unclouded vision and reasonable protection.

The real trouble which confronts us consists in a lack of confidence, widespread and continuing, in the ability of the Government to pay its obligations in gold. This lack of confidence grows to some extent out of the apparent embarrassments attending the Government under the existing laws to procure gold and to a greater extent to the impossibility of either keeping it in the Treasury or canceling its obligations by its expenditure after it is obtained.

The only way left open to the Government in procuring gold by the issue and sale of bonds. The only bonds that can be issued are those of long duration, twenty-five years ago and are not well calculated to meet our present needs. Among other disadvantages they are made payable in coin, instead of specifically in gold, which, in the existing conditions, detract largely and in an increasing ratio from their desirability as investments. It is by no means certain that bonds of this description will be much longer disposed of at a price creditable to the financial character of our Government.

The most dangerous and irritating feature of the situation, however, remains to be mentioned. It is found in the means by which the Treasury is depleted of the gold thus obtained, without the cancelling of a single Government obligation and solely for the benefit of those who find a profit in shipping it abroad, or whose fears induce them to hoard it at home. We have outstanding about \$30,000,000 in currency, for which gold may be demanded, and, curiously enough, the law requires that when presented, and in fact redeemed and paid in gold, they may be refused.

Thus the nation may do duty many times drawing gold from the treasury. Nor can the process be arrested as long as private parties profit or otherwise see any advantage in repeating the operation.

More than \$30,000,000 of these notes have already been redeemed in gold, and notwithstanding such a redemption, they are all still outstanding. Since the 17th day of January, 1894, our bonded interest-bearing debt has been increased \$100,000,000. For the purpose of obtaining gold to replenish our coin reserve two issues were made, amounting to \$30,000,000 each, one in January, the other in November. As the result of the first issue there was realized something more than \$35,000,000 in gold. Between that issue and the succeeding one in November, comprising a period of about ten months, nearly \$105,000,000 in gold was drawn from the Treasury. This made the second issue necessary, and upon that more than \$85,000,000 in gold was again realized.

Between the date of this second issue and the present time, covering a period of only about two months, more than \$20,000,000 in gold was expended without any cancellation of Government obligations, in any way permanently benefiting our people or improving our pecuniary situation. The financial events of the past year suggest facts and conditions which should certainly arrest attention. More than \$175,000,000 in gold has been drawn out of the Treasury during the year for the purpose of shipping abroad or hoarding at home. While nearly \$105,000,000 was drawn out during the first ten months of the year, a sum aggregating more than two-thirds of that amount, being about \$85,000,000, was drawn out during the following two months, thus indicating a marked acceleration of the depleting process with the lapse of time. Obligations upon which this gold has been drawn from the Treasury are still outstanding and available for use in repeating the exhausting operations with shorter intervals.

As our perplexities accumulate conditions are certainly supervening tending to make the bonds, which may be issued to replenish our gold, less useful for that purpose. The financial events of the year are such as to indicate that the gold reserve is in all circumstances absolutely essential to upholding our public credit and to the maintenance of our high national character. Our gold reserve has again reached such a stage of diminution as to require its speedy reinforcement. Aggravations that must inevitably follow the present conditions and methods will certainly lead to distortions and losses, not only to our national credit and prosperity, and to financial enterprise, but to those of our people who seek employment as a means of livelihood, and to those whose only capital is daily labor. It will hardly do to say that a simple increase in the revenue can cure our troubles.

The apprehension now existing and constantly increasing as to our ability does not rest upon calculations of revenues. The time has passed when the eyes of investors abroad and our people

were fixed on the revenues of the Government. The changed conditions have attracted their attention to the gold of the Government. The need to fear that we cannot pay our current expenses with such money as we have. There is now in the Treasury a comfortable surplus of more than \$65,000,000, but it is not in gold and therefore does not meet our difficulty. I cannot see that the differences of opinion concerning the extent which silver ought to be coined or used in our currency should interfere with the counsels of those whose duty it is to reach the evils now apparent in our financial situation. They have to consider the question of the national credit and the consequences that will follow from its collapse. Whatever idea they may have as to silver or bimetalism the proper solution of the question now pressing upon us only requires the recognition of gold as well as silver, and the concession of its importance, rightfully or wrongfully acquired, as the basis of material credit necessary in the honorable discharge of our obligations, payable in gold, and a badge of solvency by which to understand that the real friends of silver desire the condition that might follow inaction or neglect to appreciate the present exigency if it should result in the entire banishment of gold from our financial and currency arrangements.

Besides the treasury notes, which certainly should be paid in gold, amounting to \$30,000,000, there will fall due in 1895 \$10,000,000, issued last year, and in 1897 nearly \$600,000,000 4 per cent. bonds, issued in 1887, will fall due. Shall the payment of these obligations in gold be eradicated? If they are to be paid in silver, as the preservation of our national honor and national solvency demands, we should not destroy or even imperil our ability to supply ourselves with gold for that purpose.

While I am not unfriendly to silver, and while I desire to see it recognized to such an extent as is consistent with financial safety and the preservation of national honor and credit, I am unwilling to see gold entirely banished from our currency and finances. To avoid such consequences I believe thorough and radical remedial legislation should be promptly passed, and therefore, beg Congress to give the subject immediate attention.

In my opinion, the Secretary of the Treasury should be authorized to issue bonds of the Government for the purpose of procuring and maintaining a sufficient gold reserve and the redemption of United States legal tender notes and Treasury notes, issued for the purpose of silver, under the law of July 14, 1890. We should be relieved from the humiliating process of issuing bonds to procure gold to be immediately and repeatedly drawn on these obligations for the purposes related to benefit our Government or our people. The principle and interest of these bonds should be payable on their face in gold, because they are sold for gold or its representative, and because there would now probably be a difficulty in favorably disposing of the bonds not containing this stipulation. I suggest that bonds be issued in denominations of \$20 and \$50 and their multiples, and that they bear interest at the rate of not exceeding 3 per cent. per annum. I do not see why they should not be payable for fifty years from their date. As of the present generation, have large amounts to pay if we meet our obligations, and long bonds are the most salubrious.

The Secretary of the Treasury might well be permitted at his discretion to receive on the sale of the bonds legal tender and Treasury notes, to be retired, and, if retired, when they are retired, or redeemed in gold, they should be canceled. These bonds, under the existing laws, could be deposited by the national banks as security for circulation, and such banks should be allowed to issue a circulation up to the face value of these or any other bonds so deposited except the bonds outstanding bearing only 2 per cent. interest, and which sell in the market at less than their face value. Banks should not be allowed to take out circulating notes of less denomination than \$10, and when such as now are outstanding reach the Treasury, except for redemption and retirement, they should be canceled and notes of denomination of \$10 and upward issued in their stead.

Silver certificates of denominations of \$10 and upward should be replaced by certificates of denominations under \$10. As a constant means for the maintenance of a reasonable supply of gold in the Treasury, our duties on imports should be paid in gold, allowing other duties of the Government to be paid in any other form of money. I believe in all provisions retiring non-interest-bearing legal tender notes. In point of fact, however, these notes have accumulated with a large load of interest, and it is still accumulating.

The aggregate interest on the original issue of bonds proceeds, which in gold constituted a reserve for the redemption of these notes, amounted to \$76,525,250 on January 1, 1895, and the annual charge for interest on these bonds and these suggestions for the same purpose have suggested should be embodied in our laws, if we are to enjoy a complete reinstatement of our sound financial condition. They need not interfere with any currency scheme providing for an increase in the circulating medium through the agency of the national or State banks, since they can easily be adjusted to such a scheme. Objection has been made to the issuance of interest-bearing obligations for that purpose.

The reluctance to issuing more bonds in the present circumstances and with no better results than have lately followed that course has been expressed. I cannot, however, refrain from adding to the assurance of my anxiety to co-operate with the present Congress in any reasonable measure of relief, expressed by determination to leave nothing undone which furnishes hope for improving the situation or checking the suspicions of our disbelievers or disability to meet with strict honor every national obligation.

GROVER CLEVELAND, Executive Mansion, January 28, 1895.

FIRE IN WASHINGTON.

Malone's Saloon is Consumed, With All Its Contents. Shortly after 1 o'clock yesterday morning the saloon of Dick Malone, situated on Fifth street, near the railroad, in the town of Washington, took fire and was entirely destroyed.

The railroad company's fire train was dispatched to the scene of the fire and rendered efficient service in preventing the spread of the flames. The origin of the fire is supposed to have been of an incendiary nature.

As nearly as can be ascertained the loss will amount to over \$90, all the contents of the saloon, among which was a new piano, being consumed and there being no insurance.

That is the Truth. [Nevada City Herald.] The Sacramento RECORD-UNION gives the best report of legislative proceedings that we see. Its news columns are not colored to suit the editorial management, and they are not filled with useless verbiage.

Dr. Price's Baking Powder has the best keeping properties, because it's absolutely pure.

Found Dead in Washington. About 5 o'clock Sunday morning the dead body of Robert Patterson was found lying near the fence of his son's residence in the town of Washington.

Decayed was an old-time employe in the railroad machine shops and was 62 years of age. The cause of his death is not known, but the supposition is that it was a sudden attack of heart disease.

Letter Carriers' Benefit. On Wednesday evening Rev. A. C. Herrick will deliver an illustrated lecture at the Congregational Church for the benefit of the Letter Carriers' fund.

He-Do you see that disagreeable-looking person across the way? Wonder if he is enjoying himself? Shall I go and ask him; he's my husband.

ROYAL BAKING POWDER. Highest of all in Leavening Power.—Latest U. S. Gov't Report. Royal Baking Powder. ABSOLUTELY PURE.

INAUGURAL BALL. [CONTINUED FROM FIFTH PAGE.] Miss Louise Entz of Baltimore—Smoked-colored silk, trimmed with lace chiffon; hand bouquet of violets. Mrs. Alex W. Morrison of Sacramento—Black striped satin, heavily trimmed in jet and duchesse lace; ornaments, opals and diamonds. Miss McEwen of San Francisco—Lavender silk skirt, dancing length, round neck, bouffant sleeves; trimmings of accorion pleated chiffon. Mrs. A. Van Voorhies of Sacramento—White silk with trimmings of chiffon and green velvet; ornaments, diamonds. Mrs. L. D. Stephens of Woodland—Black tulle dress, trimmed with black Chantilly lace and old rose ribbon; old rose color satin slippers; hair high; ornaments, magnificent diamond necklace and diamond earrings. Mrs. J. H. Hunt of Woodland—Black tulle dress, trimmed with spangled chiffon; slippers and gloves lemon color; hair high; pearl ornaments. Miss Mosemyer—White broadcloth dress, trimmed with black lace; slippers and gloves white; ornaments, pearls. Mrs. W. G. Hunt of Woodland—Black satin, trimmed with white point lace; hair pompadour; ornaments, diamonds. GENTLEMEN PRESENT.

THE SENSELESS HOWL. It Prevents Railroad Building and State Development. [From the Bakersfield Californian.] There are one or two self-evident propositions in connection with the construction of railroads which, plain though they be, appear to have been completely lost sight of in the discussion that has been going on for some time with regard to the feasibility of another line in the San Joaquin Valley. One of the very simple facts that it takes money to build railroads. None of the people appear to believe that this is not so and that all that is needed is wind. We have had all the way from one to a dozen "wind" railroads built in the San Joaquin Valley, and the people are becoming somewhat weary of them. Another self-evident truth, so far as this country is concerned, is that when a given section is ready for development, it takes money to build railroads. None of the people appear to believe that this is not so and that all that is needed is wind. We have had all the way from one to a dozen "wind" railroads built in the San Joaquin Valley, and the people are becoming somewhat weary of them.

WASSERMAN, DAVIS & CO. Corner Fifth and J Streets, Sacramento. Now is the Time to Find Bargains. At the Millinery center of Sacramento No. 510 J street. We are offering Shapes and Trimmings at a general reduction of 25 per cent. from former prices. Our small Toques and Caps are dainty creations of velvet, braided felt or fancy brims. Many of them have quaint, square or pointed effects across the face, and bird ornaments, quills or aigrettes standing up at each side. They can be had in tints to correspond with any costume. Their small edges are of fur, steel or jet heads or a roll of velvet. MAIL ORDERS SOLICITED. Do not forget the name or the number. Mrs. F. SULLIVAN, 510 J Street.

MATHUSHEK PIANO For Sale Cheap. A splendid new Mathushek Piano can be bought at a very low price. For particulars apply at the RECORD-UNION OFFICE.

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THE INTER OCEAN. Most Popular Republican Newspaper of the West and Has the Largest Circulation. TERMS: DAILY (without Sunday) \$6.00 per year; DAILY (with Sunday) \$8.00 per year. BY MAIL: The Weekly Inter Ocean \$1.00 PER YEAR.

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THE NONPAREIL. "The Nonpareil" WEDNESDAY, GREAT SALE OF Winter: Jackets.

Our entire stock of Winter Jackets will be closed out WEDNESDAY at prices from a third to a half their regular values. This will be, beyond a doubt, the greatest sale of Cloaks ever held in this city, for the Jackets are all this season's styles, and the prices are far below the actual cost. It is our rule to carry no goods over from one season to the next, and these prices will insure our carrying out this policy. We have divided the Jackets into six lots, as follows: LOT 1—JACKETS that formerly sold at prices ranging from \$7 to \$50. Wednesday's Price, \$3 90. LOT 2—JACKETS that formerly sold at prices ranging from \$10 to \$18. Wednesday's Price, \$6 85. LOT 3—JACKETS that formerly sold at prices ranging from \$13 to \$20. Wednesday's Price, \$9 50. LOT 4—SEALETTE JACKETS that formerly sold at prices ranging from \$15 to \$20. Wednesday's Price, \$11 50. LOT 5—JACKETS that formerly sold at prices ranging from \$20 to \$25. Wednesday's Price, \$12 50. LOT 6—JACKETS that formerly sold at prices ranging from \$25 to \$35. Wednesday's Price, \$15.

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