GIVES NO ADVICE

Cleveland's Message a Review of Existing Conditions.

ON THE FOREIGN POLICY

He Gives His Reasons for Not Recognizing Cuba.

He Insists That Prompt Action Has Been Taken in the Turkish Crisis, and American War Vessels Are as Near to the Scene of Trouble as They Can Go, and They Will Serve as Places of Refuge to All Who Flee From Expected Massacre.

The President's message to Congress was today delivered and read in both branches of that body. It is as follows:

To the Congress of the United States:

The present assemblage of the legislative branch of our government occurs at a time when the interests of our people and the needs of the country give especial prominence to the condition of our foreign relations and the exigencies of our national finances. The report of the heads of the several administrative departments of the governmental family and plainly exhibit what has been accomplished within the scope of their respective duties and present such recommendations for the betterment of our country's condition as patriotic and intelligent labor and observations suggest.

I therefore deem my executive duty adequately performed at this time by presenting to the Congress the important phases of our situation as related to our intercourse with foreign relations, and a statement of the financial problems which confront us, omitting, except as they are related to these topics, any reference to departmental operations.

I earnestly invite, however, not only the careful consideration, but the critical scrutiny of the Congress and my fellow countrymen to the reports concerning these departmental operations. If justly and fairly examined, they will furnish proof of assiduous and painstaking care for the public welfare. I press the recommendations they contain upon the respectful attention of those charged with the duty of legislation, because I believe their adoption would promote the people's good.

ADMITTED TO ENTRY.

By amendatory tariff legislation in January last, the Argentine Republic, recognizing the value of the large market opened to state free importation of its wools under our last tariff law, has admitted certain products of the United States to entry at reduced duties. It is pleasing to note that the efforts we have made to enlarge the exchanges of trade on a sound basis of mutual benefit are in this instance appreciated by the country from which our woolen factories draw their needful supply of raw material.

The Missions boundary dispute between the Argentine Republic and Brazil, referred to the President of the United States as arbitrator during the term of my predecessor, and which was submitted to me for determination, resulted in an award in favor of Brazil upon the historical and documentary evidence presented, thus ending a long-protracted controversy and again demonstrating the wisdom and desirability of settling international boundary disputes by recourse to friendly arbitration.

Negotiations are now progressing for a revival of the United States and Chilean claims commission, whose work was abruptly terminated last year by the expiration of the stipulated time within which awards could be made.

The resumption of specie payments by Chile is a step of great interest and importance, both in its direct consequences upon her own welfare and as evincing the ascendency of sound financial principles in one of the most influential of the South American republics.

The close of the momentous struggle between China and Japan, while renewing the diplomatic agents of this government from the delicate duty they undertook at the request of both countries, of renewing such service between the objects of either belligerent within the territorials of the other as our neutral position permitted, developed a domestic condition in the Chinese Empire which has caused much anxiety and called for prompt and careful attention. Either as a result of a weak control by the central government over the provincial administrations, following a diminution of traditional governmental authority under the stress of an overwhelming national disaster, or as a manifestation upon good opportunity of the aversion of the Chinese population to all foreign ways and undertakings, there have occurred in widely separated provinces of China serious outbreaks of the old fanatical spirit against foreigners, which, unchecked by the local authorities, if not actually connived at by them, have culminated in mob attacks on foreign missionary stations, causing much destruction of property, and in attempts with personal injuries as well as loss of life.

TAKE PROMPT ACTION.

Although but one American citizen was reported to have been actually wounded, and although the destruction of property may have fallen more heavily upon the missionaries of other nationalities than our own, it plainly behooved this government to take the most prompt and decided action to guard against similar or perhaps more direful calamities befalling the hundreds of American mission stations which have grown up throughout the interior of China under the temperate rule of toleration, custom and imperial edict.

The demands of the United States and other powers for the degradation and punishment of the responsible officials of the respective cities and provinces who by neglect or otherwise had permitted uprisings, and for the adoption of stern measures by the emperor's government for the protection of the life and property of foreigners, were followed by the disgrace and dismissal of certain provincial officials found derelict in duty, and the punishment by death of a number of those adjudged guilty of actual participation in the outrages.

This government also insisted that a special American commission should visit the provinces where the first disturbances occurred, for the purpose of investigation.

This latter commission, formed after much opposition, has gone overland from Tientsin, accompanied by a suitable Chinese escort, and by its demonstration of the readiness and ability of our government to protect its citizens will act, it is believed, as a most influential deterrent of any similar outbreaks.

The energetic steps we have thus taken are all the more likely to result in future safety to our citizens in China, because the imperial government is, I am persuaded, entirely convinced that we desire only the liberty and protection of our own citizens and redress for any wrongs they may have suffered, and that we have no ulterior designs or objects, political or otherwise. China will not forget either our friendly service to her citizens during her late war, nor the further fact that, while furnishing all the facilities at our command to further the negotiation of a peace between her and Japan, we sought no advantages and interposed no counsel.

The governments of both China and Japan have in special dispatches transmitted through their respective diplomatic representatives expressed in a most pleasing manner their grateful appreciation of our assistance to their citizens during the unhappy struggle and of the value of our aid in paving the way to their resumption of peaceful relations.

THE WALLER CASE.

The customary cordial relations between this country and France have been undisturbed, with the exception that a full explanation of the treatment of John L. Waller by the expeditionary military authorities of France still remains to be given. Mr. Waller, formerly United States consul at Tamatave, remained in Madagascar after his term of office expired, and was apparently successful in procuring business concessions from the Hovas of greater or less value. After the occupation of Tamatave and the proclamation of martial law by the French, he was arrested upon certain charges, among them that of communicating military information to the enemies of France, was tried and convicted by a military tribunal, and sentenced to twenty years' imprisonment.

Following the course justified by abundant precedents, this government requested from that of France the record of the proceedings of the French tribunal which resulted in Mr. Waller's condemnation. This request has been complied with to the extent of supplying a copy of the official record, from which appear the constitution and organization of the court, the charges as formulated, and the general course and result of the trial, and by which it is shown that the accused was tried in open court and was defended by counsel. But the evidence adduced in support of the charges—which was not received by the French minister for foreign affairs till the first week in October—has thus far been withheld, the French government taking the ground that its production in response to our demand would establish a bad precedent. The efforts of our ambassador to procure it, however, though impeded by recent changes in the French ministry, have not been relaxed, and it is confidently expected that some satisfactory solution of the matter will shortly be reached. Meanwhile it appears that Mr. Waller's confinement has every alleviation which the state of his health and all the other circumstances of the case demand or permit.

In agreeable contrast to the difference above noted respecting a matter of common concern where nothing is sought except such a mutually satisfactory outcome as the true merits of the case require, is the recent resolution of the French chambers favoring the conclusion of a permanent treaty of arbitration between the two countries.

An invitation has been extended by France to the government and people of the United States to participate in a great international exposition at Paris in 1900 as a suitable commemoration of the close of this, the world's marvelous century of progress. I heartily recommend its acceptance, together with such legislation as will adequately provide for a due representation of this government and its people on the occasion.

RIVALRIES OF INDUSTRIES.

Our relations with the States of the German Empire, are, in some respects, typical of a condition of things observable found in countries whose productions and trade are similar to our own. The close rivalries of competing industries; the influence of the delusive doctrine that the internal development of a nation is promoted and its wealth increased by a policy which in undertaking to reserve its home markets for the exclusive use of its own producers necessarily obstructs their sales in foreign markets and prevents free access to the products of the world; the desire to retain trade in time-worn ruts, regardless of the inexorable laws of new needs and changed conditions of demand and supply, and our own baiting tardiness in furnishing a fair exchange of commodities, and by this means imperiling our footing in the external markets naturally open to us, have created a situation somewhat injurious to American export interests, not only in Germany, where they are perhaps most noticeable, but in some other countries. The exports affected are largely American cattle and other food products, the reason assigned for unfavorable discrimination being that their consumption is deleterious to the public health. This is all the more irritating in view of the fact that no European State is as jealous of the excellence and wholesomeness of its exported food supplies as the United States, nor so easily able, on account of inherent soundness, to guarantee those qualities.

Nor are these difficulties confined to our food products designed for exportation. A prominent insurance companies, for example, having built up a vast business abroad and invested a large share of their gains in foreign countries in compliance with the local laws and regulations then existing, now find themselves within a narrowing circle of onerous and unforeseen conditions, and are confronted by the necessity of retirement from a field thus made unprofitable, if indeed they are not summarily expelled, as some of them have lately been from Prussia.

It is not to be forgotten that international trade cannot be decided. Its currents are alternating and its movements should be honorably reciprocal. Without this it almost necessarily degenerates into a device to gain advantage or a contrivance to secure benefits with only the semblance of a return. In our dealings with other nations we ought to be open-handed and scrupulously fair. This should be our policy as a producing nation, and it plainly becomes us as a people who love generosity and the moral aspects of national good faith and reciprocal forbearance.

NOT TO SILENTLY ACQUIESCE.

These considerations should not, however, constrain us to submit to unfair discrimination nor to silently acquiesce in vexatious hindrances to the enjoyment of our share of the legitimate advantages of proper trade relations. If an examination of the situation suggests such measures on our part as would involve restrictions similar to those from which we suffer, the way to such a course is easy. It should, however, by no means be lightly entered upon, since the necessity for the inauguration of such a policy would be regretted by the best sentiment of our people, and because it naturally and logically might lead to consequences of the gravest character.

I take pleasure in calling to your attention the commodious berths secured on those vessels of our new navy which took part in the notable ceremony of the opening of the Kiel Canal. It was fitting that this extraordinary achievement of the newer German nationality should be celebrated in the presence of America's exposition of the latest developments of the world's naval energy.

Our relations with Great Britain, always intimate and important, have demanded during the past year even a greater share of consideration than is usual.

Several vexatious questions were left undetermined by the decision of the Bering Sea arbitration tribunal. The application of the principles laid down by that august body has not been followed by the results they were intended to accomplish, either because the regulations themselves lacked in breadth and definiteness or because their execution has been more or less imperfect. Much correspondence has been exchanged between the two governments on the subject of preventing the exterminating slaughter of seals. The insufficiency of the force employed to patrol of Bering Sea, under the regulations agreed on by the two governments, has been pointed out, and yet only two British ships have been on police duty during this season in those waters.

The need of a more effective enforcement of existing regulations, as well as the adoption of such additional regulations as experience has shown to be absolutely necessary to carry out the intent of the award, have been earnestly urged upon the British government, but thus far without effective results. In the meantime the depletion of the seal herds by means of pelagic hunting has so alarmingly progressed that the extinction of their slaughter is in advance effectively checked their extinction within a few years seems to be a matter of absolute certainty.

SEIZURE OF SEALERS.

The understanding by which the United States was to pay, and Great Britain to receive, a lump sum of $425,000 in full settlement of all British claims for damages arising from our seizure of British sealing vessels unauthorized under the award of the Paris tribunal of arbitration was not confirmed by the last Congress, which declined to make the necessary appropriation. I am still of the opinion that this arrangement was a judicious and advantageous one for the government, and I earnestly recommend that it be again considered and sanctioned. If, however, this does not meet with the favor of Congress, it certainly will hardly dissent from the proposition that the government is bound by every consideration of honor and good faith to provide for the speedy adjustment of these claims by arbitration as the only other alternative. A treaty of arbitration has therefore been agreed upon, and will be immediately laid before the Senate, so that in one of the modes suggested a final settlement may be reached.

Notwithstanding that Great Britain originated the proposal to enforce international rules for the prevention of collisions at sea, based on the recommendations of the maritime conference of Washington, and concurred in, suggesting March 1, 1895, as the date to be set by proclamation for carrying these rules into general effect, her majesty's government, having encountered opposition on the part of British shipping interests, announced its inability to accept that date, which was consequently canceled. The entire matter is still in abeyance, without prospect of a better condition in the near future.

The commissioners appointed to mark the international boundaries in Passamaquoddy Bay according to the description of the treaty of Ghent have not yet fully agreed.

The completion of the preliminary survey of that Alaskan boundary which follows the contour of the coast from the southernmost point of Prince of Wales Island until it strikes the one hundred and forty-first meridian at or near the summit of Mount St. Elias, awaits further necessary appropriation, which is urgently recommended. This survey was undertaken under the provisions of the convention entered into by this country and Great Britain July 22, 1892, and the supplementary convention of February 3, 1894.

THE ALASKAN BOUNDARY.

As to the remaining section of the Alaskan boundary, which follows the one hundred and forty-first meridian northwardly from Mount St. Elias to the Frozen Ocean, the settlement of which involves the physical location of the meridian mentioned, no conventional agreement has yet been made. The ascertainment of a given meridian at a particular point is a work requiring much time and careful observations and surveys. Such observations and surveys were undertaken by the United States Coast and Geodetic Survey in 1890 and 1891, while similar work in the same quarters under British auspices are believed to give nearly coincident results; but these surveys have been independently conducted, and no international agreement to mark those or any other parts of the one hundred and forty-first meridian by permanent monuments has yet been made.

In the meantime the valley of the Yukon is becoming a highway through the hitherto unexplored wilds of Alaska, and abundant mineral wealth has been discovered in that region, especially at or near the junction of the boundary meridian with the Yukon and its tributaries. In these circumstances it is expedient, and, indeed, imperative, that the jurisdictional limits of the respective governments in this new region be speedily determined. Her Britannic majesty's government has proposed a joint delimitation of the 141st meridian by an international commission of experts, which, if Congress will authorize it and make the provision therefor, may be accomplished with no unreasonable delay. It is impossible to overlook the vital importance of continuing the work already entered upon, and supplementing it by further effective measures looking to the exact location of this entire boundary line.

I call attention to the unsatisfactory delimitation of the respective jurisdictions of the United States and the Dominion of Canada in the great lakes at the approaches to the narrow waters that connect them. The waters in question are frequented by fishermen of both nationalities, and their nets are there used. Owing to the uncertainty and ignorance as to the true boundary, vexatious disputes and injurious seizures of boats and nets by Canadian cruisers often occur, while any positive settlement thereof by an accepted standard is not easily to be reached. A joint commission to determine the line in those waters, on practical basis, by measured courses following range marks on shore, is a necessity for which immediate provision should be made.

THE VENEZUELA DISPUTE.

It being apparent that the boundary dispute between Great Britain and the republic of Venezuela, concerning the limits of British Guiana was approaching an acute stage, a definite statement of the interest and policy of the United States as regards the controversy seems to be required both on our own account and in view of its relations with interested powers of Europe concerned. In July last, therefore, a dispatch was addressed to our ambassador at London for communication to the British government, in which the attitude of the United States was fully and distinctly set forth. The grounds of conclusions therein reached and formulated are in substance that the traditional and established policy of this government is firmly opposed to a forcible increase by any European power of its territorial possessions on this continent; that this policy is as well founded in principle as it is strongly supported by numerous precedents; that as a consequence the United States is bound to protest against the enlargement of the area of British Guiana in derogation of the rights and against the will of Venezuela; that, considering the disparity in strength of Great Britain and Venezuela, we deem the dispute between them can be reasonably settled only by friendly and impartial arbitration, and that the resort to such arbitration should include the whole controversy, and is not satisfied if one of the powers concerned is permitted to draw an arbitrary line through the territory claimed by the other, to decide that it will submit to arbitration only the portion lying on one side of it. In view of these conclusions, the dispatch in question called upon the British government for a definite answer to the inquiries whether it would or would not submit the territorial controversy between itself and Venezuela in its entirety to impartial arbitration. The answer of the British government has not yet been received, but is expected shortly, when further communication on the subject will probably be required by the exigency.

Early in January last an uprising against the government of Hawaii was promptly suppressed. Martial law was forthwith proclaimed and numerous arrests were made of persons suspected of being in sympathy with the royalist party. Among these were several citizens of the United States, who were either convicted by a military court and sentenced to death, imprisonment or fine or were deported without trial. The United States, while denying protection to such as had taken the Hawaiian oath of allegiance, insisted that martial law, though altering the forms of justice, should not, in fact, pervert justice itself, and demanded stay of execution until the proceedings had been submitted to this Government and knowledge obtained therefrom that our citizens had received fair trial. The death sentences were subsequently commuted or were remitted on conditions of banishment. In the cases of certain Americans arrested and expelled by arbitrary order without formal charge or trial have had attention, and in some instances have been found to justify remonstrance and a claim for indemnity, which Hawaii has not thus far conceded.

Mr. Thurston, the Hawaiian minister, having furnished this Government with a reason for asking that he be recalled, that course was pursued, and his successor has lately been received.

LYNCHINGS IN COLORADO.

The deplorable lynching of several Italian laborers in Colorado was naturally followed by international representations, and I am happy to say that the best efforts of the State in which the outrages occurred have been put forth to discover and punish the authors of this atrocious crime. The dependent families of some of the unfortunate victims invite by their deplorable condition generous and immediate attention.

These manifestations against helpless aliens may be traced through successive stages to the vicious padroni system, which, unchecked by our immigration and contract-labor statutes, controls these workers from the moment of landing on our shores, and leaves the victims, ignorant and often rude regions, where their cheapening competition in the fields of bread-winning toil brings them into collision with other labor interests. While welcoming, as we should, those who seek our shores to merge themselves in our body politic and win personal competence by honest effort, we cannot regard such assemblages of distinctively alien laborers, hired out in the mass to the profit of alien speculators and shipped hither and thither at the caprice of agents, as other than wise than repugnant to the spirit of our civilization, deterrent to individual advancement, and hindrances to the building up of stable communities resting upon the wholesome ambitions of the citizen and constituting the prime factor in the prosperity and progress of our nation. If legislation can reach this growing evil, it certainly should be attempted.

Japan has furnished abundant evidence of her vast gain in every trait and characteristic that constitutes a nation's greatness. We have reason for congratulation in the fact that the government of the United States by the exchange of liberal treaty stipulations with the new Japan was the first to recognize her wonderful advance and to extend to her the consideration and confidence due to her national enlightenment and progressive character.

The boundary dispute which lately threatened to embroil Guatemala and Mexico has happily yielded to pacific counsels, and its determination has, by the joint agreement of the parties, been submitted to the sole arbitration of the United States minister to Mexico.

The commission appointed under the convention of February 18, 1889, to set new monuments along the boundary between the United States and Mexico, has completed its task.

NEGROES IN MEXICO.

As a sequel to the failure of a scheme for the colonization in Mexico of negroes, mostly emigrants from Alabama under contract, a great number of these helpless and suffering people, starving and smitten with contagious disease, made their way or were assisted to the frontier, where, in wretched plight, they were quarantined by the Texas authorities. Learning of their destitute condition, I directed rations to be temporarily furnished them through the War Department. At the expiration of their quarantine they were conveyed by the railway companies at comparatively nominal rates to their homes in Alabama, upon my assurance, in the absence of any fund available for the cost of their transportation, that I would recommend to Congress an appropriation for its payment.

I now strongly urge upon Congress the propriety of making such an appropriation. It should be remembered that the measures taken were dictated not only by sympathy and humanity, but by a conviction that it was not compatible with the dignity of this government that so large a body of our dependent citizens should be thrown for relief upon the charity of a neighboring state.

In last year's message I narrated at some length the jurisdictional questions then freshly arisen in the Mosquito Indian strip of Nicaragua. Since that time, by the voluntary act of the Mosquito Nation, the territory reserved to them has been incorporated with Nicaragua, the Indians formally subjecting themselves to be governed by the general laws and regulations of the republic instead of by their own customs and regulations, and thus availing themselves of a privilege secured to them by the treaty between Nicaragua and Great Britain of January 28, 1860.

After this extension of uniform Nicaraguan administration to the Mosquito strip, the case of the British vice consul, Hatch, and of several of his countrymen who had been summarily expelled from Nicaragua and treated with considerable indignity, provoked a claim by Great Britain upon Nicaragua for pecuniary indemnity, which, upon Nicaragua's refusal to admit liability, was enforced by Great Britain. While the sovereignty and jurisdiction of Nicaragua was in no way questioned by Great Britain, the former's arbitrary conduct in regard to British subjects furnished the ground for this proceeding.

OFFICES WERE INVOKED.

A British naval force occupied without resistance the Pacific seaport of Corinto, but was soon after withdrawn upon the promise that the sum demanded would be paid. Throughout this incident the kindly offices of the United States were invoked and were employed in favor of a peaceful settlement and as much consideration and indulgence toward Nicaragua as were consistent with the nature of the case. Our efforts have since been made the subject of appreciative and grateful recognition by Nicaragua.

The coronation of the Czar of Russia at Moscow in May next invites the ceremonial participation of the United States, and in accordance with usage and diplomatic propriety our minister to the imperial court has been directed to represent our government on the occasion.

Correspondence is on foot touching the practice of Russian consuls within the jurisdiction of the United States to interrogate citizens as to their race and religious faith, and upon ascertainment thereof to deny to Jews authentication of passports or legal documents for use in Russia. Inasmuch as such a proceeding imposes a disability, which in the case of succession to property in Russia may be found to infringe the treaty rights of our citizens, and which is an obnoxious invasion of our territorial jurisdiction, it has elicited fitting remonstrance, the result of which, it is hoped, will remove the cause of complaint.

The pending claims of sealing vessels of the United States seized in Russian waters remain unadjusted. Our recent convention with Russia establishing a modus vivendi as to imperial jurisdiction in such cases has prevented further difficulty of this nature.

The Russian government has welcomed in principle our suggestion for a modus vivendi, to embrace Great Britain and Japan, looking to the better preservation of seal life in the North Pacific and Bering Sea, and the extension of the protected area defined by the Paris tribunal to all Pacific waters north of the thirty-fifth parallel. It is especially noticeable that Russia favors prohibition of the use of firearms in seal hunting throughout the proposed area and a longer closed season for pelagic sealing.

In my last two annual messages I called the attention of the Congress to the position we occupied as one of the parties to a treaty or agreement by which we became jointly bound with England and Germany to so interfere with the government and control of Samoa as in effect to assume the management of its affairs. On the 9th day of May, 1894, I transmitted to the Senate a special message with accompanying documents giving information on the subject and emphasizing the opinion I have at all times entertained, that our situation in this matter was inconsistent with the mission and traditions of our government, in violation of the principles we profess, and in all its phases mischievous and vexatious.

I again press this subject upon the attention of Congress and ask for such legislative action or expression as will lead the way to our relief from obligations both irksome and unnatural.

THE CUBAN SITUATION.

Cuba is again gravely disturbed. An insurrection, in some respects more active than the last preceding revolt, which continued from 1868 to 1878, now exists in a large part of the eastern interior of the island, menacing even some populations on the coast. Besides deranging the commercial exchanges of the island, of which our country takes the predominant share, this flagrant condition of hostilities, by arousing sentimental sympathy and inciting adventurous support among our people, has entailed earnest effort on the part of this Government to enforce obedience to our neutrality laws and to prevent the territory of the United States from being abused as a vantage ground from which to aid those in arms against Spanish sovereignty.

Whatever may be the traditional sympathy of our countrymen as individuals with a people who seem to be struggling for larger autonomy and greater freedom, deeply as such sympathy naturally must be in behalf of our neighbors, yet the plain duty of their Government is to observe in good faith the recognized obligations of international relationship. The performance of this duty should not be made more difficult by a disregard on the part of our citizens of the obligation springing out of their allegiance to their country, which should restrain them from violating as individuals the neutrality which the nation of which they are members is bound to observe in its relations to friendly sovereign states.

Though neither the warmth of our people's sympathy with the Cuban insurgents, nor our loss and material damage consequent upon the futile endeavors thus far made to restore peace and order, nor any shock our humane sensibilities may have received from the cruelties which appear to especially characterize this sanguinary and fierce contest, may have in the least shaken the determination of the government to honestly fulfill every international obligation, yet it is to be earnestly hoped, on every ground, that the devastation of a armed conflict may speedily be stayed and order and quiet restored to the distracted island, bringing in their train the activity and thrift of peaceful pursuits.

One notable instance of interference by Spain with passing American ships has occurred. On March 8 last the Alliance, while bound from Colon to New York, and following the customary track for vessels near the Cuban shore, but outside the territorial limit, was fired upon by a Spanish gunboat. Protest was promptly made by the United States against this act as not being justified by a state of war, nor permissible in respect of vessels on the usual paths of commerce, nor tolerable in view of the serious peril occasioned to innocent life and property. The protest has disavowed, with full expression of regret and assurance of non-recurrence of such just cause of complaint, while the offending officer was relieved of his command.

ARRESTS OF AMERICANS.

Military arrests of citizens of the United States in Cuba have occasioned frequent reclamations. Where held on criminal charges their delivery to the ordinary civil jurisdiction for trial has been demanded and obtained, in conformity with treaty provisions, and where merely detained by way of military precaution under a proclaimed state of siege, without formulated accusation, their release or trial has been insisted upon. The right of American consular officers in the island to prefer protests and demands in such cases having been questioned by the insular authority, their enjoyment of the privilege stipulated by treaty for the consuls of Germany was claimed under the most-favored-nation provision of our own convention, and was promptly recognized.

The long-standing demand of Antonio Maximo Mora against Spain has at last been settled by the payment on the 14th of September last of the sum originally agreed upon in liquidation of the claim. Its distribution among the parties entitled to receive it has proceeded as rapidly as the rights of those claiming the fund could be safely determined.

The enforcement of differential duties against products of this country exported to Cuba and Puerto Rico prompted the immediate claim on our part to the benefit of the minimum tariff of Spain in return for the most favorable treatment permitted by our laws as regards the productions of Spanish territories. A commercial arrangement was concluded in January last securing the treatment so claimed.

Vigorous protests against excessive fines imposed on our ships and merchandise by the customs officers of these islands for trivial errors have resulted in the remission of such fines in instances where the equity of the complaint was apparent, though the vexatious practice has not been wholly discontinued.

Occurrences in Turkey have continued to excite concern. The reported massacre of of Christians in Armenia and the development there and in other districts of a spirit of fanatic hostility to Christian influences naturally excited apprehension for the safety of the devoted men and women who, as dependents of the foreign missionary societies in the United States, reside in Turkey under the guarantee of law and usage and in the legitimate performance of their educational and religious mission. No efforts have been spared in their behalf, and their protection in person and property has been earnestly and vigorously enforced by every means within our power.

THWARTED BY THE TURKS.

I regret, however, that an attempt on our part to obtain better information concerning the true condition of affairs in the disturbed quarter of the Ottoman Empire, by sending thither the United States consul at Sivas to make investigation and report, was thwarted by the objections of the Turkish government. This movement on our part was in no sense meant as a gratuitous entanglement of the United States in the so-called Eastern question nor as an officious interference with the right and duty which belong by treaty to certain great European powers, calling for their intervention in political matters affecting the good government and religious freedom of the non-Mussulman subjects of the Sultan, but it arose solely from our desire to have an accurate knowledge of the conditions in our efforts to care for those entitled to our protection.

The presence of our naval vessels which are now in the vicinity of the disturbed localities affords opportunities to acquire a measure of familiarity with the condition of affairs, and will enable us to take suitable steps for the protection of any interests of our countrymen within reach of our ships that might be found imperiled.

An Ottoman government decree lately issued an imperial trade exemption forever from taxation an American college for girls at Scutari. Repeated assurances have also been obtained by our envoy at Constantinople that similar institutions maintained and administered by our countrymen shall be secured in the enjoyment of all rights and that our citizens throughout the empire shall be protected.

The government, however, in view of existing facts, is far from relying upon such assurances as the limit of its duty. Our minister has been vigilant and alert in affording all possible protection in individual cases where danger threatened or safety was imperiled. We have sent ships as far toward the points of actual disturbance as it is possible for them to go, where they offer refuge to those obliged to flee, and we have the promise of other powers which have ships in the neighborhood that our citizens, as well as theirs, will be received and protected on board those ships. On the arrival of our minister orders have been issued by the sultan that Turkish soldiers shall guard and escort to the coast American refugees.

These orders have been carried out, and our latest intelligence gives assurance of the present personal safety of our citizens and missionaries. Though many lives of American citizens have been sacrificed, there can be no doubt that serious loss and destruction of mission property have resulted from riotous conflicts and outrageous attacks.

CHRISTIAN WORLD'S AGENT.

By treaty several of the most powerful European powers have secured a right and have assumed a duty not only in behalf of their own citizens and in furtherance of their own interests, but as agents of the Christian world. Their right is to enforce such conduct of Turkish government as will relieve the Christian subjects from the flagrant violation of faith and justice which their duty is to so interfere as to insure against such dreadful occurrences in Turkey as have lately shocked civilization. The powers declare this right and this duty to be theirs alone, and it is earnestly hoped that prompt and effective action on their part will not be delayed.

The new consulates at Erzeroum and Harpoot, for which appropriation was made last session, have been provisionally filled by trusted employes of the Department of State. These appointees, though now in Turkey, have not yet received their exequaturs.

The arbitration of the claim of the Venezuela Steam Transportation Company under the treaty of January 19, 1892, between the United States and Venezuela, resulted in an award in favor of the claimant.

The government has used its good offices toward composing the differences between Venezuela on the one hand and France and Belgium on the other, growing out of the dismissal of the representatives of those powers on the ground of a publication deemed offensive to Venezuela. Although that dismissal was coupled with a formal request that other more personally agreeable envoys be sent in their stead, a rupture of intercourse ensued, which, if it continues, is likely to be productive of injury to the commerce of the three countries.

In view of the growth of our interests in foreign countries and the encouraging prospects for a general expansion of our commerce, the question of an improvement in the consular service has increased in importance and urgency. Though there is no doubt that the zeal and ability of consular officers are rendering valuable services to the trade and industries of the country, the need of some plan of appointment and control which would tend to secure a higher average of efficiency can not be denied.

THE CONSULAR SERVICE.

The importance of the subject has led the Executive to consider what steps might properly be taken without additional legislation to answer the need of a better system of consular appointments. The matter having been committed to the consideration of the Secretary of State, in pursuance of his recommendations, an executive order was issued on the 20th of September, 1895, by the terms of which it is provided that after that date all vacancy in a consulate or commercial agency with an annual salary or compensation from official fees of not more than $2,500 or less than $1,000 should be filled either by transfer or promotion from some other position under the Department of State of a character tending to qualify the incumbent for the position to be filled, or by the appointment of a person not under the Department of State, but having previously served therunder and shown his capacity and fitness for consular duty, or by the appointment of a person who, having been selected by the President and sent to a board for examination, has found, upon such examination, to be qualified for the position. Posts which pay less than $1,000 being usually, on account of their small compensation, filled by selection from residents of the locality, it was not deemed practicable to put them under the new system.

The compensation of $2,500 was adopted as the maximum limit in the classification for the reason that consular officers receiving more than that sum are often charged with functions and duties scarcely inferior in dignity and importance to those of diplomatic agents, and it was therefore thought best to continue such posts in the discretion of the Executive without subjecting them to examination before a board. Excluding seventy-one places with compensation at present less than $1,000, and fifty-three places above the maximum in compensation, the number of positions remaining within the scope of the order is 196. This number will undoubtedly be increased by the inclusion of consular officers whose remuneration in fees, now less than $1,000, will be augmented with the growth of our foreign commerce and a return to more favorable business conditions.

In execution of the executive order referred to, the Secretary of State has designated as a board to conduct the prescribed examinations the Third Assistant Secretary of State, the Solicitor of the Department of State and the chief of the consular bureau, and has prescribed the subjects to which such examinations shall relate.

It is not assumed that this system will prove a full measure of consular reform. It is quite probable that actual experience will show particulars in which the order already issued may be amended, and demonstrate that, to get the best results, appropriate legislation by Congress is imperatively required.

FOR CONSULAR INSPECTION.

In any event these efforts to improve the consular service ought to be immediately supplemented by legislation providing for consular inspection. This has frequently been a subject of executive recommendation, and I again urge such action by Congress as will permit the frequent and thorough inspection of consulates by officers appointed for that purpose, or by persons already in the diplomatic or consular service. The expense attending such a plan would be insignificant compared with its usefulness, and I hope the legislation necessary to set it on foot will be speedily forthcoming.

I am thoroughly convinced that in addition to their salaries our ambassadors and ministers at foreign courts should be provided by the government with official residences. The salaries of these officers are comparatively small, and in most cases insufficient to pay, with other necessary expenses, the cost of maintaining household establishments in keeping with their important and delicate functions. The usefulness of a nation's diplomatic representative undeniably depends much upon the appropriateness of his surroundings, and a country like ours, while avoiding unnecessary glitter and show, should be certain that it does not suffer in its relations with foreign nations through parsimony and shabbiness in its diplomatic outfit. These considerations and the other advantages of having fixed and somewhat permanent location for our embassies would abundantly justify the moderate expenditure necessary to carry out this suggestion.

FINANCE.

As we turn from a review of our foreign relations to the contemplation of our national financial situation, we are immediately aware that we approach the subject of domestic concern more important than any other that can engage our attention, and one at present to such a perplexing and delicate predicament as to require prompt and wise treatment.

We may well be encouraged to earnest effort in this direction when we recall the steps already taken toward improving our economic and financial situation, and when we appreciate how well the way has been prepared for further progress by an aroused and intelligent popular interest in these subjects.

By command of the people, a customs revenue system, designed for the protection and benefit of favored classes at the expense of the great mass of our countrymen, and which, while inefficient for the purpose of revenue, curtailed our trade relations and impeded our entrance to the markets of the world, has been superseded by a tariff policy which in principle is based upon a denial of the right of the government to obstruct the avenues to our people's cheap living or lessen their comfort and contentment, for the sake of according especial advantages to favorites, and which, while encouraging our intercourse and trade with other nations, recognizes the fact that American self-reliance, thrift and ingenuity can build up our country's industries and develop its resources more surely than enervating paternalism.

COINAGE OF SILVER.

The compulsory purchase and coinage of silver by the government, unchecked and unregulated by business conditions and heedless of our currency needs, which for more than fifteen years diluted our circulating medium, undermined confidence abroad in our financial ability, and at last culminated in distress and panic at home, has been recently stopped by the repeal of the laws which forced this reckless scheme upon the country.

The things thus accomplished, notwithstanding their extreme importance and beneficent effects, fall far short of curing the monetary evils from which we suffer as a result of long indulgence in ill-advised financial expedients.

The currency so dominated United States notes and commonly known as greenbacks was issued in large volume during the late civil war, and was intended originally to meet the exigencies of that period. It will be seen by a reference to the debates in Congress at the time the laws were passed authorizing the issue of these notes that their advocates declared they were intended for only temporary use and to meet the emergency of war. In almost if not all the laws relating to them some provision was made contemplating their voluntary or compulsory retirement. A large quantity of them, however, were kept on foot and mingled with the currency of the country, so that at the close of the war they amounted to $381,999,073.

Immediately after that date, and in January, 1875, a law was passed providing for the resumption of specie payments, by which the Secretary of the Treasury was required, whenever additional circulation was issued to national banks, to retire United States notes equal in amount to 80 per cent of the amount of national bank circulation until such notes were reduced to $300,000,000. This law further provided that on and after the 1st day of January, 1879, the United States notes then outstanding should be redeemed in coin, and in order to provide and prepare for such redemption the Secretary of the Treasury was authorized not only to use any surplus revenues of the government, but to issue bonds of the United States and dispose of them for coin, and to use the proceeds for the purposes contemplated by the statute.

RETIREMENT OF GREENBACKS.

In May, 1878, and before the date thus appointed for the redemption and retirement of these notes, another statute was passed forbidding their further cancellation and retirement, and directing that the notes so redeemed should be reissued. Thus there stood the law when, in January, 1879, the United States notes, as provided by the law of 1875, so that the amount outstanding at the time of the passage of the act forbidding their further retirement was $346,681,016.

The law of 1878 did not stop at distinct prohibition, but contained, in addition, the following express provision:

"And whenever any of said notes may be redeemed or be received into the Treasury, under any law, from any source whatever, and shall belong to the United States, they shall not be retired, cancelled or destroyed, but they shall be reissued and paid out again and kept in circulation."

This was the condition of affairs on the 1st day of January, 1879, which had been fixed upon four years before as the date for entering upon the redemption and retirement of all these notes, and for which such abundant means had been provided.

The government was put in the anomalous situation of owing the holders of its notes debts payable in gold on demand which could neither be retired by receiving such notes in discharge of obligations due the government nor canceled by actual payment in gold. It was forced to redeem without redemption and to pay without acquittance.

There had been issued and sold $95,500,000 of the bonds authorized by the resumption act of 1875, the proceeds of which, together with other gold in the Treasury, created a gold fund deemed sufficient to meet the demands which might be made upon it for the redemption of the outstanding United States notes. This fund, together with such other gold as might be from time to time in the Treasury available for the same purpose, has been since called our gold reserve, and $100,000,000 has been regarded as an adequate amount to accomplish its object. This fund amounted on the 1st day of January, 1879, to $114,193,360, and though therefter constantly fluctuating, it did not fall below that sum until July, 1892. In April, 1893, for the first time since its establishment, this reserve amounted to less than $100,000,000, containing at that date only $97,011,330.

In the meantime, and in July, 1890, an act had been passed directing larger governmental monthly purchases of silver than had been required under previous laws, and providing that in payment for such silver Treasury notes of the United States should be issued payable on demand in gold or silver coin at the discretion of the Secretary of the Treasury. It was, however, declared in the act to be "the established policy of the United States to maintain the parity of the value of the coins of the two metals, and to maintain the existing relation between them, at the ratio now established by law." In view of this declaration it was not deemed permissible for the Secretary of the Treasury to exercise the discretion in terms conferred on him, by refusing to pay gold on these notes when demanded, because by such use of discretion in favor of the gold dollar the so-called parity of the two metals would be destroyed, and grave and dangerous consequences would be precipitated by affirming or accentuating the constantly widening disparity between their actual values under existing ratios.

TREATED AS GOLD OBLIGATIONS.

It thus resulted that the Treasury notes issued in payment of silver purchases under the law of 1890 were necessarily treated as gold obligations, at the option of the holder. These notes on the 1st day of November, 1893, when the law compelling the monthly purchase of silver was repealed, amounted to more than $155,000,000. The notes of this description now outstanding added to the United States notes still undiminished by redemption or cancellation constitute a volume of gold obligations amounting to nearly $500,000,000. These obligations are the instruments which, ever since we have had a gold reserve, have been used to deplete it.

This reserve, as has been stated, had fallen in April, 1893, to $97,011,330. It has from that time to the present, with very few and unimportant upward movements, steadily decreased, except as it has been temporarily replenished by the sale of bonds.

Among the causes for this constant and uniform shrinkage in this fund may be mentioned the great falling off of exports under the operation of the tariff law until recently in force, which crippled our exchange of commodities with foreign nations and necessitated to some extent the payment of our balances