

empire, whereby portions of its maritime provinces are passing under the control of various European powers; but the prospect that the vast commerce which the energy of our citizens and the necessity of our staple productions for Chinese uses has built up in those regions, may not be prejudiced through any unwise treatment by the new occupants has obligated the need of our country becoming an actor in the scene.

Our position among nations, having a large Pacific coast and a constantly expanding direct trade with the farther orient gives us the equitable claim to consideration and friendly treatment in that regard, and it will be my aim to subserve our large interests in that quarter by all means appropriate to the constant policy of our government. The territories of Korea, of Wei-Hai-Wei, and of Port Arthur and Taitienwan, leased to Germany, Great Britain and Russia respectively for terms of years, will, it is announced, be open to international commerce during such alien occupation, and no discriminating treatment of American citizens and their trade be found to exist, or be hereafter developed, the desire of this government would appear to be realized. In this relation, as showing the volume and the value of our exchanges with China and the peculiarly favorable conditions which exist for their expansion in the normal course of trade, I refer to the communication addressed to the speaker of the House of Representatives by the secretary of the treasury on the 14th of last June, with its accompanying letter to the secretary of state, recommending an appropriation for a commission to study the commercial and industrial conditions in the Chinese empire and report as to the opportunities for and obstacles to the enlargement of markets in China for the raw products and manufactures of the United States. Action was not taken thereon during the late session. I cordially urge that the recommendation receive at your hands the consideration which its importance and timeliness merit.

Meanwhile, there may be just ground for disquietude in view of the unrest and revival of the old sentiment of opposition and prejudice to alien people which pervades certain of the Chinese provinces. As in the case of the attacks upon our citizens in Szechuan and at Kuntien, in 1895, the United States minister at Peking is to be secured the fullest measures of protection, both local and imperial, for any menaced American interests, and to demand, in case of lawless injury to person or property, instant reparation appropriate to the case. Warships have been stationed at Peking for more ready observation of the disorders which have invaded even the Chinese capital, so far as to be in a position to act should need arise, while a guard of marines has been sent to Peking to afford the minister the same measure of protection as the representatives of other nations have been constrained to employ.

GREAT BRITAIN'S FRIENDSHIP.
Our relations with Great Britain have continued on the most friendly footing. Assenting to our request, the protection of Americans and their interests in Spanish jurisdiction was secured by the diplomatic and consular representatives of Great Britain, who fulfilled their delicate and arduous trust with tact and zeal, eliciting high commendation. I may be allowed to make fitting allusion to the instance of Mr. Ramsden, her majesty's consul at Santiago de Cuba, whose untimely death after distinguished service and untiring effort during the siege of that city was sincerely lamented.

In the early part of April last, pursuant to a request made at the instance of the Secretary of States by the British ambassador at this capital, the Canadian government granted facilities for the passage of four United States revenue cutters from the great lakes to the Atlantic coast by way of the Canadian canal and the St. Lawrence river. The vessels had reached Lake Ontario and were there awaiting the opening of navigation when war was declared between the United States and Spain. Her majesty's government, thereupon, by a communication to the United States, requested that the permission granted before the outbreak of hostilities would not be withdrawn, provided the United States government gave assurance that the vessels in question would proceed direct to a Canadian port without engaging in any hostile operation. This government promptly agreed to the stipulated condition, it being understood that the vessels would not be prohibited from resisting any hostile attack.

I will give me especial satisfaction if I shall be authorized to communicate to you a favorable conclusion of the pending negotiations with Great Britain in respect to the dominion of Canada. It is the earnest wish of the government to remove all sources of discord and irritation in our relations with the neighboring Dominion. The trade between the two countries is constantly increasing, and it is important to both countries that all reasonable facilities should be granted for its development.

ANNEXATION OF HAWAII.
Pending the consideration by the senate of the treaty signed June 16, 1897, by the plenipotentiaries of the United States and of the republic of Hawaii, for the annexation of the islands, a joint resolution to accomplish the same purpose by accepting the offered cession and incorporating the ceded territory into the Union was adopted by congress and approved July 7, 1898. I thereupon directed the U. S. S. Philadelphia to convey Rear Admiral Miller to Honolulu, and intrusted to his hands the important and delicate duty of delivering to the president of the republic of Hawaii, with whom the admiral and the United States minister were authorized to make appropriate arrangements for transferring the sovereignty of the islands to the United States. This was simply but impressively accomplished on the 17th of August last, by the delivery of a certified copy of the resolution to President Dole, who thereupon yielded up to the representative of the government of the United States the sovereignty and the public property of the Hawaiian islands.

Pursuant to the terms of the joint resolution and in the exercise of the authority thereby conferred upon me, I directed that the civil, judicial and military powers theretofore exercised by the officers of the government of the republic of Hawaii should continue to be exercised by those officers until congress shall provide a government for the incorporated territory, subject to my power to remove such officers and to fill vacancies. The president, officers and troops of the republic thereupon took the oath of allegiance to the United States, thus providing for the uninterrupted continuance of all the administrative and municipal functions of the ceded territory until congress shall otherwise provide.

Following the further provision of the joint resolution, I appointed the Honorable Dashiell M. Caffron, of Illinois; John W. Morgan, of Alabama; Robert H. Hill, of Illinois; Sanford B. Dole, of Hawaii, and Walter V. Foster, of Hawaii, as commissioners to confer and recommend to congress such legislation concerning the Hawaiian islands as they should deem necessary or proper. The commissioners having fulfilled the mission confided to them, their report will be laid before you at an early day. It is believed that their recommendations will have the earnest consideration of the senate, and the responsibility resting upon you to give such shape to the relationship of these mid-Pacific lands to our home Union as will benefit both in the highest degree, realizing the aspirations of the community that has cast its lot with us and elected to share our political heritage, while at the same time justifying the foresight of those who for three-quarters

of a century have looked to the assimilation of Hawaii as a natural and inevitable consummation, in harmony with our needs and in fulfillment of our cherished policy of peace and friendship existing between Hawaii and Japan, growing out of the alleged mistreatment of Japanese immigrants, were, I am pleased to say, adjusted by the act of transfer by the payment of a reasonable indemnity to the government of Japan.

Under the provisions of the joint resolution the existing customs relations of the Hawaiian islands with the United States and with other countries remain unaltered, the consuls of Hawaii, here and in foreign countries, continue to fulfill their commercial agencies, while the United States minister at Honolulu maintains for appropriate services pertaining to trade and the revenue. It will be desirable that all foreign consuls in the Hawaiian islands should receive new credentials from this government.

The attention of congress is called to the fact that our consular offices have ceased to exist in Hawaii, and being obliged to cease in other countries coming under the sovereignty of the United States, the provision for the relief and transportation of troops and the maintenance of these countries under our consular regulations will in consequence terminate. It is proper, therefore, that new legislation should be enacted in order to meet the changed conditions.

THE CZAR'S DISARMAMENT PROPOSAL.
The proposal of the czar for a general reduction of the vast military establishments which weigh so heavily upon many people in time of peace was communicated to this government with an earnest invitation to be represented in a conference which is contemplated to be held with a view to discussing the means of accomplishing so desirable a result. His majesty was at once informed of the cordial sympathy of this government with the principle involved in his exalted proposal, and of the readiness of the United States to take part in the conference. The active military forces of the United States, as measured by our population, territorial area and taxable wealth, is and under any conceivable prospective conditions must continue to be in time of peace, or conspicuously less than that of the armed powers to whom the czar's appeal is especially addressed, than the question can have any effect. It is, therefore, a most important and auspicious step toward the betterment of the condition of the modern peoples and the cultivation of peace and friendship among nations, but in this view it behooves us as a nation to lend countenance and aid to the beneficent project.

A NAVAL RED CROSS.
Immediately after the outbreak of the war with Spain the Swiss government, fulfilling the high mission it has assumed as the patron of the International Red Cross, proposed to the United States and Spain that they should severally recognize and carry into execution, as a mark of respect and cordiality, the continuance of hostilities, the additional articles proposed by the international conference of Geneva, October 20, 1864, regarding the effects of the Red Cross convention of 1864 to the conduct of naval war. Following the example set by France and Germany in 1870, the United States and Spain, in view of the cessation of the United States to those additional articles in 1882, although the exchange of ratifications thereof still remains unexecuted, the proposal was promptly and cordially accepted by us, and, simultaneously, by Spain.

This government feels a keen satisfaction in having thus been enabled to testify its adherence to the broadest principles of humanity even amidst the clash of war, and in the hope that the extension of the Red Cross compact to hostilities by sea as well as on land may soon become an accomplished fact, through the promulgation of the additional naval Red Cross articles by the maritime powers now parties to the convention of 1864.

THE ARBITRARY FOR ARBITRATION.
The arbitrary tribunal appointed under the treaty of February 2, 1895, between Great Britain and Venezuela, to determine the boundary line between the latter and the colony of British Guiana, is to convene at Paris during the present month. It is a source of much gratification to this government to see the friendly resort to arbitration applied to the settlement of this controversy, not alone because of the earnest part we have had in bringing about the arbitration, but also because the two members named on behalf of Venezuela, Mr. Chief Justice Fuller and Mr. Justice Brewer, chosen from our highest court, apparently testify the continuing interest we feel in the definite adjustment of the question according to the strictest rules of justice. The British member, Lord Herschell, and Sir Richard Collins, are jurists of no less exalted reputation, while the fifth member and president of the tribunal, M. E. de Martens, has earned a world-wide reputation as an authority upon international law.

PRIVATE PROPERTY EXEMPT IN WAR.
The experiences of the last year bring forcibly home to us a sense of the burdens and the waste of war. We desire in common with most civilized nations, that the lowest possible point the damage sustained in time of war by peaceable trade and commerce. It is true, we may suffer in such cases less than other communities, but our nations are damaged more or less by the state of uneasiness and apprehension into which an outbreak of hostilities throws the entire commercial world, and which, therefore, to minimize, so far as practicable, this inevitable loss and disturbance, this purpose can probably be best accomplished by an international agreement to regard all private property at sea as exempt from capture or destruction by the forces of belligerent nations. The United States government has for many years advocated this humane and beneficent principle, and now in a position to recommend it to other powers without the imputation of selfish motives. I therefore suggest for your consideration that the executive be authorized to correspond with the other principal maritime powers with a view of incorporating into the permanent law of civilized nations the principle of the exemption of all private property at sea, from the trahand of war, from capture or destruction by belligerent powers.

GOVERNMENT FINANCES.
The Secretary of the Treasury reports that the receipts of the government from all sources during the fiscal year ended June 30, 1898, including \$94,235,225 received from Pacific railroads, amounted to \$495,321,215, and its expenditures to \$445,352,522, was collected from customs \$129,575,682, and from internal revenue \$320,804,647. Our dutiable imports amounted to \$224,635,479, a decrease of \$58,156,899 over the preceding year. The expenditures for duty remission were \$21,414,175, a decrease from the preceding year of \$96,524,988. Internal revenue receipts exceeded those of the preceding year by \$24,362,247.

The total tax collected on distilled spirits was \$22,239,622, and on fermented liquors, \$22,424,422. We reported merchandise duties for the year amounting to \$1,231,482,359, an increase of \$180,488,774 from the preceding year. It is estimated upon the basis of present revenue laws that the receipts for the fiscal year ending June 30, 1899, will be \$477,874,947, and its expenditures \$468,874,647, resulting in a deficiency of \$112,609,899, which will have to be met by the sale of gold in the treasury gold coin amounting to \$138,992,145, gold bullion amounting to \$128,022,641, silver bullion amounting to \$30,572,250, and other forms of money amounting to \$41,892,981.

On the same date the amount of money of all kinds in circulation, not including the treasury holdings, was \$1,886,879,201, an increase for the year of \$165,794,966. Estimating our population at 75,194,000 at the time mentioned, the per centum of circulation was \$25.09. On the same date there was in the treasury gold bullion amounting to \$138,992,145. The provisions made for strengthening the resources of the treasury in connection with the war has given increase to the amount of the purpose and power of the government to maintain the present standard, and has established more firmly than ever the national credit at home and abroad, and marked evidence of this is found in the inflow of gold to the treasury. Its net gold holdings on November 1, 1898, were \$220,835,182 as compared with \$138,992,145 on November 1, 1897, and an increase of net cash of \$207,542,190. November 1, 1897, to \$390,225,275 November 1, 1898. The present ratio of net treasury gold to outstanding United States notes, treasury notes of \$100, silver certificates, currency certificates, and fractional silver coins, November 1, 1898, was 23.25 per cent, compared with 16.96 per cent. November 1, 1897.

I renew so much of my recommendation of December, 1897, as follows: "That when any of the United States notes are presented for redemption in gold and are redeemed in gold, such notes shall be kept in the treasury and only paid out in exchange for gold. This is an obvious duty. If the holder of the United States notes prefers the gold and gets it from the government, he should receive back from the government a United States note without paying gold in exchange for it. The reason for this is more apparent when the government issues

an interest-bearing debt to provide gold for the redemption of United States notes—a non-interest bearing debt. Surely it should not pay them out in demand for gold. If they are put out in any other way they may return again, to be followed by another bond issue to redeem a non-interest-bearing debt to so redeem a non-interest-bearing debt.

This recommendation was made in the belief that such provision of gold would insure to a greater degree the safety of the present standard, and better protect our currency from the dangers to which it is subjected by a disturbance in the general business conditions of the country.

CURRENCY LEGISLATION NEEDED.
In my judgment the present condition of the currency should be remedied by the enactment of the legislation recommended one year ago, under which a portion of the gold holdings should be placed in a trust fund from which certificates would be redeemed upon presentation, but when once redeemed should not thereafter be paid out except for gold.

It is to be inferred that other legislation in respect to the currency is not required; on the contrary there is obvious demand for it. The legislation recommended, which will insure to our future a money standard related as our money standard now is to that of our commercial rivals, is generally recognized as the most desirable.

The companion proposition that our domestic currency shall be kept safe and yet be so related to the needs of our industries and rural economy as to be adequate and responsive to such needs is a proposition scarcely less important. The subject, in all its parts, is commended to the wise consideration of congress.

WANTED—A MARITIME POLICY.
The annexation of Hawaii and the changed relations of the United States to Asia, Porto Rico and the Philippines resulting from the war, compel the prompt action of a maritime policy by the United States. There should be established a regular and frequent steamship communication, encouraged by the United States, under the American flag, with the newly acquired islands. Spain furnished the world with a regular and frequent steamship communication with a portion of the world's markets as well as with trade centers of the home government. The United States will not undertake to do less. It is our duty to furnish the people with facilities, under national control, for their export and import trade, and to secure the most favorable situation for legislation which shall be prompt, durable and liberal.

The part which American merchant vessels and the United States navy have taken in the war with Spain demonstrates that this service, furnishing both pickets and the second line of defense, is a national necessity, and should be maintained as a permanent national duty. Details and methods for the accomplishment of this purpose are discussed in the report of the secretary of the navy, and are respectfully invited.

THE REGULAR ARMY.
Under a bill approved April 26, 1898, authorizing the President in his discretion "upon a declaration of war by congress, or a declaration by congress that a national emergency exists, to call into the service of the United States to the maximum of \$2,000 authorized in said act.

There are now in the regular army 57,682 officers and men. It is noted that it was provided "that at the end of any war in which the United States becomes involved the army shall be reduced to a peace establishment of 100,000 men, and the balance of the service or absorption by promotion or honorable discharge under such relations as the secretary of war may establish of supernumerary enlisted men, and nothing contained in this act shall be construed as authorizing the payment in lieu of the regular army beyond that now provided by the law in force prior to the passage of this act."

The importance of legislation for the permanent increase of the army is therefore a matter of national importance. The secretary of war for that purpose has my qualified approval. There can be no question that at this time and probably for some time to come the regular army of 100,000 men will be none too many to meet the necessities of the situation. At all events, whether that number shall be required permanently or not, it is a matter for the consideration of the President to enlist that force if in his discretion it should be necessary; and the further discretion should be given to the secretary of war to increase the above limit from the inhabitants of the island with the government of which we are charged.

It is my purpose to master and submit entire volunteer army as soon as the Congress shall provide for the increase of the regular establishment. This will be only an act of justice and will be a permanent benefit to the brave men who left their homes and employments to help the country in its emergency.

INCREASE OF THE NAVY.
The following recommendations of the secretary of the navy relative to the increase of the navy have my earnest approval:

First—Three sheathed and coppered armored cruisers of about 12,000 tons trial displacement, carrying the heaviest armor, powerful ordnance for vessels of their class, and to have the highest practicable speed and great radius of action. Estimated cost, exclusive of armor and armament, \$1,900,000 each.

Second—Three sheathed and coppered armored cruisers of about 12,000 tons trial displacement, carrying the heaviest armor and most powerful ordnance for vessels of their class, and to have the highest practicable speed and great radius of action. Estimated cost, exclusive of armor and armament, \$1,900,000 each.

Third—Three sheathed and coppered protected cruisers of about 5,000 tons trial displacement, to have the highest practicable speed and great radius of action, and to carry the heaviest armor and most powerful ordnance for vessels of their class. Estimated cost, exclusive of armor and armament, \$1,141,800 each.

I join with the secretary of the navy in recommending that the three sheathed and coppered armored cruisers of about 12,000 tons trial displacement, carrying the heaviest armor and most powerful ordnance for vessels of their class, and to have the highest practicable speed and great radius of action, be authorized by congress, and that the three sheathed and coppered protected cruisers of about 5,000 tons trial displacement, to have the highest practicable speed and great radius of action, and to carry the heaviest armor and most powerful ordnance for vessels of their class, be authorized by congress, and that the three sheathed and coppered armored cruisers of about 12,000 tons trial displacement, carrying the heaviest armor and most powerful ordnance for vessels of their class, and to have the highest practicable speed and great radius of action, be authorized by congress, and that the three sheathed and coppered protected cruisers of about 5,000 tons trial displacement, to have the highest practicable speed and great radius of action, and to carry the heaviest armor and most powerful ordnance for vessels of their class, be authorized by congress.

HIS WISHES.
He wants "a 'press wagon'—a ball and a drum— And 'what did you bring me?'—each night when I come— Still, still that's the question, all others above— And I answer: "My love, dear—I've brought you my love!"
Now, he knows not of poverty; for his bright eyes Hold the wealth of the world and the wealth of the skies; He seeks not of stocks—if they rise—if they fall; He knows not that love is the best gift of all!

With his arms 'round my neck in the dewy twilight, And a sparkle in eyes that the angels made bright, Still, still that's the question, all others above— And I kiss him, and answer: "My love, dear—my love!"
And yet if the gold that the wide world could hold Were mine, for the dear one my fond arms enfold I'd give it, and dwell in a heaven of bliss— My riches alone in a little one's kiss!

—F. L. Stanton.

ROMANCE OF THE PALE-FACE GODDESS.
By Winifred Black.

[Six years ago Miss Lydia Lyons, a daughter of Major Lyons, of Chicago, in a moment of enthusiastic impulse, renounced all the pomp and vanities of the world and went out to work among the Indians and to save their souls in the name of the Great White Spirit. Among the Arapahoes there was one fierce, wild spirit she could not Christianize. He was Tixico, the finest fighter and the worst Indian of his tribe.

"I will become a Christian if you will become my wife," he said. "I will become your wife if you will not commit a sin in three years," she answered, in a moment of despair, never dreaming for moment the savage could keep his compact. But he was true, like all Indians. And he did. "If I break my promise I will lose my soul," she said. "If I marry him I may save his."

She plunged a dagger into her heart last week. Tixico, drunk ever since the night of their wedding, shot their baby as it crawled over her cold breast. He has been jailed and will hang.]

Face Goddess.
It is a true story, and it is not quite ended yet. She was found dead with a dagger wound in her breast. She plunged the dagger into her heart herself.

Tixico is under arrest at Tecumseh, in Oklahoma, for shooting their baby as it lay playing upon its dead mother's breast.

This tragedy of two souls—Christian and savage—began in Chicago. Lydia Lyons was the prettiest girl on the North Side a few years ago.

Her father was Major Henry Lyons, a man of position and influence. Lydia Lyons had a comfortable home and a host of friends.

She was an enthusiastic, impulsive little thing, with a pair of long lashed blue eyes, that had a trick of blazing into remarkable brilliancy under any strong emotion.

The Indians sat in a solemn circle and listened gravely to the preaching. When she had finished, they filed past her in a long trailing line.

Each Indian as he passed the "white squaw with the speech like the winds of the evening," held out his hand.

If Miss Lyons dropped a few cents into the hand the warrior stalked on in dignified silence.

If she let the outstretched palm remain empty, the warrior spoke gutturally and regarded her with small eyes of suspicion.

The squaws sat by the door of the tepee and looked at the "white squaw with the busy hands," and let her clean the tepee, and build the fire, and wash the babies, and when she was gone they laughed together and rubbed the babies with the oil of the prairie dog to keep it from taking cold, and they took the new little woolen socks off the babies' feet and tied the babies up in their bark cases and sat down and marked the bead work mottoes, saying "God is Love," and when the mottoes were finished they took them to the settlements and sold them, and bought fire water and brought it home to the warriors, and all was well in the tepees.

But for all the laughing and the scolding about the cleaning of the tepees, the squaws loved the white squaw, for her voice was gentle, and her shining eyes were blue, like the summer sky, and they were bright like the summer sunshine, and when the babies were sick she would come and nurse them, and let the squaws go on with the bead work, which was really a help in the village.

So, to please her, they learned to answer the questions she asked them about the Great Spirit, and they tried to look interested when she talked to them about the Happy Hunting Grounds of the white man.

For five years the white squaw worked happily among the Indians. She rode from village to village, on her wiry little mustang, and there was always room in the tepees for her and her books and her soft voice and eyes like the skies in summer.

One day there came to the meeting of the warriors and the old men, a young brave, very handsome. He was straight and tall and lithe. He could outrun any lad in the nation. He could outshoot the oldest scout in the white man's army. He could leap over the burning camp-fire, as a buck leaps in the spring time among the budding trees of the forest.

He could make songs, like the singer of the Chippewas. He was the leader of the young men of the nation, and he smiled when he saw the white squaw talking to the warriors and old men.

The young man's name was Tixico. The soldiers at the forts knew him. They did not like him. They said he was a bad Indian. He drank and gambled and stole horses, and he fought—always with a knife he fought—and they warned Miss Lyons of the young man and his influence among the young men of his tribe.

Miss Lyons listened to the tales of the wickedness of the young man, and her heart softened to the young man who had made her good squaw laugh at her. She pitied him for his wild and wicked life, and she determined to snatch him as a brand plucked from the burning.

good Indian if she would marry him, white-man fashion, and come and live in his tepee, Indian fashion.

When she had heard Tixico say this many times she looked at him and saw that he was young and handsome, and she knew he was brave and a leader among the young men of his nation, and she pitied him for his savage heart, and she said:

"Tixico, if you will be a good Indian for three years—if I hear nothing but good of you in that time—come to me, I will answer what you have said. But in all the three years you must not speak to me again of these things."

Tixico became a good Indian. He gave up all his wild companions. He drank no more, he gambled no more. He stayed on the reservation and he spoke words of wise counsel to the young men of his tribe, until they said:

"It is not Tixico—the wild, the brawling Tixico. It's some white man from the schools of the good who wears his skin."

At the end of the three years Tixico rode to the village where Miss Lyons was preaching. He went and joined the silent circle of warriors who listened gravely to her eloquent words of appeal. When she had finished speaking Tixico strode through the circle and took her hand.

"The three years are gone," he said. "I am tired of waiting. Come. We will be married white-man fashion and you shall be my squaw and live in my tepee, Indian fashion."

And the little white girl shuddered an instant, remembered her promise, and kept it.

"If I break my promise I will lose my soul; if I marry him I may save his."

There was a great feast and all the villagers flocked to the wedding. There were Sioux and Apaches and Comanches and Arapahoes, all in their festive feathers.

The cowboys came from miles and miles around. They rode in over the range with a brave show of big silver-trimmed hats and Mexican saddles, and they swore horribly when they saw the beautiful white woman who was going to marry Tixico, the good Indian.

The squaws dressed the bride. A little Arapahoe maiden brought the bride a snow-white feather from a great eagle, to bring the white squaw a happy wigwam, and an old Sioux crow, whose eldest born the white squaw had nursed through a fever, brought her a pair of moccasins made of white fur with the sacred charm, which brings many sons, scratched on the inside of the sole, and the yellow harvest moon of the great prairies shone down on a white woman and a red man married white-man's fashion.

That was three years ago. The third day after the wedding Tixico's wife sat in the tepee, writing a letter to an old school friend, telling her of her marriage and of her exaltation, when some one gave a long "hallo" outside the door.