

BUTTE MONTANA, TUESDAY, DECEMBER 5, 1899.

PRESIDENT M'KINLEY'S MESSAGE

Many Recommendations for Congress to Act Upon Are Sent In.

THE WAR IN THE PHILIPPINE ISLANDS

General Otis Is Now Getting the Upper Hand--Financial Legislation That the President Says Should Pass at This Session--Our Friendly Relations With Foreign Powers--Now That China Is to be Divided Our Duty Is Plain--Division of Samoa--Mexico Is On the Best of Terms With the United States--Canada Is Entering Upon Negotiations.

Washington, Dec. 5.--The president's message was delivered to congress today. In it the chief executive says:

To the Senate and House of Representatives: At the threshold of your deliberations you are called to mourn with your countrymen the death of Vice President Hobart, who passed from this life on the morning of Nov. 21 last. His great soul now rests in eternal peace. His private life was pure and elevated, while his public career was ever distinguished by large capacity, stainless integrity and exalted motives. He has been removed from the high office which he honored and dignified, but his lofty character, his devotion to duty, his honesty of purpose and noble virtues remain with us as a priceless legacy and example.

REMARKABLE GROWTH.

The Fifty-sixth congress convenes in its first regular session with the country in a condition of unusual prosperity, of universal good will among the people at home and its relation of peace and friendship with every government of the world. Our foreign commerce has shown great increase in volume and value. The combined imports and exports of the year are the largest ever shown by a single year in all our history. Our exports for 1899 alone exceed by more than a billion dollars the imports and exports combined in 1870. The imports per capita are twenty per cent less than in 1870 while the exports per capita are 58 per cent more than in 1870, showing the enlarged capacity of the United States to satisfy the wants of its own increasing population, as well as to contribute to those of the peoples of other nations. Exports of agricultural products were \$74,776,142. Of manufactured products we exported in value \$339,592,146, being larger than any previous year. It is a noteworthy fact that the only years in all our history when the products of our manufacturers sold abroad exceeded those bought was 1898 and 1899.

Government receipts from all sources for the fiscal year ended June 30, 1899, including \$11,783,314.14 part payment of the Central Pacific indebtedness, aggregated \$610,982,004.35.

Customs receipts were \$206,128,481.75, and those from internal revenue \$273,437,161.51. For the fiscal year the expenditures were \$700,098,564.62, leaving a deficit of \$89,111,559.87.

The secretary of the treasury estimates that the receipts for the current fiscal year will aggregate \$640,958,112, and upon the basis of present appropriations to expenditures will aggregate \$600,958,112, leaving \$40,000,000 for the fiscal year ended June 30, 1899. The present gratifying strength of the treasury is shown by the fact that on Dec. 1, 1899, the available cash balance was \$275,004,837.72, of which \$239,744,905.36 was in gold coin and bullion.

The conditions of confidence which prevail throughout the country have brought gold into more general use and customs receipts are now almost entirely paid in the coin. The strong condition of the treasury with respect to cash on hand and the favorable showing made by the revenues have made it possible for the secretary of the treasury to take action under the provisions of section 3694, revised statutes, relating to the sinking fund. Receipts exceeded expenditures for the first five months of the current fiscal year by \$13,413,589.91, and as mentioned above, the secretary of the treasury estimates that there will be a surplus of approximately \$40,000,000 at the end of the year. Under such conditions it was deemed advisable and proper to resume compliance with the provisions of the sinking fund law, which for eight years has not been done because of deficiencies in the revenues. The treasury department therefore offered to purchase during November \$25,000,000 of the five per cent loan of 1894 and the 4 per cent funded loan of 1897 at the current market price. The amount offered and purchased during

November was \$18,408,000. The premium paid by the government on such purchases was \$2,263,521 and saving in net interest about \$2,885,000. The success of this operation was sufficient to induce the government to continue the offer to purchase bonds to and including the 23rd day of December if the remainder of the \$25,000,000 called for should be presented in the meantime for redemption.

NEED OF MORE GOLD.

Increased activity in industry with its welcome attendant--larger employment for labor at higher wages--gives to the body of people a larger circulating medium made farther true that year by year with larger areas of land under cultivation, the increasing volume of agricultural products, cotton, corn and wheat calls for a larger volume of money supply. This is especially noticeable at the crop harvesting and crop moving time. In its earlier history the national banking act seemed to prove a reasonable way of increasing which needful additions time be made. Changing conditions have apparently rendered it now inoperative to that end. The high margin in bond securities required, resulting from large premiums, which give the bonds command in the market or the tax on note issues or both, together with the influence of the influences which together appear to be the result of the attention of congress is respectfully invited to this important matter with the view of ascertaining whether or not such reasonable modifications can be made in the national banking act as will render its service in the particular here referred to more responsive to the peoples' needs. I again urge that national banks be authorized to organize with a capital of \$25,000. I urgently recommend that the support of the existing gold standard and to maintain the parity in value of the coins of the two metals, every dollar at all times in the market and in the payment of debts, the secretary of the treasury be given additional power and charged with the duty to sell United States bonds and to employ such other effective means as may be necessary to these ends. The secretary should include the power to sell bonds on long and short time, as conditions may require and should provide for a rate of interest lower than that fixed by the act of January 4, 1875.

While there is now no commercial freight when we draw gold from the government but on the contrary, such widespread confidence that gold seeks the treasury demanding paper money in exchange, yet the very situation points to the present as the most fitting time to make adequate provision to insure the confidence of the public and of public confidence in the ability and purpose of the government to meet all its obligations in the money which the civilized world recognizes as the best. The financial transactions of the government are conducted upon a gold basis. We receive gold where we sell United States bonds and use gold for their payment. We are maintaining the parity of all the money issued or coined by authority of the government. We are doing these things with the means at hand. Happily at the present time we are not compelled to resort to loans to supply gold. It has been done in the past, however, and may have to be done in the future. It behooves us, therefore, to provide at once the best means to meet the emergency when it arises and the best means are those which are the most certain and economical. Those now authorized have the virtue neither of directness or economy. We have already eliminated one of the causes of our financial plight and our embarrassment during the years 1893, 1894, 1895 and 1896.

Our receipts now equal our expenditures, deficient revenues no longer create alarm. Let us remove the only remaining cause by conferring the full and necessary power on the secretary of the treasury and impose upon him the duty to uphold the present gold standard and preserve the coinage of the two metals on a parity with each other, which is the repeatedly declared policy of the United States.

In this connection I repeat my former recommendation that a portion of gold holdings shall be placed in a trust fund from which greenbacks shall be redeemed upon presentation, but when once redeemed shall not thereafter be paid out except for gold.

OUR MERCHANT MARINE.

The value of an American merchant marine to the extension of our commercial trade and the strength of every power upon the sea invites the immediate action of congress. Our national development will be one-sided and unsatisfactory so long as the remarkable growth of our inland industries remains unaccompanied by progress on the sea. There is no risk of constitutional authority for legislation which shall give to the country maritime strength commensurate with its industrial achievements and with its rank among nations of the earth. The past year has recorded exceptional activity in our ship yards and promises of continual prosperity in ship building are abundant.

Advanced legislation for the protection of our seacoast have been enacted and our coast trade regulations wisely framed at the beginning of the government and since, shows results for the past fiscal year unequalled in our records or those of any other power. We shall fail to realize our opportunities, however, if we complacently regard only matters at home and blind ourselves to the necessity of securing our share in the valuable carrying trade of the world. Last year American vessels transported a smaller share of our exports and imports than during any former year in all our history and the measures of our dependence upon foreign shipping was painfully manifested to our people. Without any choice of our own but from necessity, the department of the government charged with military and naval operations in the East and West Indies had to obtain from foreign flags merchant vessels essential for these operations.

The great nations have not hesitated to adopt the required means to develop their shipping as a fact, or in national defence, and as one of the surest and speediest means of obtaining for the producers a share in foreign markets like vigilance and effort on our part cannot fail to result in a situation which is regarded with humiliation at home and with surprise abroad. Even these seeming sacrifices which at the beginning may be involved will be offset later by more than equivalent gains. The expense is as nothing compared to the advantage to be achieved. The re-establishment of our merchant marine involves in a large measure our continued industrial progress and the expansion of our commercial triumphs. I am satisfied in the judgment of the counsels favor the policy of a combined merchant marine, which will broaden our commerce and markets and uphold our sea carrying capacity for the products of agriculture and manufacture and which, with the increase of our navy means more work and wages to our countrymen, as well as a safeguard to American interests in every part of the world.

THE TRUST QUESTION.

Combinations of capital organized into trusts which control conditions of trade among our citizens, stifle competition, limit production and determine the prices of goods consumed by the people are probably the greatest evils of our age and should early claim the attention of congress. The industrial commission, created by the act of congress of June 18, 1898, has been engaged in extended hearings upon the disputed questions involved in the subject of trusts. They have not yet completed their investigation of this subject and the conclusions and recommendations at which they have arrived are not yet determined. The subject is one giving rise to many divergent views as to the nature and variety of cause and extent of the injuries to the public which may arise from large combinations concentrating more or less numerous enterprises and establishments which previous to the formation of the combination were carried on separately.

It is universally conceded that combinations which engross or control the market of any particular kind of merchandise or control the supply of a general community by suppressing natural and ordinary competition whereby prices are unduly enhanced to the general consumer are obnoxious not only to the common law but also to the public welfare. There are, however, many establishments which in such organizations. If the present law can be extended more certainly to control or check these monopolies or trusts it should be done without delay.

Whatever power congress possesses over this important subject should be promptly ascertained and asserted. President Harrison, in his annual message of Dec. 3, 1889, says: "Earnest attention should be given by congress to a consideration of the question of how far the restraint of the combinations of capital commonly called trusts is a matter of federal jurisdiction. When organized, as they often are, to crush out all heat by competition and to monopolize the production or sale of an article of commerce and general necessity they are dangerous conspiracies against the public good they should be made the subject of prohibitory and even penal legislation." An act to protect trade and commerce against unlawful restraints and monopolies was passed by congress on July 2, 1890. The provisions of this statute are comprehensive and stringent. It declares every contract or combination in the form of a trust or otherwise, or conspiracy in the restraint of trade or commerce between the several states or foreign nations to be unlawful. It denounces as a criminal every person who makes any such contract or engages in any such combination or conspiracy and provides a punishment by fine or imprisonment. It invests the several circuit courts of the United States with jurisdiction to prevent and restrain violations of the act and makes it the duty of the several United States district attorneys under the direction of the attorney general to institute proceedings in every case to prevent and restrain such violations.

It further confers upon any person or corporation by the reason of any kind forbidden or declared to be unlawful by the act the power to sue therefore in any circuit court of the United States without regard to the amount in controversy and to recover three fold of the damages by him sustained and the costs of suit, including reasonable attorney fees. It will be perceived that the act is aimed at every kind of combination in the nature of a trust or monopoly in restraint of international commerce. The prosecution by the United States officers under the

act of 1890 has been frequently resorted to in the federal courts, and notable effect in the restraint of interstate commerce, such as the "Transmissouri Freight association and the joint traffic association have been successfully opposed and suppressed."

President Cleveland, in his annual message of Dec. 7, 1896, more than six years subsequent to the enactment of this law, after stating the evils of these trust combinations says: "Though congress has attempted to deal with this matter by legislation the laws passed for that purpose thus far have proved ineffective because of any lack of disposition or attempt to enforce them, but simply because the laws themselves as interpreted in the courts do not reach the difficulty. If the insufficiency of the exemption laws can be remedied by further legislation it should be done. The fact must be recognized, however, that all federal legislation on this subject may fall short of its purpose because of inherent obstacles and also because of the complex character of the governmental system while making the federal authority supreme within its sphere has carefully limited its means and bounds which cannot be transgressed. The decision of our highest court on this precise question renders it quite doubtful whether the evils of trusts and monopolies can be adequately treated through federal action unless they seek directly and purposely to include objects transportation or intercourse between states or between the United States and foreign countries.

"It does not follow, however, that this is the limit of a remedy that may be applied. Even though it may be found that federal authority is not broad enough to fully reach the case there can be no doubt of the power of the several states to act effectively in the premises, and there should be no reason to doubt their willingness to judiciously exercise such power. This state legislation to which President Cleveland looked for relief from the evils of trusts has failed to accomplish fully that object. This is probably due to a great extent to the fact that different states take different views as to the proper way to discriminate between evil and injurious combinations and those associations which are beneficial and necessary to the business prosperity of the country. The great diversity of treatment in different states arising from this cause and the intimate relations of all parts of the country to each other without regarding state lines in the conduct of business have made the enforcement of state law difficult. It appears that uniform legislation upon this subject in the several states is much to be desired. It is to be hoped that such uniformity founded in a wise and just discrimination between what is injurious and what is useful and necessary to the public interest may be obtained and it may be found for congress within the limits of its constitutional power to supplement an effective code of state legislation as to make a complete system of law throughout the United States to control a general observance of the salutary results to which I have referred.

The whole question is so important and far-reaching that I am sure no part of it will be lightly considered, but every phase of it will have the studied deliberations of the congress resulting in wise and judicious action.

OUR FOREIGN RELATIONS.

A review of our relations with foreign states is presented with such recommendations as are deemed appropriate. The long pending boundary dispute between the Argentine republic and Chile was settled in March last by the award of an arbitration commission, on which the United States minister at Buenos Ayres served as umpire. Progress has been made toward the conclusion of a convention and consented to by the United States to compel by general obligations, it only calls the adjustment of some slight changes in the text before exchange.

In my last annual message I adverted to the claim of the Austro-Hungarian government for indemnity for the killing of certain Austrian and Hungarian subjects by the authorities of the state of Pennsylvania at Latimer, while suppressing unlawful assault of miners, Sept. 10, 1897. In view of the verdict of acquittal rendered by the court before which the case was tried, and the established doctrine that the government may not be held accountable for injuries suffered by individuals at the hands of the public authorities while acting in the discharge of their official duty, the public peace, this government, after due consideration of the claim, advanced by the Austro-Hungarian government, was compelled to refuse indemnity to the sufferers.

Having been invited to participate in a conference at Brussels for a modification of the slave trade in Africa, to which the United States was a signatory power, notable changes were made, those especially referring to this country being in the line of increased restriction of the deleterious trade in spirituous liquors with the native tribes, which the government has from the outset urgently advocated. The amended general act will be laid before the senate with the view to its approval.

Early in the year the peace of Bolivia was disturbed by a successful insurrection. The United States minister remained at his post attending the American interests in that quarter and using besides his good offices for the protection of the interests of the British subjects, in the absence of their national representative and our minister was directed to enter into relations with that government. The present Bolivian minister has been instructed to use all honorable endeavors to induce the government of Bolivia to amend its marriage laws so as to give legal status to the non-Catholic and civil marriages of aliens within its jurisdiction and strong hopes are entertained that the Bolivian law in this regard will be brought, as was that of Peru some years ago, into harmony with the principles of modern states.

The convention with Brazil, signed May 12, 1892, has been ratified by the Brazilian legislature. During the past summer two national ships of the United States have visited Brazilian ports on a friendly mission and have been cordially received. The voyage of the Wilmington up the Amazon river gave rise to a passing misunderstanding owing to confusion in obtaining permission to visit the interior and make surveys in the general interest of navigation, but the incident found a ready adjustment in harmony with the close relations of amity that have been sedulously sought with the commonwealths of the western continent. The controversy growing out of the

seizure of the American-owned new paper, the Panama Star and Herald, by the authorities of Colombia, after a negotiation of several months, has been settled. The good will of Colombia toward our country has been testified anew by the cordial extension of facilities to the Nicaraguan canal commission in their approaching investigation of the Panama canal and other projected routes across the isthmus of Darien. Toward the end of October an insurrectionary disturbance developed in the Colombian republic. This movement has thus far not attained any decided result and is still in progress. Discussion of the question raised by the action of Denmark in imposing restrictions on the importation of American meats has continued without substantial result in our favor.

The neighboring island republic of Santo Domingo has lately been the scene of a tranquil revolution, following a long period of President Heureaux in July last and culminating in the relinquishment by the succeeding vice president of the reins of government to the insurgents. The first act of the provisional government was the calling of a presidential and constitutional election. Juan Isidro Jimenes having been elected president, was inaugurated on the 14th of November. Relations have been entered into with the newly established government.

THE GREATER REPUBLIC.

The experimental association of Nicaragua, Honduras and Salvador under the title of the Greater Republic of Central America, which apparently on the threshold of a complete organization and the formation of a national legislature, was disrupted in the last days of November, 1898, by the withdrawal of Honduras abandoned the joint compact, each resuming its former independent sovereignty. This was followed by the reception of Minister Merry by the republics of Nicaragua and Salvador, while Minister Hunter in turn presented his credentials to the government of Honduras, thus reverting to the old distribution of the old diplomatic agencies of the United States in Central America for which our existing statutes provide.

A Nicaraguan envoy has been accredited to the United States. An insurrectionary movement broke out at Bluefields, Pinaric, last and for some time exercised actual control of the Mosquito territory. The Detroit was promptly sent thither for the protection of American interests. After a few weeks the Reyes government denounced the credentials of the movement and certain public dues were collected from Nicaraguan merchants by the agents of the government for the time being in administrative control. Upon the titular government retaining power, a second payment of these dues was demanded. A complete controversy arose touching the validity of the original payment to the de facto regent of the territory. An arrangement was effected in April last by the United States minister and the foreign secretary of Nicaragua whereby the amounts of the duplicate payments were deposited with the British consul pending an adjustment of the matter by direct agreement between the governments of the United States and Nicaragua.

THE NICARAGUA CANAL.

The Maritime Canal company of Nicaragua was declared forfeited by the Nicaraguan government on the 10th of October on the ground of non-fulfillment within the ten years' term stipulated in the contract. The Maritime Canal company lodged a protest against this action alleging rights in the canal, which appear worthy of consideration. This government expects that Nicaragua will afford the protestants a full and fair hearing upon the merits of the case. The Nicaraguan Canal company, which had been engaged upon the work of excavation and survey for a ship canal route across Nicaragua, having completed its labors and made its report, was dissolved on May 31, and on June 10 a new commission known as the Isthmus Canal Commission was organized under the terms of the act approved March 31, 1899, for the purpose of examining the American isthmus with a view to determining the most practicable and feasible route for a ship canal across that isthmus, with its probable cost and other essential details.

This commission under the presidency of Rear Admiral John G. Walker, U. S. N. (retired), entered his employ upon the work intrusted to it and is now carrying on examinations in Nicaragua along the route of the Panama canal, and in Darien from the Atlantic, in the neighborhood of the Atrato river, to the bay of Panama, on the Pacific side. Good progress has been made, but under the law a comprehensive and complete investigation is called for which will require much labor and considerable time for its accomplishment. The work will be prosecuted as expeditiously as possible and a report had at the earliest practicable date. The great importance of this work cannot be too often or too strongly pressed upon the attention of congress. In my message of the necessity of a canal which would link the great oceans, to which I again invite your consideration. The reasons there represented for early action are even stronger now.

RELATIONS WITH CHILE.

A pleasing incident in the relations of this government with that of Chile occurred in the generous assistance given to the warship Newark when in distress in Chilean waters. Not alone in this way has the friendly disposition of Chile found expression. That country has acceded to the convention for the establishment of the bureau of the American republics in which organization every independent state of the continent now shares.

The exchange of ratifications of a convention for the revival of the United States and Chilean claims commission and for adjudication of the claims heretofore presented, but not determined during the life of the previous commission, has been delayed by reason of the necessity for fresh action by the Chilean senate upon the amendments attached to the ratification of the treaty by the United States senate. This formality is soon to be accomplished.

FUTURE OF CHINA.

In view of disturbances in the populous provinces of northern China, where are many of our citizens and of the influence of disorder near the capital and toward the seaboard, a band of marines was landed from the Boston and stationed during last winter in the legation compound at Peking. With the re-

stitution of order this protection was withdrawn. The interests of our citizens in that vast empire have not been neglected during the past year. Adequate protection has been secured for our missionaries and some injuries to their property have been redressed.

American capital has sought and found various opportunities of competing to carry out the internal improvements which the imperial government is wisely encouraging and to develop the natural resources of the empire. Our trade with China has continued to grow and our commercial rights under existing treaties have been everywhere maintained during the past year, as they will be in the future. An extension of area offers for foreign settlement at Shanghai and the opening of the ports to foreign trade and settlement will doubtless afford American enterprise additional facilities and new fields of which it will not be slow to take advantage.

In my message to congress of Dec. 5, 1888, I urged that the recommendation which had been made by the speaker of the house of representatives, by the secretary of the treasury on the 14th of June, 1888, for an appropriation for a commission to study the commercial and industrial conditions in the Chinese empire and report as the opportunities for and obstacles to the enlargement of markets in China for the raw products and manufactures of the United States should receive at your hands the consideration which it imperatively merits, but the congress failed to take action. I now renew this recommendation, as the importance of the subject has steadily grown since it was first submitted to you, and no time should be lost in studying for yourselves the resources of this great field of American trade and enterprise.

THE PARIS EXPOSITION.

The death of President Faure in February last called forth those sincere expressions of sympathy which befit the relations of two republics as closely allied by unbroken historic ties as are the United States and France.

Preparations for the representation of the industries, arts and products of the United States at the world's exposition to be held in Paris next year continue on an elaborate and comprehensive scale. The generous appropriation provided by congress has evoked the friendly interest of the French government has shown in furthering a typical exhibit of American progress.

There has been allotted to the United States a considerable addition of space, which, while placing our country in the first rank among exhibitors, does not suffice to meet the increasingly urgent demands of our manufacturers. The efforts of the commissioner general are ably directed toward a strictly representative display of all that most characteristically marks American achievements in the inventive arts and most adequately shows the excellence of our natural productions.

In this age of keen rivalry among nations for mastery in commerce the doctrine of evolution and the rule of the survival of the fittest must be as inexorable in their operation as they are positive in the results they bring about. The place won in the struggle by an industrial people can only be held by unremitting endeavor and constant advance. The present extraordinary impetus in every line of American exportation and increase in the volume and value of our share in the world's markets may not be attributed to accidental conditions.

The reasons are not far to seek. They lie deep in our national character and find expression year by year in every branch of our industry. In every new device whereby the materials we so abundantly produce are subdued to the artisan's hand made to yield the largest, most practical and most beneficial result. The American exhibit at Paris should, and I am confident will, be an open volume object lesson. Skillfully directed endeavor, unflinching energy and consummate perseverance may be read by all on every page, thus spreading abroad a clearer knowledge of the worth of our productions and the question of our claim to an important place in the markets of the world. To accomplish this by judicious selection, by recognition of paramount merit in whatever walk of trade and manufacture it may appear and by orderly classification and attractive installation is the task of our commission. The United States government building is approaching completion and no effort will be spared to make it worthy in beauty of architectural plan and in completeness of display to represent our nation. It has been suggested that a permanent building of similar or appropriate design be erected on a convenient site already given by the municipality near the exposition grounds to serve as a commemorative of the part taken by this country in this great enterprise, as an American national institute for our countrymen resorting to Paris for study.

I am informed by our commission general that we shall have in the American exhibitions at Paris over 7,000 exhibitors from every state in our country, a number 10 times as great as those which were represented at Vienna in 1873, six times as many as those at Paris in 1878 and four times as many as those who exhibited in Paris in 1889. This statement does not include the exhibits from either Cuba, Porto Rico or Hawaii, for which arrangements have been made.

A number of important international congresses on special topics affecting public interests are proposed to be held in Paris next summer in connection with the exposition. Effort will be made to have the several technical branches of our administration efficiently represented at those conferences each in its special line and to procure the largest possible concourse of state representatives, particularly at the congresses of public charity and of medicine.

GERMANY IS FRIENDLY.

Our relations with Germany continue to be most cordial. The increasing intimacy of direct association has been marked during the year by the granting of permission in April for the landing on shores of a cable from Boskum Emden, on the North sea by way of the Azores, and also by the conclusion on Sept. 2, of a parcels post convention with the German empire. In all that promises closer relations of intercourse and commerce and a better understanding between the two races having so many traits in common, Germany can be assured of the most cordial co-operation of this government and people. We may be rivals in material paths, but our rivalry should be generous and open, ever