...NT'S MESSAGE.

...Text of the Document as Sent to Congress.

...OF THE YEAR REVIEWED.

...ations and Recommendations Made to the National Lawmakers.

REPORTS OF THE DEPARTMENTS.

The President Reviews Them at Length and Gives Them His Indorsement—The Hawaiian Matter Touched Upon but Briefly, as the President Expects to Send a Special Message to Congress on the Affair at a Later Date—The New Tariff Bill and What the President Says of It.

TO THE CONGRESS OF THE UNITED STATES:—The constitutional duty which requires the present information of the state of the Union and recommend to the consideration such measures as he shall judge necessary and expedient, is humbly entered upon by commending to this congress a careful examination of the detailed statements and well supported recommendations contained in the reports of the heads of departments, who are closely charged with the executive work of the government. In an effort to abridge this communication as much as is consistent with its purpose, I shall supplement a brief reference to the contents of these departmental reports by the mention of such executive business and incidents as are not embraced therein, and by such recommendations as appear to be at this particular time appropriate. While our foreign relations have held at all times during the past year been entirely free from perplexity, no embarrassing situations remain that will not yield to the spirit of fairness and love of justice, which, joined with consent and firmness, characterizes a truly American foreign policy.

By processes not involving accepted the office of arbitrator of the long standing Mesquito boundary dispute tendered to the president by Argentine Republic and Brazil, it has been my agreeable duty to receive the special envoys commissioned by those states to lay before me evidence and arguments in behalf of their respective governments. The close friends of these two republics, in the republic of Brazil found the United States alert to watch the interests of our citizens in that country, with which we carry on important commerce. Several vessels of our new navy are now, and for some time have been, stationed at Rio de Janeiro. The struggle being between the established government, which controls the machinery of administration and with which we maintain friendly relations, and certain officers of the navy employing the vessels of their command in an attack upon the national capital and chief seaport, and lacking, as it does, the elements of divided administration, I have failed to see that the insurgents can reasonably claim recognition as belligerents. Thus far the position of our government has been that of an attentive but impartial observer of the unfortunate conflict. Emphasizing our fixed policy of impartial neutrality in such a condition of affairs as now existed, I deemed it necessary to disavow, in a manner not to be misunderstood, the unauthorized action of the late naval commander in those waters in saluting the revolted Brazilian admiral, being indisposed to countenance an act calculated to give gratuitous sanction to the local insurrection.

The Trouble with Chile.

The convention between our government and Chili, having for its object the settlement and adjustment of the demands of the two countries against each other, has been made effective by the organization of the claims commission provided for. The two governments failing to agree upon the third member of the commission, the good offices of the president of the Swiss republic were invoked, as provided in the treaty, and the selection of the Swiss representative in this country to complete the organization was gratifying alike to the United States and Chile. The vexatious question of socalled legation asylum for offenders against the state and its laws was presented anew in Chile by the authorized action of the late United States minister in receiving into his official residence two persons who had just failed in an attempt at revolution, and against whom criminal charges were pending, growing out of a former abortive disturbance.

The doctrine of asylum as applied to this case is not sanctioned by the best precedent, and when allowed tends to encourage sedition and strife. Under no circumstances can the representatives of this government be permitted under the ill-defined action of extraterritoriality, to interrupt the due administration of criminal justice in the countries to which they are accredited. A temperate demand having been made by the Chilean government for the correction of this conduct in the instance mentioned, the minister was instructed no longer to harbor the offenders.

The Chinese Question.

The legislation of last year, known as the Geary law, requiring the registration of all Chinese laborers entitled to residence in the United States, and the deportation of all not complying with the provisions of the act within the time prescribed, met with much opposition from Chinamen in this country. Acting upon the advice of eminent counsel that the law was unconstitutional, the great mass of Chinese laborers, pending judicial inquiry as to its validity, in good faith declined to apply for the certificates required by its provisions. A test case in proceedings by habeas corpus was brought before the supreme court and March 15, 1893, a decision was made by that tribunal sustaining the law. It is believed that under the recent amendment of the act extending the time for registration, the Chinese laborers thereto entitled, who desire to reside in this country, will now avail themselves of the saving privilege thus offered of establishing by lawful procedure their right to remain, and that thereby the necessity of enforced deportation may to a great degree be avoided. It has devolved upon the United States minister at Peking, as dean of the diplomatic body, and is the absence of a representative of Sweden and Norway, to press upon the Chinese government reparation for the recent murder of Swedish missionaries at Sung-Pu. This question is of vital interest to all countries whose citizens engage in missionary work in the interior. By article XII of the general act of Brussels, signed July 2, 1890, for the suppression of the slave trade and the restriction of certain importations into the independent state of Congo and in the adjacent zone of Central Africa, the United States and the other signatory powers agreed to adopt appropriate means for the punishment of persons selling arms and ammunition to the natives and for the confiscation of the articles sold. At being the place of the government by and in suppressing African trade, I am imparting as it does the worthy and civilizing efforts now in progress in that region, I recommend that an act prohibiting promoting the sale of arms and ammunition to natives in the regulated zone not be allowed to our citizens.

Costa Rica's Friendliness.

Costa Rica has lately testified its friendliness by surrendering to the United states, in the absence of a convention of extradition, but upon duly submitted evidence of criminality, a noted fugitive from justice. It is trusted that the negotiation of a treaty with that country to meet recurring cases of this kind will soon be accomplished. In my opinion treaties for reciprocal extradition should be concluded with all those countries with which the United States has not already conventional arrangements of that character. I have deemed it my duty to express to the governments of Costa Rica and Colombia the kindly desire of the United States to see their pending boundary disputes finally closed by arbitration in consonance with the spirit of the treaty concluded between them some years ago.

Relations with France.

Our relations with the French republic continue amicable and cordial. I expectantly await the exchange of the extradition treaty with that country as amended by the senate, with such other treaties as may be ratified. While occasional questions arise touching the status of naturalized citizens returning to France from their native land, or of persons born in France of parents who have arisen in France with Germany, our relations with that country continue satisfactory. The good offices of our representatives have been tendered and accepted in a spirit of amity, and have been treated in a spirit of friendliness. Negotiations are in progress with the governments with a view to submission as will make the award agreed upon by the Behring Sea arbitration practically effective. I am delighted that Great Britain and the United States, by joining with this country for the accomplishment of that purpose. That the Behring sea discriminating tolls levied and collected upon British vessels and to and from the Pribilof islands, was adjudged by the arbitrators to be inconsistent with the more equitable principles governing the case, I therefore felt it my duty to request the withdrawal of the proclamation imposing discriminating tolls upon British transit through our canals. A request for additions to the list of extraditable offenses covered by the existing treaty between the two countries is under consideration. During the past year an American citizen, employed in a subordinate commercial position in Hayti, after suffering a protracted imprisonment on an unfounded charge of smuggling, was finally liberated on judicial examination, upon urgent representation to the Haytian government, a suitable indemnity was paid to the sufferer. By a law of Hayti, a sailing vessel, having discharged her cargo, is refused clearance until the duties on such cargo have been paid. The hardship of this measure upon American shipowners who conduct the bulk of the carrying trade of that country has been insisted on with a view of securing the removal of this cause of complaint.

The Amapala Incident.

Upon receiving authentic information of the firing upon an American mail steamer touching at the port of Amapala because her captain refused to deliver up a passenger from Nicaragua to Guatemala upon demand of the military authorities of Honduras, our minister to that country under instructions protested against the wanton act and demanded satisfaction. The government of Honduras, actuated by a sense of justice and in a spirit of friendship, promptly disavowed the illegal conduct of its officers, and expressed sincere regret for the occurrence. It is confidently anticipated that a satisfactory adjustment will soon be reached of the questions arising out of the seizure and use of American vessels by insurgents in Honduras and the subsequent denial by the successful government of commercial privileges to those vessels on that account.

A notable part of the southeasterly coast of Liberia, between the Cavally and San Pedro rivers, which for nearly half a century has been generally recognized as belonging to that republic, by cession and purchase, has been claimed to be under the protectorate of France, in virtue of agreements entered into by the native tribes over whom Liberia's control has not been well maintained. More recently, negotiations between the Liberian representative and the French government resulted in the signature at Paris of a treaty, whereby, as an adjustment, certain Liberian territory is ceded to France. This convention, at last advices, had not been ratified by the Liberian legislature and executive. Feeling a sympathetic interest in the fortunes of the little commonwealth, the establishment and development of which were largely aided by the benevolence of our countrymen, and which constitutes the only independently sovereign state on the west coast of Africa, this government has suggested to the French government its earnest concern lest territorial bartitment in Liberia should take place without her unconstrained consent.

Friendly Relations with Mexico.

Our relations with Mexico continue to be of that close and friendly nature which should always characterize the intercourse of two neighboring republics. The work of relocating the monuments marking the boundary between the countries from Paso del Norte to the Pacific is now nearly completed. The commission recently organized under the conventions of 1882 and 1889 it is expected will speedily settle disputes growing out of the shifting currents of the Rio Grande river east of El Paso.

Nicaragua has recently passed through two revolutions, the party at first successful having in turn been displaced by another. Our minister, appointed minister, by his timely good offices, aided in a peaceful adjustment of the controversy involved in the first conflict. The large American interests established in that country in connection with the Nicaragua canal were not molested. The canal company has unfortunately become financially seriously embarrassed, but a generous treatment has been extended to it by the government of Nicaragua. The United States are especially interested in the successful achievement of the vast undertaking this company has in charge. That it should be accomplished under distinctively American auspices and its enjoyment assured not only to the vessels of the country as a channel of communication between our Atlantic and Pacific seaboards, but to the ships of the world in the interests of civilization, is a proposition which in my judgment does not admit of question. Guatemala has also been visited by the political vicissitudes which have affected the Central American neighbors but the dissolution of its legislature and the proclamation of a dictatorship have been unattended with civil war.

An extradition treaty with Norway has recently been exchanged and proclaimed. The extradition treaty with Russia, signed in March, 1887, and amended and confirmed by the senate in February last, was duly proclaimed last June.

The Samoan Matter.

Led by a desire to compose differences and contribute to the restoration of order in Samoa, which for some years previous had been the scene of conflicting foreign pretensions and native strife, the United States, departing from its policy consecrated by a century of observance, entered four years ago into the treaty of Berlin, thereby becoming jointly bound with England and Germany to establish and maintain Malietoa Lauppea as King of Samoa. The treaty provided for a foreign court of justice, a municipal council for the district of Apia, with a foreign president thereof, authorized to advise the king, a tribunal for the settlement of native and foreign land titles, and a revenue system for the kingdom. It placed upon the three powers that part of the cost of the new government, not met by the revenue of the islands. Early in the life of this triple protectorate the native dissensions it was designed to quell revived, and defied the authority of the new kingdom, refusing to pay taxes and demanding the election of a ruler by native suffrage. Mataafa, an aspirant to the throne, and a large number of his native adherents were in open rebellion on one of the islands. Quite lately, at the request of the other powers and in fulfillment of its treaty obligation, this government agreed to unite in a joint military movement of such character as it was believed would probably secure the surrender of the insurgents without bloodshed. The warship Philadelphia was accordingly put under orders for Samoa, but before she arrived the threatened conflict was precipitated by King Malietoa's attack upon the insurgent camp. Mataafa was defeated and a number of men killed. The British and German naval vessels present subsequently secured the surrender of Mataafa and his adherents. The defeated chief and ten of his principal supporters were deported to a German island of the Marshall group where they are held as prisoners under the joint responsibility of the rest of the powers. This incident and the events leading up to it signally illustrate the muddle of entangling alliances with foreign powers.

Claim Against Spain.

More than fifteen years ago this government preferred a claim against Spain in behalf of one of our citizens, whose property seized and confiscated in Cuba. In less time claim was adjusted, Spain agreeing to pay, unconditionally, as a fair indemnity $1,500,000. A respectful but earnest note was recently addressed to the Spanish government insisting upon prompt fulfillment of its long neglected obligation. Other claims preferred by the United states against Spain in behalf of American citizens for property confiscated in Cuba, have been pending for many years. At the time Spain's title to that island and its dependencies was confirmed by arbitration, that government agreed that the rights which had been acquired there by American missionaries should be recognized and respected. It is sincerely hoped that this pledge will be observed by allowing our missionaries, who were removed from Puerto Rico to a place of safety by a United States warship during the late troubles between the Spanish garrison and the natives to return to their field of ministrations.

The reproduced caravel, Santa Maria, built by Spain and sent to the Columbian exposition, has been presented to the United States in token of amity and in commemoration of the event it was designed to celebrate. I recommend that, in accepting this gift, congress make grateful recognition of the sincere friendship which prompted it.

Important matters have demanded attention in our relations with the Ottoman porte. The firing and partial destruction, by an incendiary mob, of one of the school buildings of Anatolia college, established by citizens of the United States at Marsovan, and the apparent indifference of the Turkish government, notwithstanding the complicity of some of its officials, called for earnest remonstrance, which was followed by promises of reparation and punishment of the offenders. Indemnity for the injury to the building has already been paid, permission to rebuild given, registration of the school property in the name of the American owners secured, and efficient protection guaranteed. Information received of maltreatment suffered by an inoffensive American woman engaged in missionary work in Turkish Kourdistan was followed by such repeated citations to the porte as resulted in the issuance of orders for the punishment of her assailants, the removal of a delinquent official, and the adoption of measures for the protection of our citizens engaged in mission and other lawful work in that quarter. Turkey complains that her Armenian subjects obtain citizenship in this country, not to identify themselves in good faith with our people, but with the intention of returning to the land of their birth and there engaging in sedition.

Not Without Foundation.

This complaint is not wholly without foundation. A journal published in this country in the Armenian language openly counsels the renegades to arm, organize and participate in movements for the subversion of Turkish authority in the Asiatic provinces. The Ottoman government has announced its intention to expel from its dominions Armenians who have obtained naturalization papers in the United States since 1886. The right to exclude any or all classes of aliens is an attribute of sovereignty. It is a right asserted and, to a limited extent, enforced by the United States with the sanction of our highest court. There being no naturalization treaty between the United States and Turkey, our minister at Constantinople has been instructed that, while recognizing the right of that government to enforce its declared policy against naturalized Armenians, he is expected to protect them from unnecessary harshness of treatment.

In view of the impaired financial resources of Venezuela, consequent upon the recent revolution there, a modified arrangement for the satisfaction of the awards of the late revisory claim commission, in progressive installments, has been assented to and payments are being regularly made thereunder. The boundary dispute betwe n Venezuela and British Guiana is yet unadjusted. A restoration of the binding intercourse between that republic and Great Britain and reference of the question to impartial arbitration would be a most gratifying consummation. The ratification by Venezuela of the convention for the arbitration of the long deferred claim of the Venezuela Transportation company is a failed.

THE HAWAIIAN QUESTION.

A Special Message Concerning It to be Sent to Congress.

It is hardly necessary for me to state that the questions arising from our relations with Hawaii have caused serious embarrassment. Just prior to the installation of the present administration the existing government of Hawaii had been suddenly overthrown and a treaty of annexation had been negotiated between the provisional government of the islands and the United States and submitted to the senate for ratification. This treaty I withdrew for examination and dispatched Hon. James H. Blount of Georgia to Honolulu as a special commissioner to make an impartial investigation of the circumstances attending the change of government, and of all the conditions bearing upon the subject of the treaty. After a thorough and exhaustive examination Mr. Blount submitted to me his report, showing beyond all question that the constitutional government of Hawaii had been subverted with the active aid of our representative at that government, and through the intimidation caused by the presence of an armed naval force of the United States which was landed for that purpose at the instance of our minister. Upon the facts developed it seemed to me the only honorable course for our government to pursue was to restore the status existing at the time of our forcible intervention. With a view of accomplishing this result within the constitutional limits of executive power, and recognizing all our obligations and responsibilities growing out of any changed conditions brought about by our unjustifiable interference, our minister at Honolulu has received appropriate instructions to that end. Thus far no information of the accomplishment of any definite results has been received from him. Additional advices are soon expected. When received they will be promptly sent to the congress, together with all other information at my command, accompanied by a special executive message fully detailing all the facts necessary to a complete understanding of the case, and presenting a history of all the material events leading up to the present situation.

Arbitration of Disputes.

By a concurrent resolution passed by the senate Feb. 14, 1890, and by the house of representatives on the 3d of April following, the president was requested "to invite, from time to time, as fit occasions may arise, negotiations with any government with which the United States has or may have diplomatic relations, to the end that all differences or disputes arising between the two governments which may be adjusted by diplomatic agency may be referred to arbitration and be peacably adjusted by such means." April 18, 1890, the international American conference of Washington by resolution expressed the wish that all controversies between the republics of America and the nations of Europe might be settled by arbitration, and recommended that the government of each nation represented in that conference should communicate this wish to all friendly powers. A favorable response has been received from Great Britain in the shape of a resolution adopted by parliament July 16 last, cordially sympathizing with the purpose in view and expressing the hope that her majesty's government will lend ready cooperation to the government of the United States upon the basis of the concurrent resolution above quoted. It affords me signal pleasure to lay this parliamentary resolution before the congress and to express my sincere gratification that the sentiment of two great and kindred nations is thus authoritatively manifested in favor of the rational and peaceable settlement of international quarrels by honorable resort to arbitration.

Title of Ambassador.

Since the passage of the act of March 3, 1893, authorizing the president to raise the grade of our envoys to correspond with the rank in which foreign countries accredit their agents here, Austria-Hungary, Italy and Germany have conferred upon their representatives at this capital the title of ambassador, and I have responded by accrediting the agents of the United States in those countries with the same title. A like elevation of mission is announced by Russia and when made will be similarly met. This step fittingly comports with the position the United States held in the family of nations. During my former administration, my inclination to recommend a recast of the laws relating to the consular service in order that it might become a more efficient agency in the promotion of the interests it was intended to subserve. The duties and powers of consuls have been expanded with the growing requirements of our foreign trade. Discharging important duties affecting our commerce and American citizens abroad, and in certain countries exercising judicial functions, these officers should be men of character, intelligence and ability.

Upon proof that the legislation of Denmark provides copyright to American citizens on equal footing with its own, the privileges of our copyright laws have been extended by proclamation to subjects of that country.

NATIONAL FINANCES.

Some Figures from the Report of the Secretary of the Treasury.

The secretary of the treasury reports that the receipts of the government from all sources during the fiscal year ended June 30, 1893, amounted to $461,716,561.99 and its expenditures to $459,526,774.29. There was collected from customs $203,355,016.78 and from internal revenue $161,027,425.93. Dutiable imports amounted to $427,857,711, an increase of $42,435,896 over the preceding year, and importations free of duty amounted to $445,544,371, a decrease from the preceding year of $13,455,147. Internal revenue receipts exceeded those of the preceding year by $8,147,447.32. The total tax collected on distilled spirits was $90,722,235, on manufactured tobacco $32,421,869.71, and on fermented liquors $22,518,916. We exported merchandise during the year amounting to $847,665,194, a decrease of $182,612,951 from the preceding year. The amount of gold exported was larger than any previous year in the history of the government, amounting to $108,677,851, and exceeding the amount exported during the preceding year by $36,953,851. The sum paid from the treasury for sugar bounty was $9,335,138.88, an increase over the preceding year of $2,031,053.19. It is estimated upon the basis of present revenue laws that the receipts of the government for the year ending June 30, 1894, will be $449,121,365.58, and its expenditures $459,121,365.58, resulting in a deficiency of $10,000,000.

On the 1st day of November, 1893, the amount of money of all kinds in circulation, not included in treasury holdings, was $1,719,514,692, an increase for the year of $112,000,997. Estimating our population at 67,476,000 at the time mentioned, the per capita circulation was $25.49. On the same date there was in the treasury gold bullion amounting to $9,655,223 and silver bullion which was purchased at a cost of $128,291,353. The purchases of silver under the law of July 14, 1890, during the last fiscal year aggregated 54,098,162.59 fine ounces, which cost $45,531,374.53. The total amount of silver purchased from the time that law became operative until the repeal of its purchasing clause, on the 1st day of November, 1893, was 168,674,500.66 fine ounces, which cost $155,930,090.81. Between the 1st day of March, 1853, and the 1st day of November, 1893, the government purchased, under all laws, 303,666,717 ounces of the silver at a cost of $308,622,948. The silver dollars that have been coined under the act of July 14, 1890, number 36,096,295. The seigniorage arising from such coinage was $6,972,165.38, leaving on hand in the mints 140,699,709 fine ounces of silver, which cost $129,758,218.

Coinage of the Mints.

Our total coinage of all metals during the last fiscal year consisted of 79,240,075 pieces, valued at $46,695,178.80, of which there was $30,098,100 in gold coin, $5,352,715 in silver dollars, $7,217,220.80 in subsidiary silver coin, and $1,026,162.90 in minor coins. During the calendar year 1892 the production of precious metals in the United States was estimated at 1,536,373 fine ounces of gold of the commercial and coinage value of $32,000,000, and 58,000,000 fine ounces of silver of the bullion or market value of $60,720,000 and of the coinage value of $74,900,000. It is estimated that on the 1st day of July, 1893, the metallic stock of money in the United States, consisting of coin and bullion, amounted to $1,845,826,169, of which $557,657,685 was gold and $265,861,481 was silver.

One hundred and nineteen national banks were organized during the year ending Oct. 31, 1893, with a capital of $11,220,000. Forty-six went into voluntary liquidation and 158 suspended. Sixty-five of the suspended banks were insolvent, eighty-six resumed business and seven remained in the hands of bank examiners, with prospects of speedy resumption. Of the new banks organized 41 were located in the eastern states, 41 west of the Mississippi river and 34 in the central and southern states. The total number of national banks in existence on the 31st day of October, 1893, was 3,736, having an aggregate capital of $826,558,129. The net increase in the circulation of these banks during the year was $20,886,972.

Change in Currency Affairs.

The recent repeal of the provision of law requiring the purchase of silver bullion by the government as a feature of our monetary scheme, has made an entire change in the condition of the business interests between that republic and Great Britain and referees of the question to impartial arbitration would be a most gratifying consummation. The ratification by Venezuela of the convention for the arbitration of the long deferred claim of the Venezuela Transportation company is a failed.

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purpose of great utility in keeping the army advised of the world's progress in all matters pertaining to the art of war.

ATTORNEY GENERAL'S REPORT.

Proposition to Abolish the Fee System in Certain Cases Indorsed.

The report of the attorney general contains the usual summary of the affairs and proceedings of the department of justice for the past year, together with certain recommendations as to needed legislation on various subjects. I cannot too heartily indorse the proposition that the fee system as applicable to the compensation of United States attorneys, marshals, clerks of federal courts and United States commissioners should be abolished with as little delay as possible. It is clearly in the interest of the community that the business of the courts, both civil and criminal, shall be as small and as inexpensively transacted as the ends of justice will allow. The system is therefore thoroughly vicious which makes the compensation of court officials depend upon the volume of such business, and thus creates a conflict between a proper execution of the law and private gain, which cannot fail to be dangerous to the rights and freedom of the citizen and an irresistible temptation to the unjustifiable expenditure of public funds. In addition to this reform another was inaugurated which would give to the United States commissioners the final disposition of petty offenses within the grade of misdemeanors, especially those coming under the internal revenue laws, a great advance would be made toward a more decent administration of the criminal law.

Business and Expense Increased.

In my first message to congress, dated Dec. 8, 1885, I strongly recommended these changes and referred somewhat at length to the evils of the present system. Since that time the criminal business of the federal courts and the expense attending it have enormously increased. The number of criminal prosecutions pending in the circuit and district courts of the United States on the last day of July, 1885, was 6,808 of which 1,881 were for violations of the internal revenue laws, while the number of such prosecutions pending on the 1st day of July, 1893, was 9,550, of which 4,296 were for violation of the internal revenue laws. The expense of the United States court, exclusive of judges' salaries, for the year ending July 1, 1885, was $2,874,743.11, and for the year ending July 1, 1893, $4,328,036.71. It is therefore apparent that the reasons given in 1885 for a change in the manner of enforcing the federal criminal law have gained recency and strength by lapse of time.

I also heartily join the attorney general in recommending legislation fixing degrees of the crime of murder within federal jurisdiction, as has been done in many of the states; authorizing writs of error on behalf of the government in cases where final judgment is rendered against the sufficiency of an indictment or against the constitutionality upon any other question arising before actual trial; limiting the right of review in cases of felony punishable only by fine and imprisonment to the circuit court of appeals, and making speedy provision for the construction of such prisons and reformatories as may be necessary for the confinement of United States convicts.

POSTOFFICE DEPARTMENT.

Depression in Business Quickly Reduces the Revenues.

The report of the postmaster general contains a detailed statement of the operations of the postoffice department during the last fiscal year and much interesting information touching the important branch of the public service. The business of the mails indicates with absolute certainty the condition of the business of the country and depression in financial affairs inevitably and quickly reduces the postal revenues. Therefore a larger discrepancy than usual between the postoffice receipts and expenditures is the expected and unavoidable result of the distressing stringency which has prevailed throughout the country during much of the time covered by the postmaster general's report. At a date when better times were anticipated it was estimated by his predecessor that the deficiency on the 30th day of June, 1894, would be but a little over a million and a half dollars. It amounted, however, to more than five millions, and the same force and under the influence of like antipatriotic estimates were made to the current fiscal year ending June 30, 1894, which exhibited a surplus of revenue over expenditures of $87,245.31; but now in view of the actual receipts and expenditures during that part of the current fiscal year already expired, the present postmaster general estimates that at the close instead of a surplus, there will be a deficiency of nearly eight million dollars. The postoffice receipts for the fiscal year amounted to $75,896,994.18, and its expenditures to $81,674,100.99. This postoffice deficiency would disappear or be immensely decreased if so much were transferred free through the mails, an item of which is upward of 300 tons of seeds and grain from the agricultural department.

Total Number of Offices.

The total number of postoffices in the United States on the 30th day of June, 1893, was 65,468, an increase of 1,234 over the preceding year. Forty-two free delivery offices were added during the year to those already existing, making a total of 610 cities and towns provided with free delivery on June 30, 1893. Ninety three other cities and towns are now entitled to this service under the law, but it has not been accorded them on account of insufficient funds to meet the expense of its establishment. I am decidedly of the opinion that the provisions of the present law permit as general an extension of this feature of mail service as is necessary or justifiable, and that it ought not to be extended to smaller communities than are now designated. The expense of free delivery for the fiscal year ending June 30, 1894, will be more than $11,000,000 and under legislation now existing there must be a constant increase in this item of expenditure.

There were 6,401 additions to the domestic money order offices during the last fiscal year, being the largest increase in any year since the inauguration of the system. The total number of domestic offices at the close of the year was 18,464. There were 13,839,755 money orders issued from these offices, being an increase over the preceding year of 1,240,266 and the value of these orders amounted to $127,570,433.66, an increase of $7,509,662.38. There were also issued during the year postal notes amounting to $12,966,056.33. During the year 195 international money order offices were added to those already provided, making a total of 2,57 in operation on June 30, 1893. The number of international money orders issued during the year was 1,015,599, an increase over the preceding year of 72,525, and their value was $1,341,85.36, an increase of $1,251,56.36. The number of orders paid was 350,917, an increase over the preceding year of 43,64, and their value was $3,281,453.[illegible], a decrease of $93,104.84. From the foregoing statements, it appears that the total issue of money orders and postal notes for the year amounted to $141,821,443.21.

Special Delivery Stamps.

The number of letters and packages mailed during the year for special delivery was 4,355,[illegible], an increase over the preceding year of nearly 22 per cent. The special delivery stamps used upon these letters and packages amounted to $3,[illegible], and the messenger fees paid for their delivery amounted to $236,[illegible], leaving a profit to the government of $880,[illegible]. The railway mail service not only adds to the promptness of mail delivery at all offices, but it is the special instrumentality which puts the smaller and way places in the service on an equality in that regard with the large and terminal offices. This branch of the postal service has therefore received much attention from the postmaster general, and though it is gratifying to know that it is in a condition of high efficiency and great usefulness, I am led to agree with the postmaster general that there is room for its further improvement.

There are now connected with the postoffice establishment 28,324 employes, who are in the classified service. The head of this great department gives conclusive evidence of the value of civil service reform when, after an experience that renders his judgment on the subject absolutely reliable, he expresses the opinion that without the benefit of this system it would be impossible to conduct the vast business intrusted to him. I desire to commend as especially worthy of prompt attention the suggestions of the postmaster general relating to a more sensible and business-like organization and a better distribution of responsibility in his department.

UNITED STATES NAVY.

Gratifying Condition Reported by the Secretary—Demand for Cruisers.

The report of the secretary of the navy contains a history of the operations of his department during the past year, and exhibits a most gratifying condition of the personnel of our navy. He presents a satisfactory account of the progress which has been made in the construction of vessels and makes a number of recommendations to which attention is especially invited. During the past six months the demands for cruising vessels have been many and urgent. There have been revolutions calling for vessels to protect American interests in Nicaragua, Guatemala, Costa Rica, Honduras, Argentina and Brazil, while the condition of affairs in Honolulu has required the constant presence of one or more ships. With all these calls upon our navy, it became necessary, in order to make up a sufficient fleet to patrol the Behring sea under the modus vivendi agreed upon with Great Britain, to detail to that service one vessel from the fish commission and three from the revenue marine. Progress in the construction of new vessels has not been as rapid as was anticipated. There have been delays in the completion of unarmored vessels, but for the most part they have been such as are constantly occurring even in countries having the largest experience in naval ship building. The most serious delays have been in the work upon armored ships. The trouble has been the failure of contractors to deliver armor as agreed. The difficulties seem, now, however, to have been all overcome, and armor is being delivered with satisfactory promptness.

New Vessels Completed.

As a result of the experience acquired by shipbuilders and designers, and material men, it is believed that the dates when vessels will be completed can now be estimated with reasonable accuracy. Great guns, rapid-fire guns, torpedoes and powder are being promptly supplied. The following vessels of the new navy have been completed and are now ready for service: The double-turreted coast defense monitor Miantonomoh, the double-turreted coast defense monitor Monterey, the armored cruiser New York, the protected cruisers Baltimore, Chicago, Philadelphia, Newark, San Francisco, Charleston, Atlanta and Boston, the cruiser Detroit, the gunboats Yorktown, Concord, Bennington, Marietta, Castine and Petrel, the dispatch vessel Dolphin, the practice vessel Bancroft and the dynamite gunboat Vesuvius. Of these the Bancroft, Machias, Detroit and Castine have been placed in commission during the current calendar year. The following vessels are in progress of construction: The second-class battleships Maine and Texas; the cruisers Montgomery and Marblehead, and the coast defense monitors Terror, Puritan, Amphitrite and Monadnock, all of which will be completed within one year; the harbor defense ram Katahdin and the protected cruisers Columbia, Minneapolis, Olympia, Cincinnati, and Raleigh, all of which will be completed prior to July 1, 1896; the first-class battleships Iowa, Indiana, Massachusetts, and Oregon, which will be completed Feb. 1, 1896, and the armored cruiser Brooklyn, which will be completed by Aug. 1 of that year. It is also expected that the three gunboats authorized by the last congress will be completed in less than two years. Since 1883 congress has at each session authorized the building of one or more vessels, and the secretary of the navy presents an earnest plea for the continuance of this plan. He recommends the authorization of at least one battleship and six torpedo boats.

Careful Consideration Urged.

While I am distinctly in favor of consistently pursuing the policy we have inaugurated of building up a thorough and efficient navy, I cannot refrain from the suggestion that the congress should carefully take into account the number of unfinished vessels on our hands and the depleted condition of our treasury in considering the propriety of an appropriation at this time for beginning work. The method of employing mechanical labor at navy yards through the boards of labor, and making efficiency the sole test by which laborers are employed and continued, is producing the best results and the secretary is earnestly devoting himself to its development. Attention is invited to the statements of his report in regard to the workings of the system.

INTERIOR DEPARTMENT.

Important Subjects Over Which Its Secretary Has Supervision.

The secretary of the interior has the supervision of so many important subjects that his report is of especial value and interest. On the 30th day of June, 1893, there were on the pension rolls 966,012 names, an increase of 8,904 over the number on the rolls June 30, 1892. Of these there were 37 widows and daughters