

## THE PRESIDENT'S MESSAGE.

## THE OLD, OLD STORY ON TARIFF AND FOREIGN AFFAIRS.

## With Some Variations on Bonds and Currency—He Wants a New Banking System.

WASHINGTON, Dec. 3.—The regular session of congress began to-day, with 66 senators and 216 members present in their respective places. The president's annual message was read to both houses.

The message begins with a review of foreign relations, referring to the Belgian and German governments' restrictions against American food products, and to the action of Brazil in giving notice to terminate the commercial arrangements with this country. The president thinks it proper to heed any intimation that our friendly aid toward the termination of hostilities between China and Japan would be acceptable to both those nations. He vaporizes extensively on the Behring sea arbitration, the Hawaiian incident, relations with Mexico, the murder of an American in Nicaragua, the domestic disturbance in Peru, death of the czar of Russia, the Samoan troubles, the Tu-ki-h outrages against Armenians, and the unjust fines imposed by Spain on the vessels and commerce of the United States.

A frightful array of figures are given from the secretary of the treasury's report and more from the report of the secretary of war, but both reports are given for what they are worth.

From the treasury report he shows that fifty national banks were organized during the year ended October 31, 1894, with a capital of \$5,285,000, and seventy-nine with a capital of \$10,473,000, went into voluntary liquidation. Twenty-one banks, with a capital of \$2,770,000, were placed in the hands of receivers. The total number of national banks in existence on the 31st of October last was 3,756, being forty less than on the 31st day of October, 1893. The capital stock paid in was \$673,671,765, being \$9,678,491 less than at the same time in the previous year, and the surplus and undivided profits, less expenses and taxes paid, amounted to \$14,121,082.10, which was \$16,089,780 less than on October 31, 1893. The circulation has decreased \$1,741.53. The obligation of the banks to each other were increased \$117,269,334, and the individual deposits were \$77,394,189, less than at the corresponding date in the previous year. Loans and discounts were \$161,266,928 more than at the same time the previous year, and checks and other cash items were \$30,749,961 more. The total resources of the banks at the dates mentioned amounted to \$3,473,322,056, as against \$3,100,563,384 in 1893.

The report of the attorney-general notes the gratifying progress made by the supreme court in overcoming the arrears of its business and in reaching a condition in which it will be able to dispose of cases as they arise without any unreasonable delay. This result is of course very largely due to the successful working of the plan inaugurating circuit courts of appeals. In respect to these tribunals the suggestion is made in quarters entitled to the highest consideration that an additional circuit judge for each circuit would greatly strengthen these courts and the confidence reposed in their adjudication, and that such an addition would not create a greater force of judges than the increasing business of such courts requires. The permanent solution of what is called the Indian problem is probably not to be expected at once, but meanwhile such ameliorations of present conditions as the existing system will admit ought not to be neglected. I am satisfied there should be a federal court established for the territory with sufficient judges and that this court should sit within the territory and have the same jurisdiction as to territorial affairs as is now vested in the federal courts sitting in Arkansas and Texas.

Another subject of pressing moment referred to by the attorney-general is the reorganization of the Union Pacific Railroad Co. on a basis equitable as regards all private interests and as favorable to the government as existing conditions will permit. The operation of a railroad by a court through a receiver is an anomalous state of things which should be terminated on all grounds, public and private, at the earliest possible moment.

It is not my purpose at this time to repeat the considerations which make an inalienable case in favor of the ownership and management by the government of the penal institutions in which federal prisoners are confined. I simply desire to again urge former recommendations on the subject and to particularly call the attention of the congress to that part of the report of the secretary of war, in which he states that the military prison at Fort Leavenworth, Kan., can be turned over to the government as a prison for federal convicts without the least difficulty and with an actual saving of money from every point of view.

**Post Office Affairs.**  
The report of the postmaster-general presents a comprehensive statement of the operations of the post office department for the last fiscal year. The receipts of the department during the year amounted to \$73,080,479.04 and the expenditures of \$81,334,414.13. The transactions of the postal service indicate with barometric certainty the fluctuations in businesses of the country. Inasmuch, therefore, as business complications continued to exist the last year to an unforeseen extent it is not surprising that the deficiency of revenues to meet the expenditures of the post office department, which was estimated in advance at about \$8,000,000, should be exceeded by nearly \$1,250,000. The ascertained revenues of the last year, which were the basis of calculation for the current year, being less than estimated, the deficiency for the current year will be correspondingly greater, though the postmaster-general states that the latest indications are so favorable that he confidently predicts an increase of at least 8 per cent. in the revenues of the current year over those of the last year. The expenditures increase steadily and necessarily with the growth and needs of the country, so that the deficiency is greater or less in any year depending upon the volume of receipts. The postmaster-general states that this deficiency is unnecessary and might be obviated at once if the laws regulating rates upon mail matter of the second class was modified. The rate received for the transmission of this second-class matter is 1 cent per pound, while the cost of such transportation to the government is eight times that amount. In the general terms of the law this rate covers newspapers and periodicals. The extensions of the meaning of these terms from time to time have admitted to the privileges intended for legitimate newspapers and periodicals a surprising range of publication, and created abuses the cost of which amounts in the aggregate to the total deficiency of the post office department. Pretended newspapers are started by business houses for the purpose of advertising goods, complying with the law in form only, and discontinuing the publications as soon as the period of advertising is over. Another abuse consists in the free carriage through the mails of hundreds of tons of seed and grain, uselessly distributed through the department of agriculture. The postmaster-general predicts that if the law is so amended as to eradicate these abuses, not only will the post office department show no deficiency, but he believes that in the near future all legitimate newspapers, periodicals and magazines might be properly transmitted through the mails to their subscribers free of cost. I invite your prompt consideration of this subject and fully indorse the views of the postmaster-general. The total number of post offices in the United States on the 30th day of June, 1894, was 69,203, an increase of 1,403 over the preceding year; of these 3,428 were presidential, an increase of sixty-eight over the preceding year. Six hundred and ten cities and towns are provided with free delivery, ninety-three other cities and towns entitled to this service under the law have not been accorded it on account of insufficient funds. The expense of free delivery for the current fiscal year will be more than \$12,000,000, and under existing legislation this item of expenditure is subject to no constant increase. The estimated cost of free delivery generally is so very large that it ought not to be considered in the present condition of affairs. During the year 839 additional domestic money order offices were established. The total number of these offices at the close of the year was 19,364. There were 11,304,041 money orders issued during the year, being an increase over the preceding year of 994,308. The value of these orders amounted to \$138,793,379.49, an increase of \$11,217,241.84.

There were also issued during the year postal notes amounting to \$12,619,094.95. During the year 218 international money order offices were added to those already established, making a total of 2,235 such offices in operation June 30, 1894. The number of international money orders issued during the year was 917,835, a decrease in number of 138,170, and their value was \$13,792,453.31, a decrease in amount of \$2,849,382.91. The number of orders paid was 361,180, an increase over the preceding year of 60,263, and their value was \$5,363,493.78, an increase of \$11,265,118.05. From the foregoing statements it appears that the total issue of money orders and postal notes for the year amounted to \$165,235,139.35. The number of letters and packages mailed during the year for special delivery was 3,436,970. The special delivery stamps used upon these letters and packages amounted to \$343,637. The messengers' fees paid for their delivery amounted to \$261,308.70, leaving a balance in favor of the government of \$2,487.31. The report shows most gratifying results in the way of economies in the cost and amount of supplies used in the service, amounting in all to \$16,619,017.42.

The report also contains a valuable contribution to the history of the universal postal union, an arrangement which amounts practically to the establishment of one postal system for the entire civilized world.

There are now connected with the post office establishment 32,001 employees who are in the classified service. This includes many who have been classified upon the suggestion of the postmaster-general. He states that another year's experience at the head of the department serves only to strengthen the conviction as to the excellent working of the civil service law in this branch of the public service.

**Our Navy.**

Attention is called to the report of the secretary of the navy, which shows very gratifying progress in the construction of ships for our navy. All the vessels now building, including the three torpedo boats authorized at the last session of congress, and excepting the first-class battleship Iowa, will probably be completed during the coming fiscal year. The estimates for the increase of the navy for the year ending June 30, 1896, are large, but they include practically the entire sum necessary to complete and equip all the new ships now in commission; so that, unless new ships are authorized, the appropriation for the naval service for the fiscal year ending June 30, 1897, should fall below the estimates for the coming year by at least \$12,000,000.

The secretary presents with much earnestness a plea for the authorization of three additional battleships and twelve torpedo boats. If we are to have a navy for warlike operations, offensive and defensive, we certainly ought to

increase both the number of battleships and torpedo boats.

I feel it my imperative duty to call attention to the recommendation of the secretary in regard to the personnel of the line of the navy. The stagnation of promotion in this the vital branch of the service is so great as to seriously impair its efficiency. I consider it of the utmost importance that the young and middle-aged officers should before the eve of retirement be permitted to reach a grade entitling them to active and important duty. The system adopted a few years ago regulating the employment of labor at the navy yards is rigidly upheld and has fully demonstrated its usefulness and expediency. It is within the domain of civil service reform in as much as workmen are employed through a board of labor selected at each navy yard, and are given work without reference to politics and in order of their application, preferences, however, being given to army and navy veterans and those having former navy yard experience.

**The Interior Department.**

The report of the secretary of the interior exhibits the situation of the numerous and interesting branches of the public service connected with his department. I recommend this report and the valuable recommendations of the secretary to careful attention of congress. The public land disposed of during the year amounted to 10,470,100.77 acres, including 2,897,005 of Indian lands. It is estimated that the public domain still remaining amounts to a little more than 600,000,000 acres, excluding, however, about 300,000,000 acres in Alaska as well as military reservations and railroad and other selections of lands unadjudicated.

The total cash receipts from sale of lands amounted to \$2,674,283.79, including \$91,981.03 received for Indian lands. Thirty-five thousand patents were issued for agricultural lands and 3,100 patents were issued to Indians on allotments of their holdings in severalty, the land so allotted being inalienable by the Indian allottees for a period of twenty-five years after patent. There were certified and patented on account of railroad and wagon road grants during the year, 865,556.43 acres of land, and at the close of the year 39,000,000 acres were embraced in the list of selections made by railroad and wagon road companies and awaited settlement. The selections of swamp lands and that taken as indemnity therefor since the passage of the act providing for the same in 1849 amount to nearly or quite 90,500,000 acres, of which 58,000,000 have been patented to states, about 138,000 acres were patented during last year. Nearly 820,000 acres of school and educational grants were approved during the year and at its close 1,250,362.31 acres remained unadjudicated.

An exceedingly important recommendation of the secretary relates to the manner in which contests and litigated cases growing out of efforts to obtain government land are determined. I concur in the opinion that the commissioner of the general land office should be relieved of this duty of deciding litigated land cases; that a non-partisan court should be created to pass on such cases and that decisions of this court should be final, at least so far as the decisions of the department are final.

The registers and receivers who originally hear and decide these disputes should be invested with authority to compel witnesses to attend and testify before them. Though the condition of the Indians shows a steady and healthy progress, their situation is not satisfactory at all points. Some of them to whom allotments of lands have been made are found to be unable or disciplined to follow agricultural pursuits, or to otherwise beneficially manage their land.

I am convinced that the proper solution of the Indian problem and the success of every step taken in that direction depends, to a very large extent, upon the intelligence and honesty of the reservation agents and the interest they have in their work. An unfit agent will make no effort to advance the Indians on his reservation toward civilization or preparation for allotment of lands in severalty, and his opinion as to their condition in this and other regards is heedless and valueless.

The intelligent Indian school management of the past year has been followed by gratifying results. Efforts have been made to advance the work in a sound and practical manner. The appropriation for the current year ending June 30, 1895, applicable to the ordinary expenses of the Indian service, amounts to \$6,733,003.18, being less by \$663,240.04 than the sum appropriated on the same account the previous year.

At the close of the last fiscal year, on the 30th day of June, 1894, there were 969,544 persons on the pension rolls, being a net increase of 3,537 over the number reported at the end of the previous year. These pensioners may be classified as follows: Soldiers and sailors, survivors of all wars, 753,568; widows and relatives of deceased soldiers, 215,151; army nurses in war of the rebellion, 414. Of these pensioners, 32,039 are surviving soldiers of Indian and other wars prior to the late civil war and the widows and relatives of such soldiers.

The remainder, numbering 937,505, are receiving pensions on account of the war of the rebellion, and of these 479,344 are on the rolls under the authority of the act of June 27, 1890, sometimes called the dependent pension law. The total amount expended for pensions during the year was \$139,844,411.05, leaving an unexpended balance from the sum appropriated of \$25,205,712.65. The sum necessary to meet pension expenditures for the year ending June 30, 1895, is estimated at \$149,000,000. The commissioner of pensions is of the opinion that the year 1895 being the thirtieth after the close of the war of the rebellion must, according to sensible human calculation, be the highest limit of the pension roll, and

that after that year it must begin to decline. The claims pending in the bureau have decreased to more than 9,000 during the year. A large proportion of the new claims filed are for increase of pension by those now on the rolls. The number of certificates issued was 80,213. The names dropped from the rolls for all causes during the year numbered 37,931. Among our pensioners are nine widows and three daughters of soldiers of the revolution, and forty-five survivors of the war of 1812.

The completion of the eleventh census is now in charge of the commissioner of labor. The total disbursement on account of the work for the fiscal year ended June 30, 1894, amounted to \$10,355,676.81. At the close of the year the number of persons employed in the census office was 679. At present there are about 400. The whole number of volumes necessary to comprehend the eleventh census will be twenty-five and they will contain 22,270 printed pages.

**Agricultural Matters.**

The secretary of agriculture in his report reviews the operations of his department for the last fiscal year, and makes recommendations for the further extension of its usefulness. He reports a saving in expenditures during the year of \$800,000, which is covered back into the treasury. This sum is 23 per cent. of the entire appropriation, as special study has been made of the demand for American farm products in all foreign markets, especially in Great Britain.

That country received from the United States during the nine months ending September 30, 1894, 305,901 live beef cattle, valued at \$23,500,000 as against 182,611 cattle, valued at \$16,634,000 during the same period for 1893. During the first six months of 1894 the United Kingdom took also 112,000,000 pounds of dressed beef from the United States valued at nearly \$10,000,000.

The report shows that during the nine months immediately preceding September 30, 1894, the United States exported to Great Britain 222,676,000 pounds of pork, of apples 1,900,000 bushels, valued at \$2,500,000 and of horses 2,811 at an average value of \$139 per head. There was a falling off in American wheat exports of 13,500,000 bushels and the secretary is inclined to believe that wheat may not in the future be the staple export cereal product of our country, but that corn will continue to advance in importance as an export on account of the new uses to which it is constantly being appropriated. The exports of agricultural products from the United States for the fiscal year ending June 30, 1894, amounted to \$628,361,038, being 72.28 per cent. of American exports of every description, and the United Kingdom of Great Britain took more than 34 per cent. of all farm products finding foreign markets.

The amount appropriated for the weather bureau was \$951,100. Of that sum \$138,500, or 14 per cent., has been saved and is returned to the treasury. The appropriation to the bureau of animal industry was \$8,000 and the expenditures for the year were only \$495,429.24, thus leaving unexpended \$354,570.76. The inspection of beef animals for export and interstate trade has been continued and 12,941,938 head were inspected during the year at a cost of 1 1/2 cent per head against 4 1/2 cents for 1893.

The secretary of agriculture recommends that the law providing for the microscopical inspection of export and interstate meat be so amended as to compel owners of the meat inspected to pay the cost of such inspection and I call attention to the arguments presented in his report in support of this recommendation.

The live beef cattle exported and tagged during the year numbered 363,335. This is an increase of 69,533 head over the previous year.

The office of experiment stations, which is a part of the United States department of agriculture, has during the past year engaged itself almost wholly in preparing for publication works based upon the reports of the agricultural experiment stations and other institutions for agricultural inquiry in the United States and foreign countries.

The department expended in the fiscal year 1892, \$2,354,809.56 and out of that sum the total amount expended in scientific research was 45.6 per cent. But in the year ending June 30, 1894, out of a total expenditure of \$1,945,988.38 the department applied 51 per cent. of that sum to scientific works and investigation.

It is deemed possible that an agricultural census may be taken each year through the agents of the statistical division of the department. Such a course is commended for trial by the chief of that division. The work done by the department of agriculture is very superficially dealt with in this communication and I commend the report of the secretary and the very important interests with which it deals to the careful attention of the congress.

**The Civil Service.**

The advantages to the public service of an adherence to the principles of civil service reform are constantly more apparent and nothing is so encouraging to those in official life who honestly desire good government as the increasing appreciation by our people of these advantages. A vast majority of the voters of the land are ready to insist that the time and the attention of those they select to perform for them important public duties, should not be distributed by doling out minor offices and they are growing to be unanimous in regarding party organization as something that should be used in establishing party principles instead of dictating the distribution of public places as rewards of partisan activity. Numerous additional offices and places have lately been brought within civil service rules and regulations, and some others will probably be included. The report of the commissioners will be submitted to the congress, and I invite careful attention to the recommendations it contains.