THE PRESIDENT'S MESSAGE.

McKinley's Communication to the Congress.

IT WAS NOT VERY SENSATIONAL

Makes No Suggestions as to the Government of Our New Territory—Wants a Bigger Navy and Army—Urges Construction of the Nicaragua Canal.

To the Senate and House of Representatives:

Notwithstanding the added burdens rendered necessary by the war, our people rejoice in a very satisfactory and steadily increasing degree of prosperity, evidenced by the largest volume of business ever recorded Manufacture has been productive, agricultural pursuits have yielded abundant returns, labor in the fields of industry is better rewarded, revenue legislation passed by the present congress has increased the treasury's receipts to the amount estimated by its authors; the finances of the government have been successfully administered and its credit advanced to the first rank, while its currency has been maintained at the world's highest standard. Military service under a common flag and for a righteous cause has strengthened the national spirit and served to cement more closely than ever the fraternal bonds between every section of the country. A review of the relations of the United States to other powers, always appropriate, is this year of primary importance in view of the momentous issues which have arisen, demanding in one instance the ultimate determination by arms and involving far-reaching consequences, which will require the earnest attention of the congress.

Review of Our War With Spain.

The president turns back the pages of history and after reviewing that portion of his last message referring to the situation of Cuba during the insurrection and the hopelessness of the reconcentradoes, he continues:

On the 15th of February last, occurred the destruction of the battleship Maine, while rightfully lying in the harbor of Havana on a mission of international courtesy and good will—a catastrophe the suspicious nature and horror of which stirred the nation's heart profoundly. The finding of the naval board of inquiry established that the origin of the explosion was external by a submarine mine, and only halted through lack of positive testimony to fix the responsibility of its authorship.

All these things carried conviction to the most thoughtful, even before the finding of the naval court, that a crisis in our relations with Spain and toward Cuba was at hand. So strong was this belief that it needed but a brief executive suggestion to the congress to receive immediate answer to the duty of making instant provision for the possible and perhaps speedily probable emergency of war, and the remarkable, almost unique, spectacle was presented of a unanimous vote of both houses, on the 9th of March, appropriating $50,000,000 "for the national defense and for each and every purpose connected therewith, to be expended at the discretion of the President." That this act of provision came none too soon was disclosed when the application of the fund was undertaken.

The President reviews the well-known proceedings which preceded the declaration of war; of the endeavors on the part of the United States government to bring about an amicable ending of the Cuban struggle, whereby the people might be made independent; of how Spain quibbled over the matter and virtually threw aside our well-meant overtures. The President then says:

Grieved and disappointed at this barren outcome of my sincere endeavors to reach a practical solution, I felt it my duty to remit the whole question to the congress. In the message of April 11, 1898, I announced that with this last overture in the direction of immediate peace in Cuba, and its disappointing reception by Spain, the effort of the executive was brought to an end. I again reviewed the alternative course of action which I had proposed, concluding that the only one consonant with international policy and compatible with our firm-set historical traditions was intervention as a neutral to stop the war and check the hopeless sacrifice of life, even though that resort involved "hostile constraint upon both the parties to the contest, as well to enforce a truce as to guide the eventual settlement." * * *

The response of the congress, after nine days of earnest deliberation, during which the almost unanimous sentiment of your body was developed on every point save as to the expediency of coupling the proposed action with a formal recognition of the republic of Cuba as the true and lawful government of that island—a proposition which failed of adoption—the congress, after conference, on the 19th of April, by a vote of 42 to 35 in the senate and 311 to 6 in the house of representatives, passed the memorable joint resolution, ordering forcible intervention to stop the war.

This action led to the Spanish minister withdrawing from Washington and also to giving United States Minister Woodford his passports, thereby breaking off diplomatic relations between the two countries, such as attends an actual state of war. The president at once proclaimed a blockade of Cuba's coast, issued a call for volunteers and recommended to congress a formal declaration of the existence of a state of war between the United States and Spain.

The congress accordingly voted on the same day the act approved April 25, 1898, declaring the existence of such war, from and including the 21st day of April, and re-enacted the provision of the resolution of April 20, directing the president to use all the armed forces of the nation to carry that act into effect. * * * Our country thus, after an interval of half a century of peace with all nations, found itself engaged in deadly conflict with a foreign enemy. Every nerve was strained to meet the emergency. The response to the initial call for 125,000 volunteers was instant and complete, as was also the result of the second call of May 25, for 75,000 additional volunteers. The ranks of the regular army were increased to the limits provided by the act of April 26. The enlisted force of the navy on the 15th of August, when it reached its maximum, numbered 24,123 men and apprentices.

It is not within the province of this message to narrate the history of the extraordinary war that followed the Spanish declaration of April 21, but a brief recital of its most salient features is appropriate. The first encounter of the war in point of date took place April 27, when a detachment of the blockading squadron made a reconnaissance in force at Matanzas, shelled the harbor forts and demolished several new works in construction.

The next engagement was destined to mark a memorable epoch in maritime warfare. The Pacific fleet, under Commodore George Dewey, which had lain for several weeks at Hong Kong, proceeded to the Philippine Islands under orders to capture or destroy the formidable Spanish fleet then assembled at Manila. At daybreak on the 1st day of May the American force entered Manila bay and after a few hours' engagement effected the total destruction of the Spanish fleet, consisting of ten warships and a transport, besides capturing the naval station and forts of Cavite, thus annihilating the Spanish naval power in the Pacific ocean and completely controlling the bay of Manila with the ability to take the city at will. Not a life was lost on our ships, the wounded only numbering seven, while not a vessel was materially injured. For this gallant achievement the congress, upon my recommendation, fitly bestowed upon the actors preferment and substantial reward. Reinforcements were hurried to Manila under command of Maj.-Gen. Merritt and firmly established within sight of the capital, which lay helpless before our guns. Other expeditions soon followed, the total force consisting of 641 officers and 15,058 men.

Following the comprehensive scheme of general attack powerful forces were assembled at various points on our coast to invade Cuba and Porto Rico. Meanwhile naval demonstrations were made at several exposed points. On May 11 the cruiser Wilmington and torpedo boat Winslow were unsuccessful in an attempt to silence the batteries at Cardenas, against Matanzas, Ensign Worth Bagley and four seamen falling.

Meanwhile the Spanish naval preparations had been pushed with great vigor. A powerful squadron under Admiral Cervera, which had assembled at the Cape Verde islands before the outbreak of hostilities had crossed the ocean, and by its erratic movements in the Caribbean sea, delayed our military operations while baffling the pursuits of our fleets. Not until Admiral Cervera took refuge in the harbor of Santiago de Cuba about May 19, was it practicable to plan a systematic military attack upon the Antillean possessions of Spain. Several demonstrations occurred on the coasts of Cuba and Porto Rico, in preparation for the larger event. On May 13, the North Atlantic squadron shelled San Juan de Porto Rico. On May 30 Commodore Schley's squadron bombarded the forts guarding the mouth of Santiago harbor. Neither attack had any material result. It was evident that well-ordered land operations were indispensable to achieve a decisive advantage. The wonderful journey of the Oregon from San Francisco around Cape Horn to Cuba; the heroic achievement of Hobson and seven volunteers who sank the collier Merrimac under tremendous fire to bottle Cervera's fleet in Santiago harbor, and the landing of 600 marines at Guantanamo, are recounted by the president, who then comes to

Shafter's Landing in Cuba.

On June 22 the advance of the invading army, under Maj.-Gen. Shafter, landed at Baiquiri, about fifteen miles east of Santiago. This was accomplished under great difficulties, but with marvelous dispatch. On June 23 the movement against Santiago was begun. On the 24th the first serious engagement took place, in which the First and Tenth cavalry and the First United States volunteer cavalry, Gen. Young's brigade of Gen. Wheeler's division, participated, losing heavily. By nightfall, however, ground within five miles of Santiago was won. The advantage was steadily increased. On July 1 a severe battle took place, our forces gaining the outworks of Santiago; on the 2d El Caney and San Juan were taken after a desperate charge, and the investment of the city was completed. The navy cooperated by shelling the town and the coast forts.

Destruction of Cervera's Fleet.

On the day following this brilliant achievement of our land forces, July 3, occurred the decisive naval combat of the war. The Spanish fleet, attempting to leave the harbor, was met by the American squadron under command of Commodore Sampson. In less than three hours all the Spanish ships were destroyed, the two torpedo boats being sunk, and the Maria Teresa, Almirante Oquendo, Vizcaya and Cristobal Colon driven ashore. The Spanish admiral and over 1,300 men were taken prisoners, while the enemy's loss of life was deplorably large, some 600 were killed. Although our ships were repeatedly struck not one was seriously injured.

Tribute to Navy and Army.

Where all so conspicuously distinguished themselves—from the commanders to the gunners and the unnamed heroes in the boiler rooms—each and all contributing toward the achievement of this astounding victory, for which neither ancient nor modern history affords a parallel in the completeness of the event and the marvelous disproportion of casualties, it would be invidious to single out any for especial honor. Deserved promotion has rewarded the more conspicuous actors—the nation's profoundest gratitude is due to all those brave men who by their skill and devotion in a few short hours crushed the sea power of Spain and wrought a triumph whose decisiveness and far-reaching consequences can scarcely be measured.

With the catastrophe of Santiago Spain's effort upon the ocean virtually ceased. A spasmodic effort toward the end of June to send her Mediterranean fleet under Admiral Camara to relieve Manila was abandoned, the expedition being recalled after it had passed through the Suez canal. The capitulation of Santiago followed. The individual valor of officers and soldiers was never more strikingly shown than in the several engagements leading to the surrender of Santiago, while the prompt movements and successive victories won instant and universal applause. To those who gained this complete triumph which established the ascendancy of the United States upon land as the fight off Santiago had fixed our supremacy on the seas, the earnest and lasting gratitude of the nation is unsparingly due. Nor should we alone remember the gallantry of the living; the dead claim our tears, and our losses by battle and disease must cloud any exultation at the result and teach us to weigh the awful cost of war, however rightful the cause or signal the victory.

Porto Rico is Ours.

With the fall of Santiago, the occupation of Porto Rico became the next strategic necessity. The campaign was prosecuted with great vigor, and by the 12th of August much of the island was in our possession and the acquisition of the remainder was only a matter of a short time. At most of the points in the island our troops were enthusiastically welcomed. Protestations of loyalty to the flag and gratitude for delivery from Spanish rule met our commanders at every stage.

The last scene of the war was enacted at Manila, its starting place. On August 15, after a brief assault upon the works by the land forces, in which the squadron assisted, the capital surrendered unconditionally.

Our Casualties in the War.

The total casualties in killed and wounded in the army during the war was as follows: Officers killed, 23; enlisted men killed, 257; total, 280; officers wounded, 113; enlisted men wounded, 1,464; total, 1,577. Of the navy: Killed, 17; wounded, 67; died as result of wounds, 1; invalided from service, 6; total, 91.

Praise for the Volunteers.

It is fitting that I should bear testimony to the patriotism and devotion of that large portion of our army which, although eager to be ordered to the post of great exposure, fortunately was not required outside of the United States. They did their whole duty, and like their comrades at the front, have earned the gratitude of the nation. In this connection, it is a pleasure for me to mention in terms of cordial appreciation the timely and useful work of the American National Red Cross.

In tracing these events we are constantly reminded of our obligations to the Divine Master for His watchful care over us and His safe guidance, for which the nation makes reverent acknowledgment and offers humble prayer for the continuance of His favor.

Overtures of Peace.

The annihilation of Admiral Cervera's fleet, followed by the capitulation of Santiago, having brought to the Spanish government a realizing sense of the hopelessness of continuing a struggle now becoming wholly unequal, it made overtures of peace through the French ambassador, who, with the assent of his government, had acted as the friendly representative of Spanish interests during the war.

The president here details the negotiations which led to the signing of the peace protocol and to the appointment of the peace commission which is now in session in Paris.

The negotiations have made hopeful progress, so that I trust soon to be able to lay a definite treaty of peace before the senate, with a review of the steps leading to its signature.

As to Our New Possessions.

I do not discuss at this time the government or the future of the new possessions which will come to us as the result of the war with Spain. Such discussion will be appropriate after the treaty of peace shall have been ratified. In the meantime and until the congress has legislated otherwise, it will be my duty to continue the military governments which have existed since our occupation and government of the people, security in life and property, and encouragement under a just and beneficent rule.

As soon as we are in possession of Cuba and have pacified the island, it will be necessary to give aid and direction to the people to form a government for themselves. This should be undertaken at the earliest moment consistent with safety and assured success. It is important that our relations with these people shall be of the most friendly character and our commercial relations close and reciprocal. It should be our duty to assist in every proper way to build up the waste places of the island, encourage the industry of the people and assist them to form a government which shall be free and independent, thus realizing the best aspirations of the Cuban people.

Cuba for the Cubans.

Spanish rule must be replaced by a just, benevolent and humane government created by the people of Cuba, capable of performing all international obligations; and which shall encourage thrift, industry and prosperity, and promote peace and good will among all of the inhabitants, whatever may have been their relations in the past. Neither revenge nor passion should have a place in the new government. Until there is complete tranquility in the island and a stable government inaugurated, military occupation will be continued.

Other Foreign Relations.

With the exception of the rupture with Spain, the intercourse of the United States with the great family of nations has been marked with cordiality and the close of the eventful year finds most of the issues that necessarily arise in the complex relations of sovereign states adjusted or presenting no serious obstacle to a just and honorable solution by amicable agreement.

The Nicaragua Canal Must be Ours.

The Nicaragua canal commission, under the chairmanship of Rear Admiral John G. Walker, has nearly completed its labors, and the results of its exhaustive inquiry into the proper route, the feasibility and the cost of construction of an inter-oceanic canal by a Nicaraguan route will be laid before you.

As the scope of recent inquiry embraced the whole subject with the aim of making plans and surveys for a canal by the most convenient route, it necessarily included a review of the results of previous surveys and plans and in particular those adopted by the Maritime Canal company under its existing concessions from Nicaragua and Costa Rica, so that to this extent those grants necessarily held an essential part in the deliberations and conclusions of the canal commission as they have held, and must needs hold, in the discussion of the matter by the congress. Under these circumstances, and in view of overtures made to the governments of Nicaragua and Costa Rica by other parties for a new canal concession predicated on the assumed approaching lapse of the contracts of the Maritime Canal company with those states, I have not hesitated to express my conviction that considerations of expediency and international policy as between the several governments interested in the construction and control of an inter-oceanic canal by this route require the maintenance of the status quo, until the canal commission shall have reported and the United States congress shall have had the opportunity to pass finally upon the whole matter during the present session, without prejudice by reason of any change in the existing conditions.

Nevertheless it appears that the government of Nicaragua, as one of its last sovereign acts before merging its powers in those of the newly formed United States of Central America, has granted an optional concession to another association, to become effective on the expiration of the present grant. It does not appear what surveys have been made or what route is proposed under this contingent grant, so that an examination of the feasibility of its plans is necessarily embraced in the report of the canal commission. All these circumstances suggest the urgency of some definite action by the congress at this session if the labors of the past are to be utilized and the linking of the Atlantic and Pacific oceans by a practical waterway is to be realized. That the construction of such a maritime highway is now more than ever indispensable to that intimate and ready intercommunication between our eastern and western seaboards demanded by the annexation of the Hawaiian islands and the prospective expansion of our influence and commerce to Pacific and that our national policy, now more imperatively than ever, calls for its control by this government, are propositions which I doubt not the congress will duly appreciate and wisely act upon.

We Are Interested in China, Too.

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

Our position among nations having a large Pacific coast, and a constantly expanding direct trade with the farther orient, gives us the equitable claim to consideration and friendly treatment in this regard, and it will be my aim to subserve our large interests in that quarter by all means appropriate to the constant policy of our government. The territories of Kiao Chow, of Wei-Hai-Wei, and of Port Arthur and Talien Wan, leased to Germany, Great Britain and Russia, respectively, for terms of years, will, it is announced, be open to international commerce during such alien occupation; and if no discriminating treatment of American citizens and their trade be found to exist, or be hereafter developed, the desire of this government would appear to be realized.

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

Uncle Sam at the Paris Show.

There is now every prospect that the participation of the United States in the universal exposition to be held in Paris in 1900, will be on a scale commensurate with the advanced position held by our products and industries in the world's chief marts. Notwithstanding the comparatively limited area of the exposition site—less than one-half that of the world's fair at Chicago—the space assigned to the United States has been increased from the absolute allotment of 157,403 square feet reported by Mr. Handy, to some 202,000 square feet, with corresponding augmentation of the field for a truly characteristic representation of the various important branches of our country's development.

Commercial Treaties.

The commercial arrangement made with France on May 28, 1898, under the provisions of section 3, of the tariff act of 1897, went into effect on June 1 following. It has relieved a portion of our export trade from serious embarrassment. Further negotiations are now pending under section 4, of the same act, with a view to the increase of trade between the two countries to their mutual advantage. Negotiations with other governments, in part interrupted by the war with Spain, are in progress under both sections of the tariff act. I hope to be able to announce some of the results of these negotiations during the present session of congress.

Negotiations to the same end with Germany have been set on foot. Meanwhile no effort has been relaxed to convince the imperial government of the thoroughness of our inspection of pork products for exportation, and it is trusted that the efficient administration of this measure by the department of agriculture will be recognized as a guarantee of the healthfulness of the food staples we send abroad to countries where their use is large and necessary.

Johnny Bull is Our Friend.

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

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

Annexation of Hawaii.

Pending the consideration by the senate of the treaty signed June 16, 1897, by the plenipotentiaries of the United States and of the republic of Hawaii, providing for the annexation of the islands, a joint resolution to accomplish the same purpose by accepting the offered cession and incorporating the ceded territory into the union was adopted by the congress and approved July 7, 1898.

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

Following the further provision of the joint resolution, I appointed commissioners to confer and recommend to congress such legislation concerning the Hawaiian islands as they should deem necessary or proper. The commissioners having fulfilled the mission confided to them, their report will be laid before you at an early day.

It is believed that their recommendations will have the earnest consideration due to the magnitude of the responsibility resting upon you to give such shape to the relationship of those mid-Pacific lands to our home union as will benefit both in the highest degree, realizing the aspirations of the community that has cast its lot with us and elected to share our political heritage, while at the same time, justifying the foresight of those who for three-quarters of a century, have looked to the assimilation of Hawaii as a natural and inevitable consummation, in harmony with our needs and in fulfillment of our cherished traditions.

The Czar's Big Bluff.

The proposal of the czar for a general reduction of the vast military establishments that weigh so heavily upon many peoples in time of peace, was communicated to this government with an earnest invitation to be represented in the conference, which it is contemplated to assemble with a view to discussing the means of accomplishing so desirable a result. His majesty was at once informed of the cordial sympathy of this government with the principle involved in his exalted proposal and of the readiness of the United States to take part in the conference. The active military force of the United States, as measured by our population, territorial area and taxable wealth, is, and under any conceivable prospective conditions must continue to be, in time of peace so conspicuously less than that of the armed powers to whom the czar's appeal is especially addressed that the question can have for us no practical importance, save as marking an auspicious step toward the betterment of the condition of the modern peoples and the cultivation of peace and good will among them; but in this view it behooves us as a nation to lend countenance and aid to the beneficent project.

Claims Against Turkey.

The newly accredited envoy of the United States to the Ottoman porte carries instructions to the disposal of matters in controversy with Turkey for a number of years. He is especially charged to press for a just settlement of our claims for indemnity by reason of the destruction of property of American missionaries resident in that country during the Armenian troubles of 1895, as well as for the recognition of older claims of equal justness. He is also instructed to seek an adjustment of the dispute growing out of the refusal of Turkey to recognize the acquired citizenship of Ottoman-born persons naturalized in the United States since 1869, without prior imperial consent.

Private Property in War.

The experiences of the last year bring forcibly home to us a sense of the burdens and the waste of war. We desire in common with the most civilized nations to reduce to the lowest possible point the damage sustained in time of war by peaceable trade and commerce. It is true that we may suffer in such cases less than other communities, but all nations are damaged more or less by the state of uneasiness and apprehension in which an outbreak of hostilities throws the entire commercial world. It should be our object, therefore, to minimize, so far as practicable, this inevitable loss and disturbance. This purpose can probably be best accomplished by an international agreement to regard all private property at sea exempt from capture or destruction by the forces of belligerent powers. The United States government has for many years advocated this humane and beneficent principle, and is now in position to recommend it to other powers without the imputation of selfish motives. I therefore suggest for your consideration that the executive be authorized to correspond with the governments of the principal maritime powers with a view of incorporating into the permanent law of civilized nations the principle of the exemption of all private property at sea, not contraband of war, from capture or destruction by belligerent powers.

National Purse Still Fat.

The secretary of the treasury reports that the receipts of the government from all sources during the fiscal year ending June 30, 1898, including $64,751,223 received from sale of Pacific railroads, amounted to $405,321,335, and its expenditures to $443,368,582. There was collected from customs $149,575,062 and from internal revenue $170,900,641. Our dutiable imports amounted to $324,735,479, a decrease of $58,156,690 over the preceding year, and importations free of duty amounted to $291,414,175, a decrease from the preceding year of $90,524,068. Internal revenue receipts exceeded those of the preceding year by $24,212,068.

The total tax collected on distilled spirits was $92,546,999, on manufactured tobacco $36,230,522, and on fermented liquors $39,515,421. We exported merchandise during the year amounting to $1,231,482,330, an increase of $180,488,774 from the preceding year.

It is estimated upon the basis of present revenue laws that the receipts of the government for the year ending June 30, 1899, will be $577,874,607, and its expenditures $689,874,647, resulting in a deficiency of $112,000,000.

On the 1st of December, 1898, there was held in the treasury gold coin amounting to $138,441,547, gold bullion amounting to $138,502,545, silver bullion amounting to $93,359,250, and other forms of money amounting to $451,963,981.

On the same date the amount of money of all kinds in circulation, or not included in treasury holdings, was $1,836,879,504, an increase for the year of $165,794,966. Estimating our population at 75,194,000 at the time mentioned the per capita circulation was $25 09.

On the same date there was in the treasury gold bullion amounting to $138,502,545.

Currency Legislation.

The provisions made for strengthening the resources of the treasury in connection with the war has given increased confidence in the purpose and power of the government to maintain the present standard and has established more firmly than ever the national credit at home and abroad. A marked evidence of this is found in the inflow of gold to the treasury. Its net gold holdings on November 1, 1898, were $239,885,160, as compared with $153,573,147 on November 1, 1897, and an increase of net cash of $207,756,100, November 1, 1897, to $300,238,257, November 1, 1898. The present ratio of net treasury gold outstanding government liabilities, including United States treasury notes of 1890, silver certificates, currency certificates, standard silver dollars and fractional silver coin November 1, 1898, was 25.35 per cent, as compared with 16.96 per cent November 1, 1897.

I renew so much of my recommendation of December, 1897, as follows:

"That whenever any of the United States notes are presented for redemption in gold and are redeemed in gold, such notes shall be kept and set apart and only paid out in exchange for gold. This is an obvious duty. If the holder of the United States note prefers the gold and gets it from the government, he should not receive back from the government a United States note without paying gold in exchange for it. The reason for this is made all the more apparent when the government issues an interest-bearing debt to provide gold for the redemption of United States notes, a non-interest-bearing debt. Surely it should not pay them out again, except on demand and for gold. If they are put out in any other way they may return again, to be followed by another bond issue to redeem them—another interest-bearing debt to redeem a non-interest-bearing debt."

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

In my judgment the present condition of the treasury justifies the immediate enactment of legislation recommended one year ago under which a portion of the gold holdings should be placed in a trust fund from which greenbacks should be redeemed upon presentation, but when once redeemed should not thereafter be paid out except for gold.

It is not to be inferred that other legislation relating to our currency is not required; on the contrary there is an obvious demand for it.

The importance for adequate provision which will insure for our future a money standard related as our money standard now is to that of our commercial rivals is generally recognized.

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

Encourage American Shipping.

The annexation of Hawaii and the changed relations of the United States to Cuba, Porto Rico and the Philippines resulting from the war compel the prompt adoption of a maritime policy by the United States. There should be established regular and frequent steamship communication, encouraged by the United States under the American flag, with the newly acquired possessions. Spain furnished to its colonies, at an annual cost of about $2,000,000, steamship lines connecting with a portion of the world's markets as well as the trade centers of the home government. The United States will not undertake to do less. It is our duty to furnish the people of Hawaii with facilities under national control for their export and import trade. It will be conceded that the present situation calls for legislation which shall be prompt, durable and liberal.

The part which American merchant vessels and their seamen performed in the war with Spain demonstrates that this service, furnishing both pickets and the second line of defense, is a national necessity, and should be encouraged in every constitutional way.

Larger Standing Army Needed.

Under the act of congress approved April 26, 1898, authorizing the president in his discretion, upon a declaration of war by congress, or a declaration by congress that war exists, I directed the increase of the regular army to the maximum of 62,000 authorized in said act.

There are now in the regular army 57,682 officers and men. In said act it was provided "that at the end of any war in which the United States may become involved, the army shall be reduced to a peace basis by the transfer in the same arm of the service or absorption by promotion or honorable discharge under such regulations as the secretary of war may establish of supernumerary commissioned officers and the honorable discharge or transfer of supernumerary enlisted men and nothing contained in this act shall be construed as authorizing the permanent increase of the commissioned or enlisted force of the regular army beyond that now provided by the law in force prior to the passage of this act, except as to the increase of twenty-five majors provided for in section one hereof."

The importance of legislation for the permanent increase of the army is therefore manifest, and the recommendation of the secretary of war for the purpose has my unqualified approval. There can be no question that at this time and probably for some time in the future, 100,000 men will be none too many to meet the necessities of the situation. At all events, whether that number shall be required permanently or not, the power should be given the president to enlist that force if in his discretion it should be necessary, and the further discretion should be given him to recruit within the above limits from the inhabitants of the islands, of the government of which we are charged. It is my purpose to muster out the entire volunteer army as soon as congress shall provide for the increase of the regular establishment. This will be only an act of justice and will be much appreciated by the brave men who left their homes and employment to help the country in its emergency.

Postal Service.

The postal service of the country advances with extraordinary growth. Within twenty years both the revenues and the expenditures of the postoffice department have multiplied threefold. In the last ten years they have nearly doubled. Our postal business grows much more rapidly than our population. It now involves an expenditure of $100,000,000 a year, numbers 73,000 postoffices and enrolls 200,000 employes. This remarkable extension of a service which is an accurate index of the public conditions presents gratifying evidence of the advancement of education, of the increase of communication and business activity and of the improvement of mail facilities leading to their constantly augmenting use.

When our forces were moved upon Cuba, Porto Rico and the Philippines they were attended and followed by the postal service. It was early determined that the public interests would be best subserved by the detail of experienced men familiar with every branch of the service, and this policy was steadily followed. While the work is only just begun it is pleasing to be able to say that the service in the territory which has come under our control is already materially improved.

Increase of the Navy.

The following recommendations of the secretary of the navy relative to the increase of the navy have my earnest approval:

1—Three sea-going sheathed and coppered battleships of about 13,500 tons trial displacement, carrying the heaviest armor and most powerful ordnance for vessels of their class, and to have the highest practicable speed and great radius of action. Estimated cost, exclusive of armor and armament, $3,600,000 each.

2—Three sheathed and coppered armored cruisers of about 12,000 tons trial displacement, carrying the heaviest armor and most powerful ordnance for vessels of their class and to have the highest practicable speed and great radius of action. Estimated cost, exclusive of armor and armament, $4,000,000 each.

3—Three sheathed and coppered protected cruisers of about 6,000 tons trial displacement, to have the highest practicable speed and great radius of action, and to carry the most powerful ordnance suitable for vessels of their class. Estimated cost, exclusive of armor and armament, $2,150,000 each.

4—Six sheathed and coppered cruisers of about 2,500 tons trial displacement; to have the highest speed compatible with good cruising qualities, great radius of action and to carry the most powerful ordnance suited to vessels of their class. Estimated cost, exclusive of armament, $1,141,800 each.

More Honors for Naval Heroes.

I join with the secretary of the navy in recommending that the grades of admiral and vice-admiral be temporarily revived, to be filled by officers who have specially distinguished themselves in the war with Spain.

Census and Pensions.

I earnestly urge upon congress the importance of early legislation providing for the taking of the twelfth census. This is necessary in view of the large amount of work which must be performed in the preparation of the schedules preparatory to the enumeration of the population.

There were on the pension rolls on June 30, 1898, 993,714 names, an increase of nearly 18,000 over the number on the rolls on the same day of the preceding year. The amount appropriated by the act of December 22, 1896, for the payment of pensions for the fiscal year 1898 was $140,000,000. Eight million seventy thousand eight hundred and seventy-two dollars and forty-six cents was appropriated by the act of March 31, 1898, to cover deficiencies in army pensions and repayments in the sum of $12,020 32, making a total of $148,082,892 79 available for the payment of pensions during the fiscal year 1898. The amount disbursed from that sum was $144,651,879 80, leaving a balance of $3,431,012 99 unexpended on the 30th of June, 1898, which was covered into the treasury.

There were 389 names added to the rolls during the year by special acts passed at the second session of the fifty-fifth congress, making a total of 6,586 pensioners by congressional enactments since 1861.

Patents and Public Lands.

The total receipts of the patent office during the past year were $1,253,948 44. The expenditures were $1,081,633 79, leaving a surplus of $172,314 65.

The public lands disposed of by the government during the year reached 8,453,896 92 acres, an increase of 614,780.18 acres over the previous year. The total receipts from public lands during the fiscal year amounted to $2,277,995 18, an increase of $190,063 90 over the preceding year. The lands embraced in the 11 forest reservations which were suspended by the act of June 4, 1897, again became subject to the operations of the proclamations of Febuary 22, 1897, creating them, which added an estimated amount of 19,951,360 acres to the area embraced in the reserves previously created. In addition thereto two new reserves were created during the year—the Pine Mountain and Zaka lake reservation in California, embracing 1,644,594 acres and the Prescott reserve in Arizona, embracing 10,240 acres; while the Pecos river reserve in New Mexico has been changed and enlarged to include 120,000 additional acres.

At the close of the year 30 forest reservations, not including those of the Afognac forest and fish culture reserve in Alaska, had been created by executive proclamations, embracing an estimated area of 40,719,474.

Indians Show Progress.

The department of the interior has inaugurated a forest system, made possible by the act of July, 1898, for a graded force of officers in control of the reserves. This system has only been in full operation since August, but good results have already been secured in many sections. The reports received indicate that the system of patrol has not only prevented destructive fires from gaining headway, but has diminished the number of fires.

The special attention of congress is called to that part of the secretary of the interior's report in relation to civilized tribes. It is noteworthy that the general condition of the Indians shows marked progress. I cannot too strongly indorse the recommendation of the secretary of the interior for the necessity of providing for the education of the 30,000 white children resident in the Indian Territory.

Agriculture.

The department of agriculture has been active in the past year. Explorers have been sent to many of the countries of the eastern and western hemispheres for seeds and plants that may be useful to the United States, and with the further view of opening up markets for our surplus products. Nation-wide experiments have been conducted to ascertain the suitable locations as to soil and climate and states for growing sugar beets. The number of sugar factories has been doubled in the past two years, and the ability of the United States to produce its own sugar from this source has been clearly demonstrated.

Alien Labor Law.

The alien labor contract law is shown by experience to need some amendment; a measure providing better protection for seamen is proposed; the rightful application of the eight-hour law for the benefit of labor and of principle of arbitration are suggested for consideration, and I commend the subjects to the careful attention of congress.

In the year 1900 will occur the centennial anniversary of the founding of the city of Washington for the permanent capital of the government of the United States by authority of an act of congress approved July 16, 1790.

A movement lately inaugurated by the citizens to have the anniversary celebrated with fitting ceremonies, including, perhaps, the establishment of a handsome permanent memorial to mark so historical an occasion and to give it more than local recognition has met with general favor on the part of the public.

I recommend to congress the granting of an appropriation for this purpose and the appointment of a committee from its respective bodies. It might also be advisable to authorize the president to appoint a committee from the country at large which, acting with the congressional and District of Columbia committees, can complete the plans for an appropriate national celebration.

Report of Hawaiian Commissioners.

President McKinley has handed to congress the report of the Hawaiian commission together with three bills drawn by the commission for the government of the islands as a part of the United States. The principal one provides for the erection of the islands into a territory of the United States to be styled the territory of Hawaii. A governor, secretary of territory, U. S. district judge, a U. S. district attorney and a U. S. marshal are to be appointed by the President, and an internal revenue district and a customs district are to be created.

Section 4 provides that "all white persons, including Portuguese and persons of African descent, and all persons descended from the Hawaiian race, on either the paternal or maternal side, who were citizens of the republic of Hawaii immediately prior to the transfer of the sovereignty thereof to the United States, are hereby declared to be citizens of the United States."

Provision is made for a legislature to consist of two houses—a senate of 15 members, and a house of representatives with 30 members. These are to be elected biennially. Voters for representatives must be male citizens, 21 years of age and of one year's residence in the territory, must have paid all taxes due the government, and must be able to read and write the English or Hawaiian language. To be qualified to vote for senators he must, in addition to the above, own $1,000 worth of real property upon which the taxes have been paid, or must have an income of not less $600 per year.

The bill provides for the election of a delegate to U. S. house of representatives, and also provides that the constitution and laws of the U. S. locally applicable shall have the same force in the territory of Hawaii as elsewhere in the United States.

Oleomargerine Law Knocked Out.

In an unanimous opinion written by Justice Hooker, the supreme court holds the oleomargerine law to be invalid. The merits of the law are not discussed in the opinion, the court simply holding that the law is defective inasmuch as the legislative journals show that it was without an enacting clause when it passed the senate, and that the house failed to remedy this defect. This clause was inserted previous to the signing of the bill by the governor, and the attorney-general urged that this was a sufficient compliance with the constitution. This contention is denied by the court, on the ground that the constitutional provision is not merely directory, no part of the legislative power being vested in the governor. The court says: "It will be much better that the legislature shall correct its mistake than that the courts shall sanction the irregular correction in this case."

The court's reference to the legislature correcting its mistake is taken as an indication that it believes the law is otherwise constitutional.

Express Companies Must Pay War Tax.

The Michigan supreme court has decided the case brought by Atty.-Gen. Maynard on the relation of numerous Detroit merchants and manufacturers, against the American Express Co., to compel the company to pay for the U. S. revenue stamp attached to shipping receipts. The Wayne circuit court granted such a mandamus and the company appealed to the higher court, where the case was elaborately argued. The main question in the case related to the construction to be placed upon the revenue act, and the court concluded that as the shipper has nothing to do with issuing the receipt, it was the clear intent of the law that the company shall give such a receipt as will bring the government the revenue provided, and therefore the company must pay the tax.

The new State Telephone Co.'s plant at Port Huron was gutted by fire. The loss aggregates $6,000. Dr. Stockwell's office, just above, was damaged $300. Other offices were also damaged.

THE MARKETS.

LIVE STOCK.

	Cattle	Sheep	Lambs	Hogs
New York—				
Best grades	$5 0@5 40	$4 25	$5 75	$3 75
Lower grades	3 25@4 80	3 50	5 00	3 55
Chicago—				
Best grades	5 00@5 60	4 30	5 50	3 45
Lower grades	3 50@4 75	2 60	4 00	3 25
Detroit—				
Best grades	4 00@4 40	4 00	4 85	3 25
Lower grades	2 50@3 85	3 00	4 00	3 10
Buffalo—				
Best grades	3 75@4 20	4 25	5 25	3 40
Lower grades	2 50@3 60	3 00	4 00	3 20
Cleveland—				
Best grades	3 75@4 25	4 00	4 85	3 40
Lower grades	2 50@3 60	3 00	4 00	3 20
Cincinnati—				
Best grades	4 00@4 40	4 00	5 00	3 50
Lower grades	2 50@3 90	3 00	4 00	3 25
Pittsburg—				
Best grades	4 25@4 75	4 25	5 25	3 60
Lower grades	3 00@4 00	3 00	4 25	3 40

GRAIN, ETC.

	Wheat, No. 2 red	Corn, No. 2 mix	Oats, No. 2 white
New York	77@77¼	40@40¾	32@32
Chicago	70@70	33@33¾	30@30
*Detroit	70@70	35@35	30@30
Toledo	70@70¼	34@34½	29@29
Cincinnati	69@69¼	34@34½	30@30¼
Cleveland	69@69	33@33½	29@29
Pittsburg	72@72	34@35	30@30½
Buffalo	70@70	34@34	29@29

*Detroit—Hay, No. 1 timothy, $8.00 per ton. Potatoes, 3 c per bu. Live Poultry, spring chickens, 6c per lb; fowls, ... turkeys, 8½c; ducks, 6c. Eggs, strictly fresh, 21c per doz. Butter, best dairy, 1c per lb; creamery, 21c

Pontiac colored Methodists gave a big 'possum supper, the game being imported from the south. Local blacks are still smacking their lips.

The secretary of the treasury's report of the government's receipts and expenditures for the year ending June 30, 1898, shows that Michigan's total contributions to Uncle Sam's exchequer from customs, internal revenue and sale of public lands, were $3,108,489. The government's expenditures in the state, in addition to salaries and other fixed charges of the government service, amounted to $818,000.

The American forces have taken charge of Sancti Spiritus and Trinidad, in Santa Clara province, and the Stars and Stripes were officially and with impressive ceremonies hoisted over the city hall and the military and government buildings and the soldiers and large crowds of citizens cheered enthusiastically.

Pontiac's prospective beet sugar moguls have "trun down" the Chicago promoters because they wanted too large a "graft" and local capitalists will erect the factory for a bonus of 40 acres of land and a pledge of 4,000 acres of beet annually.

Make it a Point

To Get the Best Every Time, When You Buy Medicine.

Health is too valuable to be trifled with. Do not experiment. Get Hood's Sarsaparilla and you will have the best medicine money can buy—the medicine that cures when all others fail. You have every reason to expect it will do for you what it has done for others. Remember

Hood's Sarsaparilla

Is America's Greatest Medicine. Price $1.

Hood's Pills are the favorite cathartic.

Ole Oleson and the Elephant.

Ole Oleson went to the circus the other day and got into trouble for assaulting the elephant. "What made you kick him in the shins?" said the judge. "Vell, you see, eet vas dis vay. Ay dadn't not know. Ay take ma vooman to circus. Ay buy um peanut. Ay see big elephant. Hay got—vot you tank—hay got two tails. Vell, bynby hay take hay darn tail, hay stale ma peanuts. Ay tell ma vife eef ay know which end hay got um head on ay shall break hay face. Ay dadn't not know."—Argonaut.

How's This?

We offer One Hundred Dollars Reward for any case of Catarrh that cannot be cured by Hall's Catarrh Cure.

F. J. CHENEY & CO., Props., Toledo, O.

We, the undersigned, have known F. J. Cheney for the last 15 years, and believe him perfectly honorable in all business transactions and financially able to carry out any obligations made by their firm.

WEST & TRUAX, Wholesale Druggists, Toledo, O. WALDING, KINNAN & MARVIN, Wholesale Druggists, Toledo, O.

Hall's Catarrh Cure is taken internally, acting directly upon the blood and mucous surfaces of the system. Price 75c. per bottle. Sold by all Druggists. Testimonials free.

Hall's Family Pills are the best.

Sickness is a great leveller. It reduces us, one and all, to the estate of little children.

AN AGED VETERAN.

A Detroit Veteran Talks of the War and a Legacy it Left Him.

When the annual reunion of the G. A. R. is held, Michigan is always well represented. Around the camp fires of the encampment our boys tell of the hardships they have gone through and the listener who knows nothing of war will wonder how they lived to tell the tale. Few men who followed old glory and escaped the shot and shell returned home without some legacy as a constant reminder of their war days. Our representative found veteran O. F. Newcomb, of Detroit, at his place of residence, No. 237 Second street. Mr. Newcomb told him how the little conqueror had rendered him invaluable service. We give his account here and some words of advice tersely told. He said:

"A lake covering about two acres in extent, containing the dead bodies of 20 mules, is not tempting water to drink, but I was one of many who drank it, and all of us would have done so if we had known there was death in every swallow. This illustrates but one of the many hardships and privations passed through during the civil war, and it is no wonder that G. A. R. men suffer from aches and pains. The most prevalent of these being due to kidney disorders. I am pleased to note a great many others who passed through as trying ordeals as I, have now learned how these troubles can be mitigated. When I say Doan's Kidney Pills will cure them I not only speak from experience but from observation. To all old soldiers or anyone suffering from kidney complaint my advice is to try that remedy."

Doan's Kidney Pills for sale by all dealers. Price 50 cents. Mailed by Foster-Milburn Co., Buffalo, N. Y., sole agents for the U. S. Remember the name Doan's and take no substitute.

When money talks a man seldom troubles himself to investigate the truth of its remarks.

Coughing Leads to Consumption.

Kemp's Balsam will stop the cough at once. Go to your druggist today and get a sample bottle free. Sold in 25 and 50 cent bottles. Go at once; delays are dangerous.

There is no index of character so sure as the voice.

If afflicted with sore eyes, use Thompson's Eye Water.

PATENT secured or money all returned. Search free. Collamer & Co. 2345 F st., Wash. D. C.

WANTED—Case of bad health that R-I-P-A-N-S will not benefit. Send 5 cents to Ripans Chemical Co., New York, for 10 samples and 1,000 testimonials.

SPANISH WAR PENSIONS! Write us. TABER & WHITMAN CO., Attorneys, Warder Bldg., Washington, D. C.

DROPSY NEW DISCOVERY; gives quick relief and cures worst cases. Send for book of testimonials and 10 days' treatment Free. Dr. H. H. GREEN'S SONS, Atlanta, Ga.

PENSIONS, PATENTS, CLAIMS. JOHN W. MORRIS, WASHINGTON, D. C. Late Principal Examiner U. S. Pension Bureau. 3 yrs in last war, 15 adjudicating claims, atty since.

CURE YOURSELF! Use Big G for unnatural discharges, inflammations, irritations or ulcerations of mucous membranes. Painless, and not astringent or poisonous. Sold by Druggists, or sent in plain wrapper, by express, prepaid, for $1.00, or 3 bottles, $2.75. Circular sent on request. THE EVANS CHEMICAL CO. CINCINNATI, O. U. S. A.

PISO'S CURE FOR CURES WHERE ALL ELSE FAILS. Best Cough Syrup. Tastes Good. Use in time. Sold by druggists. CONSUMPTION