

PRESIDENT'S MESSAGE.

To the Congress of the United States:

FOREIGN RELATIONS.

At the threshold of your deliberation, I congratulate you upon the favorable aspect of the domestic and foreign affairs of the government, and that our relations with other nations continue to be on a friendly footing. With the Argentine Republic, Austria, Belgium, Brazil, Denmark, Hayti, Italy, Santa Domingo and Sweden and Norway, no incident has occurred which calls for special comment. The recent opening of new lines of telegraphic communication with Central America and Brazil permitted the interchange of messages of friendship, with the governments of those countries; during the year they have been perfected, and there have been proclaimed consular and commercial treaties with Servia and a consular treaty with Roumania. This extends our intercourse with the Danube countries, while our eastern relations have been upon a wide basis by treaties with Corea and Madagascar. The new boundary survey treaties with Mexico and trademark convention, and a supplementary treaty of extradition with Spain and a convention extending the duration of the Franco-American claims commission have also been proclaimed.

THE FISHERIES.

Notice of the termination of the fisheries' article of the treaty of Washington was duly and gradually given to the British government. The privileges and exceptions of the British Government and the fiscal privileges and exemptions of the treaty will accordingly close on July first, 1885. The fisheries industry pursued by a numerous class of our citizens on the northern coasts both of the Atlantic and Pacific oceans, are worthy of the fostering care of Congress whenever brought into competition with like industries of other countries. Our fishermen as well as our manufacturers of fishing appliances and preparers of fish products have maintained a foremost place. I suggest that Congress create a commission to consider the question of our rights in the fisheries and the means of opening to our citizens under just and enduring conditions, the richly stocked fishing waters and skating grounds of British and Russian North America.

PAUPER IMMIGRATION.

A question has arisen touching a deputation of the United States, on the forwarding from the British Islands by governmental or municipal aid of persons unable there to gain a living, and equally a burden on the community here. Such of these persons as have come under the pauper class as defined by the law have been sent back in accordance with the provisions of our statutes. Her Majesty's Government has insisted that precautions have been taken before shipment, but have, however, in some cases proven ineffectual and especially so in certain recent instances of needy emigrants reaching our territory through Canada. A revision of our legislation upon this subject may be deemed advisable. Correspondence relative to the Clayton-Bulwer treaty has been continued and will be laid before Congress. The legislation of France against the importation of prepared swine produce from the United States has been repealed. That result has been due, no less to the friendly representations of this government, than to a growing conviction in France that the restriction is not demanded by any real danger to health. Germany still prohibits the introduction of swine products from America. I extended to the Imperial Government a friendly invitation to send experts to the United States to inquire whether the use of these products was dangerous to health. This invitation was declined. I have believed it of such importance however, that the exact facts should be ascertained and promulgated that I have appointed a competent commission to make a thorough investigation of the subject. Its members have shown their public spirit by accepting their trust without pledge of compensation, but I trust that Congress will see in the national and international bearings of the matter a sufficient motive for

providing at least for the reimbursement for such expense as they may necessarily incur.

CORONATION OF THE CZAR.

The coronation of the Czar at Moscow afforded to this government an occasion for testifying its continued friendship, by sending a special envoy and a representative of the navy to attend the ceremony. While there have arisen during the year no grave questions affecting the status in the Russian empire of American citizens of other faiths than that held by the national church, this government remains firm in its conviction that the rights of citizens abroad should be in no way affected.

It is understood that measures for the removal of the restrictions which now burden our trade with Cuba and Porto Rico are under consideration by the Spanish Government. The proximity of Cuba and the peculiar method of administration which there prevails necessitate a constant discussion, and appeals on our part from the proceedings of this government have not as yet produced a satisfactory result.

SPANISH CLAIMS COMMISSION.

The commission appointed to decide certain claims of our citizens against the Spanish government after the recognition of a satisfactory rule, as to the validity and force of naturalization in the United States, have finally adjourned. Some of its awards, though made more than two years ago, have not yet been paid. The special payment is expected of claims to a large amount, which were held by the late commission without jurisdiction. This has been diplomatically presented to the Spanish government as the action of the colonial authorities, which has given rise to those claims and has been admitted to be illegal. Full reparation for the injuries sustained by our citizens should be no longer delayed.

The case of the *Mascenic* has not yet reached a settlement. The Manila Court has found that the proceedings of which this government has complained, were unauthorized, and it is hoped that the government of Spain will not withhold the speedy reparation which the sense of justice should impel it to offer, for the unusual severity and unjust action of its subordinate colonial officers in the case of this vessel.

INTERNATIONAL ARBITRATION.

The Helvetic Confederation has proposed the inauguration of a class of international treaties for the deferment to arbitration of grave questions between nations. This government has assented to the proposed negotiation of such a treaty with Switzerland. Under the treaty of Berlin, liberty of conscience and civil rights are assured to all strangers in Bulgaria. As the United States have no distinct conventional relation with that country and are not a party to the treaty, they should, in my opinion, maintain diplomatic representations at Sofia for the improvement of intercourse and the proper protection of the many American citizens who resort to that country as missionaries and strangers. I suggest that I be given authority to establish an agency and consulate general at the Bulgarian capital.

TURKISH TARIFFS.

The United States are now participating in a revision of the tariffs of the Ottoman Empire. They have assented to the application of a license tax of foreigners doing business in Turkey, but have opposed the oppressive storage tax upon petroleum entering the ports of that country. The government of the Khedive has proposed that the authority of the mixed judicial tribunals in Egypt be extended so as to cover citizens of the United States accused of crime, who are now tried before consular courts. This government is not indisposed to accept the change, but believes that the terms should be submitted for criticism to a commission appointed to revise the whole subject. At no time in our national history has there been more manifest need of close and lasting relations with a neighboring state than now exists with respect to Mexico. The rapid influx of our capital and enterprise into that country shows by what has already been accomplished the vast reciprocal advantages which must attend the progress of its internal developments.

MEXICAN TREATIES.

The treaty of commerce and navigation of 1848 has been

terminated by the Mexican government, and in the absence of conventional engagements the rights of our citizens in Mexico now depend upon the domestic statutes of that republic, there have been instances of harsh enforcement of laws against our vessels and citizens in Mexico and of the denial of diplomatic resort for their protection. The initial step toward a better understanding has been taken. The negotiation by the commission, appointed by Congress, of a treaty which is still before the Senate awaiting the approval of the provisions for the reciprocal crossing of the frontier by troops in pursuit of hostile Indians, has been prolonged for another year. The operations of the forces of both governments against the savages have been successful, and several of their most dangerous bands have been captured or dispersed, by the skill and valor of the U. S. and Mexican soldiers fighting in a common cause. The convention for the resurvey of the boundary from the Rio Grande to the Pacific having been ratified and exchanged, the preliminary reconnaissance therein stipulated has been effected, and it now rests with Congress to make provision for completing the survey, and removing the boundary monument. A convention was signed with Mexico on July 13, 1882, providing for the rehearing of the case of Benjamin Wiles and the *Abra Silver Mining Company*, in whose favor the awards were made by the late American and Mexican Claim Commission; that convention still awaits the consent of the Senate. Meanwhile the cause of the charges of fraudulent award, have made a new commission necessary, and the Executive has directed the suspension of payments of the distribution quota received from Mexico. Our geographical proximity to Central America, and our political and commercial relation with the states of that country justify, in my judgment, such a material increase of our consular corps as will place at each capital a Consul General.

CHILI AND PERU.

The contest between Bolivia, Chili and Peru has passed from the stage of the strategic, hostile to that of negotiation, in which the counsel of this government has been exercised. The demands of Chili for the absolute cessation of territory have been maintained and accepted by the party of General Iglesias to the extent of concluding a treaty of peace with the government of Chili, in general conformity with the terms of the protocol signed in May last, between the Chilean Commander and General Iglesias. As a result of the conclusion of this treaty General Iglesias has been formally recognized by Chili as President of Peru, and his government installed at Lima, which has been evacuated by the Chileans. A call has been issued by Gen Iglesias for a representative assembly to be elected on the 13th of January and to meet at Lima on the first of March next. Mr. White, the Provisional Governor of General Iglesias, has applied for recognition to the principal powers of America and Europe. When the will of the Peruvian people shall be manifested, I shall not hesitate to recognize the government thus approved.

VENEZUELA.

The diplomatic and naval representatives of this government, attending at Caracas the centennial celebration of the birth of the illustrious Bolivar, at the same time as the inauguration of the statue of Washington in the Venezuelan capital, testified the devotion in which his memory is held there. Congress at its last session authorized the executive to propose to the Venezuelan government a reopening of the awards of the mixed commission of Corea, but the departure of the Venezuelan minister has delayed the opening of negotiations for reviewing the commission. This government holds that until the establishment of a treaty on this subject the Venezuelan government must continue to make the payments provided for in the Convention of 1866. There is ground for believing that the dispute growing out of the unpaid obligations due from Venezuela to France will be satisfactorily adjusted. The French Cabinet has proposed a basis of settlement which meets my approval, but it involves a recasting of the annual quotas of the foreign debt. It has been deemed advisable to submit

the proposal to the judgment of the Cabinets of Berlin, Copenhagen, The Hague, London and Madrid.

HAWAII, SIAM, COREA, ETC.

At the recent coronation of His Majesty King Kalakaua, this government was represented both diplomatically and by the formal visit of a vessel of war. The question of terminating or modifying the existing reciprocity treaty with Hawaii is now before Congress. I am convinced that the charges of abuse and frauds under that treaty have been exaggerated. I renew the suggestion of last year's message, that the treaty be modified wherever its provisions have proven ruinous to legitimate trade between the two countries. I am not disposed to favor the entire cessation of treaty relations which have fostered good will between the countries and contributed toward the equality of Hawaii in the family of nations. In pursuance of the policy declared by this government of extending our intercourse with the eastern nations, Consulates have, during the past year, been established in Persia, Siam and Corea. It is probable that permanent missions of those countries will be long maintained in the United States. A special embassy from Siam is now on its way hither. Treaty relations with Corea were perfected by the exchange at Seoul, on the 19th of May last, of the ratifications of the lately concluded convention, and envoys from King Tak-hosun have visited this country and received a cordial welcome. Corea, as yet unacquainted with the methods of eastern civilization, now invites the attention of those interested in foreign trade, as it needs the implements and products which the United States are ready to supply. We seek no monopoly of its commerce and no advantage over other nations, but the Chinese, in reaching for a higher civilization, have confided in this Republic. We cannot regard with indifference any encroachments on their rights. I think the payment of a money indemnity has settled certain of the long pending claims of our citizens, and I have strong hopes that the remainder will soon be adjusted.

CHINA AND JAPAN.

Questions have arisen touching the rights of Americans and other foreign manufacturers in China under the provisions of treaties, which permit aliens to exercise their industries in that country, and on this specific point our own treaty is silent, but under the operation of the most favored nation's clause, we have a like privilege with those of other powers. While it is the duty of the government to see that our citizens have the full enjoyment of every benefit secured by the treaty, I doubt the expediency of leading in a movement to constrain China to admit an interpretation, which we have only on an indirect treaty right, to exact the transference to China of American capital for the employment there of Chinese labor it would in effect inaugurate a competition for the control of markets now supplied by our home industries. There is good room to believe that the law restricting the immigration of Chinese has been violated, intentionally or otherwise, by the officials of China, upon whom devolved the duty of certifying that the immigrants belong to the excepted classes. Measures have been taken to ascertain the facts incident to the supposed infraction, and it is believed that the government of China will co-operate with the United States in securing the full observance of the law. The same consideration which prompted Congress at its last session to return to Japan the Simonski indemnity, seems to me to require at its hands like action in respect to the Canton indemnity fund, now amounting to \$300,000. The question of the general revision of the foreign treaties of Japan has been considered in an international conference held at Tokio, but without definite result as yet. The government is disposed to consider the requests of Japan to determine its own tariff duties, and provide such proper judicial tribunals as may commend themselves to the Western powers for the trial of causes to which foreigners are parties, and to assimilate the terms and duration of its treaties to those of other civilized states.

THE DARK CONTINENT.

Through our ministers at London and at Monrovia, this government has endeavored to aid Liberia in its differences

with Great Britain touching the northwestern boundaries of that public. There is a prospect of an adjustment of the dispute by the adoption of the Mannab river as the line. This arrangement is a compromise of the conflicting territorial claims and takes from Liberia no country over which it has maintained effective jurisdiction. The rich and populous valley of the Congo, is being opened to commerce by a society called the International African Association of which the King of the Belgians is president and a citizen of the United States the chief executive officer. Large tracts of territory have been ceded to the association by native chieftains. Roads have been opened, steamboats placed on the river and the nucleus of states established at 22 stations under our flag, which offers freedom to commerce and prohibits the slave trade. The objects of the society are philanthropic. It does not aim at the management of political affairs, but keeps the neutrality of the valleys. The United States cannot be indifferent to this work nor to the interests of their citizens involved in it. It may become advisable for us to co-operate with other commercial powers in promoting the rights of trade and residence in the Congo valley, free from their interference. In view of the frequency of invitations from foreign governments to participate in a social and scientific congress for the discussion of important matters of general concern, I repeat the suggestion of my last message that provision be made for the exercise of discretionary power by the executive, in appointing delegates to such convention. Specialists are ready to serve the nation in such capacity without personal profit or other compensation than the defrayment of expenses actually incurred, and these a comparatively small appropriation would suffice to meet. I have alluded in my previous messages to the injurious and vexatious restrictions suffered by our trade in the Spanish West Indies and Brazil, whose natural outlet for its great national staple, coffee, in and through the United States imposes a heavy export duty on that product. A like narrow policy is pursued in other American countries. Our petroleum exports are hampered in Turkey and other eastern parts by restrictions as to storage, and by onerous taxation, and the free outward movement of our great food products is, in some quarters clogged with like impediments. For these mischiefs adequate relief is not always provided by reciprocity treaties like that with Hawaii, or that lately negotiated with Mexico, and now awaiting action of the Senate. Is it not advisable to provide some measure of equitable retaliation in our relations with governments which discriminate against our own? If, for example the Executive were empowered to apply to Spanish vessels and cargoes from Cuba and Puerto Rico, the same rules of treatment and scale of penalties for technical faults which are applied to vessels and cargoes in the Antilles, a resort to that course might not be barren of good results. A discretionary authority to forbid the importation of articles of consumption injurious to health might be advantageously exercised in our dealings with those who discriminate against our food products.

FINANCE.

The report of the Secretary of the Treasury gives a full and interesting exhibit of the financial condition of the country. It shows that the ordinary revenues from all sources for the fiscal year ended June 30, 1883, amounted to \$398,287,581.95, whereof there was received from customs \$214,708,496.93; from internal revenue, \$144,720,368.95; from sales of public lands, \$7,955,864.42; from tax on circulation and deposit of national bonds, \$9,111,608.85; from profits on coinage, bullion deposits and assays, \$4,460,205.17; from other sources, \$17,333,637.60; total, \$398,287,581.95. For the same period the ordinary expenditures were for civil expenses, \$22,343,285.76; for foreign intercourse, \$2,419,275.35; for Indians, \$7,362,590.34; for pensions, \$66,012,578.64; for the military establishments and arsenals, \$48,911,382.95; for the naval establishments, including vessels and improvements at navy yards, \$15,283,437.17; for miscellaneous expenditures, including public buildings, light houses and collecting the revenues, \$40,098,432.73; for expenditures on account of District of Columbia, \$3,817,028.48; for interest on the public debt, \$59,160,131.25; total,