

GEORGE Q. CANNON,
EDITOR AND PUBLISHER.

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(SPECIAL TO THE DESERT NEWS.)

By Telegraph.

PRESIDENT'S MESSAGE.

To the Senate and House
of Representatives:

In coming before you for the first time, as Chief Magistrate of this Nation, it is with gratitude to the Giver of all good for our many benefits. We are blessed with peace at home, and without any entangling alliance abroad to forebode trouble; with a territory unsurpassed in fertility, of an area equal to the abundant support of 500,000,000 of people, and abounding in every variety of useful mineral, in quantity sufficient to supply the world for generations; with exuberant crops, with a variety of climate adapted to the reproduction of every species of earth's rich products, and suited to the habits, tastes and requirements of every living thing; with a population of 40,000,000 of free people, all speaking one language; with facilities for every mortal to acquire an education, with institutions, closing to none the avenues to fame, or to any blessing or fortune that may be coveted; with freedom of the pulpit and the press and schools; with revenue flowing into the National Treasury beyond the requirements of the Government, harmony is being rapidly restored within our borders; manufactures hitherto unknown in our country are springing up in all directions, producing a degree of national independence unequalled by that of any other power. These blessings, and countless others are entrusted to your care, and more, for safe keeping, for the brief period of our tenure of office. In a short time we must each of us return to the ranks of the people who have conferred upon us our honors, and account to them for our stewardship. I earnestly desire that neither you nor I may be condemned by a free and enlightened constituency, nor by our own consciences.

The Rebel.

Emerging from a rebellion of gigantic magnitude, aided as it was by the sympathy and assistance of a nation with which we were at peace, eleven States of the Union were, four years ago, left without a legal State government. A debt had been contracted. American commerce was almost driven from the seas; the industry of one half of the country had been taken from the control of the capitalists and placed where all labor rightfully belongs, in the keeping of the laborer. The work of restoring state government and loyalty to the Union, the protection and fostering of labor and providing the means for paying the interest on the public debt has received ample attention from Congress; and although your efforts have not met with the success in all particulars that might have been desired, yet on the whole they have been more successful than could have been reasonably anticipated.

Reconstruction.

Seven States which passed ordinances of secession have been fully restored to their places in the Union; the eighth, Georgia, has held an election, at which she ratified her Constitution, Republican in form, and elected a Governor, members of Congress, and a State Legislature, and all other officers required. The Governor was duly installed and the legislature met and performed all the acts then required of them by the Reconstruction Acts of Congress; subsequently, however, in violation of the Constitution they had just ratified, as since decided by the Supreme Court of the United States, they unseated colored members of the legislature and admitted to seats some members who were disqualified by the third clause of the 14th Amendment to the Constitution, an article which they themselves had contributed to ratify. Under the circumstances I would submit to you whether it would not be wise, without delay, to waive the law authorizing the Governor of Georgia to convene the members originally elected to the legislature, requiring each member to take the oath prescribed by the Reconstruction Act, and none to be admitted who are ineligible under the third clause of the 14th Amendment.

The Freedmen.

The freedmen, under the protection which they have received, are making rapid progress in learning, and no complaints are heard of lack of industry on their part, when they receive fair remuneration for their labor.

The Public Debt.

The means provided for paying the interest on the public debt with all other expenses of the Government is more than ample; the loss of our Commerce is the only result of the rebellion which has not received sufficient attention from you. To this subject I call your earnest attention. I will not now suggest the means by which this object may be effected, but will, if necessary, make it the subject of a special message during the session of Congress.

Elections in the South.

At the March term, Congress, by joint resolution, authorized the Executive to

order elections in the States of Virginia, Mississippi, and Texas, submitting to the constituencies which each had previously, in convention framed, either entire or in separate parts, to be voted upon, at the discretion of the Executive. Under this authority elections were called in Virginia. The elections took place on the 6th of July, 1869; the governor was elected and has been installed; the legislature met and did all required by this resolution, and by all the reconstruction acts of Congress, and I recommend that her Senators and Representatives be admitted to Congress and that the State be fully restored to its place in the family of States. Elections were also called in Mississippi and Texas, to commence on the 30th of November 1869, and to last two days in Mississippi; in Texas, to commence on the 30th of November 1869, and to last four days. The elections have taken place, but the result is not known. It is to be hoped that the acts of the legislatures of these States, if they meet, will be such as to receive your approbation, and thus close the work of reconstruction.

The Currency Question.

Among the evils growing out of the Rebellion, and not yet referred to, is that of an irredeemable currency. It is an evil which I hope will receive your most earnest attention. It is a duty, and one of the highest duties of Government to secure to the citizens a medium of exchange of an unvarying basis. It is no substitute for it can be devised it should be commenced now, and reached at the earliest possible moment consistent with a fair regard to the interests of the debtor class. Immediate resumption, if practicable, would not be desirable; it would compel the debtor class to pay, beyond their contracts, the premium on gold at the date of their purchases, and would bring bankruptcy and ruin to thousands. Fluctuations, however, in the paper value of the measure of all value, gold, is detrimental to the interests of trade; it makes a man of business an involuntary gambler, for in all sales, when future payment is to be made, both parties speculate as to what will be the value of the currency to be paid and received. I earnestly recommend to you, then, such legislation as will insure a gradual return to specie payment, and put an immediate stop to fluctuations in the value of the currency.

The Return to Specie Payment.

The methods to secure these results are as numerous as are the speculators on political economy. To secure the latter I see but one way, and that is to authorize the Treasury to redeem its own paper at a fixed price whenever presented, and to withhold from circulation all such currency redeemed until sold again for gold.

The Public Credit and Debt.

The vast resources of the nation, both developed and undeveloped, ought to make our credit the best on earth. With a less burden of taxation than the citizen has endured for six years past, the entire public debt could be paid in ten years; but it is not desirable that the people should be taxed to pay it in that time. Year by year the ability to pay increases in a rapid ratio, but the burden of the interest ought to be reduced as rapidly as can be done without the violation of any contract. The public debt is represented, in a great part, by bonds, having from five to twenty and from ten to forty years to run, bearing interest at the rate of six per cent and five per cent respectively. It is optional with the Government to pay their bonds at a period after the expiration of the term upon their face. The time has already expired when a great part of them may be taken up; and the time is rapidly approaching when all may be. It is believed that all which are now due may be replaced by bonds bearing a rate of interest not exceeding four and a half per cent; and that as rapidly as the remainder become due, they may be replaced in the same way. To accomplish this it may be necessary to authorize the interest to be paid at either of the three or four of the money centers of Europe, or by the Assistant Treasurer of the U. S., at the option of the holders of the bonds. I present this subject for the consideration of Congress; also, simultaneously with it, the propriety of redeeming our currency, as before suggested, at the market value, at the time the law goes into effect increasing the rate at which the currency will be bought or sold from day to day or from week to week, at the same rate of interest as the Government pays upon its bonds.

Internal Taxation.

The subject of the tariff and internal taxation will necessarily receive your attention. The revenues of the country are greater than the requirements may, with safety, be reduced; but, as the funding of the debt, at four or four and a half per cent, would reduce the annual current expenses largely, thus, after funding, justifying a greater reduction of taxation than would be now expected, I suggest the postponement of the question until the next meeting of Congress.

Modifications Suggested.

It may be advisable to modify the taxation and tariff in instances where unjust, or where burdensome discriminations are made by the present laws; but a general revision of the laws regulating this subject I recommend the postponement of for the present; I also suggest the renewal of the tax on incomes, but at a reduced rate, say of three per cent; and this tax to expire in three years.

Reduction of Taxes Possible.

With the funding of the national debt, as here suggested, I feel safe in saying that the taxes and the revenue from imports may be reduced safely from sixty to eighty million per annum, and be still further reduced from year to year as the resources of the country are developed.

Receipts of the Government.

The report of the Secretary of the Treasury shows the receipts of the Government for the fiscal year ending June 30, 1899, to be \$270,945,746, and the expenditures, including interest, etc., to be \$214,905,971. The estimate for the ensuing year is more favorable to the Government, and will no doubt show a large decrease of the public debt. The receipts in the Treasury, beyond the expenditures, have exceeded the amount necessary to place to the credit of the sinking fund, as provided by the law. To look up the surplus in the Treasury and withhold it from circulation would lead to such a contraction of the currency as to cripple trade and seriously affect the

prosperity of the country. Under these circumstances, the Secretary of the Treasury and myself have heartily concurred in the propriety of using all the surplus currency in the Treasury for the purchase of gold bonds, thus reducing the interest bearing debt of the country; and of submitting to Congress the question of the disposition to be made of the bonds so purchased. The bonds now held by the Treasury amount to about \$758,000,000, including those belonging to the sinking fund. I recommend the whole to be placed to the credit of the sinking fund.

Increase of Salaries, &c.

Your attention is respectfully invited to the recommendations for the creating of an office by the Commissioner of Customs and revenues, for the increase of salary to a certain class of officials and the substitution of increased national bonds in circulation to replace the outstanding \$1 per cent certificates; and, most especially, his recommendation for the repeal of laws, allowing shares of fines, penalties, forfeitures, etc., to officers of the Government or to informers.

Commissioner of Internal Revenue.

The office of Commissioner of Internal Revenue is one of the most onerous and responsible under the Government; it falls but little if any short of a Cabinet position in its importance and responsibility, it therefore requires such legislation in your judgment will place the office on a footing of dignity commensurate with its importance, and the character, ability, and qualifications of the class of men required to fill it properly.

International Policy of the Administration.

As the United States is the freest of all nations, so too its people sympathize with all people struggling for liberty and self government, but while so sympathizing it is due to our honor that we should abstain from enforcing our views upon unwilling nations, and from taking an interested part without invitation in the quarrels between different nations, or between governments and their subjects. Our course should always be in conformity with strict justice and law, international and local. Such has been the policy of the Administration in dealing with these questions for men in a year. A valuable province of Spain and a near neighbor of ours, in whom all our people can not but feel a deep interest, has been struggling for independence and freedom. The people and Government of the United States entertain the same warm feelings and sympathies for the people of Cuba in their pending struggle, that they manifested throughout the previous struggle between Spain and her colonies, in behalf of the latter; but the contest at no time has assumed the conditions which amount to war in the sense of international law, or that would show the existence of a *de facto* political organization of the insurgents sufficient to justify a recognition of belligerency. The principle is maintained, however, that this nation is its own judge when to accord the rights of belligerency either to a people struggling to free themselves from a government they believe to be oppressive, or to independent nations at war with each other; when the present disposition to interfere with the existing relations of Spain to her colonial possessions on this continent; they believe that in due time Spain and other European powers will find their interest in terminating those relations and establishing their present dependencies as independent powers and members of the family of nations. These dependencies are no longer regarded as subject to transfer from one European power to another; when the present relations of the colonies cease they are to become independent powers, exercising the right of choice and of self-control in the determination of their future condition and relations with other powers. The United States, in order to put a stop to bloodshed in Cuba, and in the interest of a neighboring people, proposed their good offices to bring existing contest to a termination; but the offer was not accepted by Spain on a basis which it was believed could be received; but it is hoped that the good offices of the United States may prove advantageous for the settlement of this unhappy struggle.

In the meanwhile a number of illegal expeditions against Cuba have been broken up, and it has been the endeavor of the Administration to execute the neutrality laws in good faith, no matter how unpleasant that may be, when remembering the suffering we have endured from the lack of good faith by other nations.

The "Lizette" Major.

The United States schooner *Lizette* Major was arrested on the high seas by a Spanish frigate and two passengers were taken from it and carried as prisoners to Cuba. Representations of these facts were made to the Spanish government, and as soon as official information of them was received, the two passengers were set at liberty, and the Spanish government assured the United States that the captain of the frigate, in making the capture, had acted without knowledge that he had been reprimanded for illegality of capture, and that the Spanish authorities in Cuba would not sanction any act that would violate or treat with disrespect the sovereignty of this nation.

The "Mary Lowell."

The question of the seizure of the brig *Mary Lowell*, at one of the Bahama Islands, by the Spanish authorities is more the subject of correspondence between this Government and those of Spain and Great Britain. The Captain General of Cuba, about May last, issued a proclamation authorizing and ordering to be made of vessels on the high seas. Immediate remonstrance was made against this, whereupon the Captain General issued a new proclamation limiting the right of search to be made of vessels of the United States, so far as authorized under the treaty of 1795. This proclamation was immediately withdrawn. I have always felt that the most intimate relations should be cultivated between the Republic of the United States and all independent nations on this continent. It may be well worth considering whether treaties between the United States and them may not be profitably entered into to secure more intimate relations, friendly, commercial and otherwise.

The Darien Canal.

The subject of an inter-oceanic canal, to connect the Atlantic and Pacific Oceans, through the Isthmus of Darien, is one which the United States is greatly interested, and instructions have been

given to our minister to the Republic of the United States of Columbia, to endeavor to obtain authority for a survey by this Government, in order to determine the practicability of such an undertaking; and a charter for the right of way to build, by private enterprise such a work if the survey proves it to be practicable in order to comply with the agreement of the United States to a mixed commission at Lima for the adjustment of claims, it became necessary to send a commissioner to Lima in August last. No appropriations having been made for this purpose, it is now asked that there be one made, covering the past and future expenses of the commission.

Spain and South American Republics.

The good offices of the United States to bring about peace between Spain and the South American Republics, with which she is at war, having been accepted by Spain, Peru and Chili, a congress has been invited to be held in Washington during the present winter.

Right of Travel to Europeans.

A grant has been given to Europeans, to an exclusive right of travel over the Territory of Nicaragua, to which Costa Rica has given its assent, which, it is alleged, conflicts with the vested rights of the citizens of the United States. The Department of State has now this subject under consideration.

Spanish Gunboats.

The Minister of Peru having made representations that there was a state of war between Peru and Spain; and that Spain was constructing in and near New York, government gunboats, which might be used by Spain in such a way as to relieve the naval force at Cuba so as to operate against Peru, orders were given to prevent their departure. No further steps have been taken by the representatives of the Peruvian Government to prevent the departure of these vessels, and I not feeling authorized to detain the property of a nation with which we are at peace, on a mere executive order have referred the matter to the Courts to decide the conduct of war between allies.

Paraguay.

Paraguay has made intercourse with that country so difficult that it has been deemed advisable to withdraw our representatives from there.

Claims between the United States and Great Britain.

Towards the close of the last Administration a convention was signed at London for the settlement of all outstanding claims between Great Britain and the United States, which failed to receive the advice and consent of the Senate to ratification. The time and circumstances attending the negotiation of the treaty were favorable to its acceptance by the people of the United States, but its provisions were wholly unadapted for the settlement of the grave wrongs that had been sustained by this Government, as well as its citizens; but the injuries resulting to the United States by reason of the course adopted by Great Britain during our late civil war, in the increased rates of insurance, in the prohibition of exports and imports and other obstructions to domestic industry, and production; in its effect upon the foreign commerce of the country, in the decrease and transfer to Great Britain of our commercial marine, in the prolongation of the war and the increased costs, both in treasure and in lives, for its suppression which could not be adjusted and satisfied as ordinary commercial claims continually arising between commercial nations; and yet the commission treated them simply as such ordinary claims, from which they differ more widely in the gravity of their character than in the magnitude of their amount, great even as is the difference.

Reciprocity.

The reciprocity treaty with the United States and the British provinces of the continent has not been favorably considered by the Administration; the advantage of such a treaty would be wholly in favor of the British producer. Except, possibly a few engaged in the trade between the two sections, no citizen of the United States would be benefited by reciprocity. Our internal taxation would prove a protection to the British producer almost equal to the protection which our manufacturers now receive from the tariff. Some arrangement, however, for the regulation of commercial intercourse between the United States and the Dominion of Canada may be desirable.

Hudson's Bay and Puget Sound Claims.
The commission for adjusting the claims of the Hudson Bay and Puget Sound has terminated its labor; a claim for \$650,000 has been made and all rights and titles of the Company on the territory of the United States have been extinguished and an appropriation by Congress to meet this sum is asked.

Northwestern Boundary Line.
The Commission for determining the northwestern land boundary, between the United States and the British possessions, under the treaty of 1859, has completed its labor, and the Commission has been dissolved in conformity with the recommendation of Congress.

The Slave Trade.

A proposition was easily made to the British Government to abolish the mixed courts, created under the treaty of April 7, 1826, for the suppression of the slave trade. The subject is still under negotiation. It having come to my knowledge that a corporate company organized under British laws, proposed to land upon the shores of the United States and co-operate there.

French submarine cable.

A submarine cable, under a concession from His Majesty, the Emperor of the French, of an exclusive right for twenty years, of telegraphic communication between the shores of France and the United States, with the very objectionable feature of subjecting all messages confided to them to espionage of the French Government has been laid. I caused the French and British legations at Washington to be made acquainted with the probable policy of Congress on the subject, as foreshadowed by the bill which passed the Senate in March last. This drew from the representatives of those governments an agreement to accept, as the basis of their operations, the provisions of the bill or such other enactments on the subject as might be passed during the approaching session of Congress, also to use their influence to

secure from the French government a modification of their concession so as to permit the landing upon French soil of any cable belonging to any company incorporated by authority of the United States or any State in the Union, and on their part not to oppose the establishment of such a cable. In consideration of this agreement, I directed the withdrawal of all opposition of United States authorities to the landing of the cable and the working of it until the meeting of Congress. I regret to say there has been no modification made in the company, nor concessions, nor, so far as I can learn, have they attempted to secure one. Their concession excludes the capital and the citizens of the United States from competition upon the shores of France. I recommend legislation to protect the rights of citizens of the United States as well as the dignity and sovereignty of the nation against such an assumption; I shall also endeavor to secure by negotiation an abandonment of the principle of monopolies of ocean telegraph cables.

Relating to Aliens.

Copies of correspondence is herewith presented relating to the unsettled political condition of other countries less fortunate than our own, which sometimes induces their citizens to come to the United States for the sole purpose of being naturalized; and having secured this they return to their native country and reside there without disclosing their change of allegiance. They accept official positions of trust or honor, which can only be held by citizens of their native land; they journey under passports describing them as such citizens, and it is only when civil discord, after perhaps years of quiet, threatens them or threatens their persons or property, or when their native State, draft them into its military service, that the fact of their change of allegiance is made known. They reside permanently from the United States, they contribute nothing to its revenues, they avoid the duties of its citizenship, and they only make themselves known by action for protection. I have directed that the diplomatic and consular officers of the United States scrutinize carefully all such claims for protection. The citizen of the United States, whether native or adopted, who discharges his duty to his country is entitled to complete protection and should have a voice in the direction of affairs. I shall not consent to imprint the sacred right by conferring it upon fictitious or fraudulent claimants.

Emigration Treaties.

On the accession of the present Administration it found that the Minister of North Germany had proposed a convention for the regulation of emigrant passengers, to which no response had been given. It was concluded that, to be effectual, all the maritime powers engaged in the trade should join in such measures. Invitations have been extended to the Cabinets of London, Paris, Berlin, Brussels, the Hague, Copenhagen, Florence and Stockholm to empower their representatives at Washington to simultaneously enter negotiations or to conclude with the United States conventions, identical in form, and make uniform regulations as to the construction of the parts of vessels to be devoted to the use of emigrant passengers, as to the quality and quantity of food, as to medical treatment of the sick during the voyage, in order to secure ventilation and promote health; to prevent intrusion and protect the females, and provide for the establishment of tribunals in the several countries for the enforcement of such regulations by summary process.

Tariff on Hemp.

Your attention is respectfully called to the law regarding the tariff on Prussian hemp, and to the question whether the charges on Prussian hemp, being higher than they are fixed upon Manila, is not a violation of our treaty with Russia, thus placing her products upon the same footing with those of the most favored nations. Our manufactures are increasing with wonderful rapidity under the encouragement which they now receive, with the improvements in machinery already effected and which are still increasing, causing machinery to take the place of skilled labor to a large extent. Our imports of many articles must fall off largely within a very few years, fortunately to many manufacturers. These interests are not confined to a few localities, as formerly, and it is to be hoped they will become more and more diffused, making the interest in them equal in all sections. They give employment and support to hundreds of thousands of people at home and retain with us the means which would otherwise be shipped abroad. The extension of railroads in Europe and the East is bringing into action competition with our agricultural products of either section of our country. Self interest, if not self-preservation, therefore, dictates caution against disturbing any industrial interests of the country; it teaches us also the necessity of looking to other markets for the sale of our surplus. Our neighbors south of the United States and China and Japan should receive our special attention. It will be the endeavor of the Administration to cultivate such relations with all these nations as to entitle us to their confidence and make it to their interest as well as to establish better commercial relations through the agency of a more enlightened policy than that heretofore pursued towards China.

The Coolie Trade.

It is largely due to the sagacity and efforts of one of our own distinguished citizens, that the world has been so much more largely increased relations with that populous and hitherto exclusive nation. As the United States have been initiatory in the new policy they should be the most earnest in showing their good faith in making it a success. In this connection, I advise such legislation as will forever preclude the enslavement of the Chinese on our soil under the name of Coolies, also to prevent American vessels engaging in the transportation of Coolies to any country tolerating the system. I also recommend the mission to China be raised to one of first class.

What the Administration has done.

On my assuming the responsibilities of Chief Magistrate, it was with the conviction that there were things essential to its peace, prosperity and fullest development. First among these is strict integrity in fulfilling our obligations; second, to secure protection to the person and property of the citizens of our common country, wherever he may chance to move, without reference to origin, religion, color or politics, de-

manding of him only obedience to the laws and a proper respect for the rights of others; and the union of all the States with equal rights in destructible by any Constitutional means. To secure the first of these it has taken two essential steps in declaring, by joint resolution, that the debt of the Republic should be paid, both principal and interest, in coin; second, providing means for paying. Providing the means, however, would not secure the object desired without proper administration of the laws, the collection of the revenues and an economical disbursement of them. To this subject the Administration has most earnestly addressed itself, with results, I believe, satisfactory to the country. There has been no lessening in changing officials in order to effect the execution of the laws; sometimes, too, where in a mere party view, undesirable political results were likely to follow any hesitation in sustaining any efficient officers against remonstrances wholly political.

The Tenure of Office Act.

It may be well to mention here the embarrassment possible to arise from leaving on the statute book the so called Tenure of Office Act, and to earnestly recommend its total repeal. It could not have been the intention of the powers of the Constitution, when providing for appointments made by the President, that they should receive the consent of the Senate, that the latter should have power to retain in office persons placed by Federal appointments against the will of the President. The law is inconsistent with a faithful and efficient administration of the Government. What faith can the Executive put in officials forced upon him, those, too, whom he has suspended for special reasons? How will such officials be likely to serve the Administration which they know does not trust them? For the second requisite to our growth and prosperity, a true and firm but humane administration of existing laws, amendment from time to time, as they may prove ineffective, harsh, or unnecessary, is probably all that is required. The third cannot be obtained by special legislation, but must be regarded by the Constitution itself and a gradual action acquiesced in by force of public opinion.

Management of the Indians.

From the foundation of the Government to the present time, the management of the original inhabitants, the Indians, has been a subject of embarrassment and expense and has been attended with continuous robberies, murders and wars. From my own experience, when on the frontiers and in the Indian countries, I do not hold either legislation or the conduct of the whites who come most in contact with the Indians blameless for these hostilities. The past, however, cannot be undone and the question must be met as it now stands. I have adopted a new policy towards these wards of the nation, they cannot be regarded in any other light than as wards, with fair results, so far as tried, and which I hope will be attended ultimately with success. The Society of Friends is well known to have succeeded in all places with the Indians in the early settlement of Pennsylvania, while their white neighbors in other sections were constantly embroiled; they are also known for their opposition to all strife and violence and are generally noted for their strict integrity and fair dealings. These considerations induced me to give them the management of a few reservations of Indians and to throw the burden of the selection of agents upon the Society itself; the result has proved most satisfactory. It will be found more fully set forth in the report of the Commissioner of Indian Affairs. For the superintendence of Indians not on reservations, officers of the army were elected; there are now for this are numerous. When Indian agents are sent there, or near there, troops must be sent, also, to protect the commander of the troops, independent of each other and subject to orders from different departments of the government. The army officer holds a position for life, the agent one at the will of the President; the former is personally interested in living in harmony with the Indians and the establishment of peace, to the end that some portion of his life may be spent in the life of a civilized section; the latter has no such personal interest. Another reason is an economical one, and still another, the hold which the Government has upon the life of the officer, to secure, a faithful discharge of duties in carrying out a given policy. The building of railroads and the access thereby given to all agricultural and mineral regions of the country, is rapidly bringing civilized settlements in contact with all the tribes of Indians. No matter what are to be the relations between such settlements and the aborigines, the fact is they do not now harmonize well, and one or the other has to give way in the end. A system which looks to the extermination of any race is too horrible for a nation to adopt without entailing upon itself the wrath of all Christendom; and endangering in the citizen a disregard for human life and the rights of others is dangerous to society. I see no substitute for such a system, except in placing all the Indians on reservations as rapidly as can be done, and giving them absolute protection. As soon as they are fitted for it, they should be induced to take up their lands and to set up territorial governments for their own protection. For details upon this subject I call your special attention to the reports of the Secretary of the Interior and the Commissioner of Indian Affairs.

Army Expenditures and Estimates.

The report of the Secretary of War shows the expenditures of the War Department for the year ending 30th June, 1899 to be \$9,644,042, of which \$2,682,810 was disbursed in the payment of debts contracted during the war, and is not chargeable to the current army expenses. The estimate of the army for the next fiscal year is as low as it is believed can be relied on. The estimates of the Bureau of Officers have been carefully scrutinized wherever it has been deemed practicable. If, however, the condition of the country should be such, by the beginning of the next year, as to admit of a greater contraction of troops the appropriation asked for will not be expended. The appropriations and estimates for river and harbor improvements and for the fortifications are submitted separately. Whatever amount Congress may deem proper to appropriate for these purposes will be expended. The recommendation of the General of the army, that appropriations be made for the forts at Boston, Portland, New York, Philadelphia, New Orleans and San Francisco, if no other, is concurred in.