

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 these regions, may not be prejudiced by any exclusive treatment by the new occupants, has obliterated 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 farther Orient, gives us the equitable claim to consider ration 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 the Kiao-Chou, of Wei-Hai-Wei, and of Port Arthur and Ta-Lien Wan, leased to Germany, Great Britain and Russia respectively, for terms of years, will, it is announced, add to international commerce during such occupation, and if no discriminating treatment of the American citizens and their trade be found to exist, or be hereafter developed, the desire of this government would appear to be realized. In this relation, as showing the volume and value of our exchanges with China, and the peculiarly favorable conditions that exist for their expansion in the normal course of trade, I refer to the communication addressed to the speaker of the House of Representatives by the secretary of the treasury on the 14th of last June, with its accompanying letter of the secretary of state, recommending an appropriation for a commission to study the commercial and industrial conditions of the Chinese empire and to report as to the opportunities for, and obstacles to the enlargement of markets in China for the raw products and manufactures of the United States. Action was not taken thereon during the late session. I cordially urge that the recommendation receive at your hands the consideration which its importance and timeliness merit.

#### PROTECTION FOR AMERICANS.

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 persons or property, instant reparation appropriate to the case. Warships have been stationed at Tien Tsin for more ready observation of the 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 Peking to afford the minister the same measure of authoritative protection as the representatives of other nations have been constrained to employ.

#### CERRUTI ARBITRATION.

Following close upon the rendition of the award of my predecessor as arbitrator of the claim of the Italian subject Cerruti, against the Republic of Colombia, differences arose between the parties to the arbitration in regard to the scope and extension of the award, of which certain literal fulfillment. The award having been made by the President of the United States as an act of friendly consideration and with the sole view to an impartial composition of the matter in dispute, I could not but feel concern at such a miscarriage and, while unable to accept the Colombian theory that I, in my official capacity, possessed, continuing function as arbitrator with power to interpret or revise the terms of the award, my best efforts were lent to

bringing the parties to a harmonious agreement as to the executive of its provisions.

A naval demonstration by Italy resulted in an engagement to pay the liabilities claimed upon their ascertainment, but this apparent disposition of the controversy was followed by a rupture of diplomatic intercourse between Colombia and Italy, which still continues, although fortunately without acute symptoms having supervened. Notwithstanding this, efforts are reported to be continuing for the ascertainment of Colombia's contingent liability on account of Cerruti's debts, under the fifth article of the award.

A claim of an American citizen against the Dominican Republic for a public bridge over the Ozama river, which has been in diplomatic control by expert arbitration and an award tied by expert arbitration and an award in favor of the claimant amounting to about \$90,000. It, however, remains unpaid, despite urgent demands for its settlement according to the terms of the compact.

#### COMMERCIAL MATTERS.

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 a scale commensurate with the advanced position held by our products and industries in the world's chief marts.

The preliminary report of Moses P. Handy, who, under the act approved July 19, 1897, was appointed special commissioner with a view of securing all obtainable information necessary to a full and complete understanding by Congress in regard to the participation of this government in the Paris exposition, was laid before you by my message of December 6, 1897, and showed the large opportunities to make known our national progress in art, science and manufactures, as well as the urgent need of immediate and adequate provisions to enable due advantage thereof to be taken. Mr. Handy's death soon afterwards rendered it necessary for another to take up and complete his unfinished work, and on January 11, last, Mr. Thomas W. Cridler, third assistant secretary of state, was designated to fulfill that task. His report was laid before you by my message of June 14, 1898, with the gratifying result of awakening renewed interest in the projected display. By a provision in the sundry civil appropriation act of July 1, 1898, a sum not to exceed \$650,000 was allotted for the organization of a commission to care for the proper preparation and installation of American exhibits, and for the display of suitable exhibits by the several executive departments, particularly by the department of agriculture the fish commission and the Smithsonian institution, in the representation of the government of the United States. Pursuant to that enactment, I appointed Mr. Ferdinand W. Peck of Chicago commissioner general, with an assistant commissioner general and secretary. Mr. Peck at once proceeded to Paris, where his success in enlarging the scope and variety of the United States exhibit has been most gratifying. 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. Mr. Peck's report will be laid before you.

#### INCREASED APPROPRIATIONS.

In my judgment, its recommenda-

tions will call for your early considerations especially as regards an increased appropriation to at least one million dollars in all, so that not only may the assigned space be fully taken up by the best possible exhibit in every class, but the preparation and installation be on so perfect a scale as to rank among the first in that unparalleled competition of artistic and inventive production, and thus counterbalance the disadvantage with which we start as compared with other countries whose appropriations are on a more generous scale and whose preparations are in a state of much greater forwardness than our own.

Where our artisans have the admitted capacity to excel, where our inventive genius has initiated many of the grandest discoveries of the later days of the century, and where the native resources of our land are as limitless as they are valuable to supply the world's needs it is our province, as it should be our earnest care, to lead in the march of human progress and not rest content with any secondary place. Moreover, if this be due to ourselves, it is no less due to the great French nation, whose guests we become, and which has in so many ways testified its wishes and hope that our participation shall beset the place the two peoples have won in the field of universal development.

#### INCREASED COMMERCIAL OUT-LOOK.

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 1st, 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 uses is large and necessary.

#### GERMANY'S FRUIT BOYCOTT.

I transmitted to the Senate on February 10th last, information touching the prohibition against the importation of fresh fruits from this country, which had been recently decreed by Germany on the ground of danger of disseminating the San Jose scale insect. This precautionary measure was justified by Germany on the score of the drastic steps taken in several states of the Union against the spread of the pest, the elaborate reports of the department to German fruit growing interests should the scale obtain a lodgment in that country. Temporary relief was afforded in the case of large consignments of fruit then on the way, by inspection, and admission when found non-infected. Later the prohibition was extended to dried fruits of every kind, but was relaxed so as to apply only to unpeeled fruit and fruit waste. As was to be expected, the alarm reached to other countries, and Switzerland has adopted a similar inhibition. Efforts are in progress to induce the German and Swiss governments to relax the prohibition in favor of dried fruits shown to have been cured under circumstances