

gard to our demand as to the Philippines. Conceiving that discussion on this point could neither be practicable nor profitable, I directed that in order to avoid misunderstanding the matter should be forthwith closed by proposing the embodiment in a formal protocol of the terms in which the negotiations for peace were to be undertaken. The vague and inexplicit suggestions of the Spanish note could not be accepted, the only reply being to present as a virtual ultimatum a draft of the protocol, embodying the precise terms tendered to Spain in our note of July 30th, with added stipulations of detail as to the appointment of commissioners to arrange for the evacuation of the Spanish antilles.

SIGNING OF PROTOCOL.

On August 12th M. Canibon announced his receipt of full powers to sign the protocol as submitted. Accordingly, on the afternoon of August 12th, M. Canibon, as the plenipotentiary of Spain, and the secretary of state as the plenipotentiary of the United States, signed the protocol providing:

"Article 1—Spain will relinquish all claim of sovereignty over and title to Cuba.

"Article 2—Spain will cede to the United States the island of Porto Rico and other islands now under Spanish sovereignty in the West Indies and also an island in the Ladrões to be selected by the United States.

"Article 3—The United States will occupy and hold the city, bay and harbor of Manila pending the conclusion of a treaty of peace which shall determine the control, disposition and government of the Philippines."

The fourth article provided for the appointment of joint commissions on the part of the United States and Spain to meet in Havana and San Juan, respectively, for the purpose of arranging and carrying out the details of the stipulated evacuation of Cuba, Porto Rico and other Spanish islands in the West Indies.

The fifth article provided for the appointment of not more than five commissioners on each side, to meet at Paris not later than Oct. 1 and to proceed to the negotiations and conclusions of a treaty of peace, subject to ratification according to the respective constitutional forms of the two countries.

The sixth and last article provides that upon the signature of the protocol, hostilities between the two countries should be suspended and that notice to that effect should be given as soon as possible by each government to the commanders of its military and naval forces.

HOSTILITIES SUSPENDED.

Immediately upon the conclusion of the protocol, I issued a proclamation of August 12, suspending hostilities on the part of the United States. The necessary orders to that end were at once given by telegraph. The blockade of the ports of Cuba and San Juan de Porto Rico was in like manner raised. On August 18, the muster out of 100,000 volunteers, or as near that number as was found to be practicable, was ordered.

On December 1, 101,655 officers and men had been mustered out and discharged from the service; 9,002 more will be mustered out by the tenth of the month. Also a corresponding number of generals and general staff officers have been honorably discharged from the service.

The military committees to superintend the evacuation of Cuba, Porto Rico, and the adjacent islands were forthwith appointed:

For Cuba—Major General James F. Wade, Rear Admiral Wm. T. Sampson,

Major General Matthew C. Butler. For Porto Rico—Major General John C. Brooke, Rear Admiral Winfield S. Schley, Brig. Gen. W. Gordon, who soon afterwards met the Spanish commissioners at Havana and San Juan, respectively. The Porto Rican joint commission speedily accomplished its task and by October 18 the evacuation of the island was completed. The United States flag was raised over the island at noon that day.

The administration of its affairs has been provisionally intrusted to a military governor until the Congress shall otherwise provide. The Cuban joint high commission has not yet terminated its labors. Owing to the difficulties in the way of removing the large numbers of Spanish troops still in Cuba, the evacuation cannot be completed before the first of January next.

COMMISSIONERS APPOINTED.

Pursuant to the fifth article of the protocol, I appointed Wm. R. Day, lately secretary of state; Cushman K. Davis, Wm. P. Frye and George Gray, senators of the United States, and Whitelaw Reid, to be the peace commissioners on the part of the United States. Proceeding in due season to Paris, they there met on the first of October, five commissioners similarly appointed on the part of Spain. 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.

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 a discussion will be appropriate after the treaty of peace shall be ratified. In the meantime, and until Congress has legislated otherwise, it will be my duty to continue the military government which has existed since our occupation and give its people security in life and property and encouragement under a just and beneficent rule.

CUBAN POLICY.

As soon as we are in possession of Cuba and have pacified the island, it will be necessary to give aid and direction to this 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.

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 on the island and a stable government inaugurated, military occupation will be continued.

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 obstacles to a just and honorable solution by amicable agreement.

ARGENTINE AND CHILE.

A long unsettled dispute as to the extended boundary between the Argentine Republic and Chile, stretching along the Andean crests to the southern border of the Atacama desert, the Magellan straits, nearly a third of the length of the South American continent, assumed an acute stage in the early part of the year and afforded this government occasion to express the hope that the resort to arbitration, already contemplated by existing conventions between the parties, might prevail, despite the grave difficulties arising in its application. I am happy to say that arrangements to this end have been perfected, the questions of fact upon which the respective commissioners were unable to agree being in course of reference to her Britannic Majesty for determination. A residual difference, touching the northern boundary line across the Atacama desert, for which existing treaties provided no adequate adjustment, bids fair to be settled in like manner by joint commission, upon which the United States minister at Buenos Ayres has been invited to serve as umpire in the last resort.

I have found occasion to approach the Argentine government with a view to removing differences of rate charges imposed upon the cables of an American corporation in the transmission between Buenos Ayres and the cities of Uruguay, and Brazil of through messages passing from and to the United States. Although the matter is complicated by exclusive concessions by Uruguay and Brazil to foreign companies, there is a strong hope that a good understanding will be reached and that the important channels of commercial communication between the United States and the Atlantic cities of South America may be freed from an almost prohibitory discrimination.

CURRENT TOPICS.

In this relation, I may be permitted to express my sense of the fitness of an international agreement whereby the interchange of messages over connecting cables may be regulated on a fair basis of uniformity. The world has seen the postal system developed from a Congeries of independent and exclusive service into a well ordered union, of which all countries found the manifold benefits. It would be strange were the nations not in time brought to realize that modern civilization which owes so much of its progress to the annihilation of space by the electric force, demands that this all-important means of communication, a heritage of all peoples, to be administered and regulated in their common behalf. A step in this direction was taken the international convention of 1884, for the protection of submarine cables was signed, and the day is, I trust, not far distant when this medium for the transmission of thought from land to land may be brought within the domain of international concert as completely as in the material carriage of commerce and correspondence upon the face of the waters that divide them.

The claim of Thomas Jefferson Page against Argentina, which has been pending many years, has been adjusted. The sum awarded by the congress of Argentina was \$4,242.35.

The sympathy of the American people has justly been offered to the ruler and the people of Austria-Hungary by reason of the affliction that has lately befallen them in the assassination of the empress-queen of that historic realm.

STRIKE RIOT.

On the 10th of September, 1897, a conflict took place at Latimer, Penn., between a body of striking miners and the sheriff of Luzerne county and his deputies, in which twenty-two miners