

Sixth, any Greek torpedo boat near-
ing foreign warships is to be fired at.

Seventh, as the blockade of Greece
will require all the crews of the
foreign warships, each power is to send
to Crete a battalion of infantry not less
than 600 men in number.

Each of the foreign admirals tele-
graphed a copy of these proposals to
his government.

Germany immediately telegraphed
the powers that she would accept the
proposals down to the seventh and
would accept the seventh in principle,
but had no battalion available.

Austria wired the powers that she
would accept the proposals, but as Em-
peror Francis Joseph was at Cape
Martin, she must have time to consult
with his Majesty.

Italy telegraphed the acceptance of
all proposals, but it was added that they
must be submitted to a cabinet coun-
cil which could be done within three
days.

Russia, Great Britain and France
were silent for a time. Then Great
Britain proposed to gendarmerie
Crete by utilizing the Greek troops,
not using the Greek flag and not using
Greek officers in this connection.

Russia eventually answered that as
the powers had presented their ulti-
matum to Greece and Greece had
replied by offering to withdraw her
troops, the answer was conciliatory
and partly satisfactory. Therefore,
Russia proposed a further collective
note demanding the withdrawal of the
Greek troops. France seconded the
reply of Russia.

During the four parliours a general
agreement was suggested that the
powers should each advance a certain
sum for the pay of the gendarmerie
and the expense of organizing an
autonomous government on Crete.
This was immediately objected to by
Germany on the ground that she is
not willing to spend one pfennig for
this purpose.

France this afternoon proposed to
the British foreign office that the
powers proceed immediately to organ-
ize a gen d'armee and naming a gov-
ernor of Crete from Holland, Belgium
or perhaps Switzerland. Several
names were considered. Great Britain
points out that the members of the
previous Cretan gen d'armee ran
away and mutined and that the
Greek troops are best available for this
purpose. Consequently this proposal
will probably be the modus vivendi by
which the situation will be solved, as
there are no doubts the Greeks will
accept it.

ATHENS, March 12.—The war fever
subsiding owing to the popular belief
that an agreement may be reached
between the Greek and Turkish gov-
ernments directly for the settlement
of the Cretan question without the
intervention of the powers.

VIENNA, March 12.—The semi-
official Fremdenblatt, says today that
the view taken by the powers is that
Greece can be replied to only by the
employment of force to induce Greece
to obey the will of Europe.

CANEA, March 12.—Cretan insurgents
are bombarding the fortress Shina-
longa. The garrison is still resisting.
Several conflicts between Musul-
mans and Christians have occurred in
the village Archanoor.

WASHINGTON, March 15.—The

President today sent the following
message to Congress:

Regretting the necessity which has
required me to call you together, I
feel your assembling in extra-
ordinary session is indispensable be-
cause of the condition in which we
find the revenues of the government.
It is conceded that its current expen-
ditures are greater than its receipts and
that such condition has existed now
more than three years. With the unlim-
ited means at your command, we are
presenting the remarkable spectacle
of increasing our public debt
by borrowing money to meet the
ordinary outlays incident upon even
an economical and prudent administra-
tion of the government. An examina-
tion of the subject discloses this fact
in every detail and leads inevitably
to the conclusion that the condition of
the revenue which allows it is unjusti-
fiable and should be corrected.

We find by the report of the secreta-
ry of the treasury that the revenues
for the fiscal year ending June
30th, 1892, from all sources
were \$425,868,260.22, and the ex-
penditures for all purposes were
\$415,953,806.56, leaving an excess of
receipts over the expenditures \$9,914,-
753.66. During that fiscal year \$40,-
507,462.98, were paid upon the public
debt, which has been reduced since
March 1, 1889, \$259,076,890, and the
annual interest charged decreased
\$11,784,576.60. The receipts of the
government from all sources during
the fiscal year ending June 30th, 1893,
amounted to \$416,716,561.94, and its
expenditures to \$459,374,837.65, show-
ing an excess of receipts over the ex-
penditures of \$2,341,674.29.

Since that time the receipts of no
fiscal year, with but few exceptions,
and of no month of any fiscal year,
have exceeded the expenditures. The
receipts of the government from all
sources, during the fiscal year ending
June 30th, 1894, were \$372,892,498.29
and its expenditures \$442,605,758.87,
leaving a deficit, the first since the
resumption specie payments of \$69,-
803,260.58. Notwithstanding there was
a decrease of \$16,769,128.78 in the
ordinary expenses of the government
as compared with the previous fiscal
year, its income was still not sufficient
to provide for its daily necessities and
the gold reserve in the treasury for the
redemption of greenbacks was drawn
upon to meet them, but this did not
suffice and the government then re-
sorted to loans to replenish the reserve.

In February 1894, \$50,000,000 bonds
were issued and in November follow-
ing a second issue of \$50,000,000 was
deemed necessary. A sum of \$107,-
171,795 was realized by the sale of
these bonds, but the reserve was
steadily decreased until on February
8th, 1895, a third sale of \$62,315,400
bonds, and \$65,116,244 was announced
to Congress. The receipts of the gov-
ernment for the fiscal year, June 30th,
1895, were \$390,373,203.80 and the
expenditures \$433,178,426.48, show-
ing a deficit of \$48,805,-
210.18. A further loan of
\$100,000,000 was negotiated by the
government in February, 1896, the
sale netting \$111,166,246 and swelling
the aggregate of bonds issued within
three years to \$262,315,400. For the
fiscal year ending June 30, 1896, the
revenues of the government from all

sources were \$409,475,408.78, while its
expenditures were \$484,678,654.48, an
excess of expenditures over the re-
ceipts of \$25,203,245.70. In other
words the receipts for the three
fiscal years ending June 30, 1896, were
insufficient by \$137,811,729.46, to meet
the total expenditures.

Nor has this condition since im-
proved. For the first half of the pres-
ent fiscal year, the receipts of the
government, exclusive of the postal
revenues, were \$157,507,608.76 and the
expenditures, exclusive of the postal
service, \$195,410,000.29, or an excess of
expenditures over the receipts of \$37,-
902,396.48.

In January this year, the receipts,
exclusive of the postal revenues, were
\$24,316,994.29, a deficit of \$5,952,395.24
for the month. In February this year
the receipts, exclusive of the
postal revenue, were \$24,400,-
997.88, and the expenses of
the government exclusive of the
postal service was \$28,796,056.66, a
deficit of \$4,396,053.28 or a total deficit
of \$186,081,580.44 for the three years
and eight months ending March 1,
1897.

Not only are we without a surplus
in the treasury, but with the increase
of the public debt there has been a
corresponding increase of the annual
interest charge from \$22,893,883.20 in
1892, the lowest of any year since
1862, to \$34,387,297.60, 1896, or an in-
crease of \$11,493,414.40.

It may be urged that even if the
revenues of the government had been
sufficient to meet all its ordinary ex-
penses during the past three years, the
gold reserve would still have been
insufficient to meet the demands upon
it and that bonds would necessarily
have been issued for its replenition.
Be this as it may, it is clearly mani-
fest, without denying or affirming the
correctness of such conclusions, that
the debt would have been decreased at
least the amount of the deficiency and
the business confidence immeasurably
strengthened throughout the country.

Congress should promptly correct
the existing condition. Ample reve-
nues must be supplied not only for the
ordinary expenses of the government,
but for the prompt payment of liberal
pensions and the liquidation of prin-
cipal and interest of the public debt. In
raising revenues, duties should be so
levied upon foreign products as to pre-
serve the home market as far as pos-
sible to our producers, to revive and
increase manufacturers, to relieve and
encourage agriculture, to increase our
domestic and foreign commerce; to aid
and develop mining and building; and
to render to labor in every field of
useful occupation liberal wages and
adequate rewards to which skill and
industry are justly entitled. The
necessity of the passage of a tariff
law which shall provide ample
revenue need not be further urged.
The imperative demand of the hour is
the prompt enactment of such measure
and to this object I earnestly recom-
mend that Congress shall make every
endeavor. Before other business is
transacted let us first provide sufficient
revenue to faithfully administer the
government without contracting fur-
ther debt or the continued distur-
bance of our finances.

WM. McKINLEY,
Executive Mansion.