The Evening paper is the paper of Today, the morning paper is the paper of Yesterday.

DESERET EVENING NEWS.

3 O'clock Edition.

TRUTH AND LIBERTY.

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MESSAGE TO CONGRESS.

President Cleveland Makes Many Recommendations.

DISCUSSES FULLY THE CABINET REPORTS.

Ringing Demand for More "Tariff Reform;" Declaration of Policy as to Bond Issues, Present or Future, Advocacy of Radical Changes in Banking Laws, Etc.

To the Congress of the United States:

The assemblage within the nation's legislative halls of those charged with the duty of making laws for the benefit of a generous and free people impressively suggests the exacting obligation and the inexorable responsibility involved in their task. At the threshold of such labor now to be undertaken by the Congress of the United States, and in the discharge of an executive duty enjoined by the Constitution, I submit this communication containing a brief statement of the condition of our national affairs and recommending such legislation as seems to me necessary and expedient.

FOREIGN AFFAIRS.

The history of our recent dealings with other nations, and our peaceful relations with them at this time, additionally demonstrate the advantage of consistently adhering to a firm but just foreign policy, free from envious or ambitious national schemes and characterized by entire honesty and sincerity.

During the past year, pursuant to a law of Congress, commissioners were appointed to the Antwerp Industrial Exposition. Though the participation of American exhibitors fell far short of completely illustrating our national ingenuity and industrial achievements, yet it was quite creditable in view of the brief time allowed for preparation.

I have endeavored to impress upon the Belgian government the needlessness and positive harmfulness of its restrictions upon the importation of certain of our food products and have strongly urged that the rigid supervision and inspection under our laws are amply sufficient to prevent the exportation from this country of diseased cattle and unwholesome meat. The termination of the civil war in Brazil has been followed by the general prevalence of peace and order. It appearing at an early stage of the insurrection that its course would call for unusual watchfulness on the part of this government, our naval force in the harbor of Rio de Janeiro was strengthened. This precaution I am satisfied tended to restrict the issue to a simple trial of strength between the Brazilian government and the insurgents and to avert complications which at times seemed imminent. Our firm attitude of neutrality was maintained to the end. The insurgents received no encouragement of eventual asylum from our commanders, and such opposition as they encountered was for the protection of our commerce and was clearly justified by public law.

A serious tension of relations having arisen at the close of the war between Brazil and Portugal by reason of the escape of the insurgent admiral, Da Gama, and his followers, the friendly offices of our representatives to those countries were exerted for the protection of the subjects of either within the territory of the other.

Although the government of Brazil was duly notified that the commercial arrangement existing between the United States and that country based on the third section of the tariff act of 1890 was abrogated on August 28, 1894, by the taking effect of the tariff law now in force, that government subsequently notified us of its intention to terminate such arrangement on the first day of January, 1895. In the exercise of the right reserved in the agreement between the two countries, I invited attention to the correspondence between the secretary of state and the Brazilian minister on this subject.

The commission organized under the convention which we had entered into with Chili for the settlement of the outstanding claims of each government against the other, adjourned at the end of the period stipulated for its continuance, leaving undetermined a number of American cases which had been duly presented. These claims are not barred and negotiations are in progress for their submission to a tribunal.

The 17th of March last the new treaty with China, in further regulation, was signed at Washington and on August 13th it received the sanction of the Senate. Ratification on the part of China and formal exchange are awaited to give effect to this mutually beneficial convention.

A gratifying recognition of the uniform impartiality of this country towards all foreign states was manifested by the coincident request of the Chinese and Japanese governments that the agents of the United States should, within proper limit, afford protection to the subjects of the other during the suspension of diplomatic relations due to a state of war. This delicate office was accepted and a misapprehension, which gave rise to the belief that in affording this kindly unofficial protection our agents would exercise the same authority which the withdrawn agents of the belligerents had exercised, was promptly corrected. Although the war between China and Japan endangered no policy of the United States, it deserves our gravest consideration by reason of its disturbance of our growing commercial interests in the two countries and the increased dangers which may result to our citizens domiciled or sojourning in the interior of China. Acting under a stipulation in our treaty with Corea (the first concluded with a western power) I felt constrained at the beginning of the controversy to tender our good offices to induce an amicable arrangement of the initial difficulty growing out of the Japanese demands for administrative reforms in Corea; but the unhappy precipitation of actual hostilities defeated this kindly purpose. Deploring the destructive war between the two most powerful of the eastern nations, and anxious that our commercial interests in those countries may be preserved and that the safety of our citizens there shall not be jeopardized, I would not hesitate to heed any intimation that our friendly aid for the honorable termination of hostilities would be acceptable to both belligerents.

A convention has been finally concluded for the settlement by arbitration of the prolonged dispute with Ecuador growing out of the proceedings against Emilio Santos, a naturalized citizen of the United States.

Our relations with the republic of France continue to be such as should exist between nations so long bound together by friendly sympathy and similarity in their form of government. The recent cruel assassination of the president of this sister republic called forth such universal expressions of sorrow and condolence from our people and government as to leave no doubt of the depth and sincerity of our attachment. The resolutions passed by the Senate and House of Representatives on the occasion have been communicated to the widow of President Carnot.

Acting upon the reported discovery of Texas fever in cargoes of American cattle, the German prohibition against importations of live stock and fresh meats from this country has been revived. It is hoped that Germany will soon become convinced that the inhibition is as needless as it is harmful to mutual interests. The German government has excepted against that provision of the customs tariff act which imposes a discriminating duty of one-tenth of a cent a pound on sugars coming from countries paying an export bounty thereon, claiming that the exaction of such duty is in contravention of articles 5 and 9 of the treaty of 1828 with Prussia. In the interests of the commerce of both countries and to avoid even the accusation of treaty violation, I recommend the repeal of so much of the statute as imposes that duty, and I invite attention to the accompanying report of the secretary of state containing a discussion of the questions raised by the German protests.

Early in the present year an agreement was reached with Great Britain concerning instructions to be given to the naval commanders of the two governments in the Behring sea and the contiguous north Pacific ocean, for their guidance in the execution of the award of the Paris tribunal of arbitration and the enforcement of the regulations therein prescribed, for the protection of seal life in the waters mentioned. An understanding has also been reached for the payment by the United States of $425,000 in full satisfaction of all claims which may be made by Great Britain for damages growing out of the controversy as to fur seals in Behring Sea, or the seizure of British vessels engaged in taking seal in those waters. The awards and findings of the Paris tribunal to a great extent determined the facts and principles upon which these claims should be adjusted, and they have been subjected by both governments to a thorough examination upon the principles as well as the facts which they involve. I am convinced that a settlement upon the terms mentioned would be an equitable and advantageous one, and I recommend that a provision be made for the prompt payment of the stated sum. Thus far only France and Portugal have signified their willingness to adhere to the regulations established under the award of the Paris tribunal of arbitration.

Preliminary surveys of the Alaskan boundary and a preparatory examination of the question of protection of food fish in the contiguous waters of the United States and the dominion of Canada are in progress.

The boundary of British Guiana still remains in dispute between Great Britain and Venezuela. Believing that its early settlement on some just basis alike honorable to both parties is in the line of our established policy to remove from this hemisphere all causes of difference with powers beyond the sea, I shall renew the efforts heretofore made to bring about the restoration of diplomatic relations between the disputants and to induce arbitration—a result which Great Britain so conspicuously favors in principle and respects in practice and which is earnestly sought by her weaker adversary.

Since communicating the voluminous correspondence in regard to Hawaii and the action taken by the Senate and House of Representatives on certain questions submitted to the judgment and wider discretion of Congress, the organization of a government in place of the provisional arrangement which followed the deposition of the queen, has been announced with evidence of its effective operation. The recognition usual in such cases has been accorded the new government.

Under the present treaties of extradition with Italy, miscarriages of justice have occurred owing to the refusal of that government to surrender its own subjects. Thus far our efforts to negotiate an amended convention obviating this difficulty have been unavailing.

Apart from the war in which that island empire is engaged, Japan attracts increasing attention in this country by her evident desire to cultivate more liberal intercourse with us and to seek our kindly aid in furtherance of her laudable desire for complete autonomy in her domestic affairs and full equality in the family of nations. The Japanese empire of today is no longer the Japan of the past, and our relations with this progressive nation should not be less broad and liberal than those with other powers.

Good will, fostered by many interests in common, has marked our relations with our nearest southern neighbors. Peace being restored along her northern frontier, Mexico has asked the punishment of the late disturbers of her tranquility. There ought to be a new treaty of commerce and navigation with that country to take the place of the one which terminated thirteen years ago. The friendliness of the intercourse between the two countries is attested by the fact that during this long period the commerce of each has steadily increased under the rule of mutual consideration, being neither stimulated by conventional arrangements nor retarded by jealous rivalries or selfish distrust. An indemnity tendered by Mexico as a gracious act for the murder in 1889 of Leon Baldwin, an American citizen, by a band of marauders in Durango, has been accepted and is being paid in installments.

The problem of the storage and use of the waters of the Rio Grande for irrigation should be solved by appropriate concurrent action of the interested countries. Rising in the Colorado heights, the stream flows intermittently, yielding little water during the dry months to the irrigating channels already constructed along its course. This scarcity is often severely felt in the regions where the river forms a common boundary. Moreover, the frequent changes in its course often raise embarrassing questions of territorial jurisdiction.

Prominent among the questions of the year was the Bluefields incident in what is known as the Mosquito Indian strip, bordering on the Atlantic ocean, and within the jurisdiction of Nicaragua. By the treaty of 1860 between Great Britain and Nicaragua, the former government expressly recognized the sovereignty of the latter over the strip and a limited form of self-government was guaranteed to the Mosquito Indians, to be exercised according to their customs for themselves and other dwellers within its limits. The so-called native government, which grew to be largely made up of aliens, for many years disputed the sovereignty of Nicaragua over the strip and claimed the right to maintain therein a practically independent municipal government. Early in the past year the efforts of Nicaragua to maintain sovereignty over the Mosquito territory led to serious disturbances, culminating in the suppression of the native government and the attempted substitution of an impracticable composite administration, in which Nicaragua and the alien residents were to participate. Failure was followed by an insurrection which, for a time, subverted Nicaraguan rule, expelling her officers and restoring the old organization. This in turn gave place to the existing local government established and upheld by Nicaragua. Although the alien interests arrayed against Nicaragua in these transactions have been largely American and the commerce of that region for some time has been and still is chiefly controlled by our citizens, we cannot for that reason challenge the rightful sovereignty of Nicaragua over this important part of her domain. For some months, one, and during part of the time, two of our naval ships have been stationed at Bluefields for the protection of all legitimate interests of our citizens. In September last the government at Managua expelled from its territory twelve or more foreigners, including two Americans, for alleged participation in the seditious or revolutionary movements against the republic at Bluefields already mentioned; but through the earnest remonstrance of this government the two Americans have been permitted to return to the peaceful management of their business. Our naval commanders at the scene of these disturbances, by their constant exhibition of firmness and good judgment, contributed largely to the prevention of more serious consequences and to the restoration of quiet and order.

I regret that in the midst of these occurrences there happened a most grave and irritating failure of Nicaraguan justice. An American citizen named Wilson, residing at Rama, in the Mosquito territory, was murdered by one Arguello, the acting governor of the town. After some delay the murderer was arrested but so insecurely confined or guarded that he escaped, and notwithstanding our repeated demands it is claimed that his recapture has been impossible by reason of his flight beyond Nicaraguan jurisdiction.

The Nicaraguan authorities having given notice of forfeiture of the concession to the Canal company on grounds purely technical and not embraced in the contract, have receded from that position.

Peru, I regret to say, shows symptoms of domestic disturbance due probably to the slowness of her recuperation from the distresses of the war of 1881. Weakened in resources, her difficulties in facing her international obligations invite our kindly sympathy and justify our forbearance in pressing long-pending claims. I have felt constrained to testify this sympathy in connection with certain demands urgently preferred by other powers.

The recent death of the czar of Russia called forth appropriate expressions of sorrow and sympathy on the part of our government with his bereaved family and the Russian people. As a further demonstration of profound friendship, our minister at St. Petersburg was directed to represent our government at the funeral ceremonies.

The sealing interests of Russia in Behring sea are second only to our own. A modus vivendi was therefore concluded with the imperial government restrictive of poaching on the Russian rookeries and of sealing in waters which were not comprehended in the protected area defined in the Paris award.

Occasion has been found to urge upon the Russian government equality of treatment for our great life insurance companies whose operations have been extended throughout Europe. Admitting, as we do, foreign corporations to transact business in the United States, we naturally expect no less advance for our own in the ample fields of competition abroad.

But few cases of interference with naturalized citizens returning to Russia have been reported during the current year. One Hiuchuloski was arrested last summer in a Polish province on a reported charge of unpermitted renunciation of Russian allegiance, but it transpired that the proceedings originated in alleged malfeasance committed by Hiuchuloski while an imperial officer a number of years ago. Efforts for his release, which promised to be successful, were in progress when his death was reported.

The government of Salvador having been overthrown by an abrupt popular outbreak, certain of its military and civil officers while hotly pursued by infuriated insurgents sought refuge on board the United States warship Bennington, then lying in a South American port. Although the practice of asylum is not favored by this government, yet in view of the imminent peril which threatened the fugitives, and solely from considerations of humanity, they were afforded shelter by our naval commander, and when afterwards demanded under our treaty of extradition with Salvador for trial on charges of murder, arson and robbery, I directed that such of them as had not voluntarily left the ship be conveyed to one of our nearest ports where a hearing could be had before a judicial officer in compliance with the terms of the treaty. On their arrival at San Francisco such a proceeding was promptly instituted before the United States district judge, who held that the acts constituting the alleged offenses were political and discharged all the accused except one Cienfuegos, who was held for an attempt to murder. Thereupon I was constrained to direct his release for the reason that an attempt to murder was not one of the crimes charged against him and upon which his surrender to the Salvadorian authorities had been demanded.

Unreasonable and unjust fines imposed by Spain on the vessels and commerce of the United States have demanded from time to time during the last twenty years earnest remonstrance on the part of our government. In the immediate past, exorbitant penalties have been imposed upon our vessels and goods by the customs authorities of Cuba and Porto Rico for clerical errors of the most trivial character in the manifests or bills of lading. In some cases fines amounting to thousands of dollars have been levied upon cargoes or the carrying vessels when the goods in question were entitled to free entry. Fines have been exacted even when the error has been detected and the Spanish authorities notified before the arrival of the goods in port. This conduct is in strange contrast with the considerate and liberal treatment extended to Spanish vessels and cargoes in our ports in like cases. No satisfactory settlement of these vexatious questions has been yet reached. The Mora case, referred to in my last annual message, remains unsettled. From the diplomatic correspondence on this subject which has been laid before the Senate, it will be seen that this government has offered to conclude a convention with Spain for the disposal by arbitration of outstanding claims between the two countries, except the Mora claim, which, having been long ago adjusted, now only awaits payment as stipulated and of course it could not be included in the proposed convention. It was hoped that this offer would remove the parliamentary obstacles encountered by the Spanish government in providing payment of the Mora indemnity. I regret to say that no definite reply to this offer has yet been made and all efforts to secure payment of this settled claim have been unavailing.

In my last annual message I adverted to the claim on the part of Turkey of the right to expel, as persons undesirable and dangerous, Armenians naturalized in the United States and returning to Turkish jurisdiction. Numerous questions in this relation have arisen. While this government acquiesces in the asserted right of expulsion, it would not consent that Armenians may be imprisoned or otherwise punished for no other reason than having acquired, without imperial consent, American citizenship. Three of the assailants of Miss Melton, an American teacher in Mosul, have been convicted by the Ottoman courts, and I am advised that an appeal against the acquittal of the remaining five has been taken by the Turkish prosecuting officer.

A convention has been concluded with Venezuela for the arbitration of a long disputed claim growing out of the seizure of certain vessels, the property of citizens of the United States.

Although signed, the treaty of extradition with Venezuela is not yet in force, owing to the insistence of that government that, when surrendered, its citizens shall in no case be liable to capital punishment.

The rules for the prevention of collisions at sea, which were framed by the maritime conference held in this city in 1889, having been concurrently incorporated in the statutes of the United States and Great Britain, have been announced to take effect March 1, 1895, and invitations have been extended to all maritime nations to adhere to them. Favorable responses have thus far been received from Austria, France, Portugal, Spain and Sweden.

In my last annual message, I referred briefly to the unsatisfactory state of affairs in Samoa under the operation of the Berlin treaty, as signally illustrating the impolicy of entangling alliances with foreign powers; and on May 9, 1894, in response to a resolution of the Senate I sent a special message and documents to that body on the same subject, which emphasized my previously expressed opinions. Later occurrences, the correspondence in regard to which will be laid before Congress, further demonstrate that the government which was devised by the three powers and forced upon the natives against their inveterate hostility, can be maintained only by the continued presence of foreign military force and at no small sacrifice of life and treasure. The suppression of the Mataafa insurrection by the powers, and the subsequent banishment of the leader and eleven other chiefs as recited in my last message, did not bring lasting peace to the islands. Formidable uprisings continued and finally a rebellion broke out in the Capital island, Upolu, headed in the western district by the younger Tamasese, and in Atua, the eastern district, by other leaders. The insurgents ravaged the country and fought the government's troops up to the very doors of Apia. The king again appealed to the powers for help and the combined British and German naval force reduced the Atuans to apparent subjection, not, however, without considerable loss to the natives. A few days later Tamasese and his adherents, fearing the ships and the marines, professed submission. Reports received from our agent at Apia do not justify the belief that the peace thus brought about will be of long duration. It is their conviction that the natives are at heart hostile to the present government; that such of them as profess loyalty to it do so from fear of the powers, and that it would speedily go to pieces if the war ships were withdrawn. In reporting to his government on the unsatisfactory situation since the suppression of the late revolt by the foreign armed forces, the German consul at Apia stated: "That peace will be lasting is hardly to be presumed. The lesson given by firing on Atua was not sufficiently sharp and incisive to leave a lasting impression on the forgetful Samoan temperament. In fact, conditions are existing which show that peace will not last and is not seriously intended. Malietoa, the king, and his chiefs are convinced that the departure of the war ships will be a signal for a renewal of war. The circumstance that the representatives of the villages of all the districts which were opposed to the government have already withdrawn to Atua to hold meetings, and that both Atua and Aana have intimated inhabitants of those districts, which fought on the side of the government, to return to their villages and have already partly burned down the latter, indicates that a real conciliation of the parties is still far off." And in a note of the 10th ultimo, inclosing a copy of that report for the information of this government the German ambassador said: "The contents of the report awakened the imperial government's apprehension that under existing circumstances the peace concluded with the rebels will afford no assurance of the lasting restoration of tranquility in the islands."

The present government has utterly failed to correct, if indeed it has not aggravated, the very evils it was intended to prevent. It has not stimulated our commerce with the islands. Our participation in its establishment against the wishes of the natives was in plain defiance of the conservative teachings and warnings of the wise and patriotic men who laid the foundations of our free institutions, and I invite an expression of the judgment of Congress on the propriety of steps being taken by this government looking to the withdrawal from its engagements with the other powers, on some reasonable terms not prejudicial to any of our existing rights.

REVENUE.

The secretary of the treasury reports that the receipts of the government from all sources of revenue during the fiscal year ending June 30, 1894, amounted to $372,802,498.29 and its expenditures to $442,605,758.87, leaving a deficit of $69,803,260.58. There was a decrease of $15,952,674.66 in the ordinary expenses of the government as compared with the fiscal year 1893. There was collected from customs $131,818,530.62 and from internal revenue $147,168,449.70. The balance of the income for the year, amounting to $93,815,517.97, was derived from the sales of lands and other sources. The value of the total dutiable imports amounted to $275,199,086, being $146,657,625 less than during the preceding year; and the importations free of duty amounted to $379,795,536, being $64,748,675 less than during the preceding year. The receipts from customs were $73,536,486.11 less, and from internal revenue $13,836,539.97 less than in 1893. The total tax collected from distilled spirits was $85,259,250.25; on manufactured tobacco $28,617,898.62, and on fermented liquors $31,414,788.04. Our exports of merchandise, domestic and foreign, amounted during the year to $892,140,572, being an increase over the preceding year of $44,495,378.

The total amount of gold exported during the fiscal year was $76,898,061 as against $108,680,444 during the fiscal year 1893. The amount imported was $72,449,119 as against $21,174,381 during the previous year. The imports of silver were $13,286,552 and the exports were $50,451,265. The total bounty paid upon the production of sugar in the United States for the fiscal year was $12,100,208.89, being an increase of $2,725,078.01 over the payments made during the preceding year. The amount of bounty paid from July 1, 1894, to August 28, 1894, the time when further payments ceased by operation of law, was $966,185.84. The total expenses incurred in the payment of the bounty upon sugar during the fiscal year was $130,140.85.

It is estimated upon the basis of our present revenue laws the receipts of the government during the current fiscal year ending June 30, 1895, will be $424,427,748.44, and its expenditures $444,427,748.44, resulting in a deficit of $20,000,000.

CURRENCY AND COINAGE.

On the first day of November, 1894, the total stock of money of all kinds in the country was $2,240,773,888 as against $2,204,651,000 on November 1, 1893, and the money of all kinds in circulation, or not included in the treasury holdings, was $1,672,093,422, or $24.27 per capita upon an estimated population of 68,887,000. At the same time there was held in the treasury gold bullion amounting to $44,615,177.55 and silver bullion which was purchased at a cost of $127,779,988. The purchase of silver bullion under the act of July 14, 1890, ceased on the first day of November, 1893, and up to that time there had been purchased during the fiscal year 11,917,658.78 fine ounces at a cost of $8,715,521.32, an average cost of $0.7313 per fine ounce. The total amount of silver purchased from the time that law took effect until the repeal of its purchasing clause on the date last mentioned, was 168,674,682.53 fine ounces which cost $155,931,002.25 the average price per fine ounce being $0.9244. The total amount of standard silver dollars coined at the mints of the United States since the passage of the act of February 28, 1878, is $421,776,408, of which $378,166,793 were coined under the provisions of that act, $38,531,143 under the provisions of the act of July 14, 1890, and $5,078,472 under the act providing for the coinage of trade dollar bullion. The total coinage of all metals at our mints during the last fiscal year consisted of 63,485,220 pieces valued at $106,216,730.06, of which there were $99,474,912.50 in gold coined, $758 in standard silver dollars, $6,024,140.30 in subsidiary silver coin and $716,919.26 in minor coin.

During the calendar year 1893, the production of precious metals in the United States was estimated at 1,739,323 fine ounces of gold of the commercial and coinage value of $35,955,000 and 60,000,000 fine ounces of silver of the bullion value of $46,800,000 and of the coinage value of $77,576,000. It is estimated that on the first day of July, 1894, the stock of metallic money in the United States, consisting of coins and bullion, amounted to $1,251,640,958, of which $627,293,201 was gold and $624,347,757 was silver.

BANKS.

Fifty national banks were organized during the year ending October 31, 1894, with a capital of $5,285,000; and seventy-nine, with a capital of $10,475,000, went in voluntary liquidation. Twenty-one banks, with a capital of $2,770,000, were placed in the hands of receivers. The total number of national banks in existence on the 31st day of October, last, was 3,756, being forty less than on the 31st day of October, 1893. The capital stock paid in was $672,671,365, being $9,678,491 less than at the same time in the previous year, and the surplus fund and the undivided profits, less expenses and taxes paid, amounted to $334,121,082.10, which was $16,089,780 less than on October 31st, 1893. The circulation was decreased $1,741,563. The obligations of the banks to each other were increased $117,268,334 and the individual deposits were $277,294,489 less than at the corresponding date in the previous year; checks and other cash items were $90,349,963 more. The total resources of the banks at the date mentioned amounted to $3,473,922,055 as against $3,109,563,284.36 in 1893.

THE ARMY.

From the report of secretary of war it appears that the strength of the army on September 30, 1894, was 2,135 officers and 25,765 enlisted men. Although this is apparently a very slight decrease compared with the previous year, the actual effective force has been increased to the equivalent of nearly two regiments, through the reorganization of the system of recruiting and the consequent release to regimental duty of a large force of men hitherto serving at the recruiting depots. The abolition of these depots it is predicted will furthermore effect an annual reduction approximating $250,000 in the direct expenditures, besides promoting generally the health, morale and discipline of the troops. The execution of the policy of concentrating the army at important centres of population and transportation, foreshadowed in the last annual report of the secretary, has resulted in the abandonment of fifteen of the smaller posts, which was effected under a plan which assembles organizations of the same regiments hitherto widely separated. This renders our small forces more readily effective for any service which they may be called upon to perform, increases the extent of the territory under protection without diminishing the security heretofore afforded to any locality, improves the discipline, training and esprit de corps of the army, besides considerably decreasing the cost of its maintenance. Though the forces of the department of the East have been somewhat increased, more than three-fourths of the army is still stationed west of the Mississippi. This carefully matured policy, which secures the best and greatest service in the interest of the general welfare from the small force comprising our regular army, should not be thoughtlessly embarrassed by the creation of new and unnecessary posts through acts of Congress to gratify the ambition or interests of localities. While the maximum legal strength of the army is 25,000 men, the effective strength, through various causes, is but little over 20,000 men. The purpose of Congress does not therefore seem to be fully attained by the existing condition. While no considerable increase in the army is in my judgment demanded by recent events, the policy of sea coast fortifications, in the prosecution of which we have been steadily engaged for some years, has so far developed as to suggest that the effective strength of the army be now made at least equal to the legal strength. Measures taken by the department during the year as indicated have already considerably augmented the effective force and the secretary of war presents a plan which I recommend to the consideration of Congress to attain the desired end. Economical reform effected in the department in other lines of work will offset to a great extent the expenditure involved in the proposition submitted. Among other things this contemplates the adoption of the three-battalion formation of regiments, which for several years has been endorsed by the secretaries of war and the generals commanding the army. Compact in itself, it provides a skeleton organization, ready to be filled out in the event of war, which is peculiarly adapted to our strength and requirements; and the fact that every other nation, with a single exception, has adopted this formation to meet the conditions of modern warfare, should alone secure for the recommendation an early consideration.

TROOPS AND THE STRIKE.

It is hardly necessary to recall the fact that in obedience to the commands of the Constitution and the laws, and for the purpose of protecting the property of the United States, aiding the process of the Federal courts, and removing lawless obstructions to the performance by the government of its legitimate functions, it became necessary in various localities during the year to employ a considerable portion of the regular troops. The duty was discharged promptly, courageously and with marked discretion by the officers and men, and the most gratifying proof was thus afforded that the army deserves that complete confidence in its efficiency and discipline which the country has at all times manifested.

The year has been free from disturbances of Indians and the chances of further depredations on their part are constantly becoming more remote and improbable.

The total expenditures for the war department for the year ending June 30, 1894, amounted to $56,039,009.34, of this sum $2,000,614.99 was for salaries and contingent expenses, $23,665,156.16 for the support of military establishments, $5,001,682.23 for miscellaneous objects, and $25,371,555.96 for public works. This latter sum includes $19,494,037.49 for river and harbor improvements, and $3,947,863.56 for fortifications and other works of defense. The appropriations for the current year aggregate $52,429,112.78, and the estimates submitted by the secretary of war for the next fiscal year call for appropriations amounting to $52,318,629.55.

COAST DEFENSE.

The skill and industry of our ordnance officers and inventors have, it is believed, overcome the mechanical obstacles which have heretofore delayed the armament of our coasts, and this great national undertaking, upon which we have entered, may now proceed as rapidly as Congress shall determine. With a supply of finished guns of large caliber already on hand, to which additions should now rapidly follow, the wisdom of providing carriages and emplacement for their mount cannot be too strongly urged.

MILITIA.

The total enrollment of the militia of the several states is 117,533, officers and enlisted men, an increase of 5,343 over the number reported at the close of the previous year. The reports of militia inspections by regular army officers show a marked increase in interest and efficiency in the state organizations and I strongly recommend a continuance of the policy of affording every practical encouragement possible to this important auxiliary of our military establishment.

THE APACHES.

The condition of the Apache Indians, held as prisoners by the government for eight years at a cost of half a million dollars, has been changed during the year from captivity to one which gives them an opportunity to demonstrate their capacity for self-support and at least partial civilization. Legislation enacted at the late session of Congress gave the war department authority to transfer the survivors, numbering 346, from Mt. Vernon barracks in Alabama, to any suitable reservation. The department selected as their future home the military lands near Ft. Sill, Indian Territory, where under military surveillance the former prisoners have been established in agriculture under conditions favorable to their advancement.

PROMOTION FOR GENERAL SCHOFIELD.

In recognition of the long and distinguished military services and the faithful discharge of the delicate and responsible civil duties by Major General John M. Schofield, now general commanding the army, it is suggested to Congress that the temporary revival of the grade of lieutenant general in his behalf would be a just and gracious act, and would permit his retirement, now near at hand, with rank befitting his merits.

DEPARTMENT OF JUSTICE.

The report of the attorney general notes the gratifying progress made by the Supreme Court in overcoming the arrears of its business and in reaching a condition in which it will be able to dispose of cases as they arise without any unreasonable delay. This result is, of course, very largely due to the successful working of the plan inaugurating circuit courts of appeals. In respect to these tribunals the belief is expressed, in quarters entitled to the highest consideration, that an additional circuit judge for each circuit would greatly strengthen these courts and the confidence reposed in their adjudications, and that such an addition would not create a greater force of judges than the increasing business of such courts requires. I commend the suggestion to the careful consideration of Congress.

Other important topics are adverted to in the report, accompanied by recommendations many of which have been treated at large in previous messages and at this time therefore need only be named. I refer to the abolition of the fee system as a measure of compensation to Federal officers; the enlargement of the powers of United States commissioners, at least in the territories; the allowance of writs of error in criminal cases on behalf of the United States, and the establishment by Congress of the crime of murder. A topic dealt with by the attorney general of much importance is the condition of the administration of justice in the Indian territory. The permanent solution of what is called the Indian problem is probably not to be expected at once, but meanwhile, such ameliorations of present conditions as the existing system will admit of, ought not to be neglected. I am satisfied there should be a Federal court established for the territory with sufficient judges, and that this court should sit within the territory and have the same jurisdiction as to territorial affairs as is now vested in the Federal courts sitting in Arkansas and Texas.

U. P. REORGANIZATION.

Another subject of pressing moment referred to by the attorney general is the reorganization of the Union Pacific Railway company on a basis equitable as regards all private interests and as favorable to the government as existing conditions will permit. The operation of a railroad by a court through a receiver is an anomalous state of things which should be terminated, on all grounds, public and private, at the earliest possible moment. Besides, not to enact the needed enabling legislation at the present session