

THE PRESIDENT'S MESSAGE.

To the Senate and House of Representatives of the United States:

It is provided by the Constitution that the President shall, from time to time, give to the Congress information of the state of the Union, and recommend to their consideration such measures as he shall judge necessary and expedient in reviewing the events of the year which has elapsed since the commencement of your session.

INTERNATIONAL.

First—Your attention is directed to the gratifying condition of our foreign affairs. Our intercourse with other powers has continued to be of the most friendly character. Such slight differences as have arisen during the year have been already settled, or are likely to reach an early adjustment. The arrest of citizens of the United States, in Ireland, under recent laws which owe their origin to the disturbed condition of that country, has led to a somewhat extended correspondence with the government of Great Britain, and a disposition to respect our rights has been practically manifested by the release of the arrested parties.

FOREIGN AFFAIRS.

The claim of this nation in regard to the supervision and control of any inter-oceanic canal across the American Isthmus has continued to be the subject of conference. It is likely that time will be more powerful than discussion in removing the divergence between the two nations whose friendship is so closely cemented by the intimacy of their relations and the community of their interests.

Our long established friendliness with Russia has remained unbroken. It has prompted me to proffer the earliest counsels of this government that measures be adopted for suppressing the proscription which the Hebrew race in that country has lately suffered. It has not transpired that any American citizen has been subjected to arrest or injury, but our court of remonstrance has nevertheless been courteously received. There is reason to believe the time is not far distant when Russia will be able to secure toleration to all faiths within her borders.

At an international convention held at Paris in 1880, and attended by representatives of the United States, an agreement was reached in respect to the protection of trade marks, patented articles and the rights of manufacturers and corporations. The formulating into treaties of the recommendations thus adopted for receiving the attention which it merits.

The protection of submarine cables is a subject now under consideration at Paris. Believing that it is clearly the true policy of the government to favor the neutralization of this means of intercourse, I requested our minister to France to attend the convention as a delegate.

I also delegated two of our eminent scientists to attend as our representatives at the meeting of an international committee at Paris, for considering the adoption of a common unit to measure electric force.

In view of the present occurrence of conferences for the consideration of important matters of common interest to civilized nations, I respectfully suggest that the Executive be invested by Congress with discretionary power to send delegates to such conventions, and that provision be made to defray the expenses incident thereto.

The differences between the United States and Spain as to the effect of a judgment and certificate of naturalization, have not yet been adjusted, but it is hoped and believed that negotiations now in progress will result in the establishment of the position which seems to this government to be reasonable and just.

I have already called the attention of Congress to the fact that in the exports of Spain and its colonies erroneous fines have lately been imposed on vessels of the United States for trivial, technical offenses, against local regulations. Efforts for abatement of those exactions have thus far proved unsuccessful. I regret to inform you also that the fees demanded by Spanish consuls in American ports are in some instances exorbitant, when compared with the rates of other countries.

ed the attention which they seem to deserve.

The German government has invited the United States to participate in an international exhibition of 1883. If this country is to be represented, it is important that in the early days of this session Congress should make a suitable appointment for that purpose.

The death of Mr. Marsh, our late minister to Italy, has evoked from that government expressions of profound respect for his exalted character, and for his honorable career in the diplomatic service of his country. The Italian government has raised a question as to the propriety of the recognition of his dual capacity as the representative of this country recently accredited both as Secretary of Legation and of Consul General of Rome; he has been received as Secretary but his exequatur as Consul General has thus far been withheld.

The extradition convention with Belgium, which has been in operation since 1874, has been lately supplanted by another. The Senate has signified its approval and ratifications have been duly exchanged between the contracting countries. To the list of extraditable offences has been added that of assassination, or attempted assassination of the chief of the State.

Negotiations have been opened with Switzerland looking to a settlement by treaty of the question whether its citizens can renounce their allegiance and become citizens of the U. S. without first obtaining the consent of the Swiss Government. I am happy to inform you that the immigration of paupers and criminals from certain of the Cantons of Switzerland has substantially ceased; it is no longer sanctioned by the authorities.

The consideration of this subject prompts the suggestion, that the act of August 3rd, 1882, which has for its object the return of foreign convicts to their own country, should be so modified as not to be open to the interpretation that it effects the extradition of criminals on preferred charges of crime. The Ottoman Porte has not yet assented to the interpretation which this government upon the treaty of 1830 in relation to its jurisdiction rights in Turkey; it will, however, be seen that this difference will be adjusted by a general revision of the system of the jurisdiction of the United States in the countries to which your attention has been already called by the Secretary of State.

In the interest of justice toward China and Japan I trust the question of the return of the indemnity fund to the governments of those countries will reach at the present session the satisfactory resolution which I have already recommended and which has been recently foreshadowed by congressional discussion. The treaty lately concluded with Corea awaits the action of the Senate. During the late disturbance in Egypt the timely presence of American vessels was received as a protection to the persons and property of many of our own citizens and of the citizens of other countries whose governments expressed their thanks for their assistance.

The recent legislation restricting the immigration of laborers from China, has given rise to the question of whether Chinese proceeding to or from another country may lawfully pass through our own. In construing the act of May 6th, 1882, in connection with the treaty of November, 1, 1880, the restriction would seem to be limited to Chinese immigrants coming to the United States as laborers and should not forbid a mere transit across our country. I ask the attention of Congress to the subject for such action, if any, as may be deemed advisable. This government has recently had occasion to manifest in the republic of Siberia, by seeking to aid the amicable settlement of the boundary dispute now pending between that republic and the British possession of Sierra Leone.

The reciprocity treaty with Hawaii will become terminable after September 9, 1883, on two months' notice by either party. While certain provisions of that compact may have been onerous, its existence has fostered commercial relations, which it was important to preserve. I suggest, therefore, that early consideration be given to such modifications of the treaty as seem to be demanded by the interests of our trade with both Hayti and San Domingo. I advise that provision be made for diplomatic intercourse with the latter and enlarging the scope of the mission at that place.

class of our citizens against the government of Hayti have thus far been urged unavailingly.

Our arrangement with Mexico provides for the crossing of the frontier by the armed forces of either country in pursuit of hostile Indians.

In my message last year I called attention to the prevalent lawlessness on the borders, and to the necessity of legislation for its suppression. I again invite the attention of Congress to the subject. A partial relief from these mischiefs has been sought in a convention which now asks the approval of the Senate, as does another touching the establishment of the international boundary between the United States and Mexico. If the latter is ratified the action of Congress will be required establishing suitable commissions of survey.

The boundary dispute between Mexico and Guatemala, which led this Government to proffer its friendly counsels to both parties, has been amicably settled.

No change has occurred in our relations with Venezuela; again I invoke your action in the matter of the pending awards against that republic to which reference was made by a previous message from the executive at your last session. An invitation has been received from the government of Venezuela to send representatives in July, 1883, to Caracas for participation in the centennial celebration of the birth of Bolivar, the founder of South American independence. In connection with that event it is designed to commence the erection, at Caracas, of a statue of Washington, and to conduct an industrial exhibition which will be open to American products. I request that the United States be represented and that suitable provisions be made therefor.

The elevation of the grade of our mission in Central America to the plenipotentiary rank, which was authorized by Congress at its late session, has been since effected.

The war between Peru and Bolivia on one side, and Chili on the other, began more than three years ago, on the occupation by Chili, in 1880, of all the cede territory. Bolivia's negotiations for peace were conducted under the direction of the United States. The allies refused to concede any territory, but Chili has since become master of the whole coast of both countries, and since of the Capital of Peru. As you have already been advised by correspondence transmitted to you, in January last, this government sent a special mission to the belligerent powers to express the hope that Chili would be disposed to accept a money indemnity for the expenses of the war, and to relinquish her demand for a portion of the territory of her antagonist. In this recommendation, which Chili declined to follow, this government did not assume to enforce such action, for it could not be enforced without a resort to measures which would be in keeping neither with the temper of our people nor the spirit of our institutions. The power of Peru no longer extends over its whole territory, and the event of our interference to dictate peace would need to be supplemented by the armies and navies of the United States. Such interference would almost inevitably lead to the establishment of a protectorate, a result utterly at odds with our past policy, injurious to our present interests, and full of embarrassments for the future. For the effect of a termination of hostilities upon terms at once just to the victorious nation and generous to its adversaries, this government has spared no efforts, save such as would involve the complications which I have indicated. It is greatly to be deplored that Chili seems resolved to exact such rigorous conditions for peace, and is indisposed to submit to arbitration the terms of an amicable settlement. No peace is likely to be lasting that is not sufficiently equitable and just to command the approval of other nations.

About a year since, invitations were extended to the nations of this continent to send representatives to a peace congress to assemble at Washington in November, 1882; the time of meeting was fixed at a period then remote, in the hope, as the invitation itself declared, that in the meantime the disturbances between the South American republics would be adjusted. As that expectation seemed unlikely to be realized, I asked, in April last, for an expression of opinion from the two houses of Congress as to the advisability of holding the proposed convention at the time appointed. This action was prompted in part

by doubts which mature reflection had suggested, whether the diplomatic usages and traditions of the government did not make it fitting that the Executive should consult the representatives of the people before pursuing a line of policy somewhat novel in its character and far-reaching in its possible consequences. In view of the fact that no action was taken by Congress in the premises and that no provision had been made for necessary expenses, I subsequently decided to postpone the convention and so notified the several governments which had been invited to attend. I am unwilling to dismise this subject without assuring you of my support of any measure the wisdom of Congress may devise for the promotion of peace on this continent and throughout the world, and I trust that the time is nigh when, with the universal consent of the civilized people, all internal differences shall be determined without resort to arms, by the benignant processes of arbitration.

Changes have occurred in the diplomatic representation of several foreign powers during the past year. New ministers from the Argentine Republic, Austria, Hungary, Brazil, Chili, China, France, Japan, Mexico, the Netherlands and Russia have presented their credentials. The missions of Denmark and Venezuela at this capital have been raised in grade; Switzerland has created a plenipotentiary mission to this government; an embassy from Madagascar, and a minister from Siam will shortly arrive. Our diplomatic intercourse has been enlarged by the establishment of relations with other kingdoms by the creation of a mission to Siam and by the restoration of a mission to Greece. The Shah of Persia has expressed his gratification that a charge d'affairs will shortly be sent to that country, where the rights of our citizens have been hitherto courteously guarded by the representatives of Great Britain.

I renew my recommendation of such legislation as will place the United States in harmony with other maritime powers with respect to international rules for the prevention of collisions at sea.

In conformity with your joint resolution of the third of August, I have directed the Secretary of State to address foreign governments in respect to a proposed conference for considering the subject of the universal adoption of a common prime meridian to be used in the reckoning of longitude in the regulation of time throughout the civilized world. Their replies will in due time be laid before you.

An agreement was reached at Paris, in 1875, between the principal powers, for the exchange of official publications, through the medium of the representatives of their foreign departments. The admirable system which has been built up by the enterprise of the Smithsonian Institution affords a practical basis for our co-operation in the scheme, and an arrangement has been effected whereby that institution will perform the necessary labor under the direction of the department of State. A reasonable compensation therefor should be provided by law.

A clause in the act making appropriations for the diplomatic and consular service contemplates the reorganization of both branches of such service on a salaried basis, leaving the fees to inure to the benefit of the treasury. I cordially favor such a project as likely to correct abuses in the present service. The Secretary of State will present to you at an early day a plan for such reorganization. A full and interesting exhibit of the operations of the treasury department is afforded by the report of the Secretary.

THE TREASURY.

It appears that the ordinary revenues from all sources for the fiscal year ending June 30th, 1882, were as follows: From customs \$220,421,730.25; from internal revenue, \$146,497,595.45; from sale of public lands, \$1,753,140; from customs, fines, penalties, &c., \$136,334,800; from fees, consular letters patent, and lands, \$2,638,999.97; from proceeds of the sales of government property \$314,959.85; from profits of coinage, bullion deposits and assays, \$1,118,603.73; from Indian trust funds, \$57,524,322; from deposits by individuals for surveying the public lands, \$29,052,306.36; from revenues of the District of Columbia, \$1,715,176.41; from miscellaneous sources, \$3,883,445.43; total ordinary receipts, \$403,525,250.28.

The ordinary expenditures for the same period were, for civil expenses, \$18,042,886.42; for foreign intercourse, \$1,387,586.19; for Indians, \$123,674,740; for pensions, \$6,134,519.89; for the military establishment, including river and harbor improvements and arsenal, \$43,570,491.19; for the naval establishment, including vessels, machinery and improvements at the navy yards, \$15,032,646.26.

For miscellaneous expenditures, including public buildings, light-houses and collecting revenue, \$34,539,237.50; for expenditures on account of the District of Columbia, \$3,330,713.87; for interest on public debt, \$7,107,720.67; total ordinary expenditures, \$257,981,439.57. Leaving a surplus revenue of \$145,543,810.71; which with an amount drawn from the cash balance in the treasury of \$207,377,694.84, making \$166,281,505.55, was applied to the redemption of bonds; for the sinking fund \$60,079,150.00; of fractional currency for the sinking fund, \$5,075,550; of the loan of July and August 1881, \$62,572,505; of the loan of March, 1883, \$1,472,900.00; of the funded loan of 1881, \$37,194,450.00; of the loan of 1858, \$100,000; of the loan of February, 1861, \$303,000; of 5-20's of 1862, \$2,100,000; 5-20's of 1864, \$7,400,000; of 5-20's of 1865, \$650,000; of 10-40's of 1864, \$25,455,000; of consols of 1865, \$3,645,000; of consols of 1867, \$408,250.00; of consols of 1868, \$141,400; of Oregon war debt, \$675,250. Of old demand compound interest and other notes, \$1,835,000. Total \$16,231,505.55.

The foreign commerce of the United States during the last fiscal year including imports and exports of merchandise and special was as follows: Exports of merchandise \$7,750,742,272; specie \$49,417,479; total \$7,799,950,736. Imports of merchandise \$724,639,574; specie \$42,477,390; total \$767,111,964. Excess of exports over imports of merchandise, \$25,902,688. This excess is less than it has been before in any of the six years as appears by the following table: Year ending June, '70, excess of exports over imports of merchandise, \$176,796,434.81; 1877, \$151,162,094; 1878, \$207,814,234; 1879, \$264,661,866; 1880, \$167,683,912; 1881, \$259,712,718; 1882, \$259,026,030. During the year there have been organized 171 national banks. Of these institutions there are now in operation 2,269—a larger number than ever before. The value of their notes in actual circulation on July 1st, 1882, was \$324,656,458. I commend to your attention the Secretary's views in respect to the circulation and to the modes by which that result may, in his judgment, be avoided.

In respect to the coinage of silver dollars and the retirement of silver certificates, I have seen nothing to alter but much to confirm the sentiments to which I gave expression last year. Comparison between the respective amounts of silver dollars in circulation on November 1st, 1881, and on November 1st, 1882, show a light increase of a million and a half dollars; but during the interval there had been in the whole number coined an increase of 23 millions and of the 8 millions thus far minted little more than 35 million are in circulation. The mass of accumulated coin has grown so great that the vault room at present available for storing is scarcely sufficient to contain it. It is not apparent why it is desirable to continue this coinage so enormously in excess of public demand. As to the silver certificates, in addition to justify their retirement may be mentioned the effect which is likely to ensue from the supply of gold certificates for which issuance Congress recently made provision and which are now in active circulation.

You can not fail to note with interest the discussion by the Secretary as to the necessity of providing by legislation some mode of freeing the treasury of an excess and to reach an early agreement for the reduction of taxation. I heartily approve the Secretary's recommendations of immediate and extensive reductions in the annual revenues of the government. It will be remembered that I urged upon the attention of Congress at its last session the importance of relieving the industry and enterprise of the country from the pressure of unnecessary taxation. It is one of the truest maxims of political economy that all taxes are burdensome, however wisely and prudently imposed, and although there have always been among our people wide differences of sentiment as to the