To the Senate and House of Representatives:

Notwithstanding the added burdens rendered necessary by the war, our people rejoice in a very satisfactory and stendily increasing degree of pros-perity, evidenced by the largest volume of business ever recorded. Every manufacture has been productive, agricul-ture pursuits have yielded abundant re-turns, labor in the fields of industry is better rewarded, revenue degislation passed by the present Congress has increased the trassury's receipts to the amount estimated by its authorities, the finances of the government have been successfully administered and its reelit advanced to the first rank, while its currency has been maintained at the world's highest standard. Military service under a contain thag and for righteous cause has strengthened national spirit and served to cem £. the national spirit and served to commu-more closely than ever the fraternal bonds between every section of the country. A review of the relation of the United States to other powers, always impropriate is the work of the the United States to other powers, always appropriate is this year of primary im-portance in view of the momentous lasues which have arisen, demanding in one instance the ultimate determination by arms, and involving far?reaching consequencies which will require the earnest attention of the Congress.

DUTY TOWARD SPAIN.

In my last annual message, very full In my last annual message, very full consideration was given to the question of the duty of the government of the. United States toward Spain, and the Cuban insurrection, as being by far the most important problem with which we were called upon to deal. The con-siderations then advanced, and the cx-position of the views therein expressed, disclosed my sense of the extreme grav-ity of the situation. Setting aside, as ity of the situation. Setting aside, as logically unfounded, or practically inad-missable, the recognition of the Cuban insurgents as belligerents the recoginsurgents as beingerents the tecogy nition of the independence of Cuba, neu-tral intervention to end the war by im-posing a rational compromise between the contestants, intervention in favor of the contestants, end the forcible the contestants, intervention in favor of one or the other party and the forcible annexation of the island, I concluded it was honestly due to our friendly rela-tions with Spain that she should be given a reasonable chance to realize her expectations of reform to which she had become irrevocably committed. Within become irrevocably committed. Within a few weeks previous she had an-nounced comprehensive plans, which it was confidently asserted would be effica-cious to remedy the evils so deeply affecting our own country, so injurious to the true interests of the mother coun-try, as well as those of Cuba and so repugnant to the universal sentiment of humanity.

humanity. The ensuing months brought little sign of real progress toward the pacifi-cation of Cuba. The Autonomous sd-ministration set up in the capital and some of the principal citles appeared not to gain the favor of the inhabitants nor to be able to extend their influence to the large extent of territory held by the insurgents, while the military arm, obviously unable to cope with the still active rebellion, continued many of the most objectionable and offensive principal of the government that had preceded it. No tangible relief was afforded the vast numbers of unhappy reconcentratos, No tangible reliet was alforded the vast numbers of unhappy reconcentratos, despite the relterated professions made in that regard, and the amount appro-priated by Spain to that and. The prof-fered expedient of zones of cultivation proved illusory; indeed, no less prac-tical nor more delusive promises of suc-tical nor delusive promises of succor could well have been tendered to the exhausted and destitute people, stripped of all that made life and home cor could dear, and herded in a strange region

PRESIDENT MCKINLEY'S MESSAGE TO CONGRESS among unsympathetic strangers hardly less necessitous than themeselves. STARVING RECONCENTRADOS.

By the end of December the mortali-ty among them had frightfully in-creased. Conservative estimates from Spanish sources placed the deaths among these distressed people at over 40 per cent, from the time Gen. Wey-40 per cent, from the time Gen. Wey-ler's decree of reconcentrados was en-forced. With the acquiescence of Spanforced. With the acquiescince of Span-ish authorities, a scheme was adopted for relief by charitable contributions, raised in this country and distributed under the direction of the consul gener-al and the several consuls, by noble and earnest individual effort through the or-center a generican Pad ganized agencies of the American Red Cross

Cross. Thousands of lives were thus saved but many thousands more were inac-cessible to such form of aid. The war continued on the old footing without comprehensive plan, diveloping

only the same spasmodic encounters, barren of strategic result, that had marked the course of the earlier ten years of rebellion as well as the present insurrection from its start. No alternative save physical exhaustion of eith-er combatant and therewithal the prac-tical ruin of the island, lay in sight, but far distant no one could venture how to conjecture.

DESTRUCTION OF THE MAINE.

DESTRUCTION OF THE MAINE. At this juncture, on the 15th of February last, occurred the destruction of the battleship Maine, while rightfully lying in the harbor of Havana on a mission of international countesy and good-will, a catastrophe the suspicious nature and horror of which stirred the nation's heart pro-foundly. If is a striking evidence of the polse and sturdy good sense dis-tinguishing our national character that this shocking blow, failing upon a genthis shocking blow, falling upon a gen erous people, already deeply touched by preceding events in Cuba, did not by preceding events in Cuba, did not move them to desperate resolve to tol-erate no longer the existence of a con-dition of danger and disorder at our doors that made possible such a deed by whomsoever wrought. Yet, the in-stinct of justice prevailed and the na-tion anxiously awaited the result of the searching investigation at once set on foot. The finding of the naval board of incurve established that the origin of inquiry established that the origin of the explosion was external by a submarine mine and only halted through lack of positive testimony to fix the responsibility of its authorship. the responsibility of the conviction all those things carried conviction the most thoughtful, even before finding of the naval court, that a A1110 the finding of the naval court, that a crisis in our relations with Spain and toward Cuba were at hand. So strong toward Cuba were at hand. So strong was this belief that it needed but a brief executive suggestion to the Con-gress to receive immediate answer to the duty of making instant provision for the possible and perhaps speedily probable emergency of war, and the remarkable, almost unique spectacle was presented of a unaninous voite of both houses on the 9th of March, ap-propriating fifty million dollars, "for the national defense and for each and every purpose connected therewith, to be purpose connected therewith, to be expended at the discretion of the President.'b

NOT READY FOR WAR.

That this act of provision came none too soon was disclosed when the up-plication of the fund was undertaken HD-Our forts were practically undefended. Our navy needed large provision for Our navy needed large provision for increased ammunition and supplies and even numbers, to cope with any sudden attack from the navy of Spain, which comprised modern vessels of the high-est type of continental perfection. Our army also required enlargement of men and munktons. The details of the hur-ried preparation for the decided contin-gency is told in the reports of the the

secretaries of war and of the navy and need not be repeated here. It is suf-ficient to say that the outbreak of war, when it did come, found our mation not unprepared to meet the conflict. Nor was the apprehension of coming

strife confined to our own country. It was felt by the contingent powers, which on Apirl 6th, through their ambassadors and envoys, addressed to the executive an expression of hope that humanity and moderation might mark the course of this government and peo-ple and that further negotiations would lead to an attempt which, while secur-ing the maintenance of peace, would affirm all necessary guarantees for the affirm all necessary guarantees for re-establishment of order in Cuba. In responding to that presentation I also shared the hope that the envoys had expressed that peace might be preserved in a manner to terminate the chronic condition of disturbance in Cuba, so injurious and menacing to our interests and tranquility, as well as shocking to our sentiments of humani-ty; and while appreciating the humanitarlan and disinterested character of the communication they had adopted on behalf of the powers, it had stated the confidence of this government on its pant that equal appreciation would be shown for its earnest and unselfish endeavors to fulfill a duty of humani-ty by ending a situation, the indefinite prolongation of which had become insufferable.

RECOGNITION OF CUBA.

Still animated by the hope of a peace-ful solution and obeying the dictates of duty, no effort was relaxed to bring about a speedy ending of the Cuban struggle. Negotiations to this effect continued activate struggle. Negotiations to this effect continued actively with the govern-ment of Spain looking to the immediate onclusion of a six months' armistice in Cuba with a view to effect the recog-nition of her people's right to Indepen-dence. Besides this, the instant revo-cation of the order of recommendation cation of the order of reconcentration was asked, so that the sufferers, return-ing to their homes and aided by unit-ed American and Sparish effort, might be put in a way to support themselves and by orderly resumption of the well-migh destroyed productive energies of the island, contribute to the restoration of its tranquility and well-being. Negoflations continued for some little time at Madrid, resulting in offers by the Spanish government which could not at Madrid, resulting in offers by the Spanish government which could not but be regarded as inadequate. It was proposed to confide the preparation of peace to the insular parliament, yet to be convened under the autonomous decrees of November, 1897, but without impairment in any wise of the consit-tutional powers of the Madrid govern-ment, which to that end would grant an armistice, it solicited by the insur-gents, for such time as the general in chief might see fit to fix. How and with what scope of discretionary powers, the insular parliament was expected to set about the "preparation" of peace, did not apepar. If it was to be by ne-gotiation with the insurgents the issue seemted to rest on the side with a body chosen by that faction of the electors in the districts under Spanish control, and on the other with the insurgent population holding the interior coun-try, unrepresented in the so-called par-liament, and deflant at the suggestion of suing for peace. SPAIN 'S CALLOUSNESS.

SPAIN 'S CALLOUSNESS. Grieved and disappointed at this barren outcome of my sincere endeav-ors to reach a practicable solution I felt it my duty to remit the whole question to the Congress. In the mes-sage of April 11, 1898, I annouced that with this last overture in the direction of immediate peace in Cuba and its disappointing reception by Spain, the effort of the executive was brought to an end. I again reviewed the alterna-