

PRESIDENT'S MESSAGE.

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the tonnage duties, have given rise to extended correspondence with foreign nations, with whom we have existing treaties of navigation and commerce, and have caused wide and regrettable divergence of opinion in relation to the imposition of the duties referred to. The questions are important, and I shall make them a subject of special and more detailed communication at the present session.

IMMIGRATION LAWS.

With the rapid increase of immigration to our shores and the facilities of modern travel, abuses of the generous privileges afforded by our naturalization laws call for their careful revision. The easy and unguarded manner in which certificates of American citizenship can now be obtained has induced a class, unfortunately large, to avail themselves of the opportunity to become absolved from allegiance to their native land, and by a foreign residence, to escape any just duty and contribution of service to the country of their proposed adoption; thus, while evading the duties of citizenship to the United States, they make prompt claims for its national protection, and demand its intervention in their behalf. International complications of a serious nature arise, and the correspondence of the State Department discloses the great number and complexity of the questions which have been raised. Our laws regulating the issue of passports should be carefully revised and the institution of a central bureau of registration at the capital is again strongly recommended. By this means full particulars of each case of naturalization in the United States would be secured and properly indexed and recorded and thus many cases of spurious citizenship would be detected and unjust responsibilities would be avoided.

THE CONSULAR SERVICE.

The reorganization of the consular service is a matter of serious importance to our national interests. The number of existing principal consular offices is believed to be greater than is at all necessary for the conduct of the public business. It need not be our policy to maintain more than a moderate number of principal offices, each supported by a salary, sufficient to enable the incumbent to live in comfort and so distributed to subordinate agencies of affairs over a considerable district. I repeat the recommendation heretofore made by me that the appropriations for the maintenance of our diplomatic and consular service should be recast; that the so-called notarial or unofficial fee which our representatives abroad are now permitted to treat as personal perquisites, should be forbidden; that a system of consular inspection should be instituted, and that a limited number of secretaries of legation at large should be authorized.

THE WASHINGTON CENTENNIAL.

Preparations for the centennial celebration on April 30, 1899, of the inauguration of George Washington, as President of the United States, at the City of New York, have been made by a voluntary organization of the citizens of that locality, and believing that an opportunity should be afforded for the expression of the interest felt throughout the country with this event, I respectfully recommend fitting and co-operative action by Congress on behalf of the people of the United States.

TREASURY REPORT.

The report of the Secretary of the Treasury exhibits in detail the condition of our national finances and the operation of the several branches of the government related to his department. The total ordinary revenue of the government for the fiscal year ending June 30, 1888, amounted to \$379,266,874.76, of which \$219,091,179.63 were received from customs duties and \$124,200,871.98 from internal revenue taxes. The total receipts from all sources exceeded those for the fiscal year ending June 30, 1887, by \$7,862,797.10. The ordinary expenditures of the fiscal year ending June 30, 1888, are \$259,653,938.67, leaving a surplus of \$119,612,116.09. The decrease in these expenditures, as compared with the fiscal year ended June 30, 1887, was \$9,278,220.30, notwithstanding the payment of more than five million dollars for pensions in excess of what was paid for that purpose in the latter mentioned year. The revenues of the government for the year ending June 30th, 1889, ascertained for the quarter ending September 30th, 1888, and estimated for the remainder of the time, amounts to \$477,000,000 and the actual and estimated ordinary expenditures for the same year are \$273,000,000, leaving an

ESTIMATED SURPLUS

of \$104,000,000. The estimated receipts for the year ending June 30, 1890, are \$377,000,000, and the estimated ordinary expenditures for the same time are \$276,767,488.34, showing a surplus of \$101,232,511.66. The foregoing statement of surplus does not take into account the sum necessary to be expended to meet the requirements of the sinking fund act, amounting to more than \$47,000,000 annually. The cost of collecting the customs revenues for the last fiscal year was 2.44 per cent., and for the year 1889, it was 3.77 per cent.

The excess of internal revenue taxes collected during the last fiscal year over those collected during the year ending June 30, 1887, was \$3,480,174.00 and the cost of collecting this revenue decreased from 3.4 per cent. in 1887 to less than 2.2 per cent. for the last year. The tax collected on oleomargarine was \$723,918.04 for the year ending June 30, 1887, and \$364,169.88 for the following year. The requirements of the

SINKING FUND

have been met for the year ended June 30, 1888, and for the current year also, by the purchase of bonds after complying with this law as positively required, and bonds sufficient for that purpose had been bought at a premium. It was not deemed prudent to further expend the surplus in such purchases until the authority to do so should be made explicit. A resolution, however, having been passed by both houses of Congress removing all doubt as to the executive authority, daily purchases of bonds were commenced on the 23d of April, 1888, and have continued until the present time. By this plan bonds of the government not yet due have been purchased up to and including the 30th of November, 1888, amounting to \$34,700,400, the premium paid thereon amounting to \$17,508,613.

THE PREMIUM

added to the principal of these bonds represents an investment yielding about 2 per cent interest for the time they still had to run, and the saving to the government represented by the difference between the amount of interest at 2 per cent and upon the sum paid for principal and premium and what it would have paid for interest at the rate specified on the bonds if they had run to maturity, is about \$7,165,000. At first sight this would seem to be a profitable and sensible transaction on the part of the government, but, as suggested by the Secretary of the Treasury, the surplus thus expended for the purchase of bonds was money drawn from the people in excess of any actual need of the government and was so expended rather than allow it to remain in the treasury. If the surplus, under the operation of just and equitable laws, had been left in the hands of the people, it would have been worth in their business at least six per cent per annum. Deducting from the amount of interest on the principal and premium of these bonds for the time they had to run at the rate of six per cent, the saving of two per cent made for the people by the purchase of such bonds, the loss will appear to be \$55,760,000. This calculation would seem to demonstrate that if excessive and

UNNECESSARY TAXATION

is continued and the government is forced to pursue the policy of purchasing its own bonds at the premiums which it will be necessary to pay, the loss to the people will be hundreds of millions of dollars. Since the purchase of bonds was undertaken as mentioned, nearly all that have been offered were at last accepted. It has been made quite apparent that the government was in danger of being subjected to combinations to raise their price, as appears by the instance cited by the Secretary of the Treasury offering bonds of the par value of only \$3,260,000, so that the aggregate of sums demanded for their purchase amounted to more than \$10,700,000. Notwithstanding the large sum paid out in the purchase of bonds, the surplus in the treasury on the 30th day of November, 1888, was \$82,224,610.01, after deducting about \$20,000,000 drawn out for the payment of pensions.

SILVER COINAGE.

At the close of the fiscal year ended June 30, 1887, there had been coined under the compulsory silver coinage act, \$266,938,280 in silver dollars; \$35,504,816 of which were in the hands of the people. On the 30th day of June, 1888, there had been coined \$230,708,790, and of this \$35,829,303 was in circulation in coin, and \$200,387,376 in silver certificates, for the redemption of which silver dollars to that amount were held by the government.

On the 30th day of November, 1888, \$312,570,990 has been coined, \$99,970,990 of the silver dollars were actually in circulation, and \$237,478,346 in certificates. The secretary recommends the suspension of the further coinage of silver, and in such recommendation I earnestly concur. For further valuable information and timely recommendations, I ask the careful attention of the Congress to the secretary's report.

WAR DEPARTMENT.

The secretary of war reports that the army at the date of the last consolidated returns consisted of 2,189 officers, and 24,549 enlisted men. The actual expenditures of the war department for the fiscal year ended June 30, 1888, amounted to \$41,165,107.07, of which sum \$3,158,516.63, was expended for public works, including river and harbor improvements.

The board of ordnance and fortification provided for under the act approved September 22d last, was convened October 30, 1888, and plans and specifications for procuring forgings for eight, ten and twelve-inch guns under the provisions of section 4, and also for procuring twelve-inch breech-loading mortars, cast iron looped with steel, under the provisions of section 5 of the said act, were submitted to the secretary of war for reference to the board by the ordnance department of the same date.

Those plans and specifications having been promptly approved by a board and the secretary of war, the necessary authority to publish advertisements, inviting proposals, in the newspapers throughout the country, was granted by the secretary on November 12th, and on November 13th the advertisements were sent out to the different newspapers designated. The bids for the steel forgings are to be opened on December 20, 1888, and for the mortars on December 15, 1888.

GUN FACTORY.

A board of ordnance officers was convened at Watervliet Arsenal on October 4, 1888, to prepare the necessary plans and specifications for the establishment of an army gun factory at that point. The preliminaries of this board, with estimates for shop buildings and officers' quarters, were approved by the board of ordnance and fortifications on November 5, 6 and 8. The specifications, form of advertisement, and instructions to bidders, have been prepared, and an advertisement inviting the proposals for the excavation for the shop building and for erecting two sets of officer quarters, have been published. The detailed drawings and specifications for the gun factory are well in hand and will be finished within three or four months, when bids will be invited for the erection of the building. The list of machines, etc., is made out, and it is expected that the plans for the large lathes, etc., will be completed within about four months, and after approval by the board of ordnance and fortifications, bids for furnishing same will be invited. The machines and other fixtures will be completed as soon as the shop is in readiness to receive them.

PNEUMATIC DYNAMITE GUNS.

Under the provisions of the army bill for the procurement of pneumatic dynamite guns, the necessary specifications are now being prepared, and advertisements for proposals will issue early in December. The guns will probably be of fifteen inches calibre, and fire a projectile that will carry a charge of about 500 pounds of explosive gelatine with full calibre projectiles. The guns will probably be delivered in from six to ten months from the date of the contract; so that all the guns of this class that can be procured under the provisions of this law will be purchased during the year.

EXAMINATIONS FOR PROMOTION.

I earnestly request that the recommendations contained in the secretary's report, all of which are in my opinion calculated to increase the usefulness and discipline of the army may receive the consideration of the Congress. Among these the proposal that there should be provided a plan for the examination of officers to test their fitness for promotion, is of the utmost importance. This reform has been before commended in the reports of the secretary, and its expediency is so fully demonstrated by the argument he presents in its favor, that its adoption should be no longer neglected.

GENERAL SHERIDAN'S DEATH.

The death of General Sheridan in August last was a national affliction. The army then lost the grandest of its chiefs. The country lost a brave experienced soldier, a wise and discreet counselor and a modest and sensible man. Those who in any manner came within the range of his personal association, will never fail to pay deserved and willing homage to his greatness and the glory of his career, but they will cherish with more tender sensibility the loving memory of his simple, generous and considerate nature.

THE APACHE INDIANS.

whose removal from their reservation in Arizona was followed by the capture of those of their number who engaged in a bloody and murderous raid during a part of the years 1885 and 1886, are now held as prisoners of war at Mount Vernon barracks in the State of Alabama. These numbered on the 21st day of October, the date of the last report, eighty-three men, one hundred and seventy-two women, seventy boys and fifty-nine girls, in all three hundred and eighty-two persons. The commanding officers state that they are in good health and contented, and that they are kept employed as fully as is possible under the circumstances. The children, as they arrive at suitable age are sent to the Indian schools at Carlisle and Hampton, and last summer some charitable and kind people asked permission to send two teachers to these Indians for the purpose of instructing the adults, as well as such children as should be found there. Such permission was readily given; accommodations were provided for the teachers, and some portion of the buildings at the barracks were made available for this purpose. The good work contemplated has been commenced, and the teachers engaged are paid by the ladies with whom the plan originated. I am not at all in sympathy with those benevolent but injudicious people who are constantly insisting that these Indians should be turned back to the reservation. Their removal was an absolute necessity. If the lives and property of citizens of the frontier

are to be at all regarded by government, their continued restraint at a distance from the scene of their reputed and cruel murders and outrages, is still necessary. It is mistaken philanthropy, in every way injurious, which prompts the desire to see these savages returned to their old haunts. They are in their present location as the result of the best judgment of those having official responsibility in the matter and who are by no means talking in kind consideration for the Indians. A number of these prisoners have forfeited their lives to outraged law and humanity. Experience had proved they are dangerous and cannot be trusted. This is true not only of those on the war path who have heretofore been actually guilty of atrocious murders, but of their kindred and friends who, while they remained upon their reservation, furnished aid and comfort to those absent with bloody intent. These prisoners should be treated kindly and kept in restraint, far from the locality of their former reservation. They should be subjected to efforts calculated to lead to their improvement and to the softening of their savage and evil inclinations; but their return to their old home should be persistently respected. The Secretary in his report gives a graphic history of these Indians, and recites with painful vividness their bloody deeds, and the unhappy failure of the government to manage them by peaceful means. It will be amazing if a perusal of this history will allow the survival of a desire for a return of these prisoners to their reservation upon sentimental or any other grounds.

THE NAVAL DEPARTMENT.

The report of the Secretary of the Navy demonstrates very intelligent management in that important department and discloses the most satisfactory progress in the work of reconstructing the navy during the past year. Of the ships in course of construction five, viz., the *Charleston*, *Annapolis*, *Yankton*, *Venustus* and the *Petrel*, have in that time been launched and are rapidly approaching completion, and in addition to the *Philadelphia*, the *San Francisco*, the *Newark*, the *Brandywine*, *Concord* and the *Terrestrial* torpedo boat are all under contract for delivery to the department during the next year. The progress already and being made gives good ground for the expectation that these eleven vessels will be incorporated as part of the American navy within the next twelve months. The report shows that notwithstanding the large expenditures for new construction and the additional labor they involve, the total ordinary or current expenditure of the department for the three years ending June 30, 1888, are less by more than 20 per cent. than such expenditures for the three years ending June 30, 1884. The various steps which have been taken to improve the business methods of the department are reviewed by the Secretary. The purchasing of supplies has been consolidated and placed under a responsible bureau head. This has resulted in the curtailment of open purchases which in the years 1884 and 1885 amounted to over 50 per cent. of all the purchases of the department, less than 11 per cent., so that at the present time about 90 per cent. of the total departmental purchases are made by contract, and after competition. As the expenditures on the account exceed an average of \$2,000,000 annually, it is evident that an important improvement in the system has been inaugurated and substantial economies introduced.

POSTOFFICE DEPARTMENT.

The report of the Postmaster General shows a marked increase of business in every branch of the postal service. The number of postoffices on July 1, 1888, was 57,376, an increase of 6,124 in the three years and of 2,219 for the last fiscal year. The latter mentioned increase is classified as follows: New England States, 5; Middle States, 180; Southern States and Indian Territory, 1,406; the States and Territories of the Pacific Coast, 190; the ten States and Territories of the west and northwest, 435; District of Columbia, 2; total 2,219. The free delivery offices have increased from 189 in the fiscal year ended June 30, 1887, to 358 in the ended June 30, 1888. In the railway mail service, there has been an increase in one year of 168 routes, and in the number of miles travelled per annum, an increase of 150,715,917.41. The estimated increase of railroad service for the year is 609 miles, but the amount of new railroad service actually put on was 1,275,450 miles. The volume of business in the money order division, including transactions in postal notes, reached the sum of upwards of \$143,000,000 for the year. During the past year parcel post conventions have been concluded with Barbadoes, the Bahamas, British Honduras and Mexico, and are now under negotiation with all the Central and South American States. The increase of correspondence with foreign countries during the past three years is gratifying, and is especially notable and exceptional with Central and South American States, and with Mexico. As the greater part of mail matter exchanged with those countries is commercial in its character, this increase is evidence of the improved business relations with them. The practical operation of the parcel post conventions, so far as negotiated, has served to fulfil the most favorable predictions as to their benefits. In January last a general post convention was negotiated with the Dominion of Canada, which went into operation

on March 1st, and which practically makes one postal territory of the United States and Canada. Under it, merchandise parcels may now be transmitted through the mails at fourth-class rates of postage. It is not possible here to touch even the leading heads of the great postal establishment, to illustrate the enormous and rapid growth of its business and the needs for legislative readjustment of much of its machinery that it has outgrown. For these and valuable recommendations of the Postmaster-General, attention is earnestly invited to his report, a department whose revenues have increased from \$19,772,000, in 1870 to \$52,700,000 in 1888, despite the reductions of postage which have enormously reduced the rates of revenue while greatly increasing its business, demands the careful consideration of the Congress, as to all matters suggested by those familiar with its operations, and which are calculated to increase its efficiency and usefulness. A bill proposed by the Postmaster-General was introduced at the last session of Congress, by which a uniform standard in the amount of gross receipts would fix the right of a community to a public building to be erected by the government for post-office purposes. It was demonstrated that aside from the public convenience and the promotion of harmony among cities so invariably disturbed by change of locations and of site, it was a measure of the highest economy and of sound business judgment. It was found that the government was paying in rents at the rate of from 7 to 10 per cent per annum on what the cost of such public buildings would be. A very great advantage resulting from such a law would be the prevention of a large number of bills constantly introduced for the erection of public buildings at places and involving an expenditure not justified by public necessity. I trust that this measure will become a law at the present session of Congress. Of the total number of postmasters 54,874 are of the fourth class. These, of course, receive no allowances whatever for expenses in the services and their compensation is fixed by percentages on receipts at their respective offices. This rate of compensation may have been, and probably was, at some time just; but the standard has remained unchanged through the several reductions in the rates of postage. Such reductions have necessarily cut down the compensation of these officials, while it undoubtedly increased the business performed by them. Simple justice requires attention to this subject, to the end that fourth-class postmasters may receive at least an equivalent to that which the law itself, fixing the rate intended for them. Another class of postal employees whose condition seems to demand legislation is that of clerks in the post-office; and I call special attention to repeated recommendations of the Postmaster-General for their classification. Proper legislation of this character for the relief of carriers in the free delivery service has been frequent. Provision is made for their promotion; substitutes for holidays and limiting their hours of labor. Seven million of dollars have been appropriated for the current year to provide for them, though the total number of offices where they are employed is but 358 for the past fiscal year, with an estimated increase for the current year of but 40, while the total appropriation for all clerks in offices throughout the United States is \$5,950,000. The legislation affecting the relations of the government with the railroads is in need of revision. While, for the most part, the railroad companies throughout the country have cordially co-operated with the Postoffice Department in rendering excellent service, yet under the law, as it stands, while the compensation to them for carrying the mail is limited and regulated and, although railroads are made post roads by law, there is no authority reposed in any where to compel the owner of a railroad to take and carry the United States mail. The only alternative provided by act of Congress in case of refusal is for the Postmaster-General to send the mail through by pony express. This is but an illustration of the ill-fitting legislation, reasonable and proper at the time of its enactment, but long since outgrown—requiring readjustment. It is gratifying to note from the carefully prepared statistics accompanying the Postmaster-General's report that notwithstanding the great expansion of the service, the rate of expenditures has been lessened and the efficiency has been improved in every branch; that fraud and crime have decreased, that losses from the mails have been reduced, and that the number of complaints of the service made to postmasters and to the department are far less than ever before.

DEPARTMENT OF JUSTICE.

The transactions of the Department of Justice for the fiscal year ended June 30, 1888, are contained in the report of the Attorney-General, as well as a number of valuable recommendations, the most of which are repetitions of those previously made, and which ought to receive consideration. It is stated in this report that though judgments in civil suits amounting to \$552,021.03 were recovered in favor of the government during the year, only the sum of \$132,934 was collected thereon, and that though fines, penalties and forfeitures were imposed amounting to \$341,808.43, only \$100,645.42 of that sum was paid on account thereof. These facts may furnish