PRESIDENT'S ANNUAL REPORT TO CONGRESS.

DEALS WITH EVERY SUBJECT OF NATIONAL IMPORT.

The Cause of the Cuban Insurgents Treated at Some Length-Negotiations with Spain for Autonomy-Failure on the Part of Spain Might Invite Our Interference-The menian OutragesAr -Tariff and Finance - A Roast for the Trusts.

Washington, D. C., Dec. 7.-President Cleveland to-day transmitted his annual message to congress. Condensed, it is as follows:

To the Congress of the United States -As representatives of the people in the legislative branch of their government, you have assembled at a time when the strength and excellence of our free institutions and the fitness of our citizens to enjoy popular rule have been again made manifest. A political contest involving momentous consequences, fraught with feverish apprehension, and creating aggressiveness so intense as to approach bitterness and passion, has been waged throughout our land, and determined by the decree of free and independent suffrage, without disturbance of our tranquility or the least sign of weakness in our national structure. When we consider these incidents and contemplate the peaceful obedience and manly submission which have succeeded a heated clash of political opinions, we discover abundant evidence of a determination on the part of our countrymen to abide by every verdict of the popular will. and to be controlled at all times by an abiding faith in the agencies established for the direction of the affairof their government. Thus our people exhibit a patriotic disposition, which entitles them to demand of those who undertake to make and execute their laws seen faithful and unselfish service in their behalf as can only be prompted by a serious appreciation of athe trust and confidence which the acceptance of public duty invites.

In obelience to a constitutional requirement I berein submit to the congress certain information concerning national affairs with the auggestion of such legislation as in my judgment is necessary and expedient. To secure ruptions continue during the current brevity and avoid tiresome narration, I shall emit many details concerning matters within federal control which. though by no means unimportant, are more profitably discussed in departmental reports. I shall also further curtall this communication by omitting a minute recital of many minor incidenty connected with our foreign relations which have heretofore found a place in executive messages but are now contained in a report of the Treas-

ury of State.

ARMENIAN AFFAIRS.

At the outset of a reference to the more important matters affecting our relations with foreign powers, it would afford me satisfaction if I could assure the congress that the disturbed condition in Asiatic Turkey had, during the past year, assumed a less hideous and bloody aspect, and that either as a consequence of the awakening of the Turkish government to the demand of humane civilization, or as the result of Cecisive action on the part of the great nations having the right, by treaty, to Interfere for the protection of those exposed to the rage of mad bigotry and cruel fanaticism, the shocking feature of the situation had been mitigated. Instead, however, of welcoming a softened disposition or protective intervention, we have been afflicted by contipued and not unfrequent reports of the wanton destruction of homes and the bloody butchery of mea, women and children, made martyrs to their profession of christian faith. While none of our chizens in Turkey have thus far been killed or wounded, though often in the midst of dreadful scenes of danger, their safety in the future is by no means assured. Our government at home and our minister at Constantinople have left nothing undone to protect our missionaries in Ottoman territory, who constitute nearly all the individuals residing there who have a right to claim our protection on the score of American citizenship. Our efforts in this direction will not be relaxed; but the deep feeling and sympathy that have been aroused among our people ought not to so far blind their reason and indement as to lead them to demand impossible things. The outbreaks of blind fury which lead to murder and pillage in Turkey occur suddenly and without notice, and an attempt on our part to force such a hostile presence there as might be effective for prevention or protection would not only be resisted by the Ottoman government but would be regarded as an Interruption of their plans by the great nations who assert their exclusive right to intervene in their own time and method for the security of life and property in Turkey. I do not believe that the present comber prospect in Turkey will be long permitted to offend the sight of Christendem. It so mars the humane and enlightened civilization that belongs to the close of the nimteenth century that it seems hardly possible that the earnest demand of good people throughout the christian world for its corrective treatment will remain unanswered.

SPAIN AND CUBA.

The "Insurrection" in Cuba. The insurrection in Cuba still continues with all its perplexities. It is difficult to perceive that any progress has thus far been made toward the pacification of the Island or that the situation of affairs as depicted in my last annual message has in the least improved. If Spain still holds Havana and the seaports and all the considerable towns, the insurgents still roam at will over at least two thirds of the inland country. If the determination of Spain to put down the insurrection seems but to strengthen with the lapse of time, and is evinced by her unhesitating devotion of largely increased military and naval forces to the task, there is much reason to believe that the insurgents have gained in point of numbers, and character, and resources, and are none the less inflexible in their resolve not to succumb, without practically securing the great objects for eration if there were any evidence of which they took up arms. If Spain a desire or willingness on the part of reasonably assumed that the hitherto cided are features of the contracts has not yet re-established her author- Spain to entertain such a proposal. It expectant attitude of the United ity, neither have the insurgents yet is urged, finally, that, all other meth- States will be indefinitely maintained. made good their title to be regarded as ods failing, the existing internecine While we are anxious to accord all due an independent state. Indeed, as the strife in Cuba should be terminated by respect to the sovereignty of Spain, we contest has gone on, the pretense that our intervention, even at the cost of a cannot view the pending conflict in all civil government exists on the Island, war between the United States and its features, and properly apprehend except so far as Spain is able to main- | Spain-a war which its advocates con- our inevitably close relations to it, and 2=in it, has been practically abandoned. fiden:ly pr p'esy could be neither la ge its possible results, without consider-Spain does keep on foot such a gov- in its proportions nor doubtful in its ing that by the course of events we ernment, more or less imperfectly, in issue. The correctness of this forecast may oe drawn into such an unusual the large towns and their immediate need be neither affirmed nor denied, and unprecedented condition, as will suburbs. But, that exception being The United States has nevertheless a | "x a limit to our patient waiting for turreted Monitors, including the Maine

given over to anarchy or is subject to the military occupation of one or the other party.

Calls It a "Government on Paper."

It is reported, indeed, on reliable authority, that, at the demand of the commander-in-chief of the insurgent army, the putative Cuban government has now given up all attempt to exercise its functions, leaving that govto have been in fact) a governcountry is visible or invisible at pleasure, and that fights only from ambuscade and when all the advantages of position and numbers are on its side. In a country where all that is indisof protracted civil strife, the passions of the combatants grow more and sides become more frequent and more in by bands of marauders who now the name of the other as may best suit the occasion, harry the country at will and plunder its wretched inhabitants for their own advantage. Such a condition of things would inevitably entail immense destruction of property even if it were the policy of both parties to prevent it as far as practleable. But while such seemed to be the original policy of the Spanish government, it has now apparently abandthat it may not prove of use and ad-Vantage to the enemy Decay of Caban Industry.

It is to the same end that in pursuance of general orders Spanish garrisons are now being withdrawn from plantations and the rural population required to concentrate itself in the towns. The sure result would seem to be that the industrial value of the island is fast diminishing, and that unless there is a speedy and radical change in existing conditions it will soon disappear altogether. That value consists very largely, of course, in its capacity to produce sugar-a capacity already much reduced by the interruptions to tillage which have taken place during the last two years. It is reliably asserted that should these interyear and practically extend, as is now threatened, to the entire sugar producing territory of the island so much time and so much money will be required to restore the land to its norinal productiveness that it is extremely it worthless for whichever party may doubtful if capital can be induced to even make the attempt. The spectacle of the utter ruln of an adjoining country, by nature one of the most fertile and charming on the globe, would engage the serious attention of the government and the people of the United States in any circumstances. In point its inhabitants within their own conof fact, they have a consern with it troi, without severing the natural and which is by no means of a wholly sentimental or philanthropic character. It lies so near to us as to be hardly separated from our territory. Our actual pecuniary interest in it is second only to that of the people and government of Spain. It is reasonably estimated that at least from \$30,000,000 to \$50,000. 600 of American capital are invested in plantations and in railroad, mining and other business enterprises on the Island. The volume of trade between the United States and Cuba, which in 1889 amounted to about \$64,000,000, rose in 1893 to about \$163,000,000, and in 1894, the year before the present insurrection broke out, amounted to nearly \$36, 000,000. Besides this large pecuniary stake in the fortunes of Cuba, the I'nited States finds itself inextricably involved in the present contest in other

ways both vexatious and costly Filibustering Expeditions.

Many Cubans reside in this country and indirectly promote the insurrection through the on ss. by public meet ings, by the purchase and shipment of arms, by the raising of funds, and by other means, which the spirit of our institutions and the tenor of our laws do not permit to be made the subject of criminal prosecutions. Some of them. though Cubans at heart and in all their feelings and interests have taken out papers as naturalized citizens of the United States, a proceeding reserted to with a view to possible protection by this government, and not unnaturally regarded with much indignation by the country of their origin. The Insurgents are undoubtedly encouraged and supported by the widespread sympathy the people of this country always and instinctively feel for every struggle for better and freer government, and which, in the case of the more adventurous and restless elements of our population leads in only too many instances to active participation in the contest. The result is that this government is constantly called upon to protect American citizens to claim damages for injuries to persons and property now estimated at many millions of dollars and to ask explanations and apologies for the acts of Spanish officials whose zeal for the repression of rebellion sometimes blinds them to the immunities belonging to the anoffending citizens of a friendly power. follows from the same causes that the United States is compelled to actively police along the line of sea-coast against unlawful expeditions, the escape of which the utmost vigilance will not always suffice to prevent. These inevitable entanglements of the United States, with the rebellion in Cuba, the large American property interests affected, and considerations of philanthropy and humanity in general, have led to a vehement demand in various quarters for some sort of positive Intervention on the part of the United

States. Recognition Not Possible. It was at first proposed that belligerent rights should be accorded to the insurgents-a proposition no longer urged because untimely and in practical operation clearly perilous and injurious to our own interests. It has since been and is now sometimes contended that the independence of the insurgents should be recognized. But im. perfect and restricted as the Spanish government of the island may be, no other exists there—unless the will of the military officer in temporary command of a particular district can be dignified as a species of government. It is now also suggested that the United States s'ould buy the Island-a suggestion possibly worthy of considwhich plainly dictates that right and not might should be the rule of its con-

Says That We Should Respect Spain. Further, though the United States is not a nation to which peace is a necessity, it is in truth the most pacific of powers, and desires nothing so much as to live in amity with all the world. Its own ample and diversified domains ernment confessedly (what there is the satisfy all possible longings for terribest reason for supposing it always tory, preclude all dreams of conquest. and prevent any casting of covetous ment merely on paper. Were the Span- eyes upon neighboring regions, howish armies able to meet their antago- ever attractive. That our conduct tonists in the open or in pitched battle, ward Spain and her dominions has prompt and decisive results might be constituted no exception to this nationlooked for, and the immense superior- al disposition, is made manifest by the ity of the Spanish forces in numbers, course of our government, not only discipline, and equipment, could hardly thus far during the present insurrecfail to tell greatly to their advantage. I tion, but during the ten years that fol-But they are called upon to face a fee lowed the rising at Yara in 1868. No that shuns general engagements, that other great power, it may safely be can choose and does choose its own said, under circumstances of similar ground, that from the nature of the perplexity, would have manifested the same restraint and the same patient endurance.

It may also be said that this per sistent attitude of the United States toward Spain in connection with Cuba, pensable to life in the way of food, unquestionably evinces no slight respect clothing and shelter is so easily ob- and regard for Spain on the part of the tainable, especially by those born and American people. They in truth do not bred on the soil, it is obvious that there forget her connection with the discovis hardly a limit to the time during ery of the western hemisphere, nor do which hostilities of this sort may be they underestimate the great qualities prolonged. Meanwhile, as in all cases of the Spanish people, nor fail to fully recognize their splendld patriotism and their chivalrous devotion to the na more inflamed and excesses on both tional honor. They view with wonder and admiration the cheerful resolution deplorable. They are also participated with which vast bodies of men are sen across thousands of miles of ocean and in the name of one party and now in an enormous debt accumulated that the costly possession of the gem of the Antilles may still hold its place in the Spanish crown. And if neither the gov ernment nor the people of the United States have shut their eyes to the course of events in Cuba or have failed to realize the existence of conceded grievances which have led to the present revolt from the authority of Spain -grievances recognized by the queer regent and by the cortes, voiced by the oned it and is acting upon the same most patriotic and enlightened of Spantheory as the insurgents, namely: that lish statesmen without regard to party, the exigencies of the contest require and demonstrated by reforms proposed the wholesale annihilation of property by the executive and approved by the legislative branch of the Spanish government. It is in the assumed temper and disposition of the Spanish govern ment to remedy these grievances, fortified by indications of influential publie opinion in Spain, that this government has hoped to discover the most promising and effective means of composing the present strife, with henor and advantage to Spain and with the achievement of all the reasonable objects of the insurrection.

A Hint to Spain. it would seem that if Spain should offer to Cuba genuine autonomy-a measure of home rule wnich, while preserving the sovereignty of Spain, would satisfy all rational requirements of her Spanish subjects-there should be no just reason why the pacification of the island might not be effected on that basis. Such a result would appear to be in the true interest of al concerned. It would at once stop the conflict which is now consuming the resources of the island, and making ultimately prevail. It would keep intact the possessions of Spain without touching her honor, which will be consulted rather than impugned by the adequate redress of admitted grievances. It would put the prosperity of the island and the fortunes of ancient ties which bind them to the mother country, and would yet enable them to test their capacity for selfgovernment under the most favorable conditions. It has been objected on the one side that Spain should not promise autonomy until her insurgent subjects lay down their arms. But the reasonableness of a requirement by Spain, of unconditional surrender on the part of the insurment Cubans before their autonomy is conceded, not altogether apparent. It ignores important features of the altuation-the stability two years' duration has given to the insurrection; the feasibility of its indefinite prolongation in the nature of things, and as shown by past experience; the utter and imminent ruin of the island, unless the present strife is speedily composed; above all, the rank abuses which all parties in Spain, all branches of her government and all her leading nublic men concede to exist and profess a desire to remove.

selves at mercy by throwing down their arms has the appearance of negecting the gravest of perils and invitaling suspicion as to the sincerity of any professed willingness to grant reform. The objection on behalf of the insurgents-that promised reforms cannot be relied upon must of course be considered, though we have no right to as sume and no reason for assuming that anything Spain undertakes to do for the relief of Cuba will not be done ac cording to both the spirit and the latter of the undertaking.

Our Offer to Spain. Nevertheless, realizing that suspicions and precautions on the part of the weaker of two combatants are always natural and not always unjustiflable-being sincerely desirous, in the interest of both as well as on its own account, that the Cuban problem should be solved with the least possible delay -it was intimated by this government to the government of Spain some months ago that, if a satisfactory measure of home rule were tendered the Cuban insurgents, and would be accepted by them upon a guaranty of its execution, the United States would endeavor to find a way not objectionable to Spain of furnishing such guaranty. While no definite response to this inti mation has yet been received from the Spanish government, it is believed to be not altogether unwelcome, while, as already suggested, no reason is perceived why it should not be approved by the insurgents. Neither party can fall to see the importance of early action, and both must realize that to prolong the present state of things for even a short period will add enormously to the time and labor and expenditure necessary to bring about the industrial recuperation of the island. It is, therefore, fervently hoped on all grounds that carnest efforts for healing the breech between Spain and the insurgent Cubans upon the lines above indicated may be at once inaugurated and pushed to an immediate and successful issue. The friendly offices of the United States, either in the manner above outlined or in any other way consistent with our constitution and laws, will always be at the disposal of either party. Whatever circumstances may arise, our policy and our interests would constrain ue to object to the acquisition of the island or an interference with its control by any other

If Spain Fails.

made, the entire country is either | character to maintain as a mation, | Spain to end the contest, either alone

and in her own way, or with our friendly co-operation. When the inability of Spain to deal successfully with the insurrection has become manifest, and t is demonstrated that her sovereignty is extinct in Cuba for all purposes of its rightful existence, and when hopeless struggle for its re-establishment has degenerated into a strife which means nothing more than the useless sacrifice of human life and the utter destruction of the very subjectmatter of the conflict, a situation will he presented in which our obligations to the sovereignty of Spain will

superseded by higher obligations,

which we can hardly hesitate to recognize and discharge. Deferring the choice of ways and methods until the time for action arrives, we should make them depend upon the precise conditions than existing; and they should not be determined upon without giving careful heed to every consideration involving our honor and interest, or the international duty we owe to Spain. Until we face the contingencies suggested, or the situation is by other incidents impera-

tively changed, we should continue in the line of conduct heretofore pursued, thus in all circumstances exhibiting our obedience to the requirements of public law and our regard for the duty enjoined upon us by the position we occupy in the family of nations. contemplation of emergencies that may arise should plainly lead us to avoid their creation either through a careless disregard of present duty or even an undue stimulation and ill-timed expression of feeling. But I have deemed it not amiss to remind the congress that a time may arise when a correct policy and care for our interests as well as a regard for the interests of other nations and their citizens joined by considerations of humanity and desire to see a rich and fertile country, intimately related to us saved from complete devastation will constrain our government to such action as will subserve the interests thus involved and at the same time promise to Cuba and its inhabitants an opporcunity to enjoy the blessings of peace

TREASURY DEPARTMENT.

Treasury Receipts, Etc.

The secretary of the treasury report that during the uscal year ended June 30, 1896, the receipts of the government, from all sources, amounted to \$409,475, 408.78. During the same period its ex penditures were \$434,678,654.48, the excers of expenditures over receipts thu: amounting to \$25,203,245.70. The ordi nary expenditures during the year were \$4,015,852,21 less than during the preceding fiscal year. Of the receipts mentioned there was derived from customs the sum of \$180,021,751,67, and from Internal revenue \$146,830,615.66. The receipts from customs show an increase of \$7,863,134.22 over those from the same source for the fiscal year ending June 30, 1895, and the receipts from internal revenue an increase of \$8,584,-587,91

The value of our imported dutiable merchandise during the last fiscal year Was \$369,757,470, and the value of free goods imported \$409,967,470, being an increase of \$6,523,675 in the value of dutiable goods and \$41,231,034 in the value of free goods over the preceding year. Our exports of merchandise, foreign and domestic, amounted in value to \$882,006,938, being an increase over the preceding year of \$75,068,773. The average ad valorem duty puld on dutiable goods imported during the year was 39.94 per cent, and on free and dutiable goods taken together 20.55 per cent.

The cost of collecting our internal revenue was 2.78 per cent, as against 2.81 per cent for the fiscal year ending June 20, 1895. The total production of distilled spirits, exclusive of fruit brandies, was \$6,589,703 taxable gallons, being an increase of 6,639,108 gallons over the preceding year. There was also ar increase of 1.443,676 gallons of spirits produced from fruit, as compared with the preceding year. The number of barrels of beer produced was 35,859,250, as against 33,589,784 produced in the preceding fiscal year, being an increase of 2,209, 666 barrels.

The Precious Metals.

The total amount of gold exported during the last fiscal year was \$112. 409.947, and of silver \$60,541,670, being an increase of \$45,941,466 of gold and \$13,246,384 of silver over the exportations of the preceding fiscal year. The Imports of gold were \$13,525,066 and of silver \$28,777.186, being \$2,859,696 less of gold and \$8,366,007 more of silver than during the preceding year. The total stock of metallic money in the United Facing such circumstances to with. States at the close on the last fiscal cal and sweeping extension was made hold the proffer of needed reforms until year, ended on the 30th day of June, by executive order dated the 6th day 1996, was \$1,228,328,035, of which \$599, of May, 1896, and if fourth class post-597,964 was in gold and \$628,728,071 in masterships are not included in the silver. On the first day of November, statement it may be said that practical-1896, the total stock of money of all ly all positions contemplated by the kinds in the country was \$2,285,410,590. and the amount in circulation, not including that in the treasury holdings, was \$1,627.656,641, being \$22.63 per capita economy, improved service and the upon an estimated population of 71,-902,000. The production of the precious metals in the United States during the calendar year 1895 is estimated to have been 2,254,760 fine ounces of gold of the value of \$46,610,000, and 55,727,000 fine ounces of silver of the commercial val- tion of these postoffices, to the end that ue of \$26,445,000, and the coinage value of \$72,051,000. The estimated production of these metals throughout the world during the same period was 9,688,821 fine ounces of gold, amounting to \$200,285,700 in value, and 169,189,249 fine ounces of silver, of the commercial value of \$110,654,000, and of the coinage value of \$218,738,100 according to our

The coinage of these metals in the various countries of the world during the same calendar year amounted to \$232,701,438 in gold and \$121,996,219 in silver. The total coinage at the mints of the United States during the fiscal year ended June 30, 1896, amounted to to a freer and greater exchange \$71,188,468,52, of which \$58,878,490 was in gold coins and \$12,309,978.52 in standard silver dollars, subsidiary coins, and minor coins.

The number of national banks organized from the time the law authorizing their creation was passed, up to October 31, 1896, was 5,651, and of this number 3,379 were at the date last mentioned in active operation, having authorized capital stock of \$650,014,895, held by 288,962 shareholders, and circulating notes amounting to \$211,412,620.

THE NAVY.

Construction of Warships.

The work of the navy department and its present condition are fully exhibited in the report of the secretary. The construction of vessels for our new navy has been energetically prosecuted by the necessities of government revenue, the present administration upon the general lines previously adopted, the department having seen no necessity for radical changes in prior methods under which the work was found to be progressing in a manner highly satisfactory. It has been decided, however, to provide in every ship-building contract that the builder should pay all penses of its maintenance. Considered trial expenses, and it has also been determined to pay no speed premiums in present law can by no means fall unfuture contracts. The premiums re- der just condemnation. During the It should be added that it cannot be cently earned and some yet to be demade before this conclusion was reached.

On March 4, 1892, there were in commission but two armored vessels, the double-terreted Monitors, Miantonomoh and Monterey. Since that date of vessels theretofore authorized there have been placed in their first commisrion three first-class and two secondclass battleships, two armored cruisers, one harbor-defense ram and five double and the Puritan, just completed. Eight

new unarmored cruisers and two gun-boats have also been co ed. The lows, another battleship, wi for sea in the early spring.

be completed about March 1, and at least four more gunboats will be ready It is gratifying to state that our ships and their outfits are believed to be equal to the best that can be manufactured elsewhere, and that such notable reductions have been made in

their cost as to justify the statement that quite a number of vessels are now being constructed at rates as low as those that prevail in European ship-Our manufacturing facilities are at

this time ample for all possible naval contingencies. Three of our government navy yards, those at Mare Island, Cal. Norfolk, Va., and Brooklyn, N. Y., are equipped for ship building our ordnance plant in Washington is equal to any in the world, and at the torpedo station we are successfully making the highest grades of smokeless powder. Three first-class private ship yards, at Newport News, Philadelphia, and San Francisco, are building battle ships; eleven contractors, situated in the states of Maine, Rhode Island, Pennsylvania, New Jersey, Maryland, Virginia, and the state of Washington, are constructing gun-boats or torpedo boats, Two plants are manufacturing large quantities of first-class armor, and American factories are producing automobide torpedoes, powder projectiles, rapid-fire guns, and everything else necessary for the complete outfit of naval vessels.

There have been authorized by congress since March, 1893, five battleships, six light draft gunboats, sixteen torpedo boats and one sub-marine torpedo boat. Contracts for the building of all of them have been let. The secretary expresses the opinion that we have for the present a sufficient supply of cruisers and gunboats, and that hereafter the construction of battleships and torpedo boats will supply

our needs. Much attention has been given to the methods of carrying on departmental business. Important modifications in the regulations have been made, tending to unify the control of ship-building, as far as may be, under the bureau of construction and repair, and also to improve the mode of purchasing supplies for the navy by the bureau of supplies and accounts. The establish ment, under recent acts of congress, of a supply fund with which to purchase these supplies in large quantities, and other modifications of methods, have tended materially to their cheapening and better quality.

The diminution of our enormous pension roll and the decrease of pension expenditure which have been so ofter confidently foretold, still fall in material realization. The number of pensioners on the rolls at the close of the fisca year, ended June 30, 1896, was 970,678 This is the largest number ever reported. The amount paid exclusively for the pensions during the year was \$138,-214,761.94, a slight decrease from that of the preceding year, while the total expenditures on account of pensions, including the cost of maintaining the department and expenses attending pension distribution amounted to \$142,206. 550,59, or within a very small fraction of one-third of the entire expense of supporting the government during the same year. The number of new pension certificates issued was 90,640. Of these, 40,374 represent original allowances of claims and 15,878 increases of existing pensions.

The number of persons receiving pensions from the United States, but residing in foreign countries at the close of the last fiscal year, was 3,781, and the amount paid to them during the

year wan \$682,735.38. The sum appropriated for the payment of pensions for the current fiscal year ending June 30, 1897, in \$40,000,-000, and for thes ucceeding year it is estimated that the same amount will

be necessary. Civit Service Reform.

The progress made in civil service reform furnishes a cause for the utmost congratulation. It has survived the doubts of its friends as well as the rancor of its enemics and has gained a permanent place among the agencies destined to cleanse our politics and to Improve, economize and elevate the public service,

There are now in the competitive classified service upward of eighty-four thousand places. More than half of these have been included from time to time since March 4, 1893. A most radicivil service law are now classified. Abundant reasons exist for including these pertmasterships, based upon peace and quiet of neighborhoods. however, obstacles prevent such tion at present, I earnestly hope that congress will, without increasing postoffice appropriations, so adjust them as to permit in proper cases a consolidathrough this process the result desired may to a limited extent be accomplished.

TARIFF AND FINANCES.

I desire to recur to the statements elsewhere made concerning the government's receipts and expenditures for the purpose of venturing upon some suggestions touching our present tariff law and its operation.

This statute took effect on the 28th day of August, 1894. Whatever may be its shortcomings as a complete measure of tariff reform, it must be conceded that it has opened the way commodities between us and other countries, and thus furnished a wider markets for products and manufacturing

The only entire fiscal year during which this law has been in force ended on the 30th day of June, 1896. In that year our imports increased over those of the previous year more than \$6,500. 600, while the value of the domestic products we exported, and which found markets abroad, was nearly \$70,000,000 more than during the preceding year. Those who insist that the cost to our

people of articles coming to them from abroad for their needful use should only be increased through tariff charges to an extent necessary to meet the expenses of the government, as well as those who claim that tariff charges may be laid upon such articles beyond and with the additional purpose of so increasing their price in our markets as to give American manufacturers and producers better and more profitable opportunities, must agree that our tariff laws are only primarily justified as sources of revenue to enable the government to meet the necessary exas to its efficiency in this aspect, the tion it has yielded nearly \$8,000,000 more revenue than was received from tariff duties in the preceding year There was, nevertheless, a deficit between our receipts and expenditures of a little more than \$25,000,000. This,

however, was not unexpected, Question of Revenue. The government thus applying a sur-plus fortunately in its treasury to the payment of expenses not met by its current revenues, is not at all to be likened to a man living beyond his in-

lated fund by the duty.

This reference to the prospects of our revenues

suggests an allusion to the and vices of our finance They have been frequently on the attention of congress in executive communications and evitable danger of their contin eration pointed out. Withou peating these details, I cannot from again earnestly present necessity of the prompt re system opposed to every rule of finance and shown by experience to fraught with the gravest peril and plexity. The terrible civil war wh shook the foundations of our go ment more than thirty years brought in its train the destruction property, the wasting of ou r try's substance, and the estrange of brethren. These are now past as forgotten. Even the distressing loss life the conflict entailed is but a sacre memory, which fosters patriotic sentiment and keeps alive a tender regard for those who nobly died. And yet there remains with us to-day in full strengt and activity as an incident of that tremendous struggle, a feature of its financial necessities, not only unsuited to our present circumstances, but manifestly a disturbing menace to business security and an ever-present agent of monetary distress.

Because we may be enjoying a temporary relief from its depressing influence, this should not lull us into false security nor lead us to forget the suddenness of past visitations.

I am more convinced than ever that we can have no assured financial peace and safety until the government curreney obligations upon which gold may be demanded from the treasury withdrawn from circulation and cancelled. This might be done, as has been heretofore recommended by their exchange for long term bonds bearing a low rate of interest or by their redemp tion with the proceeds of such bo

Even if only United States notes known as greenbacks were thus retire it is probable that the treasury notes in sued in payment of silver purchase under the act of July 14, 1890, now paid in gold when demanded would no create much disturbance as they might from time to time when received the treasury by redemption in rold otherwise be gradually and prudently replaced by silver coin. This plan o issuing bonds for the purpose of re demption certainly appears to be the most effective and direct path to the needed reform.

In default of this, however, it wo be a step in the right direction if our rency obligations redeemable in gold whenever so redeemed, should be celled instead of being reissued. operation would be a slow remedy,

it would improve present cond National banks should redeem th own notes. They should be allowed lavue circulation to the par value bonds deposited as security for its re tirement of United States notes and demption, and the tax on their cire treasury notes found under the lation should be reduced to ons-four of one per cent.

In considering projects for the tirement of United States notes treasury notes issued under the law a 1890, I am of the opinion that we h placed too much stress upon danger of contracting the curre have calculated too little upon th that would be added to our of if invited to us by letter and financial methods. It is not so a contraction of our currency should be avoided as its unequal

tribution. This might be obviated and any for of harmful contraction at the time removed, by allowing the or zation of smaller banks and in populous communities than are permitted, and also authorizing ext banks to establish branches in

communities under proper restri Another topic in which our rightfully take a deep interest here be briefly considered. I refer the existence of trusts and other aggregations of capital, the of which is to secure the some particular branch of dustry or commerce, and are defended it is usually on the gr that though they increase profits they also reduce prices, and thus may be fit the public. It must be remember however, that a reduction of p the people is not one of the real obje of these organizations, nor is the tendency necessarily in that dire It it occurs in a particular case it is only because it accords with the pur pose or interest of those managing the

Trusts Get a Roust.

Such occasional results fail far she of compensating the palpable at charged to the account of trusts an monopolies. Their tendency is to ernel out individual independence and to him der or preventt he free use of hum faculties and the full development human character. Through them farmer, the artisan and the smalls try er is in danger of dislodgment from th proud position of being his own mast watchful of all that touches his try's prosperity, in which he has an dividual lot and interested in all th affects the advantages of bu which he is a factor, to be rele the level of a mere appurtenance great machine, with little free with no duty but of passive obedience and with little hope of opports rising in the scale of responsible s helpful citizenship.

To the instinctive belief that such the inevitable trend of trusts and nopolies is due the wie deep-seated popular aversion in they are held and the not unre insistence, that whatever may be a incidental economic advantages, general effect upon personal ch prospects and usefulness can n otherwise than injurious.

Though congress has atten deal with this matter by le laws passed for that purpos have proved ineffective, not any lack of disposition or enforce them, but simply laws themselves as interpret courts do not reach the the insufficiencies of exists be remedled by further I should be done. The fact m ognized, however, that all fe islation on this subject may fal of its purpose beenu stacles, and also because of the character of our governs It does not follow, no is the limit of the remedy that applied. Even though it may that federal authority is several states to sou to doubt their to clously exercise such In concluding this in trust for the perplexing extra seturn to trugge