THE PRESIDENT'S MESSAGE.

Wickinley's First Annual Address to Congress.

CONGRATULATES THE COUNTRY

Yavers the Currency Plan Submitted by Secretary Gago -- Cuban War Gets Considerable Attention - Recognition Not Advised—Bimetallic Commission Not Yet Discharged -- Hawall and Other Countries.

Following is the full text of President McKinley's message to Congress, which met Monday:

To the Senate and House of Representatives: It gives me pleasure to extend greeting to the LVth congress assembled at the seat of government, with many of whose senators and representatives I have been associated in the legislative besides, it is in times of adequate revservice.

The extra session of this congress, which closed July last, enacted important legislation, and while its full effect has not yet been realized, what it has already accomplished assures us of its timeliness and wisdom. To test its permanent value further time will be required and the people, satisfied with its operation and results thus far, are in no mind to withhold from it a fair trial.

Flunco Question Next.

Tariff legislation having been settled by the extra session of congress, the question next pressing for consideration is that of the currency. The work of putting our finance upon a sound basis, difficult as it may seem, will appear easily when we recall the financial operations of the government since 1866. On the 30th day of June of that year we had out standing demand liabilities in the sum of \$725,868,447.41. On the 1st of January, 1879, these liabilities had been reduced to \$113,-889,495.88. Of our interest-bearing obligations the figures are even more striking. On July I, 1866, the principal of the interest-bearing debt of the government was \$2,332,331,208. On the 1st day of July, 1893, this sum had been reduced to \$385,037,109, or an aggregate reduction of \$1,747,294,168. The interest-bearing debt of the United States on the 1st day of December, 1857, was \$547,365,620. The government money now outstanding (December I) consists of \$346,681,016 of United States notes, \$107,793. 280 of treasury notes, issued by authority of the law of 1880; \$284,963,563 of silver certificates and \$61,250,761 of standard silver

With the great resources of the government and with the honorable example of the past before us, we ought not to hes-Itate to enter upon a currency revision which will make our demand obligations less operous to the government and relieve our financial laws from ambiguity and doubt. The brief review of what was accomplished from the close of the war to 1993 makes unreasonable and groundless any distrust either of our financial ability or soundness; while the altuation from 1893 to 1897 must admonish congress of the immediate necessity of so legislating as to make the return of the conditions then prevailing impossible.

Many Plans Are Proposed-There are many plans proposed as

remedy for the evil. Hefore we can find the true remedy we must appreciate the real evil. It is not that our currency of every kind is not good, for every dollar of it is good; good because the government's pledge is out to keep it so, and that piedge will not be broken. However, the guaranty of our purpose to keep the pledge will be best shown by advancing toward its fulfillment. The evil of the present system is found in the great cost to the government of maintaining the parity of our different forms of money-that is, keeping all of them at par with gold. We surely cannot be longer beedless of the burden this imposes upon the people, even under fairly prosperous conditions, while the last four years have demonstrated that it is not only an expensive charge upon the goverument, but a dangerous menace to the national credit. It is manifest that we must devise some plan to protect the government against bond issues for repeatrd redemptions. We must either curtail the opportunity for speculation, made casy by the multiplied redemptions of our demand obligations, or increase the gold remerve for their redemption. We have \$300,000,000 of currency which the government by solemn enactment has under taken to keep at par with gold. Nobody is obliged to redeem in gold but the gov ernment. The banks are not required to redeem in gold. The government is obliged to keep equal with gold all its outstand ing currency and coin obligations, while receipts are not required to paid in gold. They are every kind of money gold, and the only means by which the government can with certainty get gold is by borrowing. It can get it in no other way when it most needs it. The government without any fixed gold revenue is pledged to maintain gold redemption. which it has steadily and faithfully done

and which under the authority now given tt will continue to do. Gold Must Be Replenished.

The law which requires the government after having redeemed its United States notes to pay them out again as current funds demands a constant replenishment of the gold reserve. This is especially so in times of business panic and when the revenues are insufficient to meet the expenses of the government. At such times the government has no other way to supply its deficit and maintain redemption but through the increase of its bonded debt, as during the administration of my predecessor, when \$262,315,400 of fourand a half per cent bonds were issued and sold and the proceeds used to pay the expenses of the government in excess of the revenues and sustain the gold reserve While it is true that the greater part of the proceeds of these bonds were used to supply deficient revenue, a considerable portion was required to maintain the gold reserve. With our revenues equal to our expenses there would be no deficit requiring the issuance of bonds. But if the gold reserve falls below \$100,000,000, how will it be replenished except by selling more bonds? Is there any other way practicable under existing law? The seri ous question then is, shall we continue the policy that has been pursued in the past—that is, when the gold reserve reach es the point of danger issue more bonds and supply the needed gold, or shall we provide other means to prevent these recurring drains upon the gold reserve? If no further legislation is had and the poltey of selling bonds is to be continued then congress should give the secretary of the treasury authority to sell bonds at long or short periods, bearing a less rate of interest than is now authorized by law I earnestly recommend, as soon as the receipts of the government are quite suffi cient to pay all the expenses of the government that, when any of the United States notes are presented for redemption in gold and are redeemed in gold such notes shall be kept and set apart, and only paid out in exchange for gold. This

is an obvious duty. To Maintain the Reserve. If the holder of the United States note cefers the gold and gets it from the govnment he should not receive back from

out paying gold in exchange for it. The the redemption of United States notesshould not pay them out again except on demand and for gold. If they are put out | ple. in any other way they may return again to be followed by another bond issue to redeem them-another interest-bearing debt to redeem a non-interest-bearing debt. In my view it is of the utmost importance that the government should be relieved from the burden of providing all the gold required for exchanges and export. This responsibility is alone borne by the government without any of the usual and necessary banking powers to help itself. The banks do not feel the strain of gold redemption. The whole strain rests upon the government and the size of the gold reserve in the treasury has come to be, with or without reason, the signal of danger or of security. This ought to be stopped. If we are to have an era of prosperity in the country, wit sufficient receipts for the expenses of the government, we may feel no immediate embarrassment from our present cui rency; but the danger still exists and will be ever present, menacing us so long as the existing system continues. And enues and business tranquillity that the government should prepare for the worst We cannot avoid, without serious consequences, the wise consideration and prompt solution of this question. The secretary of the treasury has outlined a plan in great detail for the purpose of removing the threatened recurrence of depleted gold reserve, and to save us from future embarrassment on that account To this plan I invite your careful consideration, Indorses Secretary Gage.

I concur with the secretary of the treas ury in his recommendation that national banks be allowed to issue notes to the face value of the bonds which they have deposited for circulation, and that the ax on circulating notes secured deposit of such bonds be reduced to one half of one per cent per annum. I also join him in recommending that authority be given for the establishment of national banks with a minimum capital of \$25, 000. This will enable the smaller villages and agricultural regions of the country to be supplied with currency to meet their needs.

I recommend that the issue of national bank notes be restricted to the denomination of \$10 and upward. If the suggestions I have herein made shall have the approval of congress, then I would recommend that national banks be required to redeem their notes in gold. The most important problem with which this gov ernment is now called upon to deal per taining to its foreign relations concerns its duty toward Spain and the Cuban in surrection. Problems and conditions more or less in common with those now existing have confronted this government at various times in the past. The story of Cuba for many years has been one of unrest growing discontent; an effort to ward a larger enjoyment of liberty and self-control; of organized resistance to the mother country; of depression after distress and of warfare and of ineffectual settlement to be followed by renewed re volt. For no enduring period since the enfranchisement of the continental possessions of Spain in the western conti nent has the condition of Cuba or the policy of Spain toward Cuba not caused concern to the United States. The prospect from time to time that the weakness of Spain's hold upon the island and the political vicissitudes and embarrassments of the home government might lead to the transfer of Cuba to a continental power called forth, between 1823 and 1960, various emphatic declarations of the polley of the United States to permit no disturbance of Cuba's connection with Spain unless in the direction of inde pendence or acquisition by us through purchase-nor has there been any change of this declared policy since upon the part of the government.

situation in Cuba Grave.

The revolution which began in 1963 lasted for ten years despite the strenuous efforts of the successive peninsular governments to suppress it. Then, as now, the government of the United States testified its grave concern and offered its aid to put an end to bloodshed in Cuba. The overtures made by Gen. Grant were refused and the war dragged on, entalling great loss of life and treasure and increased injury to American Interests, besides throwing enhanced burdens of neutrality on the government. In 1878 peace was brought about by the truce of Zanion, obtained by negotiations between the Spanish commander, Martinez de Campos, and the insurgent leaders.

The present insurrection broke out February, 1995. It is not my purpose a this time to recall its remarkable in crease or to characterize its tenacious resistance, against the enormous forces massed against it by Spain. The revolt and the efforts to subdue it carried destruction to every quarter of the island developing wide proportions and defying the efforts of Spain for its suppression. The civilized code of war has been disregarded, no less so by the Spaniards

than by the Cubans. The existing conditions cannot but fill this government and the American people with the gravest apprehension. There is no desire on the part of our people to profit by the misfortunes of Spain. We have only the desire to see the Cubans prosperous and contented, enjoying that measure of self-control which is the inalienable right of man, protected their right to reap the benefit of the ex-

haustless treasures of their country. The offer made by my predecessor in April, 1896, tendering the friendly offices of this government failed. Any mediation on our part was not accepted. In brief, the answer read: "There is no effectual way to pacify Cuba unless it begins with the actual submission of the rebels to the mother country." Then only could Spain act in the promised direction of her own motion and after her own plan.

Calls Spain's Polley Crust. The cruel policy of concentration was initiated February 16, 1896. The productive districts controlled by the Spanish armies were depopulated. The agricultural inhabitants were herded in and about the garrison towns, their lands laid waste and their dwellings destroyed. This policy of the late cabinet of Spain was justified as a necessary measure of war and as a means of cutting off supplies from the insurgents. It has utterly failed as a war measure. It was not civilized warfare. It was extermination,

Against this abuse of the rights of war have felt constrained on repeated occaslong to enter the firm and earnest protest of this government. There was much of public condemnation of the treatment of American citizens by alleged filegal artrial or pending protracted judicial pro- tries.

I felt it my first duty to make instant demand for the release or speedy trial of all American citizens under arrest. Before the change of the Spanish cabinet in October last, twenty-two prisoners, citizens of the United States, had been given their freedom.

For the relief of our own citizens suffering because of the conflict the aid of congress was sought in a special message, and under the appropriation of April 4, 1887, effective aid has been given to American citizens in Cuba, many of them at their own request having been returned to the United States. to government a United States note with- | The instructions given to our m

ister to Spain before his departure for his reason for this is made all the more ap- post directed him to impress upon that parent when the government issues an government the sincere wish of the interest-bearing debt to provide gold for United States to lend its aid toward the ending of the war in Cuba by reaching a a non-interest-bearing debt. Surely it peaceful and lasting result, and honorable alike to Spain and to the Cuban peo-

These instructions recited the character and duration of the contest, the widespread losses it entails, the burdens and restraints it imposes upon us, with constant disturbance of national interests and the injury resulting from an indefinite continuance of this state of things.

Time Ripe for a Change.

It was stated at this juncture our government was constrained to seriously inquire if the time was not ripe when Spain, of her own volition, moved by her own interests and every sentiment of humanity, should not put a stop to this destructive war and make proposals of settlement honorable to herself and just to her Cuban colony. It was urged that as a neighboring nation, with large interests in Cuba, we could be required to wait only a reasonable time for the mother country to establish its authority and restore order within the borders of the island; that we could not contemplate an indefinite period for the accomplishment of this result.

No solution was proposed to which the slightest idea of humiliation to Spain could attach and indeed precise proposals were withheld to avoid embarrassment to that government. All that was asked or expected was that some safe way might be speedily provided and permanent peace restored. It so chanced that the consideration of this offer, addressed to the same Spanish administration which had declined the tenders of my predecessor and which for more than two years had poured men and treasure into Cuba in the fruitless effort to suppress the re-

volt, fell to others. Between the departure of General Woodford, the new envoy, and his arrival in Spain, the statesman who had shaped the policy of his country, fell by cabinet of the late premier still held office and received from our envoy the proposals he bore, that cabinet gave place within a few days thereafter to a new administration, under the leadership of Sagasta.

The reply to our note was received on the 23d day of October. It is in the direction of a better understanding.

Recognized as Friendly Power.

It appreciates the friendly purposes of this government. It admits that our country is deeply affected by the war in Cuba and that its desires for peace are just. It declares that the present Spanish government is bound by every consideration to a change of policy that should satisfy the United States and pacify Cuba within a reasonable time,

To this end Spain has decided to put into effect the political reforms heretofore advocated by the present premier, without balting for any consideration in the path which in its judgment leads to peace. The military operations, it is said. will continue, but will be humane and conducted with all regard for private rights, being accompanied by political action leading to the autonomy of Cuba while guarding Spaulsh sovereignty.

This, it is claimed, will result in investing Cuba with a distinct personality; the island to be governed by an executive and by a local council of chamber, reserving to Spain the control of the foreign relations, the army and navy and the judicial administration. To accomplish this the present government proposes to modify existing legislation by decree, leaving the Spanish cortes, with the aid of Cuhan senators and deputies, to solve the economic problem and property distribute the existing debt.

In the absence of a declaration of the measures that this government proposes to take in carrying out its proffer of good offices it suggests that Spain be left free to conduct military operations and grant political reforms, while the United States, for its part, shall enforce its neutral obligations and cut off the assistance which it is asserted the insurgents receive from

The supposition of an indefinite proiongation of the war is depied. It is asserted that the western provinces are well nigh reclaimed; that the planting of cane and tobacco therein has been resumed and that by force of arms and new and ample reforms very early and complete pacification is hoped for.

Batter State of Affairs Predicted.

The immediate amelioration of exist ing conditions under the new administra tion of Cuban affairs is predicted ,and therewithal the disturbance and all occasion for any change of attitude on the part of the United States. Discussion of the question of the international duties and responsibilities of the United States as Spain understands them is presented with an apparent disposition to charge us with failure in this regard.

Balligaroney Not Favored.

I regard the recognition of the belliger ency of the Cuban insurgents as now unwise and therefore inadmissible. Should that step hereafter be deemed wise as measure of right and duty the executive will take it.

Intervention upon humanitarian ground has been frequently suggested and has not failed to receive my most anxious and earnest consideration. But should such a step be now taken when it is apparent that a hopeful change has supervened in the policy of Spain toward Cuba? A new government has taken office in the mother country. It is pledged in advance to the declaration that all the effort in the world cannot suffice to maintain peace in Cuba by the bayonet; that vague promises of reform after subjugation afford no solution of the insular problem; that with a substitution of commanders must come a change of the past system of war fare for one in harmony with a new polcy which shall no longer aim to drive the Cubans to the "horrible alternative taking to the thicket or succumbing misery"; that reforms must be instituted in accordance with the needs and circumstances of the time and that these reforms, while designed to give full autonomy to the colony and to create a virtual entity and self-controlled administration, shall yet conserve and affirm the sovereignty of Spain by a just distribu tion of powers and burdens upon a basis of mutual interest, untainted by meth ods of selfish expediency.

The first acts of the new government lie in these honorable paths. The policy of cruel rapine and extermination that so long shocked the universal sentiment of humanity has been reversed. Under the new military commander a broad clemency is proffered. Measures have already been set on foot to relieve the horrors of starvation. The power of the Spanish armies, it is asserted, is to be used not to apread ruin and desolation but to protect the resumption of peaceful agri- was necessary for their adequate protecrests and long imprisonment awaiting cultural pursuits and productive indus-

On the Hawalian Matter.

By a special message dated the sixteenth day of June last, I laid before the senate a treaty signed that day by the plenipotentiaries of the United States and of the republic of Hawall, having for its purpose the incorporation of the Hawaiian islands as an integral part of the United States, and under its sovereignty. The senate, having removed the injunction of secrecy, although the treaty is still pending before that body, the subject may be properly referred to fa this sampe because the accusary action of

union should the fact of annexation be accomplished, as I believe it should be. While consistently disavowing from a very early period any progressive policy of absorption in regard to the Hawaiian group, a long series of declarations through three-quarters of a century has proclaimed the vital interest of the United States in the independent life of the islands and their intimate commercial dependence upon this country. At the same time, it has been repeatedly asserted that in no event could the entity of Hawaiian statehood cease by the passage of the islands under the domination or influence of another power than the United States. Under these circumstances the logic of events required that annexation, heretofore offered, but declined, should in the ripeness of time come about as the natural result of the strengthening ties that bind us to those islands, and be realized by the free will of the Hawalian state. That treaty was unanimously ratifled without amendment by the senate and president of the republic of Hawaii on the 10th of September last, and only awaits the favorable action of the American senate to effect the complete absorption of the islands into the domain of the United States. What the conditions of such a union shall be; the political relation thereof to the United States: the character of the local administration: the quality and degree of the elective franchise of the inhabitants: the extension of the federal laws to the territory or the enactment of special laws to fit the peculiar condition thereof; the regulation, if need be, of the labor system therein, are all matters which the treaty has wisely relegated to the con-

Recommends a Confirmation. If the treaty is confirmed, as every consideration of dignity and honor requires the wisdom of congress will see to it that avoiding abrupt assimilation of elements perhaps hardly yet fitted to share in the highest franchises of citizenship, and having due regard to the geographical conditions, the most just provisions for selfrule in local matters with the largest political liberties as an integral part of our nation will be accorded to the Hawallans. No less is due to a people who, after nearly five years of demonstrated capacity to fulfill the obligations of selfgoverning statehood, come of their own free will to merge their destinies in our body politic.

As to Bimetallic Agreement.

Under the provisions of the act of congress approved March 3, 1897, for the promotion of an international agreement respecting bimetallism, I appointed on the 14th day of April, 1897, the Hon. Edward O. Wolcott of Colorado, the Hon. Adias E. Stevenson of Illinois and the Hon. Charles J. Paine of Massachusetts as speciay envoys to represent the United States. They have been diligent in their efforts to secure the co-operation of European countries in the international settlement of the question, but up to this time have not been able to secure an agreement contemplated by their mission.

The gratifying action of our great sister republic of France in joining this country in the attempt to bring about an agreement among the principal commercial nations of Europe whereby a fixed and relative value between gold and silver shall be secured furnishes assurance that we are not alone among the larger nations of the world in realizing the international character of the problem and in the desire of reaching some wise and practical solution of it.

The British government has published resume of the steps taken jointly by the French ambassador in London and the special envoys of the United States, with whom our ambassador at London actively co-operated in the presentation of this subject to her majesty's government. This will be laid before congress. Our special envoys have not made their final report, as further negotiations between the representatives of this government and the governments of other countries are pending and in contemplation. They believe that doubts which have been raised in certain quarters respecting the position of maintaining the stability of the parity between the metals and kindred questions may yet be solved by further negotiations.

Meanwhile it gives me satisfaction to state that the special envoys have already demonstrated their ability and fitness to deal with the subject, and it is to be earnestly hoped that their labors may result in an international agreement which will bring about the recognition of both gold and aliver as money upon such terms and with such safeguards as will secure the use of both metals upon a basis which shall work no injustice to any class of our citizens.

Work on Revenue Provisions

In order to execute as early as possible the provisions of the third and fourth sections of the revenue act approved July 24, 1897, I appointed the Hon. John A. Kasson of lowa a special commissioner plenipotentiary to undertake the requisite negotiations with foreign countries desiring to avail themselves of these provisions. The negotiations are now proceeding with several governments, both European and American.

It is believed that by a careful exercise of the powers conferred by that act some grievances of our own and of other countries in our mutual trade relations may be either removed or largely alleviated. and that the volume of our commercial exchanges may be enlarged, with advantage to both contracting parties. Most destrable from every standpoint of national interest and patriotism is the effort to extend our foreign commerce. To this end our merchant marine should be improved and enlarged. We should do our full share of the carrying trade of the world We do not do it now. We should be the lagger no longer. The inferiority of our merchant marine is justly humiliating to the national pride. The government by every proper constitutional means should aid in making our ships familiar visitors at every commercial port of the world thus opening up new and valuable markets to the surplus products of the farm and the factory.

Protection of the Far Senis.

The efforts which had been made dur ing the two previous years by my prede cessor to secure better protection to the fur seals in the north Pacific ocean and Bering sea were renewed at an early date by this administration, and have been pursued with earnestness. Upon my invitation the governments of Japan and Russia sent delegates to Washington and an international conference was held during the months of October and November last, wherein it was unanimously agreed that under the existing regulations this species of useful animals was threatened with extinction, and that an international agreement of all the interested powers

conference, but subsequently sent to missioners of Great Britain and Canada, who had, during the past two years, visited the Pribliof islands and who met in conference similar commissioners on the part of the United States. The result of this conference was an agreement on important facts connected with the condition of the seal herd, heretofore in dispute, which should place beyond contraversy the duty of the government

hope to be able to report to congress an early day.

International Arbitration.

International arbitration cannot be omitted from the list of subjects claiming our consideration. Events have only served to strengthen the general views on this question expressed in my inaugural address. The best sentiment of the civ-Hised world is moving toward the settlement of differences between nations without resorting to the horrors of war. Treaties embodying these humane principles on broad lines without in any way imperiling our interests or our honor shall have my constant encouragement.

Resources of the Navy.

The present immediately effective force

of the navy consists of four battleships

of the first class, two of the second and

forty-eight other vessels, ranging from

arenored cruisers to torpedo boats. There are under construction five battleships of the first class, sixteen torpedo boats and one submarine boat. No provision has vet been made for the armor of three of the five battleships, as it has been impossible to obtain it at the price fixed by congress. It is of great importance that congress provide this armor, as until then the ships are of no fighting value. The present naval force, especially in view of its increase by the ships now under construction, while not as large as that of a few other powers, is a formidable force: its vessels are the very best of each type; and with the increase that should be made to it from time to time in the future, and careful attention to keeping it in a high state of efficiency and repair, it is well adapted to the necessities of the country. The great increase of the navy which has taken place in recent years was justified by the requirements for national defense and has received public approbation. The time has now arrived, however, when this increase, to which the country is committed, should, for a time, take the form of increased facilities comval vessels. It is an unfortunate fact that there is only one dock on the Pacific coast capable of docking our largest ships, and only one on the Atlantic coast, and that the latter has for the last six or seven months been under repair, and therefore incapable of use. Immediate steps should be taken to provide three or four docks of this capacity on the Atlantic coast, at least one on the Pacific coast and a float ing dock on the gulf. This is the recommendation of a very competent board, appointed to investigate the subject. There should also be ample provision made for powder and projectiles, and other muni tions of war, and for an increased number of officers and enlisted men. Some additions are also necessary to our navy yards for the repair and care of our larger number of vessels. As there are now on the stocks five battleships of the largest class, which cannot be completed for a year or two, I concur with the recommendation of the secretary of the navy for an appropriation authorizing the construction of one battleship for the Pacific coast, where at present there is only one in commission and one under construction, while on the Atlantic coast there are three in commission and four under construction; and also that several torpedo boats be authorized in connection with our general system of coast defense.

Alaska Requires Attestion.

The territory of Alaska requires th prompt and early attention of congress. The conditions now existing demand material changes in the laws relating to the territory. The great influx of population during the past summer and fall and the prospect of a still larger immigration in the spring will not permit us to longer neglect the extension of civil authority within the territory or postpone the establishment of a more thorough government.

A general system of public surveys has not been extended to Alaska and all entries thus far made in that district are upon special surveys. The act of congress extending to Alaska the mining laws of the United States contained the reservation that it should not be conatrued to put in force the general land laws of the country. By an act approved March 2, 1891, authority was given for entry of lands for town site purposes and also for the purchase of not exceeding 160 acres then or thereafter occupied The purpose of congress as thus far expressed has been that only such rights should apply to that territory as should be specifically named. . . .

Military Force Is Nocessary.

I concur with the secretary of war is his suggestions as to the necessity for a military force in the territory of Alaska for the protection of persons and property. Already a small force, consisting of twenty-five men, with two officegs, under command of Lieut.-Col. Randall of the 8th infantry, has been sent to 8t Michael to establish a military post. As. it is to the interest of the government to encourage the settlement of the country and its duty to follow up its citizens with the benefit of its legal machinery. I earnestly urge upon congress the establishment of a system of government with such flexibility as will enable it to adjust itself to the future areas of greatest population. The startling, though possibly exaggerated reports from the Yukon river country of the probable shortage of food for the large number of people who are wintering there without the means of leaving the country are confirmed in such measure as to justify bringing the matter to the attention of congress. Access to that country in winter can be had only by the passes from Dyea and vicinity, which is a most difficult and perhaps an impossible tage. However, should these reports of the suffering of our fellow-citizens be further verified, every effort at any cost should be made to carry them relief. ,

Yellow Fever a Menace.

The recent prevalence of yellow fever in a number of cities and towns throughout the South has resulted in much disturbance of commerce and demonstrated the necessity of such amendments to our quarantine laws as will make the regulations of the national quarantine authorities paramount. The secretary of the treasury, in the portion of his report relating to the operation of the marine hos pital service, calls attention to the defects of the present quarantine laws and recommends amendments thereto which will give the treasury department the requisite authority to prevent the invasion of epidemic diseases from foreign countries, and in times of emergency like that of the past summer will add to the efficiency of the sanitary measures for the protection of the people and at the same time prevent unnecessary restriction of commerce. I concur in his recommendation. In further effort to prevent the on of the United States by yellow The government of Great Britain did | fever the importance of the discovery of not see proper to be represented at this the exact cause of the disease, which up to the present time has been undeter-Washington, as delegates, the expert com- mined, is obvious, and to this end a systematic bacteriological investigation should be made. I therefore recommend that congress authorise the appointmen of a commission by the president, to donsist of four expert bacterfologists, one to be selected from the medical officers of the marine hospital service, one to be appointed from civil life, one to be detailed

on the lot and 3d of year. The amount due the propint of I onds, \$27,238,518, and the a thereon, 331,311,711.75, making indebtedness \$58,548,223.75. The sale covered the first mortgage He the entire mortgage claim of the ment, principal and interest. The the subsidised portion of the Kan cific line, upon which the gov holds a second mortgage lies, has postponed at the instance of the ment to December 16, 1997. The debt this division of the Union Pacific rails to the government on November L was the principal of the subsidy bands. \$6,303,000, and the unpaid and accrued in terest thereon, \$6,636,690.33, making a total

of \$12,929,C90.33. The sale of this road was originally advertised for November 4, but for the purpose of securing the utmost public notice of the event it was postponed until December 16, and a second advertisezzent of the sale was made. By decree of the court the upset price on the sale of the Kansas Pacific will yield to the government the sum of \$2,500,000 over all prior ilens, costs and charges. If no other of better bid is made this sum is all that the government will receive on its claim of nearly \$13,000,000. The government has no information as to whether there will be other bidders or a better bid than the minimum amount herein stated. The question presented therefore is whether the government shall, under the authority given it by the act of March 1, 1887, purchase or redeem the road in the event that a bid is not made by private parties covering the entire government claim.

How It Must Qualify.

To qualify the government to bid at the sale will require a deposit of \$800,000, an follows: In the government cause 3000. 000 and in each of the first mortgage causes \$200,000, and in the latter the de posit must be in cash. Payment at the sale is as follows: Upon the acceptance of the bid, a sum which the amount already deposited shall equal 15 per cent of the bid; the balance in installments this ty, forty and fifty days after the confirmation of the sale. The lien on the Kansas Pacific prior to that of the government on July 30, 1897, principal and interest, amounted to \$7,281,068.11. The government, therefore, should it become the highest bidder, will have to pay the amount of the first mortgage lien. I believe that under the act of 1867 it has the authority to do this, and in absence of any action by congress, I shall direct the secretary of the treasury to make the necessary deposit as required by the court's decree to qualify as a bidder and to bid at the sale a sum which will at least equal the principal of the debt due to the government; but suggest, in order to remove all controversy that an amendment of the law be immediately passed explicitly giving such powers and appropriating in general terms whatever sum is sufficient there-

In so important a matter as the government becoming the possible owner of railroad property, which it perforce must conduct and operate, I feel constrained to lay before congress these facts for its consideration and action before the consummation of the sale. It is clear to my mind that the government should not permit the property to be sold at a price which will yield less than one-half of the principal of its debt and less than one fifth of its entire debt, principal and in terest. But whether the government rather than accept less than its els should become a bidder and thereby the owner of the property, I submit to com-

green for action. Views on Civil Service.

The important branch of our gove ment, known as the civil service. practical improvement of which line been a subject of earnest discussion. of late years received increased les tive and executive approval. During the past few months the service has b placed upon a still firmer basis of bu methods and personal merit. While the right of our veteran soldiers to reinsta ment in deserving cases has been asserted, dismissals for merely political reasons have been carefully guarded against, the examinations for admittance to the me vice enlarged and at the same time ren dered less technical and more pra and a distinct advance has been made by giving a bearing before dismissal upo all cases where incompetency is chi for purposes of trade and manufacture. | or demand made for the removal of of ficials in any of the departments. . . .

> I am forced by the length of this mensage to omit many important references to affairs of the government with which congress will have to deal at the present session. They are fully discussed in the departmental reports, to all of which I invite your earnest attention. The estimates of the expenses of the governmen by the several departments will, I am sura have your careful scrutiny. While the congress may not find it an easy task to reduce the expenses of the government, it should not encourage their increase These expenses will, in my jud admit of a decrease in many branches the government without injury to the public service. It is a commanding duty to keep the appropriations within the recelpts of the government and thus are a deficit.

WILLIAM M'KINLEY.

Intelligence of Swallows.

Grant Allen tells some curious and wonderful things about swallows. making the mud wasts of their nests they allow each layer to dry thorough ly before proceeding to top it with another. In building their nests in chimneys they place them five o six feet below the top to keep out of the way of owls, and not directly own the fire, but over an adjoining fit The emergence of the young bird from this place is a remarkable h stance of instinct which seems to a most reach intelligence. As soon a they are strong enough to move, the little things clamber up the shaft b beating their wings "in some inc ual compromise between a flop and flutter. Having succeeded in reach the top, it is some time before the venture to fly; they sequire the art h degrees." Many instances have been given of their remarkable intelli-In one case a bell-wire on which swallow's nest partly rested twice of molished it. Convinced that it dangerous object, they constr tunnel for the wire to pean th and were troubled no more. ested by sparrows tryin them from their nest. diately went to work an entrance of their little natend of opening by had to be entered by tunnel of straws