SUPPLEMENT.

- THE PRESIDENT'S NESSAGE

President Cleveland Submits His Second Annual Message to Congress.

America at Peace with Every Other Nation in the Civilized World.

Special Attention Galled to the Extradition Treaties with Various Foreign Powers.

The Relation of Labor and Capital Treated in a Statesmanlike Manner.

Recommendations that the Revenue Laws be Modified and Amended.

The Work of Fortifying Certain of Our Large Cities Should Be Begun at Once.

The Navy in a Most Lamentable Condition-Congress Must Act Promptly.

Government Penitentiary A Needed for Incarcerating United States Prisoners.

The Subjects of Indian Treatment and Education Exhaustively Considered.

The following is President Cleveland's message to congress: To the Congress of the United States

In discharge of a constitutional duty and following a well-established precedent in the executive office, I herewith transmit to congress at the reassembling, certain information concerning the state of the union together with such recommendations for legislative consideration as appear necessary and exped ient. Our government has consistently main-tained its relations of friendship toward all other powers and of neighborly interest toward those whose possessions are conting nons to our own. Few questions have arisen during the past year with other governments. none of these are beyond reach of settlement in friendly connsel. We are as yet without provision for the settlement of claims of citizens of the United States against Chili for injuries during the late war with Peru and Bolivia. The mixed commissions, organized under claims conventions, conceeded by the Chili government with certain European states, have de-veloped an amount of friction which we trust can be avoided in the convention in which our

representative at Santiago is authorized to negotiate. The cruel treatment of inoffensive Chinese, has, I regret to say, been repeated in Chinese, as, i regret to say, neen repeated in some of the far western states and territories, and acts of violence against the power of the local constituted authorities to prevent and difficult to punish, are reported even in distant alaska. Much of this violence can be trace u to race prejudice and competi-tion of habor, which cannot, however, justify the operation of extension whose activities the sector is a sector in the oppression of strangers whose safety is guaranteed by

OUR TREATY WITH CHINA equally with the most favored nations. In opening our vast domain to alien elements the purpose of our law givers was to invite assimi-lation and not to provide an arens for endiess antagonisms. The paramount duty of main-taining public order and defending the inter-ests of our people may require the adoption of measures of restriction, but they should not tol-rate the oppression of individuals of a special race I am not without assurance that the government of China, whose friendly disposition towards us I am most happy to OUR TREATY WITH CHINA a special race I am not willout assurance that the government of China, whose friendly in this country. Although a formal protectorate over Liberia is contrary to our traditional policy, the moral right and duty of the United States comprehensible remedy by which an effective to assist in all proper ways in the maintenance of its integrity, is obvious, and has been consistently announced during meaning half a certury. I recommend that, in the recompanzation of our navy, a small inm traffic. While the good will of the Columbian government towards our country is manifest, the situation of American interests on the Isthmus of Panama has at times cited concern, and invited friendly action looking to the performance of the engagements of the two nations, concerning the territory embraced in the

We n was relegated to the stipulations of the Scaty of 1818, as to the first article of which no construction satisfactory to both countries has ever been agreed upon. The progrees of civilization and growth of popula-tion in the British provinces, to which the fisheries in question are contiguous, and the expansion of commercial intercourse between them and the United States present today a condition of affairs scarcely realizable at the date of the negotiations of 1918, New and vast interests have been brought into existence, date of the negotiations of 1518, New and vest interests have been brought into existence, modes of intercourse between the respective countries have been invented and multiplied, the methods of conducting the fisheries have been wholly changed, and all this is necessarily entitied to candid and careful consideration in the adjustment of the terms and conditions of intercourse and commerce between the United States and their neighbors along a frontier of over 3,500 miles. This propinquity, community of language and occupation, a..d similarity of political and social institutions, indicate the practicability and obvious wiedom of maintaining mutually beneficial and friendly relations. While I am unfeignedly desirous that such relations should exist between us and the inhabitants of Canada, yet THE ACTION OF THEIR OFFICIALS

THE ACTION OF THEIR OFFICIALS during the past season toward our fishermer has been such as to seriously threaten their efforts to secure a satisfactory settlement of the fishery question. Negotiations are still pending, with reasonable hope that before the close of the present session of congress ad-vancement may be made and acceptable con-clusions reached at an active day. clusions reached at an early day. There may be laid before congress the correspondence of the department of state in relation to this imthe department of state in relation to this im-portant subject, so that the history of the past fishing season may be fully disclosed and the action and the attention of the admin-istration closely comprehended. More ex-tended reference is not deemed necessary in this communication

WITH OTHER POWERS.

Special Attention Directed to the

Hawalian Islands and Japan. The recommendation submitted last year

that provision be made for a preliminary reconnoissance of the conventional boundary line between Alaska and British Columbia, is Interest Alaska and British Columbia, is renewed. I express my unhesitating convic-tion that the intimacy of relation with Hawaii should be emphasized. As a result of the reciprocity treaty of 1875, those islands, on the highway of Oriental and Australian traffic are virtually an outpost of American commerce and a stepping-stone to the growing trade of the Pacific. The Polynesian island groups here been each. Polynesian island groups have been so ab-sorbed by other and more powerful govern-ments, that the Hawaii Islands are left almost ments, that the nawail islands are jert almost alone in the enjoyment of autonomy which it is important for us should the preserved. Our treaty is now terminable on one year's notice, but propositions to abrogate it would be in my judgement, most ill-advised. The para-mount influence we have there acquired, once relinquished, could only with difficulty be regimed, and a winphe course of warenee for regained, and a valuable coign of vantage for ourselves might te converted into a stronghold for our commercial competitors. I earnestly recommend that existing treaty stipulations be extended for a further term of seven years. A recently signed treaty to this end is now before the senate. The importance of telegraphic communication be-tween these islands and the United States should not be overlooked.

tween these islands and the United States should not be overlooked. The question of a general revision of the TREATIES OF JAPAN, is again under discussion at Tokio. As the first open relations with that empire and as the nation is in most direct commercial rela-tion with Japan, the United States has lost no opportunity to testify their consistent friend-ship by supporting the just claims of Japan to autonomy and independence among nations. A treaty of extradition between the United States and Japan, the first conducted by that empire, has been lately proclaimed. The weakness of Liberia and the diffi-calty of maintaining effective sover-eignty over its outlying districts have exposed that republic to encroachment. It cannot be forgotten that this distinct com-munity is an offshoot of our own system, owing its origin to the associated benevolence he presented to Liberia to be employed by 1 in the protection of its coast wise revenues. MEXICO. The encouraging development of beneficial and intimate relations between the United States and Mexico, which has been so marked within the past few years, is at once the occa sion of congratulation and of friendly solici sion of congratulation and of friendly solici-tude. I urgently renew my former repre-sentation of the need of speedy legislation by congress to carry into effect the reciprocity commercial convention of January 20, 1883. Our commercial treaty of 1831 with Mexico was terminated according to its provisions, in 1881, upon notification given by Mexico in pursuance of her announced policy of excenting all her commercial treates. Mexiof recasting all her commercial treaties. Mex-ico has since concluded with several foreign governments new treaties of commerce an governments new treaties of commerce and navigation defining alien rights of trade, prop-erty and residence, treatment of shipping, con-sular privileges and the like. Our yet uncx-ecuted reciprocity convention of 1883 covers none of these points, the settlement of which is necessary to good relationship. I propose to initiate with Mexico negotiations for a new and changed treats of commerce and naviga and changed treaty of commerce and naviga tion. CUTTING'S CASE. In compliance with a resolution of the senate I communicated to that body on August 2 last, and also to the house of representatives, the correspondence in the case of A. N. Cotting an American citizen then imprisoned in Mexico charged with the commission of a penal of fense in Texas, of which a Mexican citizen was the object. After demand had been made was the object. After demand had been made for his release the charge against him was amended so as to include a violation of Mex-ican law within Mexican territory. This joinder of alleged offences, one within and the other exterior to Mexico, induced ma-to order special investigation of the case pending when Mr. Cutting was released. The incident has, however, disclosed a claim of judisdiction by Mexico novel in our history whereby any offense committed anywhere, and of which a Mexican is the object, may, if the of which a Mexican is the object, may, if the offender be found in Mexico, be there tried and punished in conformity to Mexican laws Juriediction was sustained by the courts of Mexico in the Cutting case and approved by the executive branch of the government. Upon the authority of Mexican statutes the appellat court in releasing Mr. Cutting, decided that the abandonment of the complaint by the Mexican citizens aggrieved by the alleged crime (a libelous publication), removed the basis of further prosecution and also declared justice to have been satisfied by the enforce ment of a small part of the original sentence The admission of such a pretension would be attended with serious results, invasive of the jurisdiction of the government and highly dangerous to our cilizens in foreign land dangerous to our clizens in foreign lands. Therefere I have denied it, and protested against its attempted exercise as un-warranted by the principle of law and international usages. A soverlegen has jurisdiction of offences which take effect within his territory, although concerted or commenced outside it; but the right is denied of any foreign sovereign to punish a citizen of the United States for an offense committed or our soil, even though the offense be against : subject or civizen of such sovereign. The Mexican statute in question makes the claim bodily, and the principle, if conceded, would create a dual responsibility in the citizen and lead to confusion of that certainty in law which is

for justice and humanity will be demanded for them, With less than that, this gov-ernment will not be content, when the life or liberty of its citizens is at stake, whatever the degree to which the extradition of criminal juradiction may have been for-merly allowed by consent and reciprocal agree-ment among certain of the European states. No such doctrine or practice was ever known to the laws of this country, or of that from which our institutions have mainly been de-rived. In the case of Mario there are nonrived. In the case of Mexico there are rea-sons especially strong for perfect harmony in the mutual exercises of jurisdiction. Nature the mutual exercises of jurisdiction. Nature has made us irrevocably neighbors, and wis-dom and kind feeling should make us friends. The overflow of cap-ital and enterprise from these United States is a potent factor in assisting the development of the resources of Mexico and in building up the property of both countries. To assist this good work all grounds of apprehension for the security of person and property should be removed, and I trust that in the interests of good neighbor-hood the statute referred to will be so modified as to eliminate present possibilities of danger to the peace of the two countries. THE NETHERLANDS.

THE NETHERLANDS. The government of the Netherlands has ex-bibited concern in relation to certain features of our tariff laws, which are supposed by them to be aimed at a class of tobacco producers in the duties imposed. Comment would seem unnecessary upon the unwisdom of ieglalation appearing to have a special national discrim-ination for its object which, although unin-tended, may give rise to injurious relations.

The cetablishment less than four years ago of a legation at Teheran is bearing fruit in the interest exhibited by the Shah's government in the industrial activity of the United States. The opportunities of benefit to our government are now happily restored in Peru by the election of a constitutional president, and a period of rehabilitation is entered upon. Recovery is necessarily alow from the activus. Recovery is necessarily slow from the exhaus-tion caused by the late war and civil disturbances. A convention to adjust by arbitration claims of our citizens has been promised and The naval officer who bore to Siberia the

testimonials bestowed by congress in recognition of the aid given to THE JEAN ETTE SURVIVORS

has successfully scomplished his mission. His interesting report will be submitted. It is pleasant to know that this mark of appreciation has been welcomed by the Russian gov-erament and people as builts the traditional friendship of the two countries. Civil perturbations in the Samoan Islands

or of the second states in the same interpret of considerable embarrassment to the three governments of Germany, Great Britain and the United States, whose relations and extra territorial rights in that important group are currenteed by treatise. The weak rouge of the guaranteed by treatles. The weakness of the native administration and the conflict of opposing interests in the Islands have led King Malletoa to seek alliance or protection in some one quarter, regardless of the distinct engage ments whereby no one of the three treaty powers may acquire any paramount or exclu-sive interest. In May last Malietoa offered to place Samoa under the protection of the United States, and the late consul, without authority, assumed to grant it. The proceed-ings were promptly disavowed and the over-zealous official recalled. Special agents of the three governments have been deputized to examine the situation in the islands, with a change in the representation of all three change in the representation of all three powers and a unanimous understanding be tween them. The peace, prosperity, automa-tous administration and neurality of Samoa can hardly fail to be se-

SPAIN.

It appearing that the government of Spain did not extend to the flag of the United States in the Antilles the whole measure of reciprocity requisite under our statutes for the continu ance of the suspension of discriminations against the Spanish flag in our ports. I was constrained in October last to rescind my predecessor's proclamation of February 14, 1884, permitting such suspension. An ar-rangement was, however, speedily reached, and upon motification from the government of Spain that all defirential respect of our ves-cale and the second secon Spain that all deficrential respect of our ves-sels and their cargoes from the United States or from any foreign country had been completely and absolutely relinquished, I availed myself of the discretion conferred by law and issued, on the 27th of Conterret by law and resuled, on the 27th of October, my proclamation declaring reciprocal suspension in the United States. It is most gratifying to bear testimony to the earnest spirit in which the government of the Queen regent has met our efforts to avert the initia-tion of commercial discrimination and re-prisals which are ever disastrons to the ma-terial intersts and the polying grad milled

committed for extradition, where the presi-dent is of the opinion that surrender should not be made. The drift of sentiment in civilized communities toward full recognition of the rights of property in the creations of the hu-man intellect, has brought about the adoption. by many important nations, of an internations copyright convention which was signed at Berce on the 18th of Sept. 1885. Inasmuch as the constitution gives to congress the power "to promote the progress of science and useful arts by securing for limited times to authors and inventors the exclusive right, to their respective writings and to anthors and inventors the exclusive right, to their respective writings, and discoveries this government did not feel war-ranted in becoming a signatory pending the action of congress upon measures of interna-tional copy-right now before it, but the right of adhesion to the Berne convention hereafter has been reserved. I trust the subject will re-ceive at your hands the attention it deserves, and that the just claims of authors, so urgent-ly pressed, will be duly heeded. Representa-tions continue to be made to me of the injur-ious effects upon American artists studying abroad, and having free access to the art col-lections of other countries, of maintaining a discriminating duty against the introduction of discriminating duty against the introduction of the works of their brother atlists of other countries; and I am induced to repeat my recommendation for the abolition of that tax.

THE CONSULAR SERVICE.

Increase in Salaries Recommended for

Ministers and Consuls. Pursuant to a provision of the Diplomatic and Consular Appropriation Act approved July 1, 1886, the estimates submitted by the Secretary of State for the maintenance of the consular service have been recast on the basi of salaries for all officers to whom such allow-ance is deemed a visible advantage. Advantage has been taken of this to redistribute vantage has been taken of this to redistribute the salaries of the officers now appropriated for in accordance with work performed, the importance of the representative duties of the incumbent, and the cost of living at each post. The last consideration has been too often lost sight of in the allow-ance heretofore made. The compensation which may suffice for the decent maintenance of a worthy and capable officer in a position of onerous and representative trust at a most of oncrons and representative trust, at a post readily accessible, and where the necessaries of life are abundant and cheap, may prove an nadequate pittance in distant lands, where inadequate pittance in distant lands, where the better part of a year's pay is consumed in reaching the post of duty, and where the comforts of oruinary civil-ized existence can only be obtained with dificulty and at exorbitant cost. I trust that in considering the submitted schedules no mistaken theory of economy will perpetuate a superson which in the next has virtually closed system which in the past has virtually closed to deserving talent many offices where capac-ity and attainments of a high order are indispensable. and in not a few instances has brought discredit on our national character and entailed embarrassment and even suffering on those deputed to uphold our dignity and interests abroad. In connection with this and interests acrowd. In connection with this subject I earnestly reiterate the practical ne-cessity of supplying some mode of trust-worthy inspection and report of the manner in which the consultates are conducted. In the absence of such reliable information, efficiency absence of such reliable information, efficiency can scarcely be rewarded or its opposite cor-rected. Increasing competition in trade has directed attention to the value of the consular reports printed by the department of state, and the efforts of the government to extend the practical usefulness of these reports have created a wider demand for them at home and a split of emulation should continuing a spirit of emulation abroad, constituting a record of the changes occurring in trade and of the progress of the arts and inventions in foreign countries. They are much sought for by all interested in the subjects which they embrace.

SECRETARY OF THE TREASURY.

Special Attention of Congress Directed to the Internal Revenue Laws.

The report of the secretary of the treasury exhibits in detail the concition of the public nance and of the several branches of the gov finance and of the several branches of the gov-ernment related to his department. I especi-ally direct the attention of the congress to the recommendation contained in this and the last preceding report of the secretary touching the simplification and ame doment of the laws re-lating to the collection of our revenues, and in the interest of economy and justice to the gov-ernment. I hone they may be adouted by apernmeat, I hope they may be adopted by appropriate legislation. The ordinary receipts of the government for the fiscal year ended Jane 80, 1886, were \$336,439,727.06. Of this amount \$192,905,023 41 was received from customs, and \$116.805.936.48 from internal revenue. The total receipts as stated were \$13,749,029.68 greater than for the previwere 5.4.4.0.00.05 greater than for the previ-ous year, but the increase from customs was \$11,435,084.10, and from internal revenue \$1,407,210.94, making a gain in there items for the last year of \$1684,129.504, a failing off in other resources reducing the total increase to the smuller smoortherm the total increase to the smaller smount mentioned. The expense at the different custom houses of collecting this increased customs revenue was less than the expense attending the collection of such revenue for the preceding jear by \$490,608, and the increased receipts of internal revenue were collected at a cost to the internal revenue bureau \$155,944,991 less than the expense of such collection for the previous bureau 310,944,991 less than the expense or such collection for the previous year. The total ordinary expenses of the government for the fiscal year ending June 30, 1886, were \$242,433,138.50, being less by \$17.788.787 than such expenditures for the year preceeding, and leaving a surplus in the treasury at the close of the last fiscal of \$03,956,958,56, as against year, an increase in su h surplus of \$30,492, 817,29. The expenditures are compared with The expenditures are compared with those of preceeding fiscal year and classified as follows Year Ending Year Ending June 30, 1886. June 30, 1885. For civil ex. penses..... \$21,955,604 04 \$23,824,942 11 For foreign intereourse... 133,232.038 00 543,960,911 00 For Indians... 809,915.817 00 855 244,263 00 For pensions. 63,404,864 03 56,102,267 48 tary, including river and harbor imp rovemen ts and arsenals For the navy, 84,324,152 74 42,670,578 47 including vessels, ma chinery and improvemn't of navy yards For interest on 13,907,887 74 16,021,179 69 public debt. 50.580,145 97 51,386,356 47 For the dis trict of Columbia .. 2,892,321 89 3,449,450 95 M iscellaneous expenditures, includ-ing public buildings,

compared with the previous year, were as fol-1885

Merchandise... \$835.436 136 \$57,953.005,880 20,735,349 17,850.307 26,691 696 Gold ailver..... 15.550.627

Too MUCH REVENUE. In my last annual message to congress at-tention was directed to the fact that the reven-ues of the government exceeds its actual meeds, and it was suggested that legislative action should be taken to relieve the people from the unnecessary burden of taxation thus mede apparent In size taration thus made apparent. In view of the pressing importance of the subject, I deem it my duty to again urge its consideradeem it my daty to again urge its considera-tion. The income of the government, with its increased volume and thorough economies in its collection, is now more than ever in ex-cess of public necessities. The application of the surplus to the payment of such portion of the surplus to the payment of such portion, sub-ject to extinguishment, if continued at the ster which has held, more identications of the surplus ster which has held, more identications and such as the ster which has held, more identications of the surplus o ject to extinguishment, if continued at the rate which has lately prevailed, would retire that class of indebtedness within less than one year from this date. Thus a continua-tion of our present revenue would soon result in the receipt of an annual income much greater than necessary to meet govern-ment expenses, with no indebtedness upon which it could be applied. We should then be confronted with a vast quantity of money the circulating medium of the people, hoarded in the treasury when it should be in their in the treasury when it should be in their hands or we should be drawn into wasteful public extravagance with all the corrupting national demoralization which follows in its

train. But it is not the simple existence of the surplus and its threatened attendant evils, which furnish the strongest argument against our present scale of

PEDERAL TAXATION. Its worst phase is the exaction of such a As worst place is the exaction of such a surplus through a perversion of the relations between the people and their government—a dangerous departure from the rules which limit the right of federal taxation, God government, of which every American citizen boasts, has for its objects the protection of every person within its borders with the greatest liberty consistent with the good of **Boists**, has for its objects the protection of every person within its borders with the preatest liberty consistent with the good of the country, and his perfect security in the enjoyment of his esru-lings, with the least possible diminuton for the public needs. When more of the people's sustenance is exacted through the form of tarstion than is necessary to meet the just demands of the government, and the expense of its economical administration, such sction becomes ruthless extortion, and a viola-tion of the fundamental principles of a free government. The indirect manner in which these exactions are mude has a tendency to conceal their true character and their extent. But we have arrived at a stage of superfluous revenue, which has a stong of superfluous revenue, which has a stong of superfluous revenue, which suppir to the government is paid by them as absolutely, if added to the price of the tax-gatherer. Those who toil for daily wages are beginning to underwants, as if it was paid at fixed periods into the hands of the tax gatherer. Those who toil for daily wages are beginning to understand that capital, though sometimes vaupt stand that capital, though sometimes vanti-ing its importance and clamoring for the pro-tection and favor of the government, is dull and slaggish till, toned by THE MAGICAL WAND OF LABOR, it springs into activity, and furnishing an oc-suiton for federal taxation and gaining the faine which enables it to bear its

Value which enables it to bear its burden, and the laboring man is thoughtfully inquiring whether in these circumstances, and considering the In these circumstances, and considering the tribute he constantly pays into the public treasury as he supplies his daily wants, he re-ceives his fair share of advantages. There is also a suspicion abroad that the surplus of our revenues indicate abnormal and excep-tional business profits, which, under the sys-tem which produces such surplus increases tem which produces such surplus, increases, without corresponding benefit to the people at large, the vast accumulations of a few among our citizens whose fortunes, rivalling the wealth of the most favored in anti-demo weath of the most rayored is anti-democratic nations, are not the natural growth of a steady, plain and industrious republic. Our farm-ers, too, and those engaged directly and indirectly in supplying the products of agri-culture see that day by day, and as often as the daily wants of their bouseholds recur, thay are found to non programming and approximately they are forced to pay excessive and neculess taxation, while their products struggle in for-eign markets with the competition of pations which, by allowing a freer exchange of pro-ductions than we permit. enable their people to sell for prices which distress THE AMERICAN FARMER.

As every patriotic citizen rejoices in the con-stantly increasing pride of our people in American citizenship, and in the glory of our national achievements and progress, a senti-ment prevails that the leading strings useful to a nation in its infancy may well, to a great rency, when the only pretense for its coinage American ingenuity, courage, and fearless self-reliance: and for the privilege of induiging this sentiment with true American enthus iasm our people are quite willing to forego an idle surplus in the public treasury; and all the people know that the average rate of federal taxation upon imports is today, in time of peace, out little less, while upon some ar-ticles of necessary consumption it is actually more, than was imposed by the griev-ous burden willingly borne at a time when the government deeded millions to maintain by war the safety and integrity of the United States. It has been the of the government to collect the princi pal part of its revenues by a tax upon importa and no change in this policy is desirable But the present condition of affairs constrains our people to demand that by a revision of our revenue laws the receipts of the government shall be reduced to the necessary expense of its economical administration, and this demand should be recognized and obeyed by the people's representatives in the legislavive branch of the government. In readjusting the burdens of federal taxation a sound public policy requires that such o our citizens as have built up large and im our citizens as have built up large and im-portant industries under present conditions should not be suddenly, and to their injury, deprived of advantages to which they have adapted their business. But if the public good requires it, they should be content with such consideration as shall deal fairly and can tiously with their interests, while the just de-mands of the people for relief from needless taxation is honestly auswered, a reasonable and timely submission to such a demand should certain y be possible WITHOUT DISASTBOUS SHOCK to any interest; and a cheerful concession sometimes averts abrupt and heedless action, often the outgrowth of impatience and delayed justice. Due regard should be also accorded in any proposed readjustment to the interests of American labor so (ar as they are involved We congratulate ourselves that there is amon us no laboring class, fixed within unyieldin the inexorable fate of daily toil. We recogn ze in labor a chief factor in the wealth of the republic, and we treat those who have it in heir keeping as citizens, en-titled to the most careful regard and thoughtful attention. This regard and atten-tion should be awarded them, not only because labor is the capital of our workingmen, justly entitled to its share of government favor, but for the further and not less important reason, that the laboring man, surrounded by his family in his humble home, as a consumer, is vitally interested in all that cheapens the cost of living and enables him to bri. g within his domicile addiditional comforts and advantages This relation of the workingman to the rev-enue laws of the country; and the manner in which it palpably influences the question of wages should not be forgotten in the justifi-able prominence given to the proper mainable prominence given to the proper main-tenance of the supply and protection of well paid labor. And these considerations suggest such an arrangement of government revenues as shall

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eronomy enables them to bring into their homes, and for their implements of husbandry, they are obliged to pay a price largely increased by an unnatural prest, which, by the action of the government, is given to the more favored manufacturer. I recom-mend that, keeping in view all these consider-ations, the increasing and unnecessary surplus of rational income annually accumulating be released to the people by an amendment of eur revenue laws, which shall cheapen the price of the necessaries of life and give freer entrance to such imported materials as by American labor may be manufactured into marketable commodities. Nothing can be accomplished, isoor may be manufactured into margetasie commodities. Nothing can be accomplished, however, in the direction of this much-needed reform unless the subject is approached in a patriotic spirit of devotion to the interests of the entire country, and with a willingness to yield something for the public good.

the entire country, and with a willingness to yield something for the public good. THE FUBLIC DEET. The sum paid upon the public debt during the flecal year ended June 30, 1886, was \$44,-551,043.36. During the 12 months ended Oct. 31, 1886, 3 per cent. bonds were called for redemption amounting to \$127,283,100, of which \$80,643,200 was to answer the require-ments of law relating to the sinking fand, and \$406,399 for the purpose of reducing the pub-lic debt by application of a part of the surplus in the treasury to that or ject. Of the bonds thus called \$102,269,450 became subject under such calls to redemption prior to November 1, 1886. The remainder, amounting to \$25,013, 650, matured under the calls after that date. In addition to the amount subject to payment and cancellation prior to Nov. 1st., there were sleo paid before that day certain bonds amounting to \$50,-725 550 which were anticipated as the maturity of which \$2,664,850 had not been called, thus \$107.341,800, had been applied prior to the first of Nov. 1886, to the cxtinguistment of our bonded and interest bearing debt, leaving on that day still outstuding the sun of \$1,108,that day still outstanding the snm of \$1,158,that day schi ourst inding the sum of \$1,153,-443,112. Of this account \$80,848,700 were still represented by the three per cent bands. They, however, have been since Nov. 14, or will at once be, further reduced by \$22,600,-150, being bonds which have been called, as already been stated, but not redeem called, as already been stated, but not redeem called and can-celled before the latter date.

South and the state of the stat each. These differences in value of the coins represent the fluctuations in the price of sil-ver and they certainly do not indicate that compulsory coinage by the governmeht en-hances the price of that coromodity or secures — uniformity in its value. Every fair and legal effort has be en made by the treasury department, the distribute this currency among the pressile. The why

this currency among the people. The with-drawal of United States treasury notes of small denominations and the newing of small silver coins have been resorted to in the en-deavort to accomplish this teach is challenge deavor to accomplish this result, in obedience to the will and sentiments of the representa-tives of the people in congress. On the 27th day of November 1886, the people held of these coins, or certificates representing them, the nominal sum of \$166,377,041, and we still the nominal sum of \$100,377,041, and we sum have \$79.464,345 in the treasury, as against about \$142.894.055 in the hands of the people and \$72,865.396 remaining in the treasury one year ago. The director of the mint again urges the necessity of more vault room for the parpose of storing these silver dollars, which are not seen no reason to change the people. I have seen no reason to change the views expressed in my last annual message in the subject of compulsory coinage, and is vision urge its sup-pension on all the gradient contained in my former recommendation, relatored by the significant increase of our gold experiations during the last year, as indexed by the contained to be the contained and the superduring the last year, as appears by the com-parative statement herewith presented, and for the further reasons that the more this currency is distributed among the people, the greater it becomes our duty to protect it from disaster; that we now have abundance for all our needs, and that there seems but **Bitle** propriety in building vaults to store such cur cessity of its use by the people circulating medium. CUSTOMS REVENUE SUITS. The great number of sui's now pending in the United States courts for the southern districts of New York, growing out of the col-lections of customs-revenue at the port of New York, and the number of such suits that are almost daily instituted are certainly worthy the attention of the congress. These legal controversies, based upon conflicting views by importers and the collector as to the interpre-tation of our present complex and indefinite revenue laws, might be largely obviated by an amendment of those laws. But providing such amendment, the present condition of this litigation whould be relieved. There are now pending about 2,560 of these suits. More than 1,100 have been commenced within the past eighteen mouths, and many of the others have been at issue for more than twenty five years. These delays subject the government to loss of evi-dence and prevent the preparation necessary to defeat unjust and fictitious cisime, while corstantly accruing interest threat-ens to double the demands involved. In the present condition, of the dockets of the courts, well filled with private suits and of the force allowed the district attorney, no greater than is necessary for the ordinary and current business of his offices, these revenues latiga-tions cannot be considered. In default of the subption by the congress of a plan for the general reorganization of the federal courts, as has heretofore been recommended. I arge the propriety of passing a law permitting the ap-pointment of an additional federal judge in the district where these government suits have accumulated, so that by continuous ses-sions of the courts devoted to the trial of these cases may be determined. It is entirely plain that a great saving to the government would be accomplished by such a remedy, and the suit-ors who have honest claims would not be denied justice through delay.

INTER-OCEAN TRANSIT.

With the subsidence of the Isthmian dis-turbances and the erection of the state of Paname into a federal district, unter the direct government of the constitutional adminiatration at Bogota, a new order of things has been insugurated which, although as yet somewhat experimental and affording scope for arbitrary exercise of power, by the dele-gates of the national authority, promises much, improvement ement The sympathy between the of the United States and France, born during our colonial struggie for independence and continuing today, has received a fr sh impulse in the successful completion and dedi-cation of the colossal statue of "Liberty Bn-lightening the World" in New York harbor, the gift of Frenchmen to Americans. A con vention between the United States and cer-tain other powers for the protection of sub-marine cables was signed at Paris on March 14, 1864, and has been duly ratified and pro-claimed by this government. By agree-ment between the high contracting parties this convertion is to go into effect the first of January next but the legislation re quired for its execution in the United States has not yet been adopted. I earnestly recom mend its enactment Cases have continued to occur in Germany giving rise to much cor-respondence in relation to the privilege of sojourn of our naturalized citizens of German origin revisiting the land of their birth, yet I am happy to state that our relations with that country have lost none of their ACCUSTOMED CORDIALITY.

The claims for interest upon the amount of tonnage dues illegally exacted from certain German steamship lines were favorably re ted in both houses of congress at the last sion, and I trust will receive final and favorable action at an ear'v d v

CANADIAN FISHERIES.

The Question Elaborately Discussed and Recommendations Made.

The recommendation contained in my last nessage in relation to a mode of settlement of the fishery rights in the waters of British North America, so long a subject of anxious difference between the United States and Great Britain, was met by an adverse vote of the senate April 13 last, and thereinon ne-gotiations were instituted 'o obtain an agree-ment with her Britannic majesty's government for the promutgation of such terpretition and definition of article of the convention of 1 1818. relating to the territorial waters and inshor relating to the territorial waters and inchore fisheries of the British provinces as should se-cure the Canadian rights from encroachment by United States fishermen, and at the same time incure enjoyment by the latter of the privileges guaranted to them by such con-vention. The questions involved are of long standing and of grave consequence, and from time to time for nearly three-quarters of a century have given rise to carnest intercentury have given rise to carnest inter-national discussions, not unaccompanied by irrelation. Temporary arrangements by treaties again risen as each treaty was terminated. last arrangement under the treaty of 1871 was abroasted after due notice by the United States on June 30, 1885; but I was en-abled to obtain for our fishermen for the remainder of that season er joyment of the

FULL PRIVILENCES accorded by the terminating treaty. The joint commission by whom the treaty had been n-gotisted, although invested with permanent settleplenary power to make a re content with a temporary arrangement, after the termination of which the ques

AN ESSENTIAL OF LIBERTY.

When citizens of the United States voluntar-ily go into a foreign country, they must abide by the laws there in force, and will not be protected by their own government from the consequences of an offense against those laws committed in such foreign country. But the wat hful care and interest of this government with Dful care and interest of this government over its cit zens are not relinquished because
they have gone abroad, and if charged with crime committed in the foreign hard, a rair and open trial, conducted with decent regard

terial interests and the political good will of the countries they may effect. The profitable development of the large commercial ex-changes between the United States and the Spanish Antilles is naturally an object of olicitude.

CUBA AND PORTO RICO.

Lying close at our doors, and finding here their main markets of supply and demand, the welfare of Cuba and Porto Rico and their pro-duction and trade are scarcely less important to us than to Spain. Their commercial and to us than to spain. Their commercial and financial movements are so naturally a part of our system that no obstacle to further freer intercourse should be permitted to exist. The standing instructions of our representatives at Madrid and Havana have for years been to leave no effort unessayed to further these ends, and at no time was the equal good desire of Spain more bopefully manifested than now The government of Spain thus removing the consular tonnage fees on cargoes shipped to the Antilles, and by reducing measured the Antilles, and by reducing passport fees has shown its recognizance of need of ess trammelled intercourse. An effort has been de during the past year to remove the hindrance to the proclamation of the treaty of naturalization with the sublime Porte signed in 1874, which has remained inoperative ow ing to a disagreement of interpretation of the clauses relative to the effects of the return and sojourn of a natural issue of cities in the land of origin. I trust soon to be able to an-nounce a favorable settlement of the differ-

nces as to this interpretation. It has been highly satisfactory to note the mproved treatment of American missionaries in Turkey. as has been attested by their acknowledgments to our late minister to that government of his successful exertions in their behalf.

The exchange of ratification of the convention of December 5, 1885, with Venzuela for the reopening of the awards of the Caraccas commission, under the claims convention of 1886, has not yet been effected, owing to the delay of the executive of that republic in rati-fying the measure. I trust that this post-ponement will be brief; but should it much longer continue, the delay may as well be re-membered as a recession of the com-pact and a failure on the part of Venzuela to complete an arrangement so persistently sought by her during many years and ascent-ed to by this government in a spirit of inter-national fairness, although to the detriment of olders of bona fide awards of the impugnet ommission.

I renew the recommendation of my last an nual message that existing legislation concerning citizenship and naturalization, be re vised. We have treaties with many state providing for the renunciation of citizenshi citizenship y naturalized aliens, but no statute is found to give effect to such engagements, nor any which provides a needed central bureau for the registration of maturalized citizens.

EXTRADITION AND COPYRIGHTS.

Our Statutes on These Subjects Need Judicious Amendment.

Experience suggests that our statutes regu ating extradition might be advantageously amended by a provision for the transit across our territory, now a convenient thoroughfare of travel from one foreign country to another, of fugitives surrendered by a foreign g vernment to a third state. Such provisions are unsal in the legis ation of other countries, and tend to the tegis atton of other countries, and tend to prevent miscarrying of justice. It is also de-sirable to remove the present obstacles that authority should be conferred on the secre-tary of state to issue a certificate in case of an arrest, for the purpose of extra dition to be office before must the present dition to the officer before whom the proceed ings are pending, showing that a requisition for the person charged has been duly made. Such a certificate, if required to be received before the prisoner's exumination, would prevent a long and expensive judicial inquiry long and expensive judicial inquiry into a charge which the foreign government might not desire to press. I also recommend that exuress provision be made for the immediate discharge from custody of persons

d collect ing the revenue...... 47,986,683 04 54,728,056 21 For the current year, to end June 30, 1887, the ascertained receipts up to October 1, 1850 with such receipts estimated for the remainder of the year, amount to \$356.000 000. The expenditures, ascertained and estimated, for

light hour

the same period, are \$200,000,000 indicating AN ANTICIPATED SURPLUS at the close of the year of \$90,000,000. The total value of the exports from the United states to foreign countries during the fiscal year is stated and compared with the preced-ing year as follows: ing year as follows:

Year ending June 30, June 30 1886. 1885.

15,506,809 8,477,892 83,753,633 The value of some of our leading exports during the last fiscal year, as compared with the value of the same for the year immediate-ly preceding, is here given, and furnishes in f rmation b th is teresting and suggestive. Year en ting June 30, 1886. June 30, 1885.

manufactures .. \$213,799,049 \$219,045,576 Tobarco and its

REDUCE THE EXPENSE OF LIVING

while it does not curtail the opportunity for work, nor reduce the compensation of Ameri-can labor and injuriously affect its condition and the dignified place it holds in the estima tion of our people. But our farmers and agri-culturists, those who from the soil produce the things consumed by all are perhaps more directly and plainly concerned than any other of our citizens in a just and careful sys-tem of federal taxation. Those actually sugared in and more remotely connected with engaged in and more remotely connected with this kind of work, number nearly one half of our population. N ne labor harder or more continuously than they. No enactments lim-it their hours of toil, and no interposition of

MILITARY MATTERS.

Recommendations of the Secretary of War Fully Approved,

The report of the secretary of war gives a detailed account of the administration of his department, and contains sundry recommenda-tions for the improvement of the service tious for the improvement of the service tious for the improvement of the service which I fully approve. The army consisted at the date of the last consolidated return, of 2,103 officers a d 24,946 enlisted men. The expenses of the department for the last fiscal year were \$36,990,903.28, including \$6.29,,305.43 for public works and river and harbor improve-ments. I especially direct the at-ments. I especially direct the atpublic works and river and harbor impreve-ments. I especially direct the at-tention of the congress to the recommendation that officers be required to submit to an examination as a preliminary to their promotion. I see no objection but many advantages, in adopting this feature, which has operated so beneficially in our navy department, as well as in some branches of the army. The subject of chast defenses and fortifications has open fully and carefally treated by the board on fortifications whose reated by the board on fortifications whose report was submitted at the last session of congress; but no construction work of the kind recommended by the board has been possible during the last year, from the lack of appropriations for such purpose. The defenseless condition of our sea coast and The detenseits condition of our sea coast and lake frontier is perfectly palpable. The ex-aminations made must convince us all that certain of our cities named in the report of the board should be fortified, and that work on the most important of these fortifications should be commenced at once. The work has been thoroughly considered and laid ont, the eccentery of war returns but all is delayed in secretary of war reports, but all is delayed in default of congressional action. The ab-soluto necessity judged by all standards of prudence and foresight of our preparation the government enhances to any great extent the value of their products. And y t for an effectual resistance against the armored the value of their products. And y t for ships and steel guns and mortars of modern many of the necessaries and comforts of life, which the most scrupulous our coasts, is so apparent that I hope effective