Major-General Matthew C. Butler. For Porto Rico-Major-General John rooke, Rear-Admiral Winfield Sc Brooke, Schley, Brigadier-General W. Gordon.

They soon afterwards met the Spanish commissioners at Havana and San Juan, respectively. The Porto Rico joint commission speedily accomplished its task, and by October 18 the evacuation of the island was completed. The United States flag raised over the island at noon that The administration of its affairs has been provisionally intrusted to a military governor until congress shall otherwise provide. The Cuban joint high commis-tion has not yet terminated its labors. Owing to the difficulties in the way of remov-ing the large number of Spanish troops still in Cuba, the evacuation cannot be completed before the 1st of January next.

The Pence Commission.

Pursuant to the fifth article of the pro-tocol. I appointed William R. Day, lately secretary of state; Cushman K. Davis, William P. Frye and George Gray, senators of the United States, and White w Reid. to be peace commissioners on the part of the United States. Proceeding in due season to Paris, they there met, on the ist of October, five commissioners sim-flarly appointed on the part of Spain. The negotiations have made hopeful progress, or that L trust scorn to be able to lay a so that I-trust soon to be able to lay a definite treaty of peace before the senate. with a review of the steps leading to its signature.

I do not discuss at this time the government or the future of the new possessions which will come to us as the result of the war with Spain. Such a discussion will be appropriate after the treaty of peace shall be ratified. In the meantime, and shall be ratified. In the meantime, and until congress has legislated otherwise, it will be my duty to continue the military government which has existed since our occupation and give their people security in life and property and encouragement under a just and beneficent rule.

Relations Toward the Cubans.

As soon as we are in possession of Cuba and have pacified the Island, it will be necessary to give aid and direction to this people to form a government for them selves. This should be undertaken at th earliest moment consistent with safety and assured success. It is important that our relations with these people shall be of the most friendly character, and our com-mercial relations close and reciprocal. It should be our duty to assist in every It should be our duty to assist in every proper way to build up the waste places of the island, encourage the industry of the people and assist them to form a govern-ment which shall be free and independent, thus realizing the best aspirations of the Cuban people

Subnish rule must be replaced by a just benevolent and humane government, cre-ated by the people of Cuba, capable of performing all international obligations, and which shall encourage thrift, industry and prosperity and promote peace and good will among all of the inhabitants, whatever may have been their relations in the past. Neither revenge nor passion should have a place in the new govern-ment. Until there is complete tranquillity on the island and a stable government inaugurated, military occupation will be continued.

OUR FOREIGN RELATIONS.

Aside From Spain We Have Had No Serious Differences With Other Nations.

With the exception of the rupture with Spain, the intercourse of the United States with the great family of nations has been marked with cordiality, and the close of the eventful year finds most of the issues that necessarily arise in the complex relations of sovereign states adjusted or preenting no serious obstacles to adjust-tent and honorable solution by amicable senting agreement.

A long-unsettled dispute as to the extended boundary between the Argentine republic and Chile, stretching along the Andean crests, from the southern bor-der of the Atacama desert to the Magellan straits, nearly a third of the length of the South American continent, as-sumed an acute stage in the early part of the year and afforded this government occasion to express the hope that the re-sort to arbitration, already contemplated by existing conventions between the parties, might prevail, despite the grave difficulties arising in its application. I am happy to say that arrangements to this and have been perfected, the questions of fact upon which the respective commis-sioners were unable to agree being in course of reference to her Britannic majesty for determination. A residual dif-ference, touching the northern boundary line across the Alacama desert, for which existing treatles provided no adequate ad-justment, bids fair to be settled in like manner by a joint commission, upon which the United States minister at Buen has been invited to serve as umpire in the last resort.

for taking the steps forecasted in the orig-

A convention of their delegates framed them a federal constitution un the of the United States of name of Central Anier ca and providing for a central federal government and legislature. Upon ratification by constituent states, the 1st of November last was fixed for the new system to go into operation. Within a few weeks thereafter the plan was severely tested by revolutionary movements arising, with a consequent demand for unity of action on the part of the military power of the federal states to suppress them. Under this strain the new union seems to have been weakened through the withdrawal of its more important members.

This government was not officially ad-vised of the installation of the federation and has maintained an attitude of friendly expectancy, while in no wise relinquish-ing the position held from the outset that the responsibilities of the several states toward us remained unaltered by their tentative relations among themselves.

The Nicaragua Canal,

The Nicaragua canal commission, under Rear-Admiral John G. Walker, appointed July 24, 1897, under the authority of a provision in the sundry civil act of June 4, of that year, has nearly completed its labors, and the results of its exhaustive inquiry into the proper route, the feasibility and the cost of construction of an in-teroceanic canal by the Nicaragua route, will be laid before you. In the perform ance of its work the commission received all possible courtesy and assistance from the governments of Nicaragua and Costa which thus testified their apprecia Rica. tion of the importance of giving a speedy and practical outcome of the project that has for so many years engrossed the at-tention of the respective countries,

As the scope of recent inquiry embraced the whole subject with the aim of making plans and surveys for a canal by the mos convenient route, it necessarily included a review of the results of previous sur-veys and plans, and in particular those adopted by the Maritime Canal Company

under its existing concessions from Nica ragua and Costa Rica, so that to this ex. tent these grants necessarily held an essential part in the deliberations and conclusions of the canal commission as they have held and must needs hold in the discussion of the matter by congress. Under these circumstances, and in view of overtures made to the governments of Nicaragua and Costa Rica by other par ties for a new canal concession predicated on the assumed approaching lapse of the contracts of the Maritime Canal Company with those states, I have not hesitated to express my convictions that considerations of expediency and international policy, as between the several governments inter-ested in the construction and control of an interoceanic canal by this route require the maintenance of the status until the canal commission shall have ported and the United States congress shall have had the opportunity to pass finally upon the whole matter during the present session without prejudice by rea-son of any change in the existing condi-

Nevertheless, it appears that the government of Nicaragua, as one of its last sovereign acts before merging its powers in those of the newly formed United States of Central America, has granted an optional concession to another association to become effective on the expiration of the present grant. It does not appear that surveys have been made or what that route is proposed under this concession, so that an examination of the feasibility of its plans is necessarily not embraced in the report of the canal commission. All these circumstances suggest the ur-gency of some definite action by congress at this session if the labors of the past are to be utilized and the linking of the Atlantic and Pacific oceans by a practical waterway is to be realized. That the construction of such a maritime highway is now more than ever indispensable to that intimate and ready intercommunication between our eastern and wester seaboards demanded by the annexatio annexation of the Hawalian islands and the prospec tive expansion of our influence and com-merce to the Pacific, and that our national policy now more imperatively than ever calls for its control by this government, are propositions which I doubt not congress will duly appreciate and wisely act

A convention providing for the revival of the late United States and Chilean claims commission and the consideration claims which were duly presented to

opportunities to make known our national ogress in art, science and manufac tures, as well as the urgent need of im nediate and adequate provision to ena ue advantage thereof to be taken. I Mr Handy's death soon afterward rendered it necessary for another to take up and complete his unfinished work, and Janu-ary 11 last, Mr. Thomas W. Cridler, third assistant secretary of state, was d nated to fulfill that task. His report laid before you by my message of June 14, 1898, with the gratifying result of awakening renewed interest in the projected display.

Trade Relations With France and

Germany. commercial arrangements made with France on May 28, 1898, under the provisions of section 3, of the tariff act of 1897, went into effect on June 1 follow-It has relieved a portion of our exing. port trade from serious embarrassment. Further negotiations are now pending under section 4 of the same act, with a view to the increase of trade between two countries to their mutual ad-age. Negotiations with other governthe vantage. ments, in part interrupted by the with Spain, are in progress under both sections of the tariff act. I hope to be able to announce some of the results of these negotiations during the present ses-sion of congress.

Friendliness of Great Britain.

Our relations with Great Britain nave continued on the most friendly footing. Assenting to our request, the protection of Americans and their interests in Spanish jurisdiction was assured by the diplomatic and consular representatives of Great Britain, who fulfilled their delicate and arduous trust with tact and zeal, eliciting high commendation. I may be allowed to make fitting allusion to the instance of Mr. Ramsden, her majesty's consul at Santiago de Cuba, whose untimely death, after distinguished service and untiring efforts during the slege of that city, was

sincerely lamented. In the early part of April last, pursuant to a request made at the instance of the secretary of state to the British ambassador at this capitol, the Canadian govern-ment granted facilities for the passage of United States revenue cutters from the Lakes to the Atlantic coast by way of the Canadian canal and the St. Lawrence ariver. The vessels had reached Lake Ontario and were there awaiting the opening of navigation when war was declared between the United States and Spain. Her majesty's government thereupon, communication of the latter part of April. communication of the latter part of April, stated that the permission granted before the outbreak of hostilities would not be withdrawn, provided the United Sintes government gave assurance that the ves-sel in question would proceed to a United States port without engaging in any hostile operation. This government prompi-ly agreed to the stipulated condition, it being understood that the vessel would not be prohibited from resenting any hostile attack

It will give me special satisfaction if I shall be authorized to communicate to you a favorable conclusion of the pend-ing negotiations with Great Britain in respect to the Dominion of Canada. It is the earnest wish of this government to remove all sources of discord and irritation in relations with the neighboring dominion. The trade between the two countries is constantly increasing, and it is impor-tant to both countries that all reasonable facilities should be granted for its develop ment.

Samoan Matters.

Malleto Laupepa, king of Samoa, died August 22 last. According to article 1 of the general act of Berlin, "his successor shall be duly elected according to the laws and customs of Samos." Arrangements had been agreed upon between the signa-tories of the general act for the return of Mataafa and the other exiled Samoan chiefs. They were brought from Jaluit by a German war vessel and landed at Apla Sentember 18 last. Whether the death of Malietoa and the return of his old-time rival Mataafa will add to the undesirable complications which the execution of the tripartite general act has heretofore de-veloped remains to be seen. The efforts of this government will, as heretofore, be addressed toward a harmonious and ex-act fulfiliment of the terms of the international engagement to which the United

States became a party in 1889. The Cheek claim against Slam, after some five years of controversy, has been adjusted by arbitration under an agree-ment signed July 6, 1897. An award of 706,721 ticals (about \$187,987) with the release of the Cheek estate from mortgage claims was rendered March 21, 1898, in favor of the claimant by the arbitrator, Sir Nicholas John Hannan, British chief justice for China and Japan.

of Illinois; Sanford B. Dole, of Hawali, and Walter F. Grier, of Hawali, as comissioners to confer and recommend congress such legislation concerning the Hawallan islands as they should deem necessary or proper.

Recommendations of the Commission The commissioners having fulfilled the mission confided to them, their report will be laid before you at an early day. It is believed that their recommenda-tions will have the earnest consideration due to the magnitude of the responsibility resting upon you to give such shape to the relationship of those mid-Pacific lands to our home union as will benefit both in the highest degree, realizing the aspirations of the community that has cast its lot with us and elected to share our po-litical heritage, while, at the same time justifying the foresight of those who for three-quarters of a century have looked to the assimilation of Hawaii as a natural and inevitable consummation in harmony with our needs and in fulfillment of ou cherished traditions.

The questions heretofore pending be-tween Hawali and Japan, growing out of the alleged mistreatment of Japanese treaty immigrants, were, I am pleased to say, adjusted before the act of trans fer by the payment of a reasonable in-demnity to the government of Japan.

Under the provisions of the joint resolu tion, the existing customs relations of the Hawalian Islands with the United States and with other countries remain un-changed until legislation shall otherwise provide. The consuls of Hawaii, here and in foreign countries, continue to fulfill their sectors. their commercial agencies, while the United States consulate at Honolulu is maintained for all proper services pertaining to trade and the revenue. It would be desirable that all foreign consuls in the Hawaiian islands should receive new exequaturs from this govern ment.

Redemption of Greenbacks.

I renew so much of my recommendation f December 1, 1897, as follows:

"That when any of the United States notes are presented for redemption and are redeemed in gold, such notes shall be kept and set apart and only paid out in ex-change for gold. This is an obvious duty. If the holder of the United States note prefers gold and gets it from the govern he should not receive back from the United States a note without paying gold for it in exchange. The reason for this is made all the most apparent when the government issues an interest-bearing debt to provide gold for the redemp-tion of United States notes, a noninterest-bearing debt. Surely it debt it should not pay them out again except on demand and for gold. If they are put out in any other way they may return again. to be followed by another issue to redeem them, another interest-bearing debt to redeem a noninterest-bearing debt.'

This recommendation is made in the be-lief that such provisions of law would insure to a greater degree the safety of the present standard and better protect currency from the dangers to which it subjected from a disturbance general business conditions the the country. In my judgment, the present condition of the country jus-tifies the immediate enactment of the legislation recommended one year ago, under which a portion of the gold holdings should be placed in a trust fund from which greenbacks should be redeemed upon pre-sentation, but when once redeemed they should not thereafter pe paid out except for gold.

It is not to be inferred that other legislation relating to our currency is not re-quired. On the contrary, there is an oblous demand for it.

The importance of adequate provision which will insure permanence to our future money standard, related as our money standard now is to that of our commercial rivals, is generally recognized. The companion proposition that our domestic currency shall be kept safe and yet be so related to the needs of our industries and internal commerce as to be adequate and responsive to such needs, is a proposition scarcely less important. The subject in all its parts is commended to the wise sideration of congress.

New Maritime Policy.

The annexation of Hawaii and the changed relations of the United States to Cuba, Porto Rico and the Philippines resulling from the war, compel the prompt adoption of a maritime policy by frequent steamship communication encouraged by

POSTAL SERVICE.

Extraordinary Growth and Gratifying Increase in Efficiency.

The postal service of the country advances with extraordinary growth. Within 20 years both the revenues and expenditures of the postoffice department have multiplied three-fold. In the last 10 years they have nearly doubled. Our postal business grows much more rapidly than our population. It now involves an expenditure of \$100,000,000 a year, numbers 73,000 postoffices and enrolls 200,000 employes. This remarkable extension of a service which is an accurate index of the public conditions, presents gratifying evidence of the advancement of education, of the in-crease of communication and business activity and of the improvement of mail facilities, leading to their constantly augmenting use

war with Spain laid new and exceptional labors on the postoffice department. The mustering of the military and naval forces of the United States required special mail arrangements for every camp and every campaign. The communication between home and camp was naturally eager and expectant. In some of the larger places of rendezvous as many as 50,000 letters a day required handling. This necessity was met by the prompt detail of experienced men from the es-tablished force and by directing all the instrumentalities of the railway mail and postoffice service so far as necessary to this new need. Congress passed an act empowering the postmaster-general to establish an office or branch at every military camp or station, and under this au-thority the postal machinery was speed-

ily put into effective operation. Under the same authority when our forces advanced upon Cuba, Porto Rico and the Philippines, they were attended and followed by the postal service. Though the act of congress authorized the appointment of postmasters where necessary, it was early determined that the public interests would be best sub-served not by new designations, but by the detail of experienced men familiar with every branch of the service, and tals policy was steadily followed. When the territory which was the theater of con-flict came into our possession, it became necessary to re-establish mail facilities for the resident population as well as to provide provide them for our forces of occupa-tion, and the former requirement was me through the extension and application of through the extension and application of the latter obligation. I gave the requi-site authority, and the same general principle was applied to this as to other branches of civil administration under military occupation. The details are more particularly given in the report of the postmaster-general, and while the work is only just begun, it is pleasing to be able to say that the service in the territory which has come under our control is

already materially improved. The department of the interior has in augurated a forest system, made pos-sible by the act of July, 1898, for a graded force of officers in control of the reserves. This system has only been in full operation since August, but good results already been secured in many sections. The reports received indicate that the sys-tem of patrol has not only prevented de-structive fires from gaining headway, but has diminished the number of fires

Indian Affairs.

The special attention of congress is called to that part of the report of the secretary of the interior in relation to the five civilized tribes. It is noteworthy that the general condition of the Indians shows marked progress. But one outbreak of a serious nature occurred during the year, and that was among the Chippewa Indians of Minnesota, which, happily, has

een suppressed. While it has not yet been practicable to enforce all the provisions of the act of June 28, 1898, "For the protection of the people of the Indian territory and for other purposes." it is having a salutary effect upon the nations composing the five tribes. The Dawes commission refive tribes. ports that the most gratifying results and greater advance toward the attain-ment of the objects of the government the next spring I fell off my horse for have been secured in the past year than in previous years. I cannot too strongly indorse the recommendation of the commis strongly sion and of the secretary of the interior for the necessity of providing for the edu-cation of the 30,000 white children resident n the lar territory

IN A PORTO RICAN FOREST.

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the Wealth of Tropical Fruits and Nuts that Are to Be Found.

By nightfall, after I had ridden up and down some of the most unprepossessing hills, and had got tangled in no and of chaparral, cactus and other thorny undergrowth, which changed a new pongee coat I had bought in San Juan into an old rag, I found myself on a high range of sierra. From a jibaro negress I learned that I was half way between the towns of Quemados and Jaguas, and that I would find a better trail for my horse below. So I rode lown a lovely green valley, where plantations of coffee and tobacco lay side by side. As it grew darker, bats flew all about me, and I heard the evening cries of birds which sounded like our whippoorwills and mockingbirds. At last I struck the trail that the woman had mentioned. I rode on a little way, and took the horse into a clearing, where there was a spring well hidden from view, and there I hobbled his feet to the halter rope, flung myself on the ground, and went fast asleep. The last thing I heard was the beautiful song of the solitaire singing in a copse above me.

I was awakened early the next morning by the screeching of green parrots. quarreling with other birds in the top of a cocoanut palm. I was drenched

with dew, but forgot all as I thought of my horse. To my great relief. I found him standing behind a bit of oleander bush red with flowers, crunching the juicy stalk of a prickly pear. I watched him with interest as he took the stalk and with his teeth ripped off the skin with all its thorns. He whinnied as if we were old friends. After bridling and watering him I found the trafl, and rode off southward. On the way I ate everything I could find, from green cherries and guava plums to juicy mangoes, which stained the front of my coat, and bell apples, the meat of which suggested mildew. There were also custard apples, a large green fruit not unlike cream puffs inside.

The most astonishing and best of all was a fruit called pulmo-in our language, sour sap. It is about as large as a quart bowl, and so nourishing and full that a single fruit was enough for a good meal, although that did not deter my horse from eating four. Later I found that they are also relished by logs. Of springs and streams there were so many that I had no fear of dying of thirst. If water was not handy, I could always climb a cocoanut tree and throw down the green nuts, which were filled with an abundance of watery milk, more than I could drink at one time. Other nuts there were in plenty, but many were more curious than edible, even to my willing appetite. One had a delicious odor. I tasted a little, and thought it ideal for flavoring candy. But it soon dissolved in my mouth in a fine dust, absorbing all the moisture, so that I had to blow it out like flour. Nothing ever made me so thirsty in my life, and even after rinsing out my mouth I felt for a long time as if I were chewing punk or cotton. The fruit of the tamarind only added to my torments by setting all my teeth on edge. When we reached

fear he would get all the water. Only

after I had satisfied my thirst would

International Cable Agreement.

I have found occasion to approach the Argentine government with a view to removing differences of rate charges imposed upon the cables of an American corporation in the transmission between Buenos Ayres and the cities of Uruguay and Brazil of through messages passing from and to the United States. Although the matter is complicated by exclusive concessions by Uruguay and Brazil to foreign companies, there is a strong hope that a good understanding will be reached and that the important channels of commercial communication between the United States and the Atlantic cities of South America may be freed from an almost prohibitory discrimination.

Foreign Exhibitions.

Despite the brief time allotted for prep aration, the exhibits of this country the universal exposition at Brussels in 1897 enjoyed the singular distinction of a proportion of awards, having re-o the number and classes of articles larger entered, than those of other countries. The worth of such a result in making know our national capacity to supply the world's markets is obvious.

Central American Union,

In my last message the situation was resented with respect to the diplomatic representation of this government in Cen-tral America, created by the association of Nicaragua, Honduras and Salvador under the title of the Greater Republic of Central America and the delegation of their international functions to the diet While the representative charthereof. of the diet was recognized by my predecessor and has been confirmed during my administration by receiving its ac-credited envoy and granting exequators to consuls coming under its authority, that ognition was qualified by the distinct derstanding that the responsibility of each of the component sovereign republics toward the United States are made wholly unaffected. This proviso was needful, inasmuch as the compact of the three republics was at the outset an association whereby certain representative functions were delegated to a triparte commission, rather than a federation possessing cenpowers of government and administration. In this view of the relation of the United States to the several republics, a change in the representation of this country in Central America was neither recommended by the executive nor initiated by congress, thus leaving one of our envoys accredited as heretofore sepa-rately to two states of the greater repub-lic, Niseragus and Salvador, and to a third state. Costa Rica, which was not a party to the compact, while our other en-yor was similarly accredited to the union similarly accredited to the union of Honduras, and the no state of Guatemala. The result has been that the one has presented credentials only to the president of Costa Rica, the other having been received only by the government of Guatemala. Subsequently, the three as-

the late commission, but not considered because of the expiration of the time lim-ited for the duration of the commission, was signed May 24, 1897, and has remained unacted upon by the senate. The term therein fixed for effecting the exchange of ratifications having elapsed, the convention fails unless the time be extended by amendment, which I am endeavoring to bring about, with the friendly concurrence of the Chilean government.

Dismemberment of China.

The United States has not been an in-different spectator of the extraordinary extraordinary events transpiring in the Chinese empire whereby portions of its maritime passing under the control of various European powers; but the prospect that the vast commerce which the ene of our citizens and the necessity of our staple productions for Chinese uses has bulit up in those regions may not be prejudiced through any exclusive treatment by the new occupants has obviated the need of our country becoming an actor in the scene. Our position among nations, having a large Pacific coast and a constantly expanding direct trade with the farther Orient, gives us the equitable claim to consideration and friendly treatment in this regard, and it will be aim to subserve our large interests in that quarter by all means appropriate to the

consistent policy of our government. The territories of Kiao-Chou, of Wei-Hai-Wei, and of Port Arthur and Ta-lien Wan, leased to Germany, Great Britain and Russia respectively for terms of years, will, it is announced, add to in-ternational commerce during such occupation, and if no discriminating treatment of American citizens and their trade be found to exist or be hereafter developed,

the desire of this government would ap-pear to be realized. Meanwhile, there may be just ground for disquietude, in view of the unrest and revival of the old sentiment of opposition and prejudice to alien people which per-vades certain of the Chinese provinces. As in the case of the attacks upon our citizens in Sce Chuan and at Ku Tien in 1885, the United States minister has been instructed to secure the fullest measure of protection, both local and imperial, for any menace to American in-terests, and to demand, in case of lawless injury to persons or property, instant reparation appropriate to the case. War-ships have been stationed at Tien-Tsin injury for more ready observation of the dis orders which have invaded even the Chl-nese capital, so as to be in a position to act, should need arise, while a guard of marines has been sent to Peking to afford the minister the same measure of authoritative protection as the representatives of other nations have been constrained to employ

The Paris Exposition.

There is now every prospect that the participation of the United States in the universal exposition to be held in Paris in 1900 will be on a scale commensurate with the advanced position held by our products and industries in the world's that maris. The preliminary report of chief marts. The preliminary report of Moses P. Handy, who, under the act approved July 19, 1997, was appointed special commissioner with a view of se-curing all attainable information neces-sary to a full and complete understanding by congress in regard to the participation by this government in the Paris exposijoint real Guatemala. Subsequently, the three as-clated republics entered into negotiations of December 6, 1897, and shows the large

envoy from Slam has been accred. to this government and has presented government and has presented his credentials.

Geneva Compact.

Immediately upon the outbreak of the war with Spain, the Swiss government fulfilling the high mission it has deserv edly assumed as the patron of the inter-tional Red Cross, proposed to the United States and Spain that they should sev. erally recognize and carry into execution as a modus vivendi during the continuance of hostilities the additional articles proposed by the international conference at Geneva, October 5, 1858, extending the effects of the existing Red Cross convention of 1864 to the conduct of naval war. Following the example set by France and Germany in 1870 in adopting such a modu vivendl and in view of the accession by the United States to those additional arti-cles in 1882, although the exchange or ratification thereof still remained unaffected, the Swiss proposal was promptly and cor-dially accepted by us and simultaneously by Spain.

ANNEXATION OF HAWAII.

Existing Laws in Force Pending Ac tion by Congress.

Pending the consideration by the of the treaty signed June 16, 1897, by the plenipotentiaries of the United States and of the republic of Hawaii, providing for the annexation of the island, a joint reso lution to accomplish the same purpose by accepting the offered cession and incor-porating the ceded territory into the Union was adopted by congress and ap-proved July 7, 1898. I thereupon directed the United States steamer Philadelphia to convey Rear-Admiral Miller to Honolulu and entrusted to his hands this im portant legislative act to be delivered t the president of the republic of Hawail with whom the admiral and the United States minister were authorized to make appropriate arrangements for transferring the sovereignty of the islands to the United States. This was simply but im-pressively accomplished on August 12 last. by the delivery of a certified copy of the resolution to President Dole, who thereupon yielded up to the representa-tive of the government of the United tive of the government of the United States the sovereignty and public prop-erty of the Hawaiian Islands. Pursuant to the terms of the joint resolution and in exercise of authority thereby con-ferred upon me, I directed that the civil, judicial and military powers heretofore exercised by the officers of the govern-ment of the republic of Hawaii should continue to be exercised by those officers ment of the republic of Hawan should continue to be exercised by those officers until congress should provide a govern-ment for the incorporated territory, sub-ject to my power to remove such officers and to fill-vacancies. The present offi-cers and troops of the republic thereup-on took the oath of allegiance to the United States thus providing for the up. United States, thus providing for the un-interrupted continuance of all the admin-istrative and municipal functions of the annexed territory until congress shall othise enact. ollowing the further, provision of the

the United states, under the American flag, with the newly acquired islands. Spain furnished to its colonies, at an annual cost about \$2,000,000, steamship lines com municating with a posion of the world's markets as well as with trade centers of the home government. The United States will not undertake to do less. It is our duty to furnish the people of Hawaii with facilities, under national control, for their export and import trade. It will be con ceded that the present situation calls for legislation which shall be prompt, durable and liberal.

The part which American merchant vessels and their seamen performed in the war demonstrates that this service, which furnished both pickets and second line of defense, is a national necessity and should be encouraged in every constitutional way. Details and methods for the acco ment of this purpose are discussed the report of the secretary of the treasury. to which the attention of congress is respectfully invited.

ARMY REORGANIZATION.

Standing Force of 100,000 Men Needed Under Present Conditions.

Under the act of congress approved April 26, 1898, authorizing the president in his discretion, upon a declaration of war by congress or a declaration by congress that war exists, I directed the increase of the regular army to the maximum of 62,000, authorized in said act.

There are now in the regular army 57,-862 officers and men. In said act it was provided: "That at the end of any war in which the United States may become in-volved, the army shall be reduced to a peace basis by transfer in the same arm of the service or absorption, by pro-motion or honorable discharge, under such regulations as the secretary may establish, of supernumerary command offi-cers and the honorable discharge or trans-fer of supernumerary enlisted men, and nothing contained in this act shall be construed as authorizing the permanent increase of the command of enlisted force of the regular army beyond that now provided by the law in force prior to the passage of this act except as to the in-crease of 25 majors provided for in section 1 hereof.'

importance of legislation for the permanent increase of the army is there-fore manifest, and the recommendation of the secretary of war for that purpose has my unqualified approval. There can be no question that at this time and probbe no question that at this time and prob-ably for some time in the future 100,000 men will be none too many to meet the necessities of the situation. At all events, whether that number shall be required permanently or not, the power should be given to the president to enlist that force if in his discretion it should be prese if in his discretion it should be neces-sary, and the further discretion should be given him to recruit within the above limit from the inhabitants of the islands with th charged. the government of which

Volunteers to Be Sent Home

The states, thus providing for the un-rrupted continuance of all the admin-tive and municipal functions of the exced territory until congress shall oth-ise emact. Nowing the further, provision of the illowing the further, provision of the scale of justice, and will be much appre-clated by the brave men who left their bomes and employments to help the coun-try in its emergency.

Department of Agriculture

The department of agriculture has been active in the past year. Explorers have been sent to many of the countries of the eastern and western hemispheres for seeds and plants that may be useful to the United States, and with the further view of opening up markets for our surplus products.: The forestry division of the lepartment is giving special attention to the treeless regions of our country, and is introducing species especially adapted to which semi-arid regions. Forest fires, seriously interfere with production, especially in irrigated regions, are being studied that the losses from this cause may be avoided. The department is inquiring into the use and abuse of water in many states of the West, and collect-

ing information regarding the laws of states, the decisions of the courts and the customs of the people in this regard, so

that uniformity may be secured. Experiment stations are becoming more effective every year. The annual appro-priation of \$720,000 by congress is supplemented by \$400,000 from the states. Nation wide experiments have been conducted to ascertain the suitableness to soll and climate and states for growing suga beets. The number of sugar factories ha SUGAT been doubled in the past two years, and the ability of the United States to produce its own sugar from this source has been clearly demonstrated.

The weather bureau, forecast and ob-servation stations have been extended servation stations have been extended around the Carribean sea, to give early warning of the approach of hurricanes from the South seas to our fleets and merchant marine.

Capital Centennial.

In the year 199° will occur the centen-inial anniversary of the founding of the city of Washington for the permanent capital of the government of the United States by authority of an act of con-gress approved July 16, 1790. In May, 1800, the archives and general offices of the federal government were removed to this place. On the 17th of November, 1800, the national congress met here for the first time and assumed exclusive control of the federal district and city. This interesting event assumes all th signifiwhen we recall the circumstances cance attending the choosing of the site, the naming of the capital in honor of the father of his country, and the interest taken by him in the adoption of plans for future development on a magnificent

These orginal plans have been wrought out with a constant progress and a sig-nal success, even beyond anything their framers had foreseen.

Labor Laws.

The alien contract law is shown by ex-The alien contract law is shown by ex-perience to need some amendment; a measure providing better protection for seamen is proposed; the rightful applica-tion of the eight-hour law for the benefit of labor and of the principle of arbitra-tion are suggested for consideration, and I commend these subjects to the careful onsideration of congress

Departmental Reports.

The several departmental reports will be hild before you. They give in great detail the conduct of the affairs of the government during the past year, and dis-cuss many questions upon which con-gress may be called upon to act. willliam M'KINLEY.

Executive Mansion, December 5, 1808.

A writer in Lippincott's Magazine tells a rather remarkable mule story. The animal in question was used to reenforce the regular teams, being hitched beside them on a certain steep incline on one of the Cincinnati street railroads.

The mule made a certain number of trips in the forencon (I have forgotten the number, but will say fifty for the sake of convenience), and a like number in the afternoon, resting for an hour at noon. As soon as it completed its fiftleth trip it marched away to the stable without orders from the driver.

To show that it was not guided by the sound of the factory whistles and bells, the following remarkable action on the part of this animal is vouched for by the superintendent of the line:

On a certain occasion during a musical festival, the mule was transferred to the night shift, and the very instant it completed its usual number of shifts it started for the stables. The comhined efforts of several men were necessary to make it return to its duty.

At night there were no bells or whistles to inform the mule that "quitting time" had come; it had counted the trips, and having finished its quota, it thought that the time for rest and food had arrived.

Singular Railroad Accident.

One of the most singular of railway accidents was that near Genoa by which a dozen lives were recently lost. The Glori Tunnel, in which it occurred, is very long, and so foul that the windows are shut, leaving the passengers to keep alive on what air is already in the car. But the engineers have no such support, and the accident was caused by the fact that all the drivers and firemen on the three engines needed to hand the train up the heavy grade of the tunnel were asphyxiated. The train consequently slipped back and plunged into a passenger train at the bottom of the Incline.

Most Mediaeval Race.

The Spaniards are not the most medieval of races. The Svantians, who live in the inaccessible mountain range between the Black and Caspian seas, are probably the laziest people in the world. They have made no advance toward civilization in 2,500 years. It is their invariable rule to hold holidays four times a week, with saints' days as extras.

British Dogs.

There are fifty-five dogs in the United Kingdom to every 1,000 inhabit BBUS.