

PRESIDENT'S MESSAGE

SUPPLEMENT.

PRESIDENT'S MESSAGE.

Full Text of Document as presented.

VERY IMPORTANT MATTERS.

He is Very Strong on the Michigan Gerrymander.

PLAIN TALK ON CHILIAN AFFAIRS.

Reciprocity a Favorite Subject With Him as Beauties Glowingly Described.

President Harrison's message is addressed to the senate and house of representatives and is as follows:

"The reports of the heads of the several executive departments required by law to be submitted to me, which are herewith transmitted, and the report of the secretary of the treasury and attorney-general made direct to congress, furnish a comprehensive review of the administrative work of the last fiscal year ending on internal affairs. It would be of great advantage if these reports could have an attentive perusal by every member of congress and by all who take an interest in public affairs. Such a perusal could not fail to excite a higher appreciation of the vast labor and conscientious efforts which are given to the conduct of our civil administration. The report will, I believe, show that every question has been approached with a view to the public interest, and upon considerations affecting the public interest. Again I invite to every branch of attention and scrutiny of congress the work of the state department. During the last year it has been characterized by an unusually large number of important negotiations and by diplomatic results of a notably and highly beneficial character. Among these: Reciprocal trade arrangements which have been concluded in the exercise of the powers conferred by sections of the tariff law, with the republic of Brazil, with Spain for its West India possessions, and with San Domingo. Like negotiations with other countries have been much advanced, and it is hoped that before the close of the year further definitive trade arrangements of great value will be concluded.

The Behring Sea Troubles.
In view of the reports which have been received as to the diminution of the seal fish in the Behring sea, I deemed it wise to propose to her majesty's government in February last that an agreement for a closed season should be made, pending the negotiations for arbitration, which then seemed to be approaching a favorable conclusion. After much correspondence and delay, for which this government was not responsible, an agreement was reached the 15th of June by which Great Britain undertook, from that date until May 1, 1892, to prohibit the killing of seals by her citizens, and the United States, during the same period, to enforce its existing prohibition against pelagic sealing, and to limit the catch by the Fur Seal Company upon the islands to 7500 skins. If this agreement could have been reached earlier, in response to the strenuous endeavors of this government, it would have been more effective, but, coming as late as it did, it unquestionably resulted in greatly diminishing the destruction of seals by the Canadian sealers.

In my last annual message I stated that the basis of arbitration proposed by her majesty's government for the adjustment of the long-pending controversy of the seal fisheries was not acceptable. I am glad now to be able to announce that terms satisfactory to this government have been agreed upon, and that the agreement as to the arbitrators is that it is necessary to the completion of the convention. In view of the advanced position this government has taken on the subject of international arbitration, this renewed expression of our adherence to this method for the settlement of disputes, such as have arisen in the Behring sea, will, I doubt not, meet with the concurrence of congress.

Boundary Line Disputes.
Provision should be made for a joint demarcation of the frontier line between Canada and the United States, whenever required by the increased border settlements, and especially for the extension of the water boundaries in the straits and rivers. I should have been glad to announce some favorable disposition of the boundary dispute between Great Britain and Venezuela, touching the western frontier of British Guiana, but the friendly efforts of the United States in that direction have thus far been unavailing. This government will continue to express its concern at any appearance of foreign encroachment on territories long under the administrative control of the American states. The determination of a disputed boundary is easily attainable by an amicable arbitration where the rights of the respective parties rest, as here, on historic facts, readily ascertainable.

The Meat Inspection Law.
The law of the last congress providing a system of inspection of our meats intended for export, and clothing the president with power to exclude foreign products for our market, in case the country sending them should perpetrate un-

just discriminations against any product of the United States, placed this government in a position to effectively urge the removal of such discriminations against our meats. It is gratifying to be allowed to state that Germany, Denmark, Italy, Austria and France, in the order named, have opened their ports to inspected American pork products. The removal of these restrictions in every instance was asked for and given solely upon the ground that we had not provided a meat inspection that should be accepted as adequate to the complete removal of the dangers real or fancied which had been previously urged. The state department, our ministers abroad and the secretary of agriculture have co-operated with untiring and intelligent zeal for the accomplishment of this great result. The outlines of an agreement have been reached with Germany looking to equitable trade concessions, in consideration of the continued free importation of her cigars, but the time has not yet arrived when this correspondence can be submitted to congress.

The New Orleans Lynching.
The lynching at New Orleans in March last of eleven men of Italian nativity by a mob of citizens, was a most deplorable and creditable incident. It did not, however, have its origin in any general animosity to the Italian people, nor in any disrespect to the government of Italy, with which our relations were of the most friendly character. The fury of the mob was directed against these men as the supposed participants, or accessories, of the murder of a city officer. I do not allude to this as mitigating in any degree this offense against law and humanity, but only as affecting the international questions which grew out of it. It was represented by the Italian minister that several of these, whose lives had been taken by the mob, were Italian subjects, and a demand was made for the punishment of the participants and an indemnity to the families of those who were killed. It is to be regretted that the manner in which these claims were presented was not such as to promote a calm discussion of the questions involved, but this may well be attributed to the excitement and indignation which the crime naturally evoked.

The views of this government, as to its obligations with foreigners domiciled here, were fully asked in correspondence, as well as its purposes to make an investigation of the affair, with a view of determining whether there were present any circumstances that could, under such rules of duty as we had indicated, create an obligation upon the United States. The temporary absence of a minister plenipotentiary at this capital has retarded the further correspondence, but it is not doubted that a friendly conclusion is attainable. Some suggestions growing out of this unhappy incident are worth the attention of congress. It would, I believe, be entirely competent for congress to make offenses against the treaty rights of foreigners domiciled in the United States cognizable in the federal courts. This, however, has not been done, and the federal officers and courts have no power in such cases to intervene, either for the protection of a foreign citizen, or for the punishment of his slayer. It seems to me to follow in this state of law, that the officers of the state, charged with the police and judicial powers in such cases must, in the consideration of international questions growing out of such incidents, be regarded in such sense as federal agents as to make this government answerable for their acts in cases where it would be answerable if the United States had used its constitutional power to define and punish crimes against treaty rights.

Chili's Civil War.
The civil war in Chili, which began in January last, was continued, but, fortunately, with infrequent and not important armed collisions until August 8, when the congressional forces landed near Valparaiso, and after a bloody engagement captured that city. President Balmaceda at once recognized that his cause was lost, and a provisional government was speedily established by the victorious party. Our minister was promptly directed to recognize and put himself in communication with this government so soon as it should have established a de facto character, which was done. During the pendency of this civil contest frequent indirect appeals were made to this government to extend belligerent rights to the insurgents, and to give audience to their respective representatives. This was declined, and that policy was pursued throughout which this government, when wrangled by civil war, so strenuously insisted upon the part of European nations.

The Itata, an armed vessel commanded by a naval officer of the insurgent fleet, manned by its sailors, and with soldiers on board, was seized under process of the United States court at San Diego, California, for a violation of our neutrality laws. While in the custody of an officer of the court, the vessel was forcibly wrested from his control and put to sea. It would have been inconsistent with the dignity and self-respect of this government not to have insisted that the Itata should be returned to San Diego to abide the judgment of the court. This was so clear to the junta of the congressional party, established at Iquique, that before the arrival of the Itata at that port, the secretary of foreign relations of the provisional government addressed Rear-Admiral Brown, commanding the United States naval forces, a communication, from which the following is an extract:

"The provisional government had learned by the cablegrams of the Associated Press that the transport Itata was detained in San Diego by order of the United States for taking on board quantities of war, and while in possession of the marshal left port, carrying on board this official, who was landed at a point near the coast, and then continued her voyage. If this news is correct, this government would deplore the conduct of the Itata, and as an evidence that it is not disposed to support

or agree to the infraction of the laws of the United States, the undersigned takes advantage of the personal relations you have been good enough to maintain with him since your arrival in this port, to declare to you that so soon as she is within reach of our orders, his government will put the Itata, with the arms and munitions she took in San Diego, at the disposition of the United States."

A trial in the district court of the state for the southern district of California has recently resulted in a decision holding, among other things, that inasmuch as the congressional party had not been recognized as belligerent, the acts done in its interest could not be a violation of our neutrality laws. From this judgment the United States has appealed, not that the condemnation of the vessel is a matter of importance, but that we may know what the present state of our law is, for if this construction of the state's is correct, there is obvious necessity for revision and amendment. During the progress of the war in Chili this government tendered its good offices to bring about a peaceful adjustment, and it was at one time hoped that a good result might be reached, but in this we were disappointed.

The instructions to our naval officers and to our minister at Santiago from the first to the last of this struggle enjoined upon them the most impartial treatment and absolute non-interference. I am satisfied that these instructions were observed and that our representatives were always watchful to use their influence impartially in the interest of humanity and on more than one occasion so effectively. We could not forget, however, that this government was in diplomatic relations with the then established government of Chili, as it is now in such relations with the successor of that government. I am quite sure that President Montt, who has under the circumstances promised peace in Chili, will not desire that in the unfortunate event of any resort against his authority the policy of this government should be other than that which we have recently observed. No official complaint of the position of our minister or of our naval officers during the struggle has been presented to this government, and it is a matter of regret that so many of our own people should have given ear to unoffical charges and complaints that manifestly had their origin in rival countries and a wish to pervert the relations of the United States with Chili. The collapse of the government of Balmaceda brought about a condition which is, unfortunately, familiar in the history of the South American states.

With the overthrow of the Balmaceda government he and many of his counselors and officers became fugitives for their lives, and appealed to the commanding officers of the foreign naval vessels in the harbor of Valparaiso and to the resident foreign ministers at Santiago for an asylum. This asylum was freely given, according to my information, by the naval vessels of several foreign powers, and by several of the legations at Santiago. The American minister, as well as his colleagues, acting under the impulses of humanity, extended the asylum to the political refugees whose lives were in peril. I have not been willing to direct the surrender of such of these persons as are still in the American legation without suitable understandings. It is believed that the government of Chili is not in a position, in view of the precedents in which it was connected, to broadly deny the right of asylum, and the correspondence has not thus far presented any such denial. The treatment of our minister for a time was such as to call for a decided protest, and it was very gratifying to observe that the unfriendly measures, which were undoubtedly the result of the prevailing excitement, were at once rescinded or suitably relaxed.

The Valparaiso Riots.
The 16th of October an event occurred in Valparaiso, so serious and tragic in its circumstances and results, as to very justly excite the indignation of our people, and to call for prompt and decided action on the part of this government. A considerable number of the sailors of the United States steamship Baltimore, then in the harbor of Valparaiso, being upon shore on leave and unarmed, were assaulted by armed men newly simultaneously in different localities in the city. One petty officer was killed outright and seven or eight seamen were seriously wounded, one of whom has since died. So savage and brutal was the assault that several of our sailors received more than two, and one as many as eight stab wounds. An investigation of the affair was promptly made by a board of officers of the Baltimore, and their report shows that these assaults were unprovoked; that our men were conducting themselves in a peaceable and orderly manner, and that some of the police of the city took part in the assault, while a few others, with some well-disposed citizens, endeavored to protect our men. Thirty-six of our sailors were arrested and some of them, while being taken to prison, were cruelly beaten and maltreated. The fact that they were all discharged, no criminal charge being lodged against any one of them, shows very clearly that they were innocent of a breach of the peace. So far as I have yet been able to learn no other explanation of this bloody work has been suggested than that it had its origin in its hostility to these men as sailors of the United States, wearing the uniform of their government, and not from any individual act or personal animosity.

The attention of the Chilean government was at once called to this affair and as a statement of the facts obtained by the investigation we had conducted was submitted, accompanied by a request to be advised by other or qualified persons that might relieve this affair of the appearance of an insult to this government. The Chilean government

was at once advised that if such qualifying facts did not exist this government would confidently expect full and prompt reparation. It is to be regretted that the reply of the secretary for foreign affairs of the provisional government was couched in an offensive tone. To this no response has been made. This government is now awaiting the result of an investigation which has been conducted by the criminal court at Valparaiso. It is reported unofficially that the investigation is about completed and that the result will soon be communicated to this government, together with some adequate and satisfactory response. If those just expectations should be disappointed or further needless delay intervene, I will, by a special message, bring this matter again to the attention of congress for such action as may be necessary. The entire correspondence with the government of Chili will at an early date be submitted to congress.

The Brazilian Revolution.
The recent political disturbances in the republic of Brazil have excited our solicitude. The information we possessed was too meager to enable us to form a satisfactory judgment of the causes leading to the temporary assumption of supreme power by President Fonseca, but this government did not fail to express to him its solicitude for the peace of Brazil and for the maintenance of the free political institutions which had been recently established, nor offer our advice that great moderation should be observed in the clash of parties and the contest for leadership. These counsels were received in the most friendly spirit, and the latest information is that a constitutional government has been re-established without bloodshed.

The Chinese Riots.
The late outbreak against foreigners in various parts of the Chinese empire has been a cause of deep concern. In view of the numerous establishments of our citizens in the interior of that country, this government can do no less than insist upon a continuance of the protective and punitive measures, which the Chinese government has heretofore applied. No effort will be omitted to protect our citizens peacefully sojourning in China, but recent unofficial information indicates that what was at first regarded as an outbreak of mob violence against foreigners has assumed the form of an insurrection against the ruler.

The Chinese government has declined to receive Mr. Blair, as the minister of the United States on the ground that as a participant as a senator, in the enactment of existing legislation against the introduction of Chinese laborers, he had become unfriendly and objectionable to China. I have felt constrained to point out to the Chinese government the untenableness of this position, which seems to rest upon the acceptability of our registration as on that of the person chosen, and if admitted, would practically bar the selection of any representative so long as the existing laws remain in force.

You will be called upon to consider the expediency of making special provision by law for the temporary admission of Chinese artisans and laborers in connection with the exhibit of Chinese industries at the approaching Columbian Exposition. I regard it as desirable that the Chinese exhibit be facilitated in every proper way.

Relations With Hawaii.
The death of King Kalakoua in the United States afforded an occasion to testify our friendship for Hawaii by conveying the king's body to his land in an available vessel with all due honors. The government of his successor, Queen Liliuokalani, is seeking to promote closer commercial relations with the United States. Surveys for the much-needed submarine cable from our Pacific coast to Honolulu are in progress, and this enterprise should be the suitable promotion of the two governments. I strongly recommend that provision be made for improving the harbor of Pearl River and equipping it as a naval station.

The International American Conference.
The arbitration committee formulated by the International American conference lapsed by reason of the failure to exchange ratifications fully within the limit of time provided, but several of the governments concerned have expressed a desire to save this important result of the conference by an extension of the period. It is in my judgment, incumbent upon the United States to conserve the influential initiative in this measure by ratifying the instrument and by advocating the proposed extension of time for exchanging. These views have been made known to the other signatories.

Jewish Persecutions in Russia.
This government has found occasion to express, in a friendly spirit, but with much earnestness, to the government of the czar, its serious concern because of the harsh measures now being enforced against the Hebrews of Russia by the revival of anti-Semitic laws, long in abeyance. Great numbers of these unfortunate people have been constrained to abandon their homes and leave the empire by reason of the impossibility of finding subsistence within the pale to which it is said to confine them. The emigration of these people to the United States, many other countries being closed, is largely increasing, and is likely to further increase, to proportion which may make it difficult to find homes and employment for those people here and to seriously affect the labor market. It is estimated that over 1,000,000 will be forced from Russia within a few years. The Hebrew is never a beggar. He has always kept the law, and, living by toil, often under severe and oppressive civil restrictions. It is also true that no race, sect or class has more fully cared for its own than the Hebrew race; but the sudden transfer of such a multitude, under conditions that tend to strip them of their small accumulations and to depress their energies and courage, is neither good for them nor for us. The banishment, whether by decree or by

not less certain indirect methods, of so large a number of men and women is not a local question. A decree to leave one country in the nature of things is an order to enter some other. This consideration, as well as the suggestions of humanity, furnishes ample ground for the remonstrances, which we have presented to Russia, while our historic friendship for that government cannot but give the assurance the representations are those of a well-wisher.

The Nicaragua Canal.
The annual report of the Maritime Canal Company of Nicaragua shows that much costly and necessary preparatory work has been done during the year in the construction of shops, railroad tracks and harbor piers and breakwaters, and that the work of canal construction has made some progress. I deem it to be a matter of the highest concern to the United States that this canal, connecting the waters of the Atlantic and Pacific oceans, and giving us a short water communication between our ports upon these two great seas, should be speedily constructed and at the most practicable limit of cost. The gain of freights to the people and the direct saving to the government of the United States in the use of naval vessels would pay the cost of this work within a short series of years. The report of the secretary of the navy shows the saving in our naval expenditures which would result. The senator from Alabama (Mr. Morgan) in his argument on this subject before the senate at the last session, did not overestimate the importance of this work when he said that "the canal is the most important subject now connected with the commercial growth and progress of the United States."

If this work is to be promoted by the usual financial methods and without the aid of this government the expenditures in its interest-bearing securities and stocks will probably be twice the actual cost. This will necessitate higher tolls and constitute a heavy and altogether needless burden upon our commerce and that of the world. Every dollar of the bonds and the stock of the company should represent a dollar expended in the legitimate and economical prosecution of the work. This is only possible by giving to the bonds the guaranty of the United States government. Such a guaranty would secure the ready sale at par of a 3 per cent. bond from time to time as the money was needed. I do not doubt that, built upon business methods, the canal would when fully in operation earn its fixed charges and operating expenses; but if its bonds are to be marketed at heavy discounts and every bond sold is to be accompanied by a gift of stock, as has come to be expected by investors in such enterprises, the traffic will be seriously hampered to pay the interest and dividends.

I am quite willing to recommend government promotion in the prosecution of a work, if the other means for securing its completion are of such transcendent interest that the government should, in my opinion, secure it by direct appropriations from its treasury. A guaranty of an amount necessary to the completion of the canal could, I think, be so given as not to involve any serious risk of ultimate loss. The things to be carefully guarded are the completion of the work, within the limits of the guaranty, the subrogation of the United States to the rights of the first-mortgage bondholders, for any amounts it may have to pay, and in the meantime a control of the stock of the company, as a security against mismanagement. I sincerely hope that no sectional lines will be drawn upon this great American project, so full of interest to the people of all states, and so influential in its effects on the prestige and spirit of our common country.

The Tariff Law.
The general interest in the operations of the treasury department has been much augmented during the last year, by reason of the conflicting predictions, which accompanied and followed the tariff and other legislation of the last congress affecting the revenues, as to the results of this legislation upon the treasury and upon the country. On the one hand it was contended that imports would so fall off as to leave the treasury bankrupt, and that the prices of articles entering into the living of the people would be so enhanced as to disastrously affect their comfort and happiness, while on the other it was argued that the loss to the revenue, largely the result of placing sugar on the free list, would be a direct gain to the people; that the price of the necessities of life, including those most highly protected, would not be enhanced; that labor would have a larger market, and the products of the farm advanced in price, while the treasury surplus and receipts would be adequate to meet the appropriation, including the refund to the states of the direct tax and the redemption of the 4 1/2 per cent bonds.

It is not my purpose to enter at any length into a discussion of the effects of this legislation to which I have referred, but a brief examination of the statistics of the treasury and a general glance at the state of business throughout the country will, I think, satisfy every one that its results have disappointed the evil prophecies of its opponents and in a large measure realized the hopeful predictions of its friends. Rarely, if ever before in the history of the country, has there been a time when the proceeds of one day's labor or the product of one farm crop could purchase such a large amount of things that enter into the living of the masses of the people. I believe that a full test will develop the fact that the tariff act of the Fifty-first congress is very favorable in its average effect upon the prices of articles flowing into common use.

During the twelve months from October 1, 1890, to September 30, 1891, the total value of our foreign commerce (imports and exports combined) was \$1,747,806,496, which was the largest amount in the history of the United States. The largest in any previous year was in

1890, when our commerce amounted to \$1,647,136,983, and the last year exceeds this enormous aggregate by over \$100,000,000. It is interesting, and to some will be surprising, to know that during the year ended September 30, 1891, our imports of merchandise amounted to \$824,716,270, which was an increase of more than \$11,000,000 over the value of imports of the corresponding months of the previous year, when the imports of merchandise were large in anticipation of the tariff legislation then pending. The average annual value of the imports of merchandise for the last years from 1881 to 1890 was \$860,186,522, and during the year ended September 30, 1891, this annual average was exceeded by \$132,528,469. The value of free imports during the twelve months ended September 30, 1891, was \$118,022,387, more than the value of free imports during the corresponding months of the preceding year, and there was, during the same period, a decrease of \$16,864,508 in the value of imports of dutiable merchandise.

The percentage of merchandise admitted free of duty during the year to which I have made reference, the first under the tariff, was 14.18, while during the preceding twelve months, under the old tariff, its percentage was 34.27, an increase of 13.91 per cent. If we take the six months ended September 30 last, which covers the time during which sugars have been admitted free of duty, the per cent. of value of merchandise imported free of duty is found to be 55.37, which is a larger percentage of free imports than during any prior fiscal year in the history of the government. If we turn to the exports of merchandise the statistics are full of gratification. The whole of such exports of merchandise for the twelve months ended September 30, 1891, was \$923,291,181, while for the corresponding twelve months of the year ended September 30, 1890, it was \$62,914,021, which is fully three times the average annual increase of exports of merchandise during any year in the history of the government. The increase in the value of exports of agricultural products during the year referred to, over the corresponding twelve months of the prior year, was \$45,844,197, while the increase in the value of manufactured products was \$16,838,240.

There is certainly nothing in the condition of trade, foreign or domestic, there is certainly nothing in the condition of our people of any class to suggest that the existing tariff and revenue legislation bears oppressively upon the people, or retards the commercial development of the nation. It may be argued that our condition would be better if our tariff legislation were upon a free trade basis, but it cannot be denied that all the conditions of prosperity and of general contentment are present in a larger degree than ever before in our history, and that, too, just when it was prophesied they would be in the worst state. Agitation for radical changes in the tariff, and this financial legislation cannot help, but may seriously impede business, to the prosperity of which some degree of stability in legislation is essential. I think there are conclusive evidences that the new tariff has created several great industries, which will within a few years give employment to several hundred thousand American workmen and women. In view of the ever crowded condition of the labor market, the United States citizens should rejoice at such a result.

The report of the secretary of the treasury shows that the total receipts of the government from all sources for the fiscal year ended June 30, 1891, were \$458,544,233 03, while the expenditures for the same period were \$421,304,476 46, leaving a surplus of \$37,239,756 57. The receipts for the fiscal year ended June 30, 1892, actual and estimated, are \$483,700,000, and the expenditures \$400,000,000. For the fiscal year ended June 30, 1893, the estimated receipts are \$455,326,300, and the expenditures \$430,452,695.

Silver Legislation.
Under the law of July 14, 1890, the secretary of the treasury has purchased since August 13, during the fiscal year, 48,393,113 ounces of silver bullion at an average cost of \$1.045 per ounce. The highest price paid during the year was \$1.2025 and the lowest \$0.9636. In exchange for this silver bullion there were issued \$5,057,496 of the treasury notes authorized by this act. The lowest price silver reached during the fiscal year was \$0.9636 on April 22, 1891, but on November 1 the market price was only \$0.96, which would give to the silver dollar a bullion value of 74 1/4 cents. Before the influence of the prospective silver legislation was felt in the market silver was worth in New York about \$0.975 per ounce. The ablest advocates of free coinage in the last congress were most confident in their prediction that the purchases by the government required by the law would at once bring the price of silver to \$1.2329 per ounce, which would make the bullion value of a dollar 100 cents and hold it there. The prophecies of the anti-silver men of disasters to result from the coinage of \$2,000,000 per month were not wider of the mark. The friends of free silver are not agreed, I think, as to the causes that brought their hopeful predictions to naught. Some facts are known.

The exports of silver from London to India, during the first nine months of the calendar year, fell off 60 per cent, or \$171,202,730, compared with the same months of the preceding year. The exports of domestic silver bullion from this country, which has averaged for the last 10 years over \$17,000,000, in the last fiscal year fell to \$13,797,791, while, for the first time in recent years, the imports of silver into this country exceeded the exports by the sum of \$2,748,168. In the previous year the net exports of silver from the United States amounted to \$8,545,855.

The production of the United States increased from 50,000 ounces in 1889 to 85,500,000. The government is now buying and putting aside annually 54,000,000 ounces, which, allowing 7,140,000 ounces of new bullion, to be used in the arts, is 8,400,000 more than our domestic product available for coinage. I