

SUPPLEMENT.

PRESIDENT'S MESSAGE

Deals Largely With Reports of Departments.

FEW RECOMMENDATIONS MADE

Secretary Carlisle's Banking and Currency Plan Favored—Tariff Bill Needs Amending—Relation of United States With the Foreign Powers.

WASHINGTON, December 3.—Following is the full text of President Cleveland's message as read in congress today:

The assembly within the nation's legislative halls of those charged with the duty of making laws for the benefit of a generous and free people impressively suggests the exacting obligation and inexorable responsibility involved in their task. At the threshold of such labor, now to be undertaken by the congress of the United States, and in the discharge of an executive duty enjoined by the constitution, I submit this communication, containing a brief statement of the condition of our national affairs and recommending such legislation as seems to me necessary and expedient.

The State Department.

The history of our recent dealings with other nations and our peaceful relations with them at this time additionally demonstrate the advantage of consistently adhering to a firm but just foreign policy, free from envious or ambitious national schemes, and characterized by entire honesty and sincerity.

During the past year, pursuant to a law of congress, commissioners were appointed to the Antwerp industrial exposition. Though the participation of American exhibitors fell far short of completely illustrating our national ingenuity and industrial achievements, yet it was still creditable, in view of the brief time allowed for preparation. I have endeavored to impress upon the Belgian government the needlessness and positive harmfulness of its restrictions upon the importation of certain of our food products and have strongly urged that the rigid supervision and inspection under our laws are amply sufficient to prevent the exportation from this country of diseased cattle and unwholesome meat.

THE CHILIAN CLAIMS.

The commission organized under the convention which we had entered into with Chili for the settlement of the outstanding claims of each government against the other, adjourned at the end of the period stipulated for its continuance, leaving undetermined a number of American cases which had been duly presented. These claims are not barred, and negotiations are in progress for their submission to a tribunal.

GERMANY'S CATTLE EMBARGO.

Action upon the reported discovery of Texas fever in cargoes of American importations of livestock and fresh meats from this country has been received. It is hoped that Germany will soon become convinced that the prohibition is as needless as it is harmful to mutual interests.

The German government has expected to that provision of the customs of the tariff act which imposes a discriminating duty of 1-10 of a cent a pound on sugars coming from countries paying an export bounty thereon, claiming that the enacting of such duty is in contravention of articles 5 and 9 of the treaty of 1820 with Prussia. In the interests of the commerce of both countries, and to avoid even the accusation of treaty violation, I recommend the repeal of so much of the statute as imposes that duty, and I invite attention to the accompanying report of the secretary of state, containing a discussion of the questions raised by the German protests.

THE MONROE DOCTRINE.

The boundary of British Guiana still remains in dispute between Great Britain and Venezuela. Believing that its early settlement on some just basis, alike honorable to both parties, is in the line of our established policy to remove from this hemisphere all causes of difference with a power beyond the sea, I shall renew the efforts heretofore made to bring about restoration of diplomatic relations between the disputants, and to induce arbitration, a resort which Great Britain so conspicuously favors in principle and respects in practice, and which is earnestly sought by her weaker adversary.

THE HAWAIIAN REPUBLIC.

Since communicating the voluminous correspondence in regard to Hawaii and the action taken by the senate and house of representatives on certain questions submitted to the judgment and wider discretion of congress, the organization of a government in place of the provisional arrangement which followed the deposition of the queen, has been announced with evidence of its effective operation. The recognition usual in such cases has been accorded the new government.

Under the present treaties of extradition with Italy misadventures of justice have occurred, owing to the refusal of that government to surrender its own subjects. Thus far our efforts to negotiate an amended convention obviating this difficulty have been unavailing.

Apart from the war in which their land is engaged, Japan attracts increasing attention in this country by her evident desire to cultivate more liberal interests with us, and to seek our kindly aid in furtherance of her laudable desire for complete autonomy in her domestic affairs and full equality in the family of nations. The Japanese empire of today is no longer the Japan of the past, and our relations with this progressive nation should not be less broad and liberal than those with other powers.

PUNISHMENT OF MEXICAN INSURGENTS.

Good will fostered by many interests in common has marked our relations with our nearest southern neighbors. Peace being restored along her northern frontier, Mexico has asked the punishment of the late disturbers of her tranquility. There ought to be a new treaty of commerce and navigation with

that country to take the place of the one which terminated 13 years ago. The friendliness of the intercourse between the two countries has steadily increased under the rule of mutual consideration, being neither stimulated by conventional arrangements nor retarded by jealous rivalry or selfish distrust.

An indemnity, tendered by Mexico as a gracious act for the murder, in 1887, of Leon Baldwin, an American citizen, by a band of marauders, in Durango, has been accepted, and is being paid in installments.

The problem of the storage and use of the waters of the Rio Grande for irrigation should be solved by appropriate concurrent action of the two interested countries. Rising in the Colorado heights, the stream flows intermittently, yielding little water during the dry months to the irrigation channels already constructed along its course. This scarcity is often severely felt in the regions where the river forms a common boundary. Moreover, the frequent changes in its course often raise embarrassing question of territorial jurisdiction.

THE BLUEFIELDS AFFAIR.

Prominent among the questions of the year was the Bluefields incident, in which is known as the Mosquito Indian strip, bordering on the Atlantic ocean and within the jurisdiction of Nicaragua. By the treaty of 1850, between Great Britain and Nicaragua, the former government expressly recognized the sovereignty of the latter over the strip, and a limited form of self-government was guaranteed to the Mosquito Indians, to be exercised according to their custom for themselves and other dwellers within its limits. The so-called native government, which grew to be largely made up of aliens, for many years disputed the sovereignty of Nicaragua over the strip, and claimed the right to maintain therein practically independent municipal government. Early in the past year the efforts of Nicaragua to maintain sovereignty over the Mosquito territory led to serious disturbances, culminating in the suppression of the native government, and the attempted substitution of an impracticable composite administration, in which Nicaraguan and alien residents were to participate.

Failure was followed by an insurrection, which for a time, subverted Nicaraguan rule, expelling her officers, and restoring the old organization. This, in turn, gave place to the existing local government, established and upheld by Nicaragua. Although the alien interests, arrayed against Nicaragua in these transactions, have been largely American and the commerce of that region for some time has been, and still is, chiefly controlled by our citizens, we cannot for that reason challenge the rightful sovereignty of Nicaragua over this important part of her domain. For some months one, and during part of the time, two of our naval ships have been stationed at Bluefields for the protection of all legitimate interests of our citizens. In September last the government at Managua expelled from its territory 12 or more foreigners, including two Americans, for alleged participation in the seditious or revolutionary movements against the republic at Bluefields already mentioned, but through the earnest remonstrance of this government the Americans have been permitted to return to the peaceful management of their business. Our naval commanders at the scene of these disturbances, by their constant exhibition of firmness and good judgment, contributed largely to the prevention of more serious consequences, and to the restoration of quiet and order. I regret that in the midst of these occurrences there happened a most grave and irritating failure of Nicaraguan justice. An American citizen named Wilson, residing at Tama, in the Mosquito territory, was murdered by one Arguello, the acting governor of the town. After some delay the murderer was arrested, but so ineffectually confined or guarded, that he escaped, and, notwithstanding our repeated demands, it is claimed that his recapture has been impossible by reason of his flight beyond Nicaraguan jurisdiction.

The Nicaraguan authorities, having given notice of forfeiture of the concession to the canal company on grounds purely technical, and not embraced in the contract, have receded from that position. Peru, I regret to say, shows symptoms of domestic disturbance, due probably to the slowness of her recuperation from the distresses of the war of 1881. Weakness in resources, her difficulties in facing international obligations invite our kindly sympathy and justly our forbearance in pressing long pending claims. I have felt constrained to testify this sympathy in connection with certain demands urgently preferred by other powers.

THE SALVADORIAN REFUGEES.

The government of Salvador, having been overthrown by an abrupt popular outbreak, certain of its military and civil officers, while hotly pursued by infuriated insurgents, sought refuge on board the United States warship Bennington, then lying in Central American ports. Although the practice of asylum is not favored by this government, yet, in view of the imminent peril which threatened the fugitives and solely for considerations of humanity, they were afforded shelter by our naval commander, and, when they were afterward demanded under our treaty of extradition with Salvador for trial on charges of murder, arson and robbery, I directed that such of them as had not voluntarily left the ship be conveyed to one of our nearest ports, where a hearing could be heard before a judicial officer in compliance with the terms of the treaty. On their arrival at San Francisco, such a proceeding was promptly instituted before the United States district judge, who held that the acts constituting the alleged offenses were political, and discharged all the accused except one Cienfuegos, who was held for an attempt to murder. Thereupon, I was constrained to direct his release, for the reason that an attempt to murder was not one of the crimes charged against him, and upon which his surrender to the Salvadorian authorities had been demanded.

AN ANNOYING AFFAIR WITH SPAIN.

Unreasonable and unjust fines imposed by Spain on the vessels and commerce of the United States have demanded, from time to time during the last 20 years, earnest remonstrance on the part of our government. In the immediate past exorbitant penalties have been imposed upon our vessels and goods by the customs authorities of Cuba and Porto Rico for clerical errors of the most trivial nature in the manifests or bills of lading. In some cases fines amounting to thousands of dollars have been levied upon cargoes, or the carrying

vessels, when the goods in question were entitled to free entry; fines have been exacted even when the error has been detected and the Spanish authorities notified before the arrival of goods in port. This conduct is in strange contrast with the considerate and liberal treatment extended to Spanish vessels and cargoes in our ports in the past.

No satisfactory settlement of these vexatious questions has been yet reached. The Mora case, referred to in my last message, remains unsettled. From the diplomatic correspondence on this subject, which has been laid before the senate, it will be seen that this government has offered to conclude a convention with Spain for disposal by arbitration of outstanding claims against the two countries, except the Mora claim, which, having been long ago adjusted, now only awaits the permits as stipulated, and, of course, it could not be included in the proposed convention. It was hoped that this offer would remove the parliamentary obstacles encountered by the Spanish government in providing payment of the Mora indemnity. I regret to say that no definite reply to this offer has yet been made, and all efforts to secure payment of this unsettled claim have been unavailing.

EXPULSION OF ARMENIANS BY TURKEY.

In my last annual message I adverted to the claim on the part of Turkey of the right to expel, as persons undesirable and dangerous, Armenians naturalized in the United States and returning to Turkish jurisdiction. Numerous two countries, except the Mora claim, which, having been long ago adjusted, now only awaits the permits as stipulated, and, of course, it could not be included in the proposed convention. It was hoped that this offer would remove the parliamentary obstacles encountered by the Spanish government in providing payment of the Mora indemnity. I regret to say that no definite reply to this offer has yet been made, and all efforts to secure payment of this unsettled claim have been unavailing.

A convention has been concluded with Venezuela for the arbitration of a long disputed claim growing out of the seizure of certain vessels, the property of citizens of the United States.

Although signed, the treaty of extradition with Venezuela is not yet in force, owing to the insistence of that government, that, when surrendered, its citizens shall in no case be liable to capital punishment.

TO PREVENT COLLISIONS AT SEA.

The rules for the prevention of collisions at sea, which were framed by the maritime conference, held in this city in 1889, having been concurrently incorporated in the statutes of the United States and Great Britain, have been announced to take effect March 1, 1895, and invitations have been extended to all maritime nations to adhere to them. Favorable responses have thus far been received from Australia, France, Portugal, Spain and Sweden.

The Treasury Department.

The secretary of the treasury reports that the receipts of government from all sources of revenue during the fiscal year, ended June 30, 1894, amounted to \$372,802,498 29, and its expenditures to \$442,605,758 87, leaving a deficit of \$69,803,260 58. There was a decrease of \$15,052,674 66 in the ordinary expenses of the government, as compared with the fiscal year of 1893. There was collected from customs \$131,818 59 62, and from internal revenue \$147,108 44 70. The balance of the income for the year, amounting to \$93,815,517 97, was derived from the sales of land and other sources. The value of our total dutiable imports amounted to \$275,199,086, being \$146,657,625 less than during the preceding year, and the importations free of duty amounted to \$379,795,536, being \$64,748,675 less than during the preceding year. The receipts from customs were \$73,536,466 11 less, and from internal revenues \$13,836,539 97 less than 1893. The total tax collected was: Distilled spirits, \$85,250,250 25; manufactured tobacco, \$8,617,398 62; fermented liquors, \$31,414,718 04.

Our exports of merchandise, domestic and foreign, amounted during the year to \$892,140,572, being an increase over the preceding year of \$44,495,378. The total amount of gold exported during 1894 was \$76,898,061, as against \$108,080,414 during the year 1893. The amount imported was \$72,449,119, as against \$21,174,281 during the previous fiscal year, 1893. The imports of silver were \$13,286,552, and the exports were \$50,451,265.

THE SUGAR BOUNTY.

The total bounty paid upon the production of sugar in the United States for the fiscal year was \$12,100,308 89, being an increase of \$2,725,078 over the payments during the preceding year. The amount of bounty paid from July 1, 1894, to August 28, 1894, the time when further payments ceased by operation of the law, was \$966,185 81. The total expenses incurred in the payment of the bounty upon sugar during the fiscal year was \$130,140 85.

It is estimated that upon the basis of our present revenue laws, the receipts of the government during the current fiscal year, ending June 30, 1895, will be \$424,427,746 44, and its expenditures \$444,427,748 44, resulting in a deficit of \$20,000,000.

November 1, 1894, the total stock of money of all kinds in the country was \$2,240,773,888, as against \$2,204,651,000 November 1, 1893, and the money of all kinds in circulation not included in the treasury holdings was \$1,672,093,422, or \$21 73 per cent, upon an estimated population of 68,887,000. At the same time there was held in the treasury gold bullion amounting to \$44,615,177 55, and silver bullion, which was purchased at a cost of \$127,779,088.

THE SILVER PURCHASES.

The purchase of silver bullion, under the act of July 14, 1890, ceased November 1, 1893, and up to that time there had been purchased during the fiscal year 11,917,658.78 fine ounces at a cost of \$8,715,521 32, an average cost of \$0.7313 per fine ounce. The total amount of silver purchased from the time that law took effect until the repeal of its purchasing clause, on the date last mentioned, was 168,674,682 53 fine ounces for which \$155,931,002 25 was paid, the average price per fine ounce being \$0.9244.

The War Department.

From the report of the secretary of war it appears that the strength of the army on September 30, 1894, was 2,135 officers and 25,705 enlisted men. Although this is apparently a very slight decrease, compared with the previous year, the actual effective force has been increased to the equivalent of nearly two regiments through the organization of

the system of recruiting and the consequent release to regimental duty of a large force of men hitherto serving at the recruiting depots. The abolition of these depots, it is predicted, will further effect an annual reduction approximating \$250,000, in the direct expenditures, besides promoting generally the health, morals and discipline of the troops. The execution of the policy of concentrating the army at important centers of population and transportation, foreshadowed in the last annual report of the secretary, has resulted in the abandonment of 15 of the smaller posts, which was effected under a plan which assembled organizations of the same regiments hitherto widely separated. This renders our small force more readily effective for any service which they may be called upon to perform, increases the extent of the territory under protection without diminishing the security heretofore afforded to any locality, improves the discipline, training and esprit-du-corps of the army, besides considerably decreasing the cost of its maintenance. Though the forces of the department of the East have been somewhat increased, more than three-fourths of the army is still stationed west of the Mississippi. This carefully matured policy which secures the best and greatest service in the interest of the general welfare from the small forces comprising our regular army, should not be thoughtlessly questioned by the creation of new and unnecessary posts through acts of congress to gratify the ambitions or interests of localities. While the maximum legal strength, through various causes, is but little over 20,000 men, the purpose of congress does not therefore seem to be fully attained by the existing conditions. While no considerable increase in the army is, in my judgment, demanded by recent events, the policy of sea coast fortifications, the prosecution of which we have been steadily engaged for some years, has so far developed as to suggest that the effective strength of the army be now made at least equal to the legal strength.

COST OF THE ARMY.

The total expenditures for the war department for the year ending June 30, 1894, amounted to \$66,039,009 34. Of this sum \$2,000,614 99 was for salaries and contingent expenses, \$23,065,156 16 for the support of the military establishments, \$5,001,632 23 for miscellaneous objects, and \$25,371,155 90 for public works. This latter sum includes \$19,404,037 49 for river and harbor improvements, and \$3,974,863 56 for fortifications and other works of defense. The appropriations for the current year aggregated \$52,429,112 73, and the estimates submitted by the secretary of war for the next fiscal year call for appropriations amounting to \$52,318,629 55.

The skill and industry of our ordnance officers and inventors have, it is believed, overcome the mechanical obstacles which have heretofore delayed the armament of our coasts. This great national undertaking upon which we have entered may now proceed as rapidly as congress shall determine. With a supply of finished guns of large caliber already on hand to which additions should now rapidly follow, the wisdom of providing carriages and emplacement for their mount cannot be too strongly urged.

INDIAN PRISONERS.

The condition of the Apache Indians held as prisoners by the government for eight years at a cost of \$500,000 has been changed during the year from captivity to one which gives them an opportunity to demonstrate their capacity for self-support and at least partial civilization. Legislation enacted at the latest session of congress gave the war department authority to transfer the survivors, who number 346, from Mount Vernon barracks, in Alabama, to many suitable reservations. The department has selected for their future home the military lands near Fort Sill, Indian territory, where, under military surveillance, the former prisoners have been established in agriculture under conditions favorable to their advancement.

In recognition of the long and distinguished military services and faithful discharge of the delicate and responsible civic duties by Major-General John M. Schofield, now general commanding the army, it is suggested to congress that the temporary revival of the grade of lieutenant-general in his behalf would be a just and gracious act, and would permit his retirement now near at hand with rank befitting his merits.

Department of Justice.

The report of the attorney-general notes the gratifying progress made by the supreme court in overcoming the arrears of its business and in reaching a condition in which it will be able to dispose of the cases as they arise without any reasonable delay. This result is, of course, very largely due to the successful working of the plan inaugurating circuit courts of appeals. In respect to criminal cases a suggestion is made in quarters entitled to the highest consideration, that an additional circuit judge for each circuit would greatly strengthen these courts and the confidence reposed in their adjudications, and that such an addition would not create a greater force of judges than the increasing business of such courts requires. I commend the suggestions to the careful consideration of congress. Other important topics are advocated in the report, accompanied by recommendations, many of which have been treated at large in previous messages and at this time, therefore, need only be named. I refer to the abolition of the fee system as a measure of compensation to federal officers; the enlargement of the powers of United States commissioners at least in the territories; the allowance of writs of error in criminal cases on behalf of the United States; and the establishment of a grade by congress in the crime of murder. A topic dealt with by the attorney-general of much importance is the condition of the administration of justice in the Indian territory. The permanent solution of what is called the Indian problem is probably not to be expected at once, but, meanwhile, such ameliorations as present conditions as the existing system will admit of ought not to be neglected. I am satisfied that there should

be a federal court established for the territory with sufficient judges and that this court should sit within the territory and have the same jurisdiction as to territorial affairs as is now vested in the federal courts sitting in Arkansas and Texas.

THE UNION PACIFIC RAILWAY.

Another subject of pressing moment referred to by the attorney-general is the reorganization of the Union Pacific Railway Company on a basis equitable as regards all private interests and as favorable to the government as existing conditions will permit. The operation of a railroad by a court through a receiver is an anomalous state of things which should be terminated on all grounds, public and private, at the earliest possible moment. Besides, not to enact the needed enabling legislation at the present session postpones the whole matter until the assembling of a new congress, and inevitably increases all the complications of the situation and could not be regarded as a signal failure to solve a problem which has practically been before the present congress ever since its organization.

Eight years ago, in my annual message, I urged upon congress as strongly as I could the location and construction of two prisons for the confinement of United States prisoners. A similar recommendation has been made from time to time since, and a few years ago a law was passed providing for the selection of sites for these institutions. No appropriation has, however, been made to carry the act into effect, and the old and discreditable condition still exists. It is not my purpose at this time to repeat the considerations which make an impracticable case in favor of the ownership and management by the government of penal institutions in which the federal prisoners are confined. I simply desire to again urge my former recommendations on the subject and to particularly call the attention of congress to that part of the report of the secretary of war, in which he states that the military prison at Fort Leavenworth, Kansas, can be turned over to the government as a prison for federal convicts without the least difficulty and with an actual saving of money from every point of view. Finding a most complete reform, I hope that by the adoption of the suggestion of the secretary of war this easy step may be taken in the direction of the proper care of its convicts by the government of the United States.

Postoffice Department.

The report of the postmaster-general presents a comprehensive statement of the operations of the postoffice department for the last fiscal year. The receipts of the department during the year amounted to \$75,080,470 04, and the expenditures to \$84,324,414 15. The transactions of the postal service indicate with barometric certainty the fluctuation in the business of the country. As much, therefore, as business complications continued to exist throughout the last year to an unforeseen extent it is not surprising that the deficiency of revenue to meet the expenditures of the postoffice department, which was estimated in advance at about \$8,000,000, should exceed the estimate. The ascertained revenues last year which were the basis of calculation for the current year, being less than estimated, the deficiency for the current year will be correspondingly greater, though the postmaster-general states that the latest indications are so favorable that he confidently predicts an increase of at least 8 per cent in the revenues of the current year over those of the last year.

The expenditures increase steadily and necessarily with the growth and needs of the country so that the deficiency is greater or less in any year depending upon the volume of receipts. The postmaster-general states that this deficiency is unnecessary and might be obviated at once if the law regulating rates upon mail matter of the second class was modified. The rate received for the transmission of this second-class matter is 1 cent per pound, while the cost of such transmission to the government is eight times that amount. In the general terms of the law this rate covers newspapers and periodicals.

THE LAW ABUSED.

The extension of the meaning of the terms from time to time have admitted to the privileges intended for legitimate newspapers and periodicals a surprising range of publications, and created abuses the cost of which amount in the aggregate to the total deficiency of the postoffice department. Pretended newspapers are started by business houses for the mere purpose of advertising goods, complying with the law in form only, and discontinuing the publications as soon as the period of advertising is over. Sample copies of pretended newspapers are issued in great numbers for a like purpose only. The result is a great loss of revenue to the government besides its humiliating use as an agency to aid in carrying out the scheme of a business house to advertise its goods by means of a trick upon both its rival houses and the regular and legitimate newspapers. Paper-covered literature, consisting mainly of trashy novels, to the extent of many thousands of tons, is sent through the mails at 1 cent a pound, while the publishers of standard works are required to pay 8 times that amount in sending their publications.

An abuse consists in the free carriage through the mails of hundreds of tons of seed and grain uselessly distributed through the department of agriculture. The postmaster-general predicts that if the law be so amended as to eradicate these abuses, not only will the postoffice department not show a deficiency, but he believes that in the near future all legitimate newspapers, periodicals and magazines will be properly transmitted through the mails to their subscribers free of cost. I invite your prompt consideration of this subject, and fully endorse the views of the postmaster-general. The total number of postoffices in the United States on the 30th day of June, 1894, was 68,805, an increase of 1403 over the preceding year. Of these 3428 were presidential, an increase in that class of 68 over the preceding year. Six hundred and ten cities and towns are provided with free delivery, 93 others under the law have not been accorded it on account of insufficient funds. The expense of free delivery of the current fiscal year will be more than \$12,300,000, and under existing legislation this item of expenditure is subject to constant increase. The estimated cost of rural free delivery generally is so very large that it ought not to be considered in the present condition of affairs.

There are connected with the post-

office establishment 32,661 employees who are in the classified service. This includes many who have been classified on the suggestion of the postmaster-general. He states that another year's experience at the head of the department serves only to strengthen his conviction as to the excellent working of the civil service in this branch of the public service.

The Navy Department.

Attention is called to the report of the secretary of the navy, which shows very gratifying progress in the construction of ships for our new navy. All the vessels now building, including the torpedo-boats authorized at the last session of congress and excepting the first-class battleship Iowa, will probably be completed during the coming fiscal year. The estimates for the increase of the navy for the year ending June 30, 1895, are large, but they include practically the entire sum necessary to complete and equip all the new ships not now in commission, so that unless new ships are authorized the appropriations for the navy service for the fiscal year ending June 30, 1896, should fall below the estimates for the coming year by at least \$12,000,000. The secretary presents with much earnestness a plan for the authorization of three additional battleships and 10 or 12 torpedo-boats, while the unarmored vessels heretofore authorized, including those now nearing completion, will constitute a fleet which, it is believed, is sufficient for ordinary cruising purposes in time of peace. We have now completed and in process of construction but four first-class battleships and but few torpedo-boats. If we are to have a navy for warlike operations, offensive and defensive, we certainly ought to increase both the number of battleships and torpedo-boats. The manufacture of armor requires expensive plants and the aggregation of many skilled workmen. All the armor necessary to complete the vessels now building will be delivered before the 1st of June next. If no new contracts are given out, contractors must disband their workmen and their plants must lie idle. Battleships authorized at this time would not be well under way until late in the coming fiscal year, and, at least, three years and a half from the date of the contract would be required for their completion. The secretary states that not more than 15 per cent of the cost of such ships need be included in the appropriation for the coming year. I recommend that provision be made for the construction of additional battleships and torpedo-boats.

DISPLAYS OF THE YEAR.

During the last fiscal year there has been an unusual and pressing demand in many quarters of the world for the presence of vessels to guard American interests. In January last, during the Brazilian insurrection, a large fleet was concentrated in the harbor of Rio de Janeiro. The vigorous action of Rear-Admiral Benham in protecting the personal and commercial rights of our citizens during the disturbed conditions afforded results which will, it is believed, have a far-reaching and wholesome influence whenever, in like circumstances, it may become necessary for our naval commanders to interfere on behalf of our people in foreign ports. The war now in progress between China and Japan has rendered it necessary or expedient to dispatch eight vessels to those waters.

THE COAST SURVEY.

Both the secretary of the navy and the secretary of the treasury commend the transfer of the work of the coast survey proper to the navy department. I heartily concur in this recommendation.

Excluding Alaska and a very small area besides, all the work of mapping and charting our coast has been completed. The hydrographic work, which must be done over and over again by reason of the shifting and varying depths of water, consequent upon the action of streams and tides, has heretofore been done under the direction of the naval officers in subordination to the superintendent of the coast survey. There seems to be no good reason why the navy should not have entire charge hereafter of such work, especially as the hydrographic office of the navy department is now, and has been for many years, engaged in making efficient maps entirely similar to those prepared by the coast survey.

PERSONNEL OF THE LINE.

I feel it my imperative duty to call attention to the recommendation of the secretary in regard to the personnel of the line of the navy. The stagnation of promotion in this, the vital branch of the service, is so great as to seriously impair its efficiency. I consider it of the most importance that the young and middle-aged officers should before the eve of retirement be permitted to reach a grade entitling them to active and important duty.

The system adopted a few years ago regulating the employment of labor at the navy-yards is rigidly upheld, and has fully demonstrated its usefulness and efficiency. It is within the domain of civil service reform, inasmuch as workmen are employed through a board of labor, selected at each navy-yard, and are given work without reference to politics and in the order of their application, preference, however, being given to army and navy veterans and those having former navy-yard experience. Amendments suggested by experience have been made to the rules regulating the system. Through its operation the work at our navy-yards has been greatly improved in efficiency, and the opportunity to work has been vastly and fairly awarded to willing and competent applicants. It is hoped that if this system continues to be strictly adhered to there will soon be, as a natural consequence, such an equalization of party benefit as will remove all temptation to relax or abandon it.

The Interior Department.

The report of the secretary of the interior exhibits the situation of the numerous and interesting branches of the public service connected with his department. I commend this report, and the valuable recommendations of the secretary to the careful attention of congress.

The public land disposed of during the year amounted to 10,406,100 74 acres, including 28,867,055 of Indian lands. It is estimated that the public domain still remaining amounts to a little more than 600,000,000 acres, excluding, however, about 360,000,000 acres in Alaska, as well as military reservations and railroad and other sections of land yet unadjudicated. The total cash receipts from sale of land amounted to \$2,674,285 79, including \$91,