THE PRESIDENT'S MESSAGE

The Annual Document of the Chief Executive as Read Before Congress.

WASHINGTON, Dec. 6 .- The following is the annual message of the President, as read before Congress to-day:

To the Congress of the United States: In the discharge of a constitutional duty, and following a well established precedent in the executive office, I herewith transmit to Congress at its reassembling certain information concerning the state of the Union, together with such recommendations for legislative consideration as appear necessary and expedient. Our Government has consistently maintained its relations of friendship toward all other powers, and of neighborly interest toward those whose possessions are contiguous to our own. Few questions have arisen during the past year with other Governments, and none of those are beyond the reach of settlement in friendly council. We are yet without provision for the settlement of claims of citizens of the United States against Chili for injuries during the late war with Peru and Bolivia. The mixed commissions organized under claims conventions, concluded by the Chillan Government with certain European States, have developed an amount of friction which we trust can be avoided in the convention which our representative at Santiago is authorized to negotiate. The ernel treatment of inoffensive Chinese has, I regret to say, been repeated in some of the far Western States and Territories, and acts of violence against these prejudice and competition of labor, which cannot, however, justify the oppression of strangers whose safety is guaranteed by our trenty with China equally with the most favored nations. In opening our vast domain to these elements the purpose of our lawgivers was to invite assimilation and not to provide an arean for endless antagonisms. The paramount duty of maintaining public order and defending the interests of our own people To the Congress of the United States: In ers was to invite assimilation and not to vide an arena for endless antagonisms. The paramount duty of maintaining public order and defending the interests of our own people may raquire the adoption of measures of restriction, but they should not tolerate the oppression of individuals of a special race. I am not without assurance that the striction, but they should not tolerate the oppression of individuals of a special race. I am not without assurance that the government of China, whose friendly disposition toward us I am most happy to recognize, will meet us half way in devising a comprehensible remedy, by which an effective limitation of Chinese subjects who remain in this country may be secured. Legislation is needed to execute the provisions of our Chinese convention of 1880, touching the opium traffic, and while the good will of the Columbian Government toward our Government is manifest, the situation of American interests on the Isthmus of Panama has at times excited concern and invited friendly action looking to the performance of the engagements of the two nations concerning the territory embraced in the inter-occanic transit. With the subsidence of the Isthmus disturbances and the srection of the State of Panama into a Federal district under the direct government of the constitutional administration at Bogota, a new order of things has been inaugurated which, although as yet somewhat experimental and affording scope for arbitrary exercises of power by the delegates of the National authority, promises much improvement. The sympathy between somewhat experimental and alterding scope for arbitrary exercises of power by the delegates of the National authority, promises much improvement. The sympathy between the people of the United States and France, born during our colonial struggle for independence, and continuing to-day, has received a fresh impulse in the successful completion and de 'leation of the colossal statue of 'Taberty Enlightening the World' in New York harbor, the gift of Frenchmen to Americans.

THE TREASURY.

Facts Taken From the Report of Secretary Manning.

The report of the Secretary of the Treasury exhibits in detail the condition of the Ireash's exhibits in detail the condition of the public finance and of the several branches of the Government related to this department. I especially direct the attention of Congress to the recommendation contained in this and the last preceding report of the Secretary touching the simplification and amendment. touching the simplification and amendment of the laws relating to the collection of our revenues; and, in the interest of economy and justice to the Government, I hope they may be adopted by appropriate legislation. The ordinary receipts of the Government for the fiscal year ended June 30, 1885, were \$124,487,727.06. Of this amount \$192,005,027.41 was received from custsons and \$116,805,024.48 from internal revenue, while the total receipts as here stated were \$12,749,020.08 greater than for the previous year. But the increase from customs was \$11,444,084.10 and from internal revenue \$4,707,280.94, making a gain in customs was \$11,434,084.10 and from internal revenue \$4,707,20.004, inaking a gain in these tiems for the lost year of \$15,81,205.01, a failing off in other resources reducing the total increase to the smaller amount mentioned. The expense at the different ustom houses of collecting this increased customs revenue was less than the expense attending the collection of such revenue for the preceding year, by \$400,008 and the increased receipts of internal revenue bursat of \$15,204,400 less than the expense of such collection for the previous year. The total ordinary expenses of the government for the fiscal year year. the previous year. The total ordinary expenses of the government for the fiscal year year ended June 20, 1886, were \$242,483,138.50, being less by \$17,788,797, than such expenditure for the year preceding, and leaving a surplus in the treasury at the close of the last fiscal of \$93,080,688.56,as against \$63,463,771.27 at the close of the previous year, showing an increase in such surplus of \$30,462,817.29. The expenditures are compared with those of the preceding fiscal year and classified as follows:

1886. ... \$21,955,004.04 \$ 23,824,942.11 For foreign inter-1,832,320.88 5,439,609.11 5,009.158.17 6,552,492.63 6,000,158,17 6,552,492,63 63,404,864.03 **6**6,102,267,48 or Indians... for the military, in cluding river and harbor improve

34.324,152.74 42,670,578.49

rals For the navy, includchinery and improvements of na-13,907,887.74 16,021,079.69 50,580,145,97. 51,386,256,47

ents and arse-

2,892,321.89 3,449,450.95 For miscellaneous expenses, includ-ing public build-ings, light houses and collecting the

47,986,683.04 54,728,036.21 For the current year, to end June 30, 1887, the ascertained receipts up to October 1, 1886, with such receipts estimated for the remainder of the year amount to \$335,000,000. The expenditures ascertained and estimated for the same period are \$206,000,000, indicating an anticipated surplus at the close of the year of \$30,000,000. The total value of the experts from the United States to foreign countries during the fiscal year is stated and comples during the fiscal year is stated and comples of the property of the state of the experts from the United States to foreign countries during the fiscal year is stated and comrevenues

les during the fiscal year is stated and com-ared with the preceding year as follows: For the year ending June 30, 1896, June 50, 1885 June 30, 1896, June 30, 1886

Foreign mule. 15,500,301,620 (0) \$750,882,960 (0)

Foreign mule. 15,500,301 (0) 15,508,80 (0)

Gold. 42,032,191 (0) 3,477,822 (0)

Bilver. 29,511,219 (0) 33,758,633 (0)

The value of some of our leading exports
during the last fiscal year as compared with
the value of the same for the year immediately preceding is here given and furnishes information both interesting and sug-

cerned than sny other of our citizens, in a just and careful system of Federal taxation. Those actively engaged in, and more remotely connected with this kind of work, number nearly one-half of our population. None he bor harder or more continuously than they. No enactments limit their hours of toil, and no interposition of the Government enforces to any great extent the value of their products; and vet for many of the necessaries and comforts of life, which the most scrupulous economy enables them to bring into their homes and for their implements of husbandry, they are obliged to pay a price largely increased by an unnatural profit which, by the action of the Government, is given to the more favored manufacturers. I recommend that, keeping in view all these considerations, the tacreaing and unnecessary surplus of national income, annually accumulating, released to the be people by an amendment to our revenue laws which shall cheapen the price of the necessaries of the and give freer entrance to such imported materials as by American labor may be manufactured into marketable commodities. Nothing can be accomplished, however, in the direction of this much-needed reform unless the subject is approached in a particle spirit of devotion to the interests of the entire country and with a willingness to yield something for the pacide good. The sum paid

Year ending June 30, 1886. June 30, 1883.
Cotton and Cotton
Manufactures \$219,045,578.00 £213,769,049.00
Tobacco and its
Manufactures \$20,424,908.00 £24,767,305.00
Breadstuffs \$20,424,568.00 \$190,370,821.00
Provisions \$90,625,218.00 \$107,382,456.00 unless the subject is approached in a parriotic spirit of devotion to the interests of the entire country and with a willingness to yield something for the paritic debt, during the fiscal year ending June 20, 1886, during the fiscal year ending June 20, 1886, was \$44.551,041.38. During the twelve months, ended October 31, 1886, three per cent, isonds were called for redemption, amounting to \$127.281,000, of which \$80, 661,300 was so called to answer the requirements of the law relating to the sinking fund, and \$46.689,000 for the purpose of reddeing the public debt by application of a part of the surplus in the treasury to that object. Of the bonds thus called \$102.282,450 became subject, under such calls to redemption prior to Nov. 1, 1886. The remainder, amounting to \$25,013,656, matured under the calls after that date. In addition to the amount subject to payment and cancellation prior to Nov. 1, there were also paid before that day certain of these bonds, with interest thereon, amounting to \$5,072,350. Our imports during the last fiscal year, as compared the previous year, were as follows:

SURPLUS REVENUE.

Suggestions on Disposition of Funds - Unnecessary Taxation.

In my last annual message to Congress attention was directed to the fact that the revenues of the government exceed its actual needs, and it was suggested that legislative action should be taken to relieve the people from the unnecessary burden of taxation thus made apparent. In view of the pressing tuportance of the subject I deem it my duty to gain urgeits consideration. The income of

ment of our bonded and interest-bearing debt, leaving on that day still outstanding the sum of \$1.115.443.112. Of this amount \$86.848,700, were still represented by 3 per cent bonds. They, however, have been, since Nov. 14, or will at once be, further reduced by \$22,006,150, being bonds which have been called, as already stated, but not redeemed and cancelled before the latter date. the Government increased through economies in its collection is now more than ever in excess of public necessities. The application of the surplus to the payment of such portion of the public debt as is now at our option, subject to extinguishment if continued at the rate which has lately prefailed would retire that class of indebtedness within less than one year from this date. Thus a continuation of our present revenue would result in the receipt of an annual income much greater than necessary to meet government expenses with no indebtedness upon which it could be applied. We should then be confident with a vast quantity of money, the circulating medium of the people, hoarded in the treasury when it should be in their hands, or we should be drawn into wasteful public extravagance with all the corrupting national demoralization which follows in its train. But it is not the simple existence of this surplus and its threatened attendant evils which furnish the strongest argument against our present scale of Federal taxation. Its worst phase is the exaction of such a surplus through a pervertion of the relations between the people and their Government—a dangerous departure from the rules which limit the right of federal taxation. Good government, of which every American citizen bonsts, has for its objects the protection of every person within its borders with the greatest liberty consistent with the good of the country, and his perfect security in the enjoyment of his earnings, with the least person within its borders with the greatest liberty consistent with the good of the country, and his perfect security in the enjoyment of his earnings with surplus and the expenses of its economical administration, such action becomes ruthless extertion and a vicility of the such as a surplus of the protect of the document of the form of taxation than is mecessary to meet the just obligations of the Government and the expenses of its economical administration, such action for the through the form of taxation from the most of celled before the latter date. THE SILVER DOLLAR.

Suspension of Compulsory Coinage Again Urged

for Stated Reasons. During the fiscal year ended June 30, 1886, there were coined under the Compulsory silver Coinage set of 1878, 29,838,849 silver dolare, and the rost of the silver used in such coinage was \$21,448,980.01. There had been coined up to the close of the previous fiscal year under the provisions of the law 20,882,554 diver dollars, and on the first day of Decemer, 1886, the total amount of such coinage as \$247,131,549. The Director of the Mint rewas \$247,131,548. The Director of the Alint re-ports that, at the time of the passage of the act of 1878, directing this coinage, the intrinsic value of the dol-lars thus coined was ninety-four and one-fourth cents each, and that on the fist day of July, 1886, the price of silver reached the lowest stage ever known, so that the intrinsic or bullion price of our standard the intrinsic or builton price of our standard liver dollar at this date was less than 72 ants. The price of sliver on the 20th of No-cenber last was such as to make the dollars attrinsically worth 78 cents each. These differences in value of the coins represent the ferences in value of the coins represent the fluctuations in the price of silver, and they certainly do not indicate that compulsery coinage by the Government enhanced the price of that composity or secures uniformity in its value. Every fair and legal effort has been made by the Treasury Department to distribute this currency among the people. The withdrawal of United States treasury notes of small denominations and the iscuing of small silver certificates have been resorted to in the endeavor to accomplish this result in obedience to the will and sentiments of the representatives of the people in to in the endeavor to accomplish this result in obedience to the will and sentiments of the representatives of the people in the Congress. On the 27th day of November, 1886, the people held of these coins or certificates representing the nominal sum of \$160,875,011, and we still have \$79,461,345 in the trensury, as against about \$12,865,055 in the hands of the people and \$72,865,756 remaining in the trensury one year ago. The Director of the Mint again urges the necessity of nore vault room for the purpose of storing these silver dolars which are not needed for circulation by the people. I have seen no reason to change the views expressed in my last annual message on the subject of this compulsory coinage, and I again urge its suspension on all the grounds contained in my former recommendation, reinforced by the significant increase of our gold exportations during the last year, as appears by the comparative statement herewith presented, and for the further reasons that the more this currency is distributed among the people, the greater becomes our duty to protect if from disaster; that we have now abundance for all our needs, and that there seems but little propriety in building vaults to store such currency when the only pretense for its coinage is the necessity of its use by the people as a circulating medium. people as a circulating medium.

CUSTOMS-REVENUES SUITS.

The Appointment of Another Federal Judge Rec-

ommended. The great number of suits now pending in the United States courts for the southern dis-trict of New York, growing out of the collec-tion of the customs-revenue at the port of New York, and the number of such suits that New York, and the number of such suits that are almost daily instituted, are certainly worthy the attention of the Congress. These legal controversies, based upon conflicting views by importers and the collector as to the interpretation of our present complex and indefinite revenue laws, might be largely obviated by an amendment of those laws. But pending such amendment, the present condition of this itigation should be relieved. There are now pending about twenty-five hundred of these suits. More than eleven hundred have been commenced within the past eighteen months, and many of the others have been at issue for more than twenty-five years. These delays subject the forements. have been at issue for more than twenty-five years. These delays subject the Government to loss of evidence and prevent the preparation necessary to defeat unjust and fletitious claims, while constantly accruing interest threatens to double the demands involved, threatens to double the demands involved. In the present condition of the dockets of the courts, well filled with private suits, and of the force allowed the district attorney no greater than is necessary for the ordinary and current business of his office, these revenues litigations cannot be considered. In default of the adoption by the Congress of a plan for the general reorganization of the Federal courts, as has heretofore been recommended, I urge the propriety of passing a law permitting the appointmentof an additional Federal indge in the district where these Government suits have accumulated, so that, by continued sessions of the courts devoted to the trial of these cases, they may be determined. It is ness cases, they may be destructed. It is firstly plain that a great saving to the Government would be accomplished by such a curedy and the suitors who have honest laims would not be denied justice through

of our people in American citizenship and in the glory of our national achievements and progress, a sentiment prevailed that the leading strings useful to a nation in its infancy may well, to a great extent, be discarded in the present stage of American langenuity, courage and fearless self-reliance. And for the privilege of indulging this sentiment with true American enthusiasm, our citizens are quite willing to forego an idle surplus in the public treasury. And all the people know that the average rate of federal taxation upon imports is to-day, in time of peace, but little less, while upon some articles of necessary consumption it is actually more than was imposed by the grievous burdens, willingly borne, at a time when the Government needed millions to maintain by war the safety and integrity of the United States. It has been the policy of the Government to collect the principal part of its revenues by a tax upon

the policy of the Government to collect the principal part of its revenues by a tax upon imports, and no change in this policy is destrable. But the present condition of affairs constrains our people to demand that by a revision of our revenue laws the receipts of the Government shall be reduced to the necessary expense of its economical administration, and this demand should be recognized and obeyed by the people's representatives in the legislative branch of the Government. In readjusting the questions of federal taxation, a sound public policy requires that such of our citizens as have built up large and important industries under present conditions, should

citizens as have built up large and important industries under present conditions, should not be suddenly, and to their injury, deprived of advantages to which they have adapted their insiness, but if the public good requires it they should be consideration as shall deal fairly and cautiously with their interests, while the just demand of the people for relief from needless treation is honestly answered. A reasonable and timely submission to such a demand should certainly be possible without disastrous shock to any interest and a cheering concession sometimes averts abrupt and heedless arthon often the outgrowth of impatience and delayed justice.

CAPITAL AND LABOR. Advocating the Adjustment of Differences Willi-

out Violence.

siderations suggest such an arrangement of government revenue, as shall reduce the ex-pense of living while it does not curtail the opportunity for work nor reduce the com-pensation of American labor and injuriously affect its condition and the dignified place it

helds in the estimation of our people. But our farmers and agriculturalists, those who, from the soil produce the things consumed by all, are perhaps more directly and plainly con-cerned than sny other of our citizens, in a just and careful system of Federal taxation.

interest thereon, amounting to \$5,072.350 which were anticipated as to the maturity, o which \$2,504.550 had not been called; thus \$107.341,850 had been actually applied prior to the lat of November, 1886, to the extingulab

tience and delayed justice.

THE WAR DEPARTMENT.

Coast Defenses Should be Lularged-The Hostile Apaches.

Coast Defenses Should be Enlarged—The Hestile Apaches.

The report of the Secretary of War gives a detailed account of the maintain atten of his department and contains sendery recommendations for the lauprovement of the service, which I fully approve. The army consisted at the date of the last consolidated return of 2,00 effects and 24,00 enlisted men. The expenses of the department for the last fiscal year were \$26,000,001.25, including \$6,29,304.35 for public works and river and harbor improvements. I especially direct the attention of Congress to the recommendation that officers be required to submit \$2,0 an examination as a preliminary to their promotion. I see no objection but many advantages in adopting this feature, which has operated see beneficially in our navy department as well as in some branches of the army. The subject of coast defenses and fertifications has been fully and carefully treated by the Board on Fortifications, whose report was submitted at the last session of Congress; but no construction work of the kind recommended by the board has been possible during the last year from the lack of appropriations for such purposes. The defenceless condition of our sea coast and lake frontier is perfectly papable. The examinations made must convince us all that certain of our cities named in the report of the board should be fortified and that work on the most important of these fortifications should be commenced at once. The work has been thoroughly considered and laid out, the secretary of War reports, but all is delayed in default of Congressional action. The absolute necessity, judged by all standards of prudence and foreeight, of preparation for an effectual resistance against the armored ships and steel guns of modern construction which may threaten the cities on our coasts is so apparent that I hope effective steps will be locked to that direction immediately. The Due regard should be also be accorded to any proposed readjustment of the interests of American labor, so far as they are involved. We congratulate ourselves that there is among as no laboring class fixed with unyielding bounds and doomed under all conditions to the inexorable fate or daily toil. We recognize in labor a chief far for in the wealth of the republic, and we treat those who have it in their keeping as eithen sentitled to the most careful regard and attention should be awarded them not only because labor is the capital of our workingment favor, but for the further and not less important reason that the laboring man, surrounded by his family in his humble home, as a consumer is vitally interested in all that cheapens the cost of lying, and emables him to bring within his domestic circle additional comforts and advantages. This relation of the workingman to the revenue laws of the country, and the manner in which it polpably influences the question of wages, should not be forgotten in the justifiable prominence given to the proper maintenance of the supply and protection of well paid labor, and these considerations suggest such an arrangement of government revenue, as shall reduce the exposurement revenue, as shall reduce the exposurement revenue, as shall reduce the exposurement revenue, as shall reduce the fectual resistance against the armored ships and steel guns of modern construction which may threaten the cities on our coasts is so apparent that I hope effective steps will be taken in that direction immediately. The valuable and suggestive treatment of this subject by the Secretary of War is carnestly commended to the consideration of the Congress. In September and October last the hostile Apaches who, under the leadership of Geronimo, had for eighteen months been on the warpath, and during that time had committed many murders and been the cause of constant terrors to the settlers of Arizona, surrendered to General Miles, the military commander who succeeded General Crook in the management and direction of their pursuat. Under the terms of their surrender as then reported, and in view of the understanding which this murderons savage seemed to entertain of the assurances given them, it was thought best to imprison them in such manner as to prevent them ever engaging in such outrages again, instead of trying them for murder, Fort Pickens having been selected as a saic place of confinement, all the adult miles were sent thither and will be closely guarded as prisoners. In the meantime the residue of the band who, though still remaining upon were sent thither and will be closely guarded as prisoners. In the meantime the residue of the band who, though still remaining upon the reservation, were regarded as unsafe and suspected of furnishing aid to those on the warpath, had been removed to Fort Mariou. The women and larger children of the hostiles were also taken there and arrangements have been made for putting the children of proper age in Indian schools.

NAVY DEPARTMENT.

The Recommendations of Secretary Whitney Endarsed.

The report of the Secretary of the Navy contains a detailed report of the condition of his department, with such a statement of the action needed to improve the same as should challenge the carnest attention of Congress. The present pavy of the United States, aside from the ships in course of construction, consists of

sists of

First—Fourteen single-turreted monitors, none of which are in commission nor at the present time serviceable. The batteries of these ships are obsolete, and they can only be relied upon as auxiliary ships in harbor defence, and then after such an expenditure as might not be deemed justifiable.

Second—Five fourth-rate vessels of small tonnage, only one of which was designed as a war vessel, and all of which are auxiliary merely.

merely.
Third-Twenty-seven cruising ships, three of which are built of Iron, of small tonnage, and twenty-four of wood. Of these wooden vessels it is estimated by the Navy Depart

ment that only three will be serviceable beyond a period of six years, at which time it may be sale that of the present naval force nothing worthy the name will remain.

All the vessels heretofore authorized are under contractor in course of construction, except the armored ships, the torpedo and dynamite boats, and one cruiser. As to the last of these, the bids were in excess of the limit fixed by Congress. The production in the United States of armor and gun-steel is a question which it seems necessary to settle at limit fixed by Congress. The production in the United States of armor and gun-steel is a question which it seems necessary to settle at an early day, if the armored war-vessels are to be completed with those materials of home manufacture. This has been the subject of investigation by two boards and by two special committees of Congress within the last three years. The report of the gun-foundry board in 1884, of the board on fortifications, made in January last, and the reports of the select committees of the two houses made at the last session of Congress, have entirely exhausted the subject so far as preliminary investigation is involved and in their recommendations they are substantially agreed. In the event that the present invitation of the department for bids to furnish such of this material as is new authorized shall fail to induce domestic manufacturers to undertake the large expenditures required to prepare for this new manufacture, no other steps are taken by Congress at its coming session, the Secretary contemplates, with disaffection, the necessity of obtaining abroad the armor and the gun-steel for the authorized ships. It would seem desirable that the wants of the army and the navy in this regard should be reasonably met and that by uniting the contracts, such inducement might be offered as would result in securing the domestication of these important interests.

these important interests. POSTAL AFFAIRS.

Present Rates of Revenue Will Sustain the Service.

The affairs of the Postal service show masked and gratifying improvement during the past year. A particular account of its transactions and conditions is given in the retransactions and conditions is given in the report of the Postmaster General, which will be laid before you. The reduction of the rate of letter postage in 1883, rendering the postal revenues inadequate to sustain the expenditures, and business depression also contributing, resulted in an excess of cost, for the fiscal year ended June 20, 1885, of eight and one-third million dollars. An additional check upon receipts by doubling the measure of weight in rating scaled correspondence and diminishing one-half the charge for newspaper's carriage, was imposed by legislation, which took effect with the beginning of the past fiscal year, while the constant demand of our Territorial development and growing population, for the extension and increase of mail facilities and machinery necessitates a steady annual advance in outlay; and the careful estimate of a year ago, upon the ratio of expenditure and the careful estimate of a year ago, upon the ratio of expenditure then existing contemplated the unavoidable augmentation of the deficiency in the last fiscal year by nearly \$2,000,000. The anticipated revenue for the last year failed of realization by about \$04,000, but proper measures of economy have so satisfactorily limited the growth of expenditure that the total deficiency, in fact, fell below that of 1885, and at this time the increase of revenue is in gaining ratio over the increase of revenue is in gaining ratio over the increase of rost, demonstrating the sufficiency of the present rates of postage ultimately to sustain the service. This is the more pleasing because our people enjoy now both cheaper postage, proportionately to distances, and a vaster and more costly service, than any other on the globe. Retrenchment has been effected in the cost of supplies, some expenditures unwarranted by law have ceased, and the outlays for mail carriage have been subjected to beneficial scrutiny. At the expenditures in warranted by law have ceased, and the outlays for mail carriage have been subjected to beneficial scrutiny. At the close of the last fiscal year the expense of transportation on star routes stood at an annual rate of cost less by over \$300,000 than at the close of the previous year, and steamboat and mail messenger service at nearly \$200,000 less. The service has been in the meantime enlarged and extended by the establishment of new offices, increase of routes of carriage, expansion of carriers, delivery conveniences, and additions to the railway mail facilities, in accordance with the growing exigencies of the country and the long establishmed policy of the Government. The Postmaster-General calls attention to the existing law for compensating railroads and expresses the opinion that a method may be devised which will prove more just to carriers and beneficial to the Government, and the subject appears worthy of your early conriers and beneficial to the Government, and the subject appears worthy of your early con-sideration. The differences which arose dur-ing the year with certain of the steamship companies have terminated with the ac-quiescences of all in the policy of the Govern-ment approved by Congress in the postal ap-propriation at its last session; and the departinent now enloys the utmost service af-lorded by all vessels which sail from our ports upon either ocean, a service generally adequate to the needs of our intercourse. Petitions have, however, been presented to the department by numerous merchants and manufactrees for the establishment of a direct service turers for the establishment of a tirect service to the Argentine Republic, and for semi-monthly dispatches to the empire of Brazil, and the object is commended to your consid-eration. It is an obvious duty to provide the means of postal communication which our eration. It is an obvious duty to provide the means of postal communication which our commerce requires, and with pruleat forecast of result, the wise extension of it may lead to stimulating interceurse and become the harbinger of a profitable traffic, which will open new revenues for the disposal of the products of our industry. The circumstances of the country at the far south of our continent are such as to invite our enterprise and afford the promise of sufficient advantages to justify an unusual effort to bring about the closer relations which greater freedom of communication would establish. I suggest that as distinguished from a grant or subsidy for the mere benefit of any line of trade or travel, whatever outlay may be required to secure additional postal service necessary and proper, and not otherwise obtainable, should be regarded as within the limit of legitimate compensation for such service. The extension of the free delivery service is suggested by the Postmaster-General, has heretofore received my sanction, and it is to be hoped a suitable enactment may soon be agreed upon. The request for an appropriation sufficient to enable the general inspection of fourth class offices has my approbation. I renew my approval of the recommendation of the Postmaster-General, that another assistant be provided for the Postmented of the several other recommendations in his report.

DOMAIN OF JUSTICE.

Government Prisons for Federal Prisoners-Con-

viet Laber.

The conduct of the Department of Justice for the last fiscal year is fully detailed in the report of the Attorney-General, and I invite the carnest attention of the Congress to the same and due consideration of the recommendations therein contained. In the report submitted by this officer to the last session of the Congress he strongly recommended the rection of a penitentiary for the confinement of prisoners convicted and sentenced in the United States courts, and he repeats the recommendation in his report for the last year. This matter is of very great importance and should at once receive Congressional action. United States prisoners are how confined in more than thirty different State prisons and penitentiaries situated in every part of the country. They are subjected to nearly as many different modes of treatment and discipline, and are far too much removed from the control and regulation of the Government. So far as they are entitled to humane treatment and opportunity for improvement and reformation, the Government is responsible to them and society that these things are fortheoning. But this duty can scarcely be discharged without more absolute control and discretion than is possible under the present system. Many of our good citizens have interested themselves with the most beneficial results on the question of prison reform. The general government should be in a situation, since there must be United States prisoners, to furnish important aid in this movement and improvement of its prisoners worthy of imitation, with prisons under its own control. The Government could deal with the some what vexed question of convict labor, so far as its convicts were concerned, according to a Plan of its own adoption and with due regard to rights and interests of our laboring citizens, instead of sometimes aiding in the operation of a system which causes among them Irritation of this subject it might be thought wise to erect more than one of these limitutions lecated in such places as would best subserve vict Labor. located in such places as would best subserve the purposes of convenience and economy in transportation. The considerable cost of maintaining these conylets, as at present in State institutions, would be saved by the adoption of the plan proposed and, by craticies as were needed for use by the Government, quite a large pecuniary benefit would be realized in partial return for our outlay.

I again urge a change in the Federal judicial system to meet the wants of the people and obviate the delays necessarily attending the present condition of affairs in our courts. All are agreed that something should be done and much favor is shown by those well able to advise. To the plan suggested by the Attorney-Goneral at the last session of the Congress and recommended in my last annual message, the recommendation is here renewed together with another made at the

The report of the Secretary of the Interior presents a comprehensive summary of the work of the various branches of the public service connected with his department, and the suggestions and recommendations which it contains for the improvement of the service should receive your careful consideration. The exhibit made of the condition of our Indian population and the progress of the work for their enlightenment, not withstanding the many embarrassments which hinder the better administration of this important branch of the service, is a gratifying and hopefulone. The funds appropriated for the Indian service for the fiscal year just pessed, with the available income from Indian land and trust moneys, amounting in all to \$5.50.755.12, were ample for the service under the conditions and restrictions of laws regulating their expenditure. There remained a balance on hand on June 20, 1886, of \$1.80.02130, of which \$1.81.78.23 are permanent funds for the fulfillment of treaties and other like purposes, and the remainder, \$22.27.50, is subject to be carried to the surplus fund as required by law. The estimates presented for appropriations for the ensuing fascal year amount to \$5.605.753.44, or \$412.38.30 ress than those ladd before the Congress list year. The present system of agencies, while absolutely necessary and well adapted to the management of our Indian affairs, and for the ends in view when adopted, is in the present slage of Indian affairs inadequate, standing along for the accomplishment of an object which has become pressing in his importance—the more rapid transition from tribal organizations to citizenship of such portions of the Indian area was outside of the limits of organized States and Territories, and beyond the immediane reach and openation of civilizations, and all efforts were mainly directed to the maintenance of friendly relations. All this is now changed. There is no such thing as the humor rapid transition from the prosecution of the covernment, as few of them only are troublesome. Except the are so far frained and civilized, as to be able
wholly to manage and care for themselves.
The path in which they should walk must be
clearly marked out for them, and they must
be led or guided until they are familiar with
the way and competent to assume the duties
and responsibilities of our citizenship. Progress in this great work will continue only at
the present along page and at great exgress in this great work will continue only at the present slow pace and at great ex-pense, unless the system and methods of management are improved to meet the changed conditions and urgent demands of the service. The agents having general charge and supervision, in many cases of more than five thousand Indians scattered

more than five thousand indians seattered over large reservations and bardened with the details of accountability for funds and supplies, have time to look after the industrial training and improvement of a few Indians only. There are many neglected and remain idie and dependent—conditions not favorable for progress in civilization. The compensation allowed these agents and the conditions of the service are not calculated to secure for them workmen who are fitted by ability and skill to properly plan and intelligently direct the methods best adapted to produce the most speedy results and permanent benefits. Hence the necessity for a supplemental agency or system, directed to supplemental agency or system, directed to the end of promoting the general and more rapid transition of tribes from habits and customs of barbarianism to the ways of rapid transition of tribes from habits and customs of barbarianism to the ways of elvilization. With an anxious desire to devise some plan of operation by which to secure the welfare of the Indians, to relieve the Treasury, so far as possible, from the support of an idle and dependent population, I recommended in my previous annual message the passage of a law antiorizing the appointment of a commission as an instrumentality auxiliary to those already established for the care of the Indians. It was designed that this committee commission should be composed of six intelligent and capable persons, three to be detalled from the army, having practical ideas upon the subject of treatment of indians and interested in their welfare, and that it should be charged, under the direction of the Secretary of the Indians themselves differ in their progress, disposition and capacity for improvement or immediate self-support. By the aid of such commission much unwise and useless expenditure of money, waste of materials, and unavailing efforts might be avoided, and it is hoped that this or some measure which the wisdom of Congress may better devise, to supply the deficiency of the present system, may receive your consideration and the appropriate legislation be provided. The time is ripe for the work of such an agency. There is less opposition to the education and training of the Indian youth, as shown by the increased attendance upon the schools, and there is a yielding tendency for the individual holding of lands. Development and advancement in these directions are essential and should have every encourfor the individual holding of lands. Development and advancement in these directions are essential and should have every encouragement. As the rising generation are taught the language of civilization and trained in habits of industry, they should assume the duties, privileges and responsibilities of citizenship. No obstacles should hinder the location and settlement of any Indian willing to take land in severalty. On the contrary, the inclination to do so should be stimulated at all times when proper and expedient. But these is no authority of law for making allotments on some of the reservations, and on at all times when proper and expedient. But these is no authority of law for making allot-ments on some of the reservations, and on others the allotments provided for are so small that the Indians, though ready and desiring to settle down are not willing to accept such small areas, when their reservations contain ample lands to afford them home-steads of sufficient size to meet their present and future needs. These inequalities of existing special laws and treaties should be corrected, and some general legislation on the subject should be provided, so that the more progressive members of the different tribes may be settled upon homesteads, and by their example teach others to follow, breaking away from tribal customs and substituting the love of home, the interest of the family and the rule of the State. The Indian characters are such they are not easily led while brooding over unadjusted wrongs. This is especially so regarding their lands. Matters arising from the constructing and operation of railroads across some of the reservations, and claims of title and right of occupancy set up by white persons to some of the best land within other reservations, re-

PUBLIC LANDS.

the operation.

occupancy set up by white persons to some of the best land within other reservations, require legislation for their final adjustment. The settlement of these matters will remove many embarrassments to progress in the work of leading the Indians to the adoption of our institutions and bringing them under

Repeal of the Pre-emption and Timber-Culture

Act Recommended.

The influence and the protection of the universal laws of our country, the recommendations of the Secretary of the Interior and the Commissioner of the General Land Office, looking to the better protection of public lands and of the public surveys, the preservation of national forests, the adjudication of grants to States and corporations, and of private land claims, and the increased efficiency of public land service are commended to the attention of Congress. To secure the widest distribution of public lands among settlers of residence and cultivation, and thus make the greatest number of individual homes was the primary object of the public land legislation in the early days of the Republic. This system was a simple one. It began with an admirable scheme of public survey by which the humblest citizen could identify the tract upon which ha wished to establish his home. The price of land was placed Act Recommended,

within the reach of all the enterprisine, industrious, and honest pioneer citizens of the country. It was soon, however, found that the object of the laws was perverted under the system of cash sales from a distribution of land among the people to an accumulation of land among the people of the control of the land, a plan which culminated in the general pre-emption act of 18th. The foundation of this system was actual residence and cultivation. Twenty years later the home-stond law was devised to more surely place-actual homes in the possion of actual cultivation of the soil. The land was given without price, the soil conditions being residence, improvement, and cultivation. Other laws have followed, each designed to encourage the acquirement and use of land in limited individual quantities. But in later years these laws, through velcous administrative methods and under changed conditions of communication and transportation have been so evaded and violated that their beneficent purpose is threatened with entire defeat. The methods of such evasions and violations are set forth in detail in the reports of the Secretary of the Interior, and Commissioner of the General Land Office. The rapid appropriation of our public lands without bona fide settlements or cultivation, and not only without intention of residence, but for the purpose of their aggregation in large holdings, in many cases in the hands of foreigners, invites the serious and immediate attention of Congress. The energies of the Land Department have been devoted during the present administration to remedy defects and correct abuses in the public lands error of the General Land Office that the immediate effect in leading cases, which have come large holdings, in many cases in the honested during the present administration to remedy defects and continued to the restoration of 2,750,0 within the reach of all the enterprisine, in-

right intended to be secured to settlers, it, inny be deemed advisable to provide by legislation some guards and checks upon the alienation of vested rights and land covered thereby until patents are issued. Last year an Executive proclamation was issued, directan Executive proclamation was issued, directing the removal of fences which enclosed the public domain. Many of these have been removed in obedience to such order, but much of the public land still remains within the lines of these unlawful fences. The ingentious methods reserved to in order to continue these trespasses, and the hardlhood of the pretences by which, in some cases, such enclosures are justified, are fully detailed in the report of the Secretary of the Interior. The removal of the fences still remaining which enclose public lands will be enforced with all the authority and means with which the executive branch of the Government is or shall be invested by the Congress for that purpose.

PENSIONS AND PENSIONERS.

Tender Consideration for Those Who Served Their Country.

The report of the Commissioner of Pensions contains a detailed and most satisfactory exhibit of the operations of the pension bureau. During the last fiscal year the amount of work done was the largest in any year since the organization of the bureau, and has been done at least cost in every division. On the thirtieth day of June, 1886, there were 365.782 pensioners on the roils of the bureau. Since 1861 there have been 1,018,735 applications for pension filed, of which 78,814 were based upon service in the war of 1812. There were 621,735 of these applications allowed, including 60,178 to the soldlers of 1812 and their widows. The total amount paid for pensions since 1861 is 8808,624,811.57. The number of new pensions allowed during the year caded June 30, 1886, is 40,857, a larger number than has been allowed in any year, save one, since 1861. The number of 2,229 pensioners, which had previously been dropped from the roils, were restored during the year and after deducting those dropped within the same time for various causes, a net increase remains for the year of 20,688 names. From January 1, 1861, to December 1, 1885, 1,967 private pension acts had been passed since the last mentioned date, and Country. during the year and after deducting those dropped within the same time for various causes, a net increase remains for the year of 20,658 names. From January I, 1861, to December I, 1885, 1,967 private pension acts had been best since the last mentioned date, and during the last session of Congress 664 such acts became laws. It seems to me that no one can examine our pension establishment and its operations without being convinced that, through its instrumentality, justice can be very nearly done to all who are entitled under present laws to the pension bounty of the Government. But it is undentable that cases exist well entitled to relief, in which the pension bureau is powerless to relieve. The really worthy cases of this class nor such as only lack by misdoriume the kind or quantity of proof which the law and regulations of the bureau require, or which, though their merits apparent, for some other reason cannot be maily dealt with through generallines. But report to the Congress for a special pension act to overrule the careful determination of the pension bureau of the merits or to secure favorable action when it could not be expected under the most liberal execution of general laws, it must be admitted, opens the door to the allowance of questionable claims, and presents to the legislative and executive branches of the Government applications someded not within the law and plainly devoid of merit, but so surrounded by sontiment and patriotic feeling that they are hard to resist. I suppose it will not be denied that many claims for pension are made without merit, and that many have been allowed upon fraudulent representations. This has been declared from the pension bureau, not only in this, but in prior administrations. The usefulness and the justice of any system for the distribution of pensions depend upon the equality and uniformity of its operation, it will be seen from the report of the Commission that there are now paid by the Government one hundred and thirty-one different rates of pension estimates present plan upon any other grounds than actual service injury or disease incurred in such service, and every instance of the many in which pensions are increased on other grounds than the merits of the claim, work an injustice to the brave and crippled, but poor and friendless soldier who is entirely neglected or who must be content with the smallest sum allowed under general laws, and there are far too many neighborhoods in which are found glaring cases of inequality of treatment in the matter of ensions; and they are largely due to a yielding in the pension bureau to importunity on the part of those other than the pensic r, who are especially interested; or the arise from special acts passed for the bene of individuals. The men who fought side by side should stand side by side when they particle pate in a grateful nation skindremembrance. Every consideration of fairness and unsice to our ex-soldiers and the protection of the patriotic instincts of our citizens from perversion and violence point to the adoption of a pension system broad and comprehensive enough to cover every contingency, and which shall make unnecessary an objectionable volume of special legislation. As long as we adhere to the principle of granting pensions for service and disability as the result of the service, the allowance of pensions should be restricted to cases presenting those features. Every patriotic heart respends to a tender consideration for these who, having served their country long and well, are reduced to destitution and dependence, not as an incident of their service but with advancing age or through sickness or misfortune. We are tempted by the contempiation of such a condition to supply relief. Yielding to no one in the desire to indulge this feeling of consideration in cannot rid myself of the conviction that if these ex-soldiers are to be relieved, that if these ex-soldiers are not to be relieved, they and their cause are entitled to the bene-