M'KINLEY'S MESSAGE

Recommendations for Civil Government in the Philippines.

REVIEW OF THE CHINESE QUESTION

The History of a Year—The West Indies—Operations of the Departments—Other Foreign Questions.

WASHINGTON, Dec. 3.—President McKinley's message went to Congress today. It follows:

To the Senate and House of Representatives:

With the outgoing of the old and the incoming of the new century you begin the last session of the 56th Congress, with evidences on every hand of individual and National prosperity and with proof of the growing strength and increasing power for good of Republican institutions. Your countrymen will join with you in felicitation that American liberty is more firmly established than ever before, and that love for it and the determination to preserve it are more universal than at any former period of our history.

The Republic was never so strong, because never so strongly entrenched in the hearts of the people as now. The Constitution, with few amendments, exists as it left the hands of its authors. The additions which have been made to it proclaim larger freedom and more extended citizenship. Popular government has demonstrated in its 124 years of trial here its stability and security and its efficiency as the best instrument of National development and the best safeguard to human rights.

When the sixth Congress assembled, in November, 1800, the population of the United States was 5,308,483; it is now 76,304,799. Then we had 16 states; now we have 45. Then our territory consisted of 909,050 square miles; it is now 3,846,595 square miles. Education, religion and morality have kept pace with our advancement in other directions, and, while extending its power, the Government has adhered to its foundation principles and abated none of them in dealing with our new peoples and possessions. A Nation so preserved and blest gives reverent thanks to God and invokes his guidance and the continuance of his care and favor.

CHINESE PROBLEM.

Causes That Led Up to the Recent Troubles.

In our foreign intercourse the dominant question has been the treatment of the Chinese problem. Apart from this our relations with the powers have been happy.

The recent troubles in China spring from the anti-foreign agitation which for the past three years has gained strength in the northern provinces. Their origin lies deep in the character of the Chinese races and in the traditions of their government. The Tai Ping rebellion and the opening of Chinese ports to foreign trade and settlement disturbed alike the homogeneity and the seclusion of China.

Meanwhile foreign activity made itself felt in all quarters, not alone on the coast, but along the great rivers, arteries and in the remoter districts, carrying new ideas and introducing new associations among a primitive people which had pursued for centuries a national policy of isolation.

The telegraph and the railway spreading over their land, the steamers plying on their waterways, the merchant and the missionary penetrating year by year farther to the interior, became to the Chinese mind types of an alien invasion, changing the course of their national life, and fraught with vague forebodings of disaster to their beliefs and their self-control.

For several years before the present troubles all the resources of foreign diplomacy, backed by moral demonstrations of the physical force of fleets and arms, have been needed to secure due respect for the treaty rights of foreigners, and to obtain satisfaction from the responsible authorities for the sporadic outrages upon the persons and property of unoffending sojourners, which from time to time occurred at widely separated points in the northern provinces, as in the case of the outbreaks in Sze Chuen and Shan Tung.

Posting of anti-foreign placards became a daily occurrence, which the repeated probation of the imperial power failed to check or punish. These inflammatory appeals to the ignorance and superstition of the masses, mendacious and absurd in their accusations, and deeply hostile in their spirit, could not but work culminative harm. They aimed at no particular class of foreigners; they were impartial in attacking everything foreign. An outbreak in Shan Tung, in which German missionaries were slain, was the too natural result of the malevolent teachings. The posting of seditious placards, exhorting to the utter destruction of foreigners and of every foreign thing, continued unrebuked. Hostile demonstrations toward the stranger gained strength by organization.

The Boxer Agitation.

The sect commonly styled the Boxers developed greatly in the provinces north of the Yangtse, and with collusion of many notable officials, including some in the immediate councils of the throne itself, became alarmingly aggressive. No foreigner's life, outside of the protected treaty ports, was safe. No foreign interest was secure from spoliation.

The diplomatic representatives of the powers in Pekin strove in vain to check this movement. Protest was followed by demand, and demand by renewed protest, to be met with perfunctory edicts from the palace and evasive and futile assurances from the Tsung li Yamun. The circle of the Boxer influence narrowed about Pekin, and, while nominally stigmatized as seditious, it was felt that its spirit pervaded the capital itself, that the imperial forces were imbued with its doctrines, and that the immediate counselors of the Empress Dowager were in full sympathy with the anti-foreign movement.

The increasing gravity of the conditions in China, and the imminence of peril to our own diversified interests in the empire, as well as to those of all the other treaty governments, were soon appreciated by this Government, causing profound solicitude. The United States, from the earliest days of foreign intercourse with China, has followed a policy of peace, omitting no occasions to testify good-will, to further the extension of lawful trade, to respect the sovereignty of its government, and to insure, by all legitimate and kindly, but earnest, means, the fullest measure of protection for the lives and property of our law-abiding citizens, and for the exercise of their beneficent callings among the Chinese people.

Mindful of this, it was felt to be appropriate that our purposes should be pronounced in favor of such a course as would hasten united action of the powers at Pekin to promote the administrative reforms so greatly needed for strengthening the imperial government and maintaining the integrity of China, in which we believed the whole Western world to be alike concerned. To these ends I caused to be addressed to the several powers occupying territory and maintaining spheres of influence in China the circular proposals of 1899, inviting from them declarations of their intentions and views as to desirability of the adoption of measures insuring the benefits of equality of treatment of all foreigners throughout China.

With gratifying unanimity, the responses coincided in this common policy, enabling me to see in the successful termination of these negotiations proof of the friendly spirit which animates the various powers interested in the untrammeled development of commerce and industry in the Chinese Empire as a source of vast benefit to the whole commercial world.

Powers Acted in Concert.

In this conclusion, which I had the gratification to announce as a completed engagement to the interested powers March 20, 1900, I hopefully discern a potential factor for the abatement of the distrust of foreign purposes, which for a year past had appeared to inspire the policy of the imperial government, and for the effective exertion by it of power and authority to quell the critical and foreign movement in the northern provinces most immediately influenced by the Manchu sentiment.

Seeking to testify confidence in the willingness and ability of the imperial administration to redress the wrongs and prevent the evils we suffered and feared, the marine guard, which had been sent to Pekin in the Autumn of 1899 for the protection of the Legation, was withdrawn at the earliest practicable moment, and all pending questions were remitted, as far as we were concerned, to the ordinary resorts of diplomatic intercourse.

The Chinese Government proved, however, unable to check the rising strength of the Boxers and appeared to be a prey to internal dissensions. In the unequal contest, the anti-foreign influences soon gained the ascendancy, under the leadership of Prince Tuan. Organized armies of Boxers, with which the imperial forces affiliated, held the country between Pekin and the coast, penetrated into Manchuria up to the Russian border and through their emissaries threatened a like rise throughout Northern China. Attacks upon foreigners, destruction of property and slaughter of native converts were reported from all sides. The Tsung li Yamun, already permeated with hostile sympathies, could make no effective response to the appeals of the Legations.

At this critical juncture, in the early Spring of the year, a proposal was made by the other powers that a combined fleet be assembled in Chinese waters as a moral demonstration, under cover of which to exact of the Chinese Government respect for foreign treaty rights and the suppression of the Boxers. The United States, while not participating in the joint demonstration, promptly sent from the Philippines all ships that could be spared for service on the Chinese coast. A small force of marines was landed at Taku and sent to Pekin for the protection of the American Legation. Other powers took similar action until some 400 men were assembled in the capital as legation guards.

Still the peril increased. The Legations reported the development of the seditious movement in Pekin and the need of increased provision for defense against it.

Taking of Taku Forts.

While preparations were in progress for a larger expedition to strengthen the legation guards and keep the railway open, an attempt of the foreign ships to make a landing at Taku was met by fire from the Chinese forts. The forts were thereupon shelled by the foreign vessels, the American Admiral taking no part in the attack, on the ground that we were not at war with China, and that a hostile demonstration might consolidate the anti-foreign elements and strengthen the Boxers to oppose the relieving column. Two days later, the Taku forts were captured after a sanguinary conflict. Severance of communication with Pekin followed, and a combined force of additional guards, which was advancing to Pekin by the Pei Ho, was checked at Lang Fang. The isolation of the Legations was complete.

By June 9, the Legations were cut off. An identical note from the Yamun ordered each Minister to leave Pekin, under a promised escort, within 24 hours. To gain time, they replied asking prolongation of the time, which was afterward granted, and requesting an interview with the Tsung li Yamun on the following day. No reply being received, on the morning of the 20th the German Minister, Baron von Ketteler, set out for the Yamun to obtain a response, and on the way was murdered. An attempt by the legation guard to recover his body was foiled by the Chinese.

Pekin Legations Attacked.

Armed forces turned out against the Legations. Their quarters were surrounded and attacked. The mission compounds were abandoned, their inmates taking refuge in the British legation, where all the other Legations and guards gathered for more effective defense. Four hundred persons were crowded in its narrow compass. Two thousand native converts were assembled in a near-by place under protection of the foreigners. Lines of defense were strengthened, trenches dug, barricades raised and preparations made to stand a siege, which at once began.

With the negotiation of the partial armistice of July 14, a proceeding which was doubtless promoted by the representations of the Chinese envoy in Washington, the way was opened for the conveyance to Mr. Conger of a test message sent by the Secretary of State through the kind offices of Minister Wu Ting Fang. Mr. Conger's reply, dispatched from Pekin on July 18 through the same channel, afforded to the outside world the first tidings that the inmates of the legations were alive and hoping for succor. This news stimulated the preparations for a joint relief expedition, in numbers sufficient to overcome the resistance which for a month had been organizing between Taku and the capital. Reinforcements sent by all the co-operating governments were constantly arriving. The United States contingent, hastily assembled from the Philippines or dispatched from this country, amounted to some 5000 men, under the able command of the lamented Colonel Liscum and afterwards of General Chaffee.

Rescue of Legationers.

Toward the end of July the movement began. A severe conflict followed at Tien Tsin, in which Colonel Liscum was killed. The city was stormed and partly destroyed. Its capture afforded the base of operations from which to make the final advance, which began in the first days of August, the expedition being made up of Japanese, Russian, British and American troops at the outset. Another battle was fought and won at Yong Tsun. Thereafter, the disheartened Chinese troops offered little show of resistance. A few days later, the important position of To Si Wo was taken. A rapid march brought the united forces to the populous City of Tung Chow, which capitulated without a contest.

On August 14, the capital was reached. After a brief conflict beneath the walls, the relief column entered and the Legations were saved. The United States soldiers, sailors and marines, officers and men alike, in those distant climes and unusual surroundings, showed the same valor, discipline and good conduct and gave proof of the same high degree of intelligence and efficiency which have distinguished them in every emergency.

The imperial family and the government had fled a few days before. The city was without visible control. The remaining imperial soldiery had made, on the night of the 13th, a last attempt to exterminate the besieged, which was gallantly repelled. It fell to the occupying forces to restore order and organize a provisional administration.

The Russian Proposition.

The Russian proposition looking to the restoration of the imperial power in Pekin has been accepted as in full consonance with our own desires, for we have held and hold that effective reparation for wrongs suffered and an enduring settlement that will make their recurrence impossible can best be brought about under an authority which the Chinese Nation reverences and obeys. While so doing we forego no jot of our undoubted right to exact exemplary and deterrent punishment of the responsible authors and abettors of the criminal acts whereby we and other nations have suffered grievous injury.

For the real culprits, the evil counsellors who have misled the imperial judgment and diverted the sovereign authority to their own guilty ends, full expiation becomes imperative within the rational limits of retributive justice. Regarding this as the initial condition of an acceptable settlement between China and the powers, I said in my message of October 18 to the Chinese Emperor:

"I trust that negotiations may begin so soon as we and the other offended governments shall be effectively satisfied of Your Majesty's ability and power to treat with just sternness the principal offenders who are doubly culpable, not alone toward the foreigners but toward Your Majesty, under whose rule the purpose of China to dwell in concord with the world has hitherto found expression in the welcome and protection assured to strangers."

Taking as a point of departure the imperial edict appointing Earl Li Hung Chang and Prince Ching plenipotentiaries to arrange a settlement, and the edict of September 25, whereby certain high officials were designated for punishment, this Government has moved in concert with the other powers toward the opening of negotiations which Mr. Conger, assisted by Mr. Rockhill, has been authorized to conduct on behalf of the United States.

General bases of negotiations, formulated by the Government of the French Republic, have been accepted with certain reservations as to details, made necessary by our own circumstances and by like similar reservations by other powers open to discussion in the progress of the negotiations. The disposition of the Emperor's Government to admit liability for wrongs done to foreign governments and their citizens and to act upon such additional designation of the guilty persons as the foreign Ministers at Pekin may be in a position to make gives hope of a complete settlement of all questions involved, assuring foreign rights of residence and intercourse on terms of equality for all the world.

I regard as one of the essential factors of a durable adjustment the securement of adequate guarantees for liberty of faith, since insecurity of those natives who may embrace alien creeds is scarcely a less effectual assault upon the rights of foreign worship and teaching than would be the direct invasion thereof.

Matter of Indemnity.

The matter of indemnity for our wronged citizens is a question of grave concern. Measured in money alone, a sufficient reparation may prove to be beyond the ability of China to meet. All the powers concur in emphatic disclaimers of any purpose of aggrandizement through the dismemberment of the empire. I am disposed to think that due compensation may be made in part by increased guarantees of security for foreign rights and immunities, and most important of all, by the opening of China to the equal commerce of all the world. These views have been and will be earnestly advocated by our representatives.

The Government of Russia has put forward a suggestion that in the event of a protracted divergence of views in regard to indemnities, the matter may be relegated to the court of arbitration at The Hague. I favorably incline to this, believing that high tribunal could not fail to reach a solution no less conducive to the stability and enlarged prosperity of China itself than immediately beneficial to the powers.

OTHER FOREIGN RELATIONS.

Relations With Germany.

Good will prevails in our relations with the German Empire. An amicable adjustment of the long pending question of the admission of our life insurance companies to do business in Prussia has been reached. One of the principal companies has already been readmitted, and the way is opened for the others to share the privilege.

The settlement of the Samoan problem, to which I adverted in my last message, has accomplished good results. Peace and contentment prevail in the islands, especially in Tutuila, where a convenient administration that has won the confidence and esteem of the kindly-disposed natives has been organized under the direction of the commander of the United States naval station at Pango Pango.

An imperial meat inspection law been enacted for Germany. While it may simplify the inspections, it prohibits certain products heretofore admitted. There is still great uncertainty as to whether our well-nigh extinguished German trade in meat products can revive under its new burdens. Much will depend upon regulations not yet promulgated, which we confidently hope will be free from the discriminations which attended the enforcement of the old statutes.

The remaining link in the new line of direct telegraphic communication between the United States and the German Empire has recently been completed, affording a gratifying occasion for exchange of friendly congratulations with the German Emperor.

The Boer War.

Our friendly relations with Great Britain continue. The war in South Africa introduced important questions. A condition unusual in international wars was presented in that while one belligerent had control of the seas, the other had no ports, shipping or direct trade, but was only accessible through the territory of a neutral. Vexatious questions arose through Great Britain's action in respect to neutral cargoes not contraband in their own nature, shipped to Portuguese South Africa, on the score of probable or suspected ultimate destination to the Boer states. Such consignments in British ships, by which alone direct trade is kept up between our ports and South Africa, were seized in application of a law prohibiting British vessels from trading with an enemy without regard to any contraband character of the goods, while cargoes shipped to Delagoa Bay in neutral bottoms were arrested on the ground of alleged destination to the enemy's country. Appropriate representation on our part resulted in the British Government agreeing to purchase outright all such goods shown to be the actual property of American citizens, thus closing the incident to the satisfaction of the immediately interested parties, although unfortunately without a broad settlement of the question of a neutral's right to send goods not contraband per se to a neutral port adjacent to a belligerent area.

Alaska Boundary.

The work of marking certain provisional boundary points for convenience of administration around the head of Lynn Canal, in accordance with the temporary arrangement of October, 1899, was completed by a joint survey in July last. The modus vivendi has so far worked without friction and the Dominion Government has provided rules and regulations for securing to our citizens the benefit of the reciprocal stipulation that the citizens or subjects of either power found by that arrangement within the temporary jurisdiction of the other shall suffer no diminution of rights and privileges they have hitherto enjoyed. But, however necessary such an expedient may have been to tide over the grave emergencies of the situation, it is at best but an unsatisfactory makeshift, which should not be suffered to delay the speedy and complete establishment of the frontier line to which we are entitled under the Russo-American treaty for the cession of Alaska.

In this relation, I may refer again to the need of definitely marking the Alaskan boundary where it follows the 141st meridian. A convention to that end has been before the Senate for some two years, but as no action has been taken, I contemplate negotiating a new convention for a joint determination of the meridian by heliocentris observations. These, as it is believed, will give more accurate and unquestionable results than the sidereal methods heretofore independently followed, which, as is known, proved discrepant at several points on the line, although not varying at any place more than 700 feet.

International Arbitration.

It is with satisfaction that I am able to announce the formal notification at The Hague, on September 4, of the deposit of ratifications of the convention for the pacific settlement of the international disputes by 16 powers, namely, the United States, Austria, Belgium, Denmark, England, France, Germany, Italy, Persia, Portugal, Roumania, Russia, Siam, Spain, Sweden and Norway and The Netherlands. Japan also has since ratified the convention. The administrative council of the permanent court of arbitration has been organized, and it has adopted rules or order and a constitution for the International Arbitration Bureau. In accordance with article 23 of the convention providing for the appointment by each signatory power of persons of known competency in questions of international law as arbitrators I have appointed as members of this court, Hon. Benjamin Harrison, of Indiana, ex-President of the United States; Hon. Melville W. Fuller, of Illinois, Chief Justice of the United States; John W. Griggs, of New Jersey, Attorney-General of the United States, and Hon. George Gray, of Delaware, a Judge of the Circuit Court of the United States.

The Nicaragua Canal.

The important matter of an interoceanic canal has assumed a new phase. Adhering to its refusal to reopen the question of the forfeiture of the contract of the Maritime Canal Company, which was terminated for alleged nonexecution in October, 1899, the Government of Nicaragua has since supplemented that action by declaring the so-styled Eyre-Cragin option void for nonpayment of the stipulated advance. Protests in relation to these acts have been filed in the State Department, and are under consideration. Deeming itself relieved from existing engagements, the Nicaragua Government shows a disposition to deal freely with the canal question, either in the way of negotiations with the United States or by taking measures to promote the waterway. Overtures for a convention to effect the building of a canal under the auspices of the United States are under consideration. In the meantime, the views of Congress upon the subject in the light of the report of the committee appointed to examine the comparative merits of the various trans-isthmian ship canal projects may be awaited.

I commend to the early attention of the Senate the convention with Great Britain to facilitate the construction of such a canal, and to remove any objection which might arise out of the convention commonly called the Clayton-Bulwer treaty.

Relations With Spain.

Satisfactory progress has been made toward the conclusion of a general treaty of friendship and intercourse with Spain in replacement of the old treaty, which passed into abeyance by reason of the late war. A new convention of extradition is approaching completion, and I would be much pleased were a commercial arrangement to follow. I feel that we should not suffer to pass an opportunity to reaffirm the cordial ties that existed between us and Spain from the time of our earliest independence, and to enhance the mutual benefits of that commercial intercourse which is natural between the two countries.

By the terms of the treaty of peace, the line bounding the ceded Philippine group on the southwest failed to include several small islands lying west of the Sulus, which have always been recognized as under Spanish control. The occupation of Sibutu and Cagayan, Sulu, by our naval forces elicited a claim on the part of Spain, the essential equity of which could not be gainsaid. In order to cure the defect of the treaty by removing all possible ground of future misunderstanding respecting the interpretation of its third article, I directed the negotiation of a supplementary treaty, which will be forthwith laid before the Senate, whereby Spain quits all title and claim of title to the islands named, as well as to any and all islands belonging to the Philippine Archipelago lying outside the lines described in said third article, and agrees that all such islands shall be comprehended in the cession of the archipelago as fully as if they had been expressly included within those lines. In consideration of this cession the United States is to pay Spain the sum of $100,000.

A bill is now pending to effect the recommendation made in my last annual message, that appropriate legislation be had to carry into execution article 8 of the treaty of peace with Spain, by which the United States assumed the payment of certain claims for indemnity of its citizens against Spain. I ask that action be taken to fulfill this obligation.

CONDITIONS IN PHILIPPINES.

Recommendations for a Civil Government for the Islands.

In my last annual message I dwelt at some length upon the condition of affairs in the Philippines. While seeking to impress upon you that the grave responsibility of the future government of those islands rests with the Congress of the United States, I abstained from recommending at that time a specific and final form of government for the territory actually held by the United States forces, and in which, as long as the insurrection continues, the military arm must necessarily be supreme. I stated my purpose, until the Congress shall have made known the formal expression of its will, to use the authority vested in me by the Constitution and the statutes to uphold the sovereignty of the United States in these distant islands, as in all other places where our flag rightfully floats, placing to that end at the disposal of the Army and Navy all the means which the liberality of the Congress and the people have provided. No contrary expression of the will of the Congress having been made, I have steadfastly pursued the purpose so declared, employing the civil arm as well toward the accomplishment of pacification and the institution of local governments within the lines of authority and law.

Progress in the hoped-for direction has been favorable. Our forces have successfully controlled the greater part of the islands, overcoming the organized forces of the insurgents, and carrying order and administrative regularity to all quarters. What opposition remains is for the most part scattered, obeying no concerted plan of strategic action, operating only by the methods common to the traditions of guerrilla warfare, which, while ineffective to alter the general control now established, are still sufficient to beget insecurity among the populations that have felt the good results of our control, and thus delay the conferment upon them of the fuller measures of local self-government, of education and of industrial and agricultural development which we stand ready to give them.

By the Spring of this year the effective opposition of the dissatisfied Tagals to the authority of the United States was virtually ended, thus opening the door for the extension of a stable administration over much of the territory of the archipelago. Desiring to bring this about, I appointed in march last a civil commission, composed of the Hon. William H. Taft, of Ohio; Professor Dean C. Worcester, of Michigan; Hon. Luke E. Wright, of Tennessee; Hon. Henry C. Ide, of Vermont, and Professor Bernard Moses, of California. The aims of their mission and the scope of their authority are clearly set forth in instructions of April 7, 1900, addressed to the Secretary of War, to be transmitted to them.

PORTO RICO AND CUBA.

Success in the Former—Progress Toward Cuban Autonomy.

The civil government of Porto Rico provided for by the act of the Congress approved April 12, 1900, is in successful operation. The courts have been established; the Governor and his associates working intelligently and harmoniously, are making a commendable success. On the 6th of November a general election was held in the island for members of the Legislature and the body has been called to convene on the first Monday of December.

I recommend that legislation be enacted by Congress conferring upon the Secretary of the Interior supervision over the public lands in Porto Rico, and that he be directed to ascertain the location and quantity of lands the title to which remained in the crown of Spain at the date the cession of Porto Rico to the United States, and that appropriations for surveys be made and the methods of the disposition of such lands be prescribed by law.

FEDERAL DEPARTMENTS.

Army Should Be 60,000 to 100,000—The Navy, Postoffices, Etc.

The present strength of the Army is 100,000 men—65,000 regulars and 35,000 volunteers. Under the act of March 2, 1899, on the 30th of June next the present volunteer force will be discharged and the Regular Army will be reduced to 247 officers and 29,025 enlisted men. In 1888 a board of officers convened by President Cleveland adopted a comprehensive scheme of coast defense and fortifications which involved the outlay of something over $100,000,000. This plan received the approval of the Congress and since then regular apropriations have been made and the work of fortification has steadily progressed. More than $60,000,000 have been invested in a great number of forts and guns, with all the complicated and scientific machinery and electrical appliances necessary for their use. The proper care of this defensive machinery requires men trained in its use. The number of men necessary to perform this duty alone is ascertained by the War Department at a minimum allowance, to be 18,420. There are 58 or more military posts in the United States other than the coast-defense fortifications. The number of these posts is being constantly increased by Congress. More than $22,000,000 have been expended in building and equipping them, and they can only be cared for by the Regular Army. The posts now in existence and others to be built provide accommodations for, and, if fully garrisoned, require 26,000 troops. Many of these posts are along our frontier or at important strategic points, the occupation of which is necessary. We have in Cuba between 5000 and 6000 troops. For the present our troops in that island cannot be withdrawn or materially diminished, certainly not until the conclusion of the labors of the constitutional convention now in session and a government provided by the National Constitution should have been established and its stability assured. In Porto Rico we have reduced the garrisons to 1636, which include 896 native troops. There is no room for further reduction here. We will be required to keep a considerable force in the Philippine Islands for some time to come. From the best information obtainable we shall need there for the immediate future from 50,000 to 60,000 men. I am sure the number may be reduced as the insurgents shall come to acknowledge the authority of the United States, on which there are assuring indications.

It must be apparent that we will require an army of about 60,000, and that during present conditions in Cuba and the Philippines the President should have authority to increase the force to the present number of 100,000. Included in this, authority should be given to raise native troops in the Philippines up to 15,000, which the Taft commission believes will be more effective in detecting and suppressing guerillas, assassins and ladrones than our own soldiers.

The full discussion of this subject by the Secretary of War in his annual report is called to your earnest attention.

The Navy.

Very efficient service has been rendered by the Navy in connection with the insurrection in the Philippines, and the recent disturbance in China.

A very satisfactory settlement has been made of the long-pending question of the manufacture of armor-plates. A reasonable price has been secured, and the necessity for a Government armor-plate plant avoided.

The Hawaiian Islands.

Much interesting information is given in the report of the Governor of Hawaii as to the progress and development of the islands during the period from July 7, 1898, the date of the approval of the joint resolution of the Congress providing for their annexation up to April 30, 1900, the date of the approval of the act providing a government for the territory and thereafter. The last Hawaiian census, taken in the year 1896, gives a total population of 109,020, of which 31,019 were native Hawaiians. The number of Americans reported was 8485. The results of the Federal census taken this year show the islands to have a total population of 154,001, showing an increase over that reported in 1896 of 44,981, or 41.2 per cent. There has been marked progress in educational, agricultural and railroad development of the islands.

The Twelfth Census.

The Director of the Census states that the work in connection with the 12th census is progressing favorably. This National undertaking, ordered by the Congress each decade, has finally resulted in the collection of an agregation of statistical facts to determine the industrial growth of the country, its manufacturing and mechanical resources, its richness in mines and forests, the numbers of its agricultural districts, their farms and products, its educational and religious opportunities, as well as questions pertaining to sociological conditions.

Precaution Against Extravagance.

In our great prosperity we must guard against the dangers it invites in extravagance in government expenditures and appropriations, and the chosen representatives of the people will, I doubt not, furnish an example in their legislation of that wise economy which, in a season of plenty, husbands for the future. In this era of great business activity and opportunity caution is not untimely. It will not abate but strengthen our confidence. It will not retard but promote legitimate industrial and commercial expansion. Our growing power brings with it temptations and perils requiring constant vigilance to avoid. It must not be used to invite conflicts, nor for oppression, but for the more effective maintenance of those principles of equality and justice upon which our institutions and happiness depend. Let us keep always in mind that the foundation of our Government is liberty; its superstructure peace.

WILLIAM McKINLEY.

Executive Mansion, December 3, 1900.

WEATHER A DRAWBACK.

Fall Trade Slightly Affecting Jobbing Distribution—November Failures.

Bradstreet's says: Unsettled weather and holidays are a drawback to retail and jobbing distribution in many markets, but the general situation is still a most satisfactory one, and the iron and steel, coal, boot and shoe and lumber trades are conspicuously well maintained. The industrial situation is also deserving of note, because of the striking absence of complaints as to idleness or as to pending or future labor troubles.

While the volume of new orders in crude material continues moderate when compared with the enormous activity for some time past, business in iron and steel is steadier, and as a rule held better in hand.

Export trade in iron and steel is less active, owing to lower prices abroad and active demand at home, but American railmakers this week have received flattering indorsements in the matter of prices, quality and delivery from English railway authorities.

Among textiles, the situation in woolen goods and wool is perhaps the least encouraging of any, but even here the strength of the raw material is notable.

Relatively the best trade reports come from the south and southwest, while the most backward are from sections of the East, where unseasonable weather is complained of, and from sections of the spring wheat region which suffered most from the shortage in yield. It is notable, however, that the better situation in lumber has stimulated trade in Northern Minnesota.

Wheat, including flour, shipments for the week aggregate 2,497,880 bushels, against 3,827,296 bushels last week.

Failures for the week number 184, as against 215 last week.

PACIFIC COAST TRADE.

Seattle Market.

Onions, new, 1¼c.

Lettuce, hot house, $1 per crate.

Potatoes, new, $16.

Beets, per sack, 85c@$1.

Turnips, per sack, $1.00.

Squash—1¼c.

Carrots, per sack, 60c

Parsnips, per sack, $1.25.

Cucumbers—40@50c.

Cabbage, native and California, 1¾c per pounds.

Butter—Creamery, 30c; dairy, 18@22c; ranch, 18c pound.

Eggs—34c.

Cheese—12c.

Poultry—12c; dressed, 14c; spring, 13@15c turkey, 18c..

Hay—Puget Sound timothy, $14.00; choice Eastern Washington timothy, $18.00.

Corn—Whole, $23.00; cracked, $25; feed meal, $25.

Barley—Rolled or ground, per ton, $20.

Flour—Patent, per barrel, $3.50; blended straights, $3.25; California, $3.25; buckwheat flour, $6.00; graham, per barrel, $3.00; whole wheat flour, $3.25; rye flour, $3.80@4.00.

Millstuffs—Bran, per ton, $13.00; shorts, per ton, $14.00.

Feed—Chopped feed, $19.00 per ton; middlings, per ton, $20; oil cake meal, per ton, $30.00.

Fresh Meats—Choice dressed beef steers, price 7½c; cows, 7c; mutton 7½; pork, 8c; trimmed, 9c; veal, 9@11c.

Hams—Large, 13c; small, 13¼; breakfast bacon, 12c; dry salt sides, 8½c.

Portland Market.

Wheat—Walla Walla, 53@54c; Valley, nominal; Bluestem, 56c per bushel.

Flour—Best grades, $3.40; graham, $2.60.

Oats—Choice white, 45c; choice gray, 42c per bushel.

Barley—Feed barley, $15.50 brewing, $16.50 per ton.

Millstuffs—Bran, $15.50 ton; middlings, $21; shorts, $17; chop, $16 per ton.

Hay—Timothy, $12@12.50; clover, $7@9.50; Oregon wild hay, $6@7 per ton.

Butter—Fancy creamery, 45@50c; store, 30c.

Eggs—35c per dozen.

Cheese—Oregon full cream, 12½c; Young America, 13c; new cheese 10c per pound.

Poultry—Chickens, mixed, $2.75@3.50 per dozen; hens, $4.00; springs, $2.00@3.50; geese, $6.00@8.00 doz; ducks, $3.50@5.00 per dozen; turkeys, live, 12c per pound.

Potatoes—50@65c per sack; sweets, 1½c per pound.

Vegetables—Beets, $1; turnips, 75c; per sack; garlic, 7c per pound; cabbage, 1½c per pound; parsnips, 85c; onions, $1; carrots, 75c.

Hops—New crop, 12@14c per pound.

Wool—Valley, 13@14c per pound; Eastern Oregon, 10@12c; mohair, 25 per pound.

Mutton—Gross, best sheep, wethers and ewes, 3½c; dressed mutton, 6½@7c per pound.

Hogs—Gross, choice heavy, $5.75; light and feeders, $5.00; dressed, $6.00@6.50 per 100 pounds.

Beef—Gross, top steers, $3.50@4.00; cows, $3.00@3.50; dressed beef, 6@7c per pound.

Veal—Large, 6½@7½c; small, 8@8½c per pound.

San Francisco Market.

Wool—Spring—Nevada, 11@13c per pound; Eastern Oregon, 10@14c; Valley, 15@17c; Northern, 9@10c.

Hops—Crop, 1900, 13½@17c.

Butter—Fancy creamery 24@25c; do seconds, 23c; fancy dairy, 21@22c; do seconds, 20c per pound.

Eggs—Store, 28c; fancy ranch, 36c.

Millstuffs — Middlings, $16.50@19.00; bran, $13.00@13.50.