

HARRISON'S MESSAGE.

THE PRESIDENT'S FIRST COMMUNICATION TO CONGRESS.

Each Department of the Government Treated in Detail—Reduction of the Surplus—Tariff Legislation—Public Land Laws—Pension Legislation—The Civil Service—Other Matters.

The first annual message of President Harrison, read in the Fifty-first Congress, on the 3d inst., is as follows:

To the Senate and House of Representatives:

That the various departments of the Government that are even temporarily held in the confidence of those charged with the conduct of the public business. Every step taken is under the observation of an intelligent and watchful people. The state of the Union is known from day to day, and suggestions as to needed legislation find an earlier voice than that which speaks in these annual communications of the President to Congress.

Good-will and cordiality have characterized our relations and correspondence with other governments, and the year just closed leaves few international questions of importance remaining unadjusted. No obstacle is believed to exist in the long postponed the consideration and adjustment of the still pending questions upon satisfactory and honorable terms. The feelings of this Government with other states have been and should always be marked by frankness and sincerity, our purposes avowed, and our methods free from intrigue. This course has borne rich fruit in the past, and it is our duty as a nation to preserve the heritage of good repute which a century of right dealing with foreign governments has secured to us.

The Pan-American Congress.

It is a matter of high significance, and no less of congratulation, that the first year of the second century of our constitutional existence finds, as honored guests within our borders, the representatives of all the independent States of North and South America met together in earnest conference touching the best methods of perpetuating and expanding the relations of mutual interest and friendliness existing among them. That the opportunity thus afforded for promoting closer international relations and the increased prosperity of the States represented will be of the highest good, all can be left to myself to doubt. Our people will await with interest and confidence the results to flow from so auspicious a meeting of allied and, in large part, identical interests.

The recommendations of this international conference of enlightened statesmen will doubtless have the considerate attention of Congress, and its co-operation in the removal of unnecessary barriers to beneficial intercourse between the nations of America. But while the commercial results, which it is hoped will follow this conference, are worthy of pursuit and of the great interest they have excited, it is believed that the crowning benefit will be found in the maintenance of peace among all American nations and the settlement of all contentions by methods that a Christian civilization can approve. While viewing with interest our national resources and products, the delegates will, I am sure, find a higher satisfaction in the evidences of unselfish friendship which everywhere attend their intercourse with our

The Maritime Congress.

Another international conference, having great results for good, has lately assembled, and is now in session in this capital. An invitation was extended by the Government, under the act of Congress of July 9, 1888, to all maritime nations to send delegates to confer touching the revision, and amendment of the rules and regulations governing vessels at sea and to adopt a uniform system of marine signals. The response to this invitation has been very general and very cordial. Delegates from twenty-two maritime nations have assembled and they have entered upon their usual work with great zeal, and with an evident appreciation of its importance. So far as the agreement to be reached may require legislation to give it effect, our co-operation in, confidently relied upon.

It is an interesting, if not indeed an unprecedented, fact that the two international conferences we have brought together here the accredited representatives of thirty-three nations.

Bolivia, Ecuador, and Honduras are now represented by resident envoys of the plenipotentiary grade. All the States of the American system maintain diplomatic representation in this capital.

In this connection it may be noted that all the nations of the Western Hemisphere, with one exception, sent to Washington Envoys Extraordinary and Ministers Plenipotentiary, being the highest grade accredited to this Government. The United States, on the contrary, sends Envoys of the lower grade to some of our sister republics. Our representative in Paraguay and Uruguay is a Minister resident, while to Bolivia we send a Minister resident and Consul General. In view of the importance of our relations with the States of the American system, our diplomatic agents in those countries should be of the uniform rank of Envoy Extraordinary and Minister Plenipotentiary. Certain missions were so elevated by the last Congress with happy effect. I recommend the completion of the reform thus begun, with the inclusion also of Hawaii and Hayti, in view of their relations to the American system of States.

I also recommend that timely provision be made for extending Hawaii an invitation to be represented at the International Conference now sitting at this capital.

Our Relations with China.

Our relations with China have the attentive consideration which their magnitude and interest demand. The failure of the treaty negotiated under the administration of my predecessor for the further and more complete restriction of Chinese labor immigration, and, with it, the legislation of the last session of Congress dependent thereon, leave some questions open which Congress should now approach in that wise and just spirit which should characterize the relations of two great and friendly powers. While our supreme interest demands the exclusion of a laboring class which experience has shown to be incompatible with our social institutions, steps to compass a recognition of the claim of those strangers now lawfully among us to humane and just treatment. The accession of the young Emperor of China marks, we may hope, an era of progress and prosperity for the great country over which he is called to rule.

The present state of affairs in respect to the Samoan Islands is encouraging. The conference which was held in this city in the summer of 1887 between the representatives of the United States, Germany, and Great Britain having been adjourned because of the persistent and obstinate refusal of the United States to its deliberations, the subsequent course of events in the islands gave rise to questions of a serious character. On the 4th of February last, the German Minister at this capital, in behalf of his Government, proposed a resumption of the conference at Berlin. This proposition was accepted, as Congress, in February last, was informed.

Pursuant to the understanding thus reached, commissioners were appointed by me, who proceeded to Berlin where the conference was renewed. The deliberations, extended through several weeks, and resulted in the conclusion of a treaty which I submitted to the Senate for its approval. I trust that the efforts which have been made to effect an adjustment of this question will be productive of the permanent establishment of law and order in Samoa upon the basis of the maintenance of the rights and interests of the natives, as well as of the treaty powers.

The Canadian Fisheries.

The questions which have arisen during the past few years between Great Britain and the United States are in abeyance or in course of amicable adjustment.

On the part of the Government of the Dominion of Canada, an effort has been apparent during the season just ended to administer the laws and regulations applicable to the fisheries with as little occasion for friction as was possible, and the temporary representations of this Government in respect of cases of undue hardship or of harsh interpretations have been in most cases met with measures of transitory relief. It is trusted that the attainment of our just rights under existing treaties, and in virtue of the concurrent legislation of the two contiguous countries, will not be long deferred, and that all existing causes of difference may be equitably adjusted.

I recommend that provision be made by an international agreement for visibly marking the water boundary between the United States and Canada. The narrow channels that join the Great Lakes. The conventional line then traced by the Northwestern boundary survey, years ago, is not in all cases readily ascertain-

able for the settlement of jurisdictional questions.

A just and acceptable enlargement of the list of offenses for which extradition may be claimed and granted is most desirable between this country and Great Britain. The territory of neither should become a sure harbor for the evildoers of the other through any avoidable shortcoming in this regard. A new treaty on this subject between the two powers has been recently negotiated, and will soon be laid before the Senate.

With Other Powers.

The importance of the commerce of Cuba and Porto Rico with the United States, their nearest and principal market, justifies the expectation that the existing relations may be beneficially extended. The impediments resulting from varying dues, navigation, and from vexatious treatment of our vessels on merely technical grounds of complaint, in West India ports, should be removed.

The progress toward an adjustment of pending claims between the United States and Spain is not as rapid as could be desired. Questions affecting American interests in connection with railroads constructed and operated by our citizens in Peru have claimed the attention of this government. It is urged that other governments, in pressing Peru to the paying of the claims, have disregarded the property rights of American citizens. The matter will be carefully investigated, with a view to securing a proper and equitable adjustment.

A similar issue is now pending with Portugal. The Delagoa Bay Railroad in Africa was constructed under a concession by Portugal to an American citizen. When nearly completed the road was seized by the agents of the Portuguese Government. Formal protests have been made through our minister at Lisbon against this act, and no proper effort will be spared to secure proper relief.

In pursuance of the charter granted by Congress, and under the terms of its contract with the Government of Nicaragua, the Interocceanic Canal Company has begun the construction of the interoceanic canal which connects the two oceans which its organization contemplated. This Government has held itself ready to promote in every proper way the adjustment of all questions that might present obstacles to the completion of a work of such transcendent importance to the commerce of this country, and, indeed, to the commercial interests of the world.

The Paris Exposition.

The traditional good feeling between this country and the French Republic has received additional testimony in the participation of our Government and people in the International Exposition at Paris during the past summer. The success of our exhibitors has been gratifying. The report of the commission will be laid before Congress in due season.

This Government has accepted, under proper reservation to our policy in foreign territories, the invitation of the Government of Belgium to take part in an international exposition which opened at Brussels on the 16th of October, for the purpose of devising measures to promote the abolition of the slave trade in Africa, and to prevent the shipment of slaves by sea. Our interest in the extinction of this crime against humanity, in the regions where it yet survives, has been increased by the results of emancipation within our own borders.

Affairs at Home.

Within our own borders a general condition of prosperity prevails. The harvests of the last summer were exceptionally abundant, and the trade conditions now prevailing seem to promise a successful season to the merchant and the manufacturer and general employment to our working people.

The report of the Secretary of the Treasury has been prepared and will be presented to Congress. It presents with clearness the fiscal operations of the Government, and I avail myself of it to obtain some facts for use here.

The aggregate receipts from all sources for the year were \$387,050,058.84, derived as follows: From customs, \$223,832,741.69; from internal revenue, \$130,851,513.92; from miscellaneous sources, \$92,355,863.25.

Expenditures for the same period, were \$281,066,615.00, and the total expenditures, including the sinking fund, were \$329,579,025.25. The excess of receipts over expenditures for the year, after providing for the sinking fund, was \$7,470,129.59.

For the current fiscal year the total revenues, actual and estimated, are \$835,000,000, and the ordinary expenditures, actual and estimated, are \$296,000,000, making, with the sinking fund, total expenditure of \$341,321,116.99, leaving an estimated surplus of \$483,678,883.01.

The revenues for the fiscal year ending June 30, 1891, are estimated by the Treasury Department at \$385,000,000, and the expenditures for the same period, including the sinking fund, at \$311,426,000, leaving an estimated surplus for that year of \$13,573,522.98, which is more likely to be increased than reduced when the actual transactions are written up.

The existence of so large an actual and anticipated surplus should have the immediate attention of Congress, with a view to reducing the receipts of the treasury to the needs of the Government. The collection of money not needed for public uses imposes an unnecessary burden upon our people, and the presence of so large a surplus in the public vaults is a disturbing element in the conduct of private business.

We should not collect revenue for the purpose of anticipating the sinking fund, but any unappropriated surplus in the treasury should be used, so far as there is no other law of revenue which would permit the use of that money to circulation, and the profit realized by the Government offers a substantial advantage.

The loaning of public funds to the banks without interest, upon the security of Government bonds, I regard as an unmanly and dangerous expedient. It results in a temporary and unnatural increase of the banking capital of favored localities, and compels a cautious and gradual recall of the deposits to avoid injury to the commercial interests. No further steps should be made of this method of getting the surplus into circulation, and the deposits now outstanding should be gradually withdrawn and applied to the purchase of bonds. Such legislation should be promptly, but very considerately, enacted.

Tariff Revision Recommended.

I recommend a revision of our tariff law, both in its administrative features and in the schedules. The need of the former is generally conceded, and an agreement upon the evils and inconveniences to be avoided, and the best methods for their correction, will probably be difficult. Uniformity of valuation at all our ports is essential, and effective measures should be taken to secure it. It is equally desirable that questions affecting sales and classifications should be promptly decided.

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The preparation of a new schedule of customs duties in a matter of great delicacy, because of its direct effect upon the business of the country. Some disturbances of business may perhaps result from the consideration of this subject by Congress, but this temporary ill-effect will be reduced to the minimum by prompt action and by the assurance which the country already enjoys that any necessary changes will be made as not to impair the just and reasonable protection of our home industries. The inequalities of the law should be adjusted, but the protective principle should be maintained and fairly applied to the products of our farms as well as of our shops. These duties necessarily have relations to other things besides the public revenues. We cannot limit their effects by fixing our eyes on the public treasury alone. They have a direct relation to home production, to work, to wages, and to the commercial dependence of this country, and the wise and patriotic legislation which will charge the field of vision to include all of these.

The necessary reduction in our public revenues I can, I am sure, be made without making the smaller burden more onerous than the larger by reason of the disabilities and limitations which the reduction puts upon both capital and labor.

The free list can very safely be extended by placing thereon articles that do not offer injurious competition to such domestic products as our home labor can supply.

The Tobacco and Liquor Tax.

The removal of the internal tax upon tobacco would relieve an important agricultural product from a burden which was imposed only because our revenue from customs duties was insufficient for public needs.

If safe provision against fraud can be devised the removal of the tax upon spirits used in the arts and in manufactures would also offer an unobjectionable method of reducing the surplus.

A table presented by the Secretary of the

Treasury, showing the amount of money of all kinds in circulation each year from 1878 to the present time, is of interest. It appears that the amount of cash in circulation has decreased during that period \$114,109,729, of which \$37,799,224 is chargeable to the last year.

But while this withdrawal of bank notes has been going on, there has been a large increase in the amount of gold and silver coin in circulation and in the issue of gold and silver certificates.

The total amount of money of all kinds in circulation on March 1, 1878, was \$805,793,807, while on Oct. 1, 1889, the total was \$1,405,018,000. There was an increase of \$283,417,552 in gold coin, of \$57,554,100 in standard silver dollars, of \$72,311,249 in gold certificates, of \$276,619,715 in silver certificates and of \$14,073,787 in United States notes, making a total of \$713,976,403. There was during the same period a decrease of \$1,260,724 in bank circulation, and of \$642,481 in subsidiary silver. The net increase was \$322,244,198. The circulation per capita has increased about \$5 during the time covered by the table referred to.

The Coinage of Silver.

The total coinage of silver dollars was, on November 1, 1889, \$343,638,001, of which \$233,539,521 were in the Treasury vaults, \$60,098,900 were in circulation. Of the amount in the vaults, \$277,319,944 were represented by outstanding silver certificates, leaving \$6,219,577 not in circulation and not represented by certificates. The law requiring the purchase, by the treasury, of \$2,000,000 worth of silver bullion each month, to be coined into silver dollars, has been observed by the department; but neither the present Secretary or any of his predecessors has deemed it safe to exercise the discretion given by law to finance the monthly purchases for \$4,000,000. The evil anticipations which have accompanied the coinage and use of the silver dollar have not been realized. As a coin in itself has not had general use, and the public treasury has been compelled to store it. But this is manifestly owing to the fact that its paper representative is more convenient. The general acceptance and use of the silver certificate shows that silver has not been otherwise discredited. I think it is clear that if we should make the coinage of silver at the present ratio free, we must expect that the difference in the bullion values of the gold and silver dollars will be taken account of in commercial transactions, and I fear that the result would follow any considerable increase of the present ratio of coinage. Such a result would be irreconcilable to our financial management and disastrous to all business interests. Any safe legislation upon this subject must secure the equality of the two coins in their commercial uses. I have always been an advocate of the use of silver in our currency. We are large producers of that metal, and should not discredit it. The details of perfect law require careful consideration, but the general plan suggested by the Secretary of the Treasury seems to satisfy the purpose—to continue the use of silver in connection with our currency, and at the same time to obviate the danger of which I have spoken. At the same day I may communicate further with Congress upon this subject.

Exclusion of the Chinese.

The enforcement of the Chinese exclusion act has been found to be very difficult on the Northwestern frontier. The Secretary of the Treasury has authorized the employment of additional soldiers, who will be assigned to this duty, and every effort will be made to enforce the law.

The national schools for Indians have been very successful in the education of the children of school age, and in the allotment of lands to adult Indians. Our treaty stipulations should be given a more considerate and lasting character.

The Indian Question.

The report of the Secretary of the Interior

exhibits the transactions of the Government with the Indian tribes. Substantial progress has been made in the education of the children of school age, and in the allotment of lands to adult Indians. Our treaty stipulations should be given a more considerate and lasting character.

The report of the Secretary of the Navy shows that a reorganization of the bureaus of the department will, I do not doubt, promote the efficiency of each. In general, satisfactory progress has been made in the construction of the new ships of war authorized by Congress.

The report of the Secretary shows that while the effective force of the navy is rapidly increasing, by reason of the increased build and armament of the new ships, the number of our ships fit for sea duty grows very slowly. The old wooden ships are disappearing almost as fast as the new vessels are added. These facts carry their own argument. One of the new ships may, in fighting strength, be equal to two of the old, but it can not do the cruising duty of two. It is important, therefore, that we should have a more rapid increase in the number of serviceable ships. I concur in the recommendation of the Secretary that the construction of eight armored ships, three gunboats, and five torpedo boats, be authorized.

The Indian Question.

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