

EXECUTIVE VIEWS

On the Momentous Subjects Before the People.

THE PRESIDENT'S ANNUAL MESSAGE

Insurgent Sympathizers Will Not Find Very Much Comfort in the Document.

NO RECOGNITION FROM UNCLE SAM

The Insurgents Have Not Yet Made Good Their Title to Be Regarded as an Independent State—The President Recommends the Retirement of the Greenbacks as a Remedy for the Financial Situation—The Venezuela Boundary Dispute—The Wilson Tariff Bill Favored—Legislation for Control of Trusts.

Washington, Dec. 7.—Following is the final message of President Cleveland to congress:

To the Congress of the United States: As representatives of the people in the legislative branch of their government you have assembled at a time when the strength and excellence of our free institutions and the fitness of our citizens to enjoy popular rule have been again made manifest. A political contest involving momentous consequences, fraught with feverish apprehension, and exciting aggressiveness, so intense as to approach desperation, and determined by the decree of free and independent suffrage without disturbance of our tranquillity or the least sign of weakness in our national structure. When we consider these incidents and contemplate the peaceful obedience and manly submission which have succeeded a heated clash of political opinions we discover abundant evidence of a determination on the part of our countrymen to abide by every verdict of the popular will, and to be controlled at all times by an abiding faith in the agencies established. Thus our people exhibit a patriotic disposition which entitles them to demands of those who undertake to demand and exact unfair laws such faithful and unselfish service in their behalf as can only be prompted by a serious appreciation of the trust and confidence which the acceptance of public duty invites.

The president then says that in obedience to constitutional requirement he submits certain information as to national affairs with such suggestions as his judgment approves, and that he shall omit details regarding domestic and foreign matters that are contained in departmental and other reports submitted to congress. He then refers to Turkey and the Armenians, stating that he would like to assure congress that the European powers, in exercising their rights to interfere had mitigated the shocking features of the situation. This he says has not been done and that reports of bloody butcheries are still all too frequent. With reference to our own action he says we have left nothing undone to protect those coming under our care, and that our efforts will not be relaxed.

The claim of American citizens for indemnity for loss of property will be pressed, although the validity of these demands has not been admitted by Turkey. The spirit of the strongest evidence of the actual complicity of Turkish soldiers in the destruction. Happily no American life has been taken. He closes as follows on the subject:

I do not believe that the present somber prospect in Turkey will be long permitted to offend the sight of Christendom. It so mars the humane and enlightened civilization that belongs to the close of the nineteenth century that it seems hardly possible that the earnest demand of good people throughout the Christian world for its corrective treatment will remain unanswered.

TACKLES THE CUBAN QUESTION.

Not Much Comfort for the Followers of Maceo and Gomez.

The president then takes up the Cuban question and says:

The insurrection in Cuba still continues with all its perplexities. It is difficult to see that any progress has thus far been made towards the pacification of the island or that the situation of affairs as depicted in my last annual message has in the least improved. If Spain still holds Havana and the seaports and all the considerable towns, the insurgents still roam at will over at least two-thirds of the inland country. If the determination of Spain to put down the insurrection seems but to strengthen with the lapse of time, and is evinced by her unhesitating devotion to largely increased military and naval forces to the task, there is more reason to believe that the insurgents have declined in point of numbers and character and resources, and are none the less inflexible in their resolve not to succumb without practically securing the great objects for which they took up arms.

If Spain has not yet re-established her authority, neither have the insurgents yet made good their title to be regarded as an independent state. Indeed, as the contest has gone on the pretense that civil government exists on the island, except so far as Spain is able to maintain it, has been practically abandoned. Spain does keep on foot a government, and against unfriendly combinations has been better preservation of seal life in the Bering sea.

Both the United States and Great Britain have lately dispatched commissioners to these waters to study the habits and condition of the seal herd and the causes of their rapid decrease. Upon the reports of these commissioners, soon to be submitted, and with the exercise of patience and good sense on the part of all interested parties, it is earnestly hoped that hearty co-operation may be secured for the protection against threatened extinction of seal life in the northern Pacific and Bering sea.

for their own advantage. Such a condition of things would inevitably entail immense destruction of property, even if it was the policy of both parties to prevent it as far as practicable. But while such seemed to be the original policy of the Spanish government it is now apparently abandoned, and is acting upon the same theory as the insurgents, namely: that the exigencies of the contest require the wholesale annihilation of property that it may not prove of use and advantage of the enemy.

The president then goes on to say that the result of this policy will be the ruin of the entire island, and refers to our money interest in Cuba, estimated at from \$30,000,000 to \$50,000,000; also to the difficulty and cost of preventing filibustering, with the people's sympathies all with the rebels, together with the continual appeals for the protection by the United States of Cuban Americans. He says that the United States has been very forbearing in the matter, and that no other nation would have stood off so long. He continues as follows:

It was at first proposed that belligerent rights should be accorded to the insurgents—a proposition no longer urged because untimely and in practical operation clearly perilous and injurious to our own interests. It has since been and is now sometimes contended that the independence of the insurgents should be recognized. But imperfect and restricted as the Spanish government is, the island may be no other exists there—no other will of the military officer in command of a particular district can be dignified as a species of government. It is now also suggested that the United States should buy the island—a suggestion possibly worthy of consideration if there were any evidence of a desire or willingness on the part of Spain to entertain such a proposal. It is urged finally, that all other methods failing, the existing interne strife in Cuba should be terminated by our intervention, even at the cost of a war between the United States and Spain—a war which its advocates confidently prophesy could be neither long nor in its proportions nor doubtful in its issue.

The correctness of this forecast need not be either affirmed or denied. The United States has nevertheless a character to maintain as a nation, which plainly dictates that right and not might should be the rule of its conduct. Proceeding the president refers to the determination of Spain to insist that the rebels shall lay down their arms before she grants the reforms which he gives her credit for being willing to grant, and thinks that determination not reasonable and adds:

It was intimated by this government to the government of Spain some months ago that if a satisfactory measure of some rule were tendered by the Cuban insurgents and would be accepted by them upon a guaranty of its execution, the United States would endeavor to find a way not objectionable to Spain of furnishing such guaranty. While no definite response to this intimation has yet been received from the Spanish government, it is believed to be not altogether unwelcome, while no reason is perceived why it should not be approved by the insurgents.

Whatever circumstances may arise our policy and our interests would constrain us to object to the acquisition of the island, the independence with its control by another power. It should be added that it cannot be reasonably assumed that the hitherto expectant attitude of the United States will be indefinitely maintained. When the inability of Spain to deal successfully with the insurrection has become manifest, and it is demonstrated that her sovereignty is extinct in Cuba for all purposes of its rightful existence, and when hopeless struggle for its re-establishment has degenerated into a strife which means nothing more than the useless sacrifice of life and the individual living beyond his income and embarrassing himself with debt, or drawing upon his accumulated fund of principal is either unfortunate or improvident. The distinction is between a government charged with the duty of expending for the benefit of the people and for proper purposes all the money it receives from any source, and the individual who is expected to manifest a natural desire to avoid debt or to accumulate as much as possible, and to live within the income derived from such accumulations, to the end that they may be increased or at least remain unimpaired for the future use and enjoyment of himself and the objects of his love and affection who may survive him.

It is immeasurably better to appropriate our surplus to the payment of justifiable expenses than to allow it to become an invitation to reckless appropriations and extravagant expenditures. I suppose it will not be denied that under the present law our people obtain the necessities of a comfortable existence at a cheaper rate than formerly. This is a matter of supreme importance, since the palpable duty of every just government is to make the burden of taxation as light as possible. The people should not be required to relinquish this privilege of cheap living except under the stress of their government's necessity made plainly manifest.

VENZUELAN BOUNDARY QUESTION.

An Incident That Is Nearly Closed—Some Talk About Seals.

The Venezuelan boundary question has ceased to be a matter of difference between Great Britain and the United States, their respective governments having agreed upon the substantial provisions of a treaty between Great Britain and Venezuela submitting the whole controversy to arbitration. The provisions of the treaty are so eminent, just and fair, that the assent of Venezuela thereto may confidently be anticipated. The negotiations for a treaty of arbitration for all differences between Great Britain and the United States are far advanced and promise to reach a successful consummation at an early date.

With the foregoing the whole subject is dismissed, and the president takes up the subject of reform in the consular service, which he advocates on merit system lines, and also urges the providing of residences for our ambassadors abroad. Then he takes up the seal question and says:

We have during the past year labored faithfully and against unfavorable conditions to secure better preservation of seal life in the Bering sea. Both the United States and Great Britain have lately dispatched commissioners to these waters to study the habits and condition of the seal herd and the causes of their rapid decrease. Upon the reports of these commissioners, soon to be submitted, and with the exercise of patience and good sense on the part of all interested parties, it is earnestly hoped that hearty co-operation may be secured for the protection against threatened extinction of seal life in the northern Pacific and Bering sea.

SUBJECT OF GREAT INTEREST

Takes Up the Tariff and Argues in Favor of the Wilson Bill.

The president next takes up domestic finances and prefices his suggestions with a statement of the national balance sheet, and of collecting the revenue, except of gold and imports of same, together with the production of precious metals at home and abroad. He shows a deficit for the year of \$203,245,70. He then refers to all the departments of government in turn and finally takes up the tariff as follows:

I desire to recur to the statements elsewhere made concerning the government's receipts and expenditures for the purpose of venturing upon some suggestions touching our present tariff law and its operation. This statute took effect on the 26th day of August, 1894. Whatever may be its shortcomings as

a complete measure of tariff reform it must be conceded that it has opened the way to a freer and greater exchange of commodities between us and other countries, and thus furnished a wider market for our products and manufacturers. The only entire fiscal year during which the same has been ended on the 30th day of June, 1895. In that year our imports increased over those of the previous year more than \$6,500,000, while the value of the domestic products we exported and which found markets abroad was nearly \$70,000,000 more than during the preceding year.

Those who insist that the cost to our people of articles coming to them from abroad for their useful use should only be increased through tariff charges to an extent necessary to meet the expenses of the government, as well as those who claim that tariff charges may be laid upon such articles beyond the necessities of government, reason with the additional purpose of so increasing the price of our markets as to give American manufacturers and producers better and more profitable opportunities, must agree that our tariff laws are only primarily justified as sources of revenue to enable the government to meet the necessary expenses of its maintenance. Considered as to its sufficiency on this respect the present law can by no means fail under just condemnation. During the only complete fiscal year of its operation it has yielded nearly \$8,000,000 more revenue than was received from tariff duties in the preceding year.

There was nevertheless a deficit between our receipts and expenditures of a little more than \$25,000,000. This, however, was not unexpected. The situation was such in December, seven months before the close of the fiscal year, that the secretary of the treasury foretold a deficiency of \$17,000,000. The great and increasing apprehension and timidity in business circles and the depression in all activities intervening since that time, resulting from causes perfectly well understood and entirely disconnected with our tariff law or its operation, seriously checked the imports which would have otherwise received, and readily account of the difference between the estimate of the secretary and the actual deficiency, as well as for a continued deficit. Indeed, it must be confessed that we could hardly have had a more unfavorable period than the last two years for the collection of tariff revenue. We can not reasonably hope that our recuperation from this business depression will be sudden, but it has already set in with a promise of acceleration and continuation.

I believe our present tariff law, if allowed a fair opportunity, will in the measure yield a revenue which, with reasonable economical expenditures, will overcome all deficiencies. In the meantime no deficit that has occurred or may occur need excite or disturb us. To meet any such deficit we have in the treasury, in addition to a gold reserve of \$100,000,000, a surplus of more than \$128,000,000 applicable to the payment of the expenses of the government, and which must, unless expended for that purpose, remain a useless hoard, or if not extravagantly wasted must in any event be perverted from the purpose of its exaction from our people. The payment, therefore, of any deficiency in the revenue from this fund is nothing more than its proper and legitimate use.

The government thus applying a surplus fortunately in its treasury to the payment of expenses not met by its current revenues is not at all to be likened to a man living beyond his income and thus incurring debt or encroaching on its principal. It is not one of the functions of our government to accumulate and make additions to a fund not needed for immediate expenditure. With individuals it is the chief object of struggle and effort. The application of an accumulated fund by the government to the payment of its current expenses is a duty. An individual living beyond his income and embarrassing himself with debt, or drawing upon his accumulated fund of principal is either unfortunate or improvident. The distinction is between a government charged with the duty of expending for the benefit of the people and for proper purposes all the money it receives from any source, and the individual who is expected to manifest a natural desire to avoid debt or to accumulate as much as possible, and to live within the income derived from such accumulations, to the end that they may be increased or at least remain unimpaired for the future use and enjoyment of himself and the objects of his love and affection who may survive him.

It is immeasurably better to appropriate our surplus to the payment of justifiable expenses than to allow it to become an invitation to reckless appropriations and extravagant expenditures. I suppose it will not be denied that under the present law our people obtain the necessities of a comfortable existence at a cheaper rate than formerly. This is a matter of supreme importance, since the palpable duty of every just government is to make the burden of taxation as light as possible. The people should not be required to relinquish this privilege of cheap living except under the stress of their government's necessity made plainly manifest.

DISCUSSES FINANCIAL AFFAIRS

And Repeats That the Remedy Is the Retirement of Greenbacks.

This reference to the condition and prospects of our revenues naturally suggests an allusion to the weakness and vices of our financial methods. They have been frequently pressed upon the attention of congress in previous executive communications and the inevitable demand of their continued toleration is put out. Without now troubling these details I cannot refrain from again earnestly presenting the necessity of the prompt reform of a system opposed to every rule of sound finance, and shown by experience to be fraught with the gravest peril and perplexity. The terrible civil war which shook the foundations of our government more than thirty years ago brought in its train the destruction of property, the wasting of our country's substance and the estrangement of brethren. These are now past and forgotten. Even the distressing loss of life the conflict entailed is but a sacred memory which forges a patriotic sentiment and keeps alive a tender regard for those who nobly died.

And yet there remains with us today, in full strength and activity, as an incident of that tremendous struggle, a feature of its financial necessities not only unsuited to our present circumstances but manifestly a disturbing menace to business security and an ever-present agent of monetary distress. Because we may be enjoying a temporary relief from its depressing influence, this should not lull us into a false security nor lead us to forget the suddenness of past visitations. I am more convinced than ever that we can have no assured financial peace and safety until the government currency obligations upon which gold may be demanded from the treasury are withdrawn from circulation and cancelled.

This might be done, as has been heretofore recommended, by their exchange for long term bonds bearing a low rate of interest, or by their redemption with the proceeds of such bonds.

Even if only the United States notes known as greenbacks were thus retired it is probable that the treasury

notes issued in payment of silver purchases under the act of July 14, 1890, now paid in gold when demanded, would not create much disturbance, as they might from time to time, when received in the treasury by redemption in gold or otherwise, be gradually and independently placed by the coin.

Such occasional results fall far short of compensating the palpable evils charged to the account of trusts and monopolies. Their tendency is to crush individual independence and to hinder or prevent the free use of human faculties and the full development of human character. Through the farmer, the artisan and the small trader is in danger of dislodgement from the proud position of being his own master, watchful of all that touches his country's prosperity, in which he has an individual lot, and interested in all that affects the advantages of business of which he is a factor, to be relegated to the level of a mere appurtenant to a great machine, with little free will, with no duty but that of passive obedience, and with little hope or opportunity of rising in the scale of responsibility and helpful citizenship.

In considering projects of the retirement of United States notes and treasury notes issued under the law of 1890, I am of the opinion that we have placed too much stress upon the danger of contracting the currency, and have calculated too little upon the gold that would be added to our circulation if invited to us by better and safer financial methods. It is not so much a contraction of our currency that should be avoided as its unequal distribution. This might be obviated, and the fear of harmful contraction at the same time removed, by allowing the organization of smaller banks in less populous communities than are now permitted, and also authorizing existing banks to establish branches in small communities under proper restrictions.

The entire case may be presented by the statement that the day of sensible and sound financial methods will not dawn upon us until our government abandons the banking business and the accumulation of funds, and confines its monetary operations to the receipt of the money contributed by the people for its support, and to the expenditure of such money for the people's benefit.

Our business interests are all good citizens, long for rest from feverish agitation, and the inauguration by the government of a reformed financial policy which will encourage enterprise and make certain the rewards of labor and industry.

INTERESTING STATISTICS.

Some Figures as to Our Income and Outgo of Money.

The statistics of national income and outgo, etc., given by the president are as follows:

The secretary of the treasury reports that during the fiscal year ended June 30, 1896, the receipts of the government from all sources amounted to \$409,475,408.78. During the same period its expenditures were \$434,678,654.48, the amount of expenditures over receipts thus amounting to \$25,203,245.70. The ordinary expenditures during the year were \$40,015,352,21 less than during the preceding fiscal year. Of the receipts mentioned there was derived from customs the sum of \$180,021,751.67, and from internal revenue \$146,820,615.66. The receipts from customs show an increase of \$7,862,134.22 over those from the same source for the fiscal year ended June 30, 1895, and the receipts from internal revenue an increase of \$3,584,537.91.

The value of our imported dutiable merchandise during the last fiscal year was \$369,757,470, and the value of free goods imported \$409,967,470, being an increase of \$39,209,000 in the value of dutiable goods and \$40,967,470 in the value of free goods over the preceding year. Our exports of merchandise, foreign and domestic, amounted in value to \$882,806,938, being an increase over the preceding year of \$75,068,773. The average ad valorem duty paid on dutiable goods imported during the year was 39.94 per cent, and on free and dutiable goods taken together 20.55 per cent.

The cost of collecting our internal revenue was 2.81 per cent, as against 2.81 per cent for the fiscal year ended June 30, 1895. The total production of distilled spirits, exclusive of fruit brandies, was \$33,583,703 taxable gallons, being an increase of 1,443,676 gallons over the preceding year. There was an increase of 1,443,676 gallons of spirits produced from fruit, as compared with the preceding year. The number of barrels of beer produced was 35,859,230, as against 33,581,784 produced in the preceding fiscal year, being an increase of 2,269,466 barrels.

The total amount of gold exported during the last fiscal year was \$112,409,947 and of silver \$60,541,670, being an increase of \$45,941,465 of gold and \$13,246,384 of silver over the exports of the preceding fiscal year. The imports of gold were \$33,526,065 and of silver \$38,156,380, being \$2,689,695 less of gold and \$5,566,007 more of silver than during the preceding year. The total stock of metallic money in the United States at the close of the last fiscal year, ended on the 30th day of June, 1896, was \$1,223,226,035, of which \$599,597,964 was in gold, and \$82,728,071 in silver.

On the 1st day of November, 1896, the total stock of money of all kinds in the country was \$2,285,410,590 and the amount in circulation, not including that in the treasury holdings, was \$1,627,055,641, being \$22.63 per capita upon an estimated population of 71,902,000. Of these, 40,974 represent original allowances of claims and 15,875 increase of existing pensions.

The number of persons receiving pensions from the United States, but residing in foreign countries at the close of the last fiscal year was 3,781, and the amount paid to them during the year was \$582,725.33. The sum appropriated for the payment of pensions for the current fiscal year ending June 30, 1897, is \$140,000,000, and for the succeeding year it is estimated that the amount will be necessary. The commission of pensions reports that during the last fiscal year \$33,157,000 was paid to pensioners, and the amount of convictions of pensioners 157 convictions resulted.

In my opinion based upon such statements as these and much other information and observation, the abuses which have been allowed to creep into our pension system have done incalculable harm in demoralizing our people and rendering good citizenship. I have endeavored within my sphere of official duty to protect our pension roll and make it what it should be, a roll of honor, containing the names of those who actually fill the roll. No expenditure has been more profitably made or more generally approved by the people. Under the present management of the department in every direction and at the same time strict economy has been enforced to the utmost extent permitted by congressional action.

The secretary of the treasury has been succeeded by the present management of the department of financial management he has annually saved a large sum from his appropriations, aggregating during his incumbency up to the close of the present fiscal year nearly one-fifth of the entire amount appropriated. These results have been accomplished by a conscientious study of the real needs of the farmer and such a regard for economy as the genuine farmer ought to appreciate.

The secretary reports that the value of our exports of farm products during the last fiscal year amounted to \$570,000, an increase of \$17,000,000 over those of the year immediately preceding.