AS SENT IN TO CONGRESS YES-TERDAY

TO THE CONGRESS OF THE UNITED STATES: In discharge of a constitutional duty and following a well-established precedent in the executive office, I herewith transmit to the Congress, at its reassembling, certain information concerning the state of the Union, together with such recommendations for legislative consideration as appear necessary and expedient.

government has stantly maintained its relations of friendship with all other powers and of neighborly interest toward those whose possessions are antagonistic to our own. Few questions have arisen during the past year with other governments none of these are beyond the reach of settlement that is friendly. We are as yet without provision for the settlement of the claims of citizens of the United States against Chili for injuries during the late war with Peru and Bolivia. The mixed commissions organized under the claims conventions concluded by the Chilian 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 authorised to negotiate. The cruel 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 those people beyond the power of the local constituted authorities to prevent and difficult to punish are reported even in distant Alaska. Much of this violence can be traced to race prejudice and the competition of labor, which cannot, however, justify the oppression of strangers whose safety is guaranteed by our treety with China equally with the most favored nations. In opening our vast domain to alien elements the purpose of our law-givers was to invite assimilation and not to provide an arena for an endless antagonism. The paramount duty of maintaining of our own people may require the adop-tion of measures of restriction, 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 towards us I am most happy to recognize, will meet us half way in devising a comprehensive remedy by which an effective limitation of Chinese emigration, joined to the protection of those Chinese subjects who remain in this country may be scoured. Legislaof our Chinese convention of 1880.

touching the opium traffic. While the good will of the Colombian government towards our country is manifest, the situation of American interests on the Ithmus of Panama has at times excited concern, and invited friendly action looking to the performsnoe of the engagements of the two nations concerning the territory embraced in the inter-oceanic transit. With the subsidence of the Ithmian disturbances. and the erection of the state of Panama into a federal district under the direct government of the constitutional adminstration at Bogota, a new order of things has been inaugurated, which, although as yet somewhat experimental and affording a scope for the arbitrary exercise of power by the delegates of the national authority promises much

The sympathy between the peo-ple of the United States and France, born during our colonial strugble for independence and continuing today, has received a fresh impulse in the successful completion and dedication of the colossal statue of "Liberty enlight-ening the World" in New York harbor, the gift of Frenchmen to America. A convention between the United

States and certain other powers for the protection of submarine cables was signed at Paris on March 14, 1884, and has been duly ratified and proclaimed by this government. By agree-ment between the high contracting parties this convention is to go into effect the first of January next, but the legistion required for its execution in the United States has not yet been adopted. I earnestly recommend its enactment Cases have continued to occur in Germany giving rise to much correspondence in relation to the privilege of the sojourn of our naturalised citis ins of German origin revisiting the land of their birth, yet I am happy to state that our relations with that country have lost none of their accustomed cordialty. The claims for interest upon the amount

of tonnage dues illegally exacted from certain German steamship lines were favorably reported in both houses of Congress at the last session, and I trust will receive final and favorable action at an early day. The recommendation contained in my last annual message in relation to a mode of settlement of the fishing rights in the waters of British North America so long an object of anx-ous difference between the United States and Great Britain was met by an adverse vote of the Senate on April 15th last. and thereupon negotiations were insti-Britannie majesty's government for the promulgation of such joint interpreta-tions and definitions of the article of the convention of 1818 relating to the ter-ritorial waters and in shore fisheries of the British provinces as should secure the Canadian rights from endroachment by United States fishermen, and at the same time ensure the erj yment by the latter of the privileges guaranteed to tions involved are of long steading, of the free time to treatment of shipping, consular privilation and the conflict of opposing the treatment of shipping, consular privilation and treatment in the islands have led King Mathem by such convention. The ques-

time, for nearly three-fourths of a century, have given rise to earnest international discussions not unaccompanied by irritation. Temporary arrangements by treaties have served to allay the frietion which, however, has revived as each treaty was terminated. The last arrangement, under the treaty of 1871 was abrogated, after due notice by the United States, on June 30, 1885; but I was enabled to obtain for our fishermen, for the remainder of that season, the enjoyment of the full privileges accorded by the terminated treaty.

The joint high commission by whem the treaty had been negotiated, although invested with plenary power to offence in Texas of which an American make a permanent termination the question was relegated to the stipulations of the treaty 1878, as to the first article, of which no construction satisfactory to both countries has ever been agreed upon The progress of civilization and growth of population in the British provinces to which the fisheries in question are contiguous and the expansion of commercial intercourse between them and the United States, present today a condition of affairs scarcely realizable at the date of the negotiation of 1818

New and vast interests have been brought into existence, modes of intercourse between the countries have been invented and multiplied, the methods of conducting the fisheries have been wholly changed and all this is necessarily entitled to candid and careful consideration in the adjustment of the terms and conditions of intercourse and commerce between the United States and their neighbors along a frontier of over 8,500 miles. This propinquity, community of language and occupation and similarity of political and social institutions indicate the practical and obvious wisdom of maintaining mutual beneficial and friendly relations. Whilst ! am unfeignedly desirous that such relations should exist between us and the inhabitants of Canada yet the action of their officials during the past season towards our fishermen has been such as to seriously threaten their continuance. Although disappointed in my efforts to secure a satisfactory settlement of the fishery question, negotiations are still pending, with a reasonable hope that before the close of the present session of Congress, the announcement may be made that an acceptable conclusion has been reached. As, at an early day, there may be laid before Congress the correspondence of the department of state in relation to this important subject, so that the history of the past fishing season may be fully disclosed and the action and the attitude of the administration clearly comprehended, a more extended reference is not deemed necessary in this communication. The ventional boundary line between Alaska and British Columbia is renewed. I express my unhesitating conviction

that the intimacy of our relations with Hawaii, should be emphasized. As a result of the reciprocity treaty of 1875, Those islands on the highway of Oriental and Australesian traffic are virtually an outpost of American commerce and stepping stone to the growing trade of the Pacific. The Polynesian island groups have been so absorbed by other and more powerful governments that the Hawaiian islands are left almost alone in the enjoyment of their atonomy which it is important for us should be pre served. Our treaty is now terminable on one year's notice, but propositions to abrogate it would be, in my judgment, most ill-advised. The paramount influence we have there acquired, once relinquished, could only with difficulty e regained and a valuable ground of vantage for ourselves might be converted into a stronghold for our commercial competitors. I carnestly recommend that the existing treaty stipulations be extended for a further term of seven years. A recently signed treaty to this end is now before the Senate. The importance of telegraphic communication between these islands and the United States should not be overlooked The question of a general revision of the treaties of Japan is again under discussion at Tokio. As the first to open relations with that empire, and as the nation in most direct commercial relations with Japan, the United States have lost no opportunity to testify their consistent friendship by supporting the just claims of Japan to autonomy and independence among nations. A treaty of extradition between the United States and Japan, the first concluded by that

empire, has been lately proclaimed The weakness of Liberia and the difficulty of maintaining effective sover-eighty over its outlying districts have exposed that republic to encroachment. It cannot be forgotten that this distant community is an off-shoot of our own system, owing its origin to the associted benevolence of American citizens. whose praiseworthy efforts to create a nucleus of civilization in the dark continent have commanded respect and sympathy everywhere, sopecially in this country. Although a formal protecterate over Liberia is contrary to our traditional policy, the moral right and duty of the United States to assist in all proper ways in the maintenance of its integrity is obvious, and has been consistently announced during nearly half a century. I recommend that in the reorganization of our navy a small vessel, no longer found adequate to our needs

be presented to Liberia to be employed

yy it in the protection of coastwise reve-

The encouraging development of benoficial and intimate relations between the United States and Mexico, which has been so marked within the past few years is at once the occasion of congratulation and of friendly solicitude. I carnestly renew my former representation appreciation has been welcomed by the of the need of speedy legislation by Russian government and people as befits Congress to carry into effect the reciin pursuance of her announced policy of three governments, Germany, Great on the 18th of September 1885. Isasrecasting all her commercial treaties. Britain and the United States, whose commerce and navigation, defining alien | treaties. The weakness of the native ad-

ileges and the like. Our yet unexecuted reciprocity convention of 1883 covers none of these points, the settlement of which is so necessary to good relationship. I propose to initiate with Mexico negotiations for a new and enlarged treaty of commerce and naviga-

THE CUTTING CASE In compliance with a resolution of the Senate, I communicated to that body on August 2d last, and also to the House of Representatives, the correspondence in the case of A. K. Cutting, an American citizen, then imprisoned in Mexico, charged with the commission of a penal citizen was the object. After a demand had been made for his release the charge against him was amended so as to include a violation of Mexican law within Mexican territory. This joinder of alleged offences, one within and the other exterior, induced me to order a special investigation of the case, pending which Mr. Cutting was released. The incident has, however, disclosed a claim of jurisdiction by Mexico, novel in our history, whereby any offense committed anywhere by a foreigner, penal in the place of its commission and of which a Mexican is the object, may, if the offender be found in Mexico, be there tried and punished in conformity with Mexican laws. This jurisdiction was sustained by the courts of Mexico in the Cutting case and approved by the executive branch of that government upon the authority of a Mexican statute. The appellate court, in releasing Mr. Cutting, decided that the abandonment of the complaint by the Mexican citizen aggrieved by the alleged crime (a libelous publication), removed the basis of further prosecution, and also declared ranted by the principles of law and international usages. A sovereign has jurisdiction of offenses which concerted or commenced outside of it. United States for an offense committed on our soil in violation of our laws, even Mexican statute in question makes the claim broadly and the principle, if conoeded, would create a dual responsibility in the citizen and lead to inextricable confusion destructive of that certainty in the law which is an esrecommendation submitted last year, sential of liberty. When citizens on cargoes shipped to the Antilles and subjects which they embrace. that provision may be made for of the United States voluntarily go in- by reducing the passport fees, has to a foreign country they must abide by shown its recognition of the needs of the laws there in force, and will not be less trammelled intercourse

> In the case of Mex'co, there are reasons, especially strong, for perfect harmony in the mutual exercise of jurisdiction. Nature has made us irrevocawork, all grounds of apprehension for the security of person and property

> gard for justice and humanity,

will be demanded for them. With

of danger to the peace of the two coun-The government of the Netherlands which are supposed by them to be simed sens. at a class of tobacco produced in the Dutch East Indies. Comment would Ex seem unnecessary upon the unwisdom of legislation appearing to have discrimi-

should be removed, and I trust that in

the interest of good neighborhood the

statute referred to will be so modified

as to eliminate the present possibilities

The establishment, less than four years ago, of a station at Teheran, is bearing fruit in the interest exhibited by the Persian government in the in-

A stable government is now happily restored in Peru, by the election of recovery is necessarily slow from the exhaustion caused by the late war and citizens has been proposed and is under consideration

The naval officer, who bore to Siberia the testimonials bestowed by Congress in recognition of the aid given to the Jeannette survivors, has succesfully accomplished his mission. His interesting report will be submitted. It is pleasant to know that this mark of should not be made. the traditional friendship of

lietos to seek alliance or protection in some other quarter, regardless of the distinot engagements whereby no one of the three treaty powers may acquire any paramount or exclusive interest. In May last, Malietos offered to place Ssmos under the protection of the United States, and the late consul, without suthority, assumed to grant it. The proceeding was promptly disavowed. and the over realous official recalled. Special agents of the three governments have been deputed to reexamine the situation in the islands. With a change in the representation of all three powers and a harmonious understanding between them, the peace, prosperity, autonomous administration and neutrality of the Samoans will hardly fail to be secured.

It is appearing that the government of Spain did not extend to the flag of the United States, in the Aptilles the full measure of reciprocity requisite under our statute for the continuance of the suspension of the discrimination against the Spanish flag in our ports, I was constrained in October to rescind my predecessor's proclamation of February 14, 1884, permitting such suspension. An arrangement was, however, speedily government of Spain that all differential treatment of our vessels and their cargoes from the United States, or from any foreign country had been completely law, and issued on the 27th of October, my proclamation declaring reciprocal suspension in the United States. It is earnest spirit in which the govsentence. The admission of such a pre- to the material interests and the polititension would be attended with serious | cal good-will of the countries they may results, invasive of the jurisdiction of affect. The profitable development of this government and highly dangerous the large commercial exchanges beto our citizens in foreign lands; there- tween the United States and the Spanish fore I have denied it, and protested Antilles is naturally an object of soliciagainst its attempted exercise as unwar- tude. Lying close at our doors and finding here their main markets of supply and demand, the welfare of Cub and Porto Rico and their production take effect within his territory although and trade are scarcely less important to us than to Spain. Their sovereign to punish a citizen of the are so naturally a part of our system that no obstacle to fuller and freer intercourse should be permitted to have for years been to leave no effort protected by their own government from | An effort has been made during the past

the consequences of an offense against | year toremove the hindrances to the procthose laws committed in such foreign | lamation of the treaty of naturalisation country. But the watchful care and in- | with the Sublime Porte, signed in 1874. terest of this government over its citi- which has remained in operation owing will not be content when the isfactory to note the improved treatment tion. The ordinary receipts of public in ratifying the measure. I trust that this postponement will be

CITIZENSHIP AND NATURALIZATION. I renew the recommendation of my last annual message that existing legislation concerning citis mship and naturalisation be revised. We have treaties with many states providing for the renunciation of citizenship by naturalized aliens, but no statute is found to give effect to such engagements or any nas exhibited concern in relation to which provides a needed central bureau close of the last fiscal year of \$98.956.

There is also a suspicion abroad that for the registration of naturalized citi- 588.56, as against \$68,468,771,27 at the the surplus of our revenues indicates which are supposed by them to be simed sens.

Experience suggests that our statutes regulating extradition might be advantageously amended by a provision for nation for its object, which, although the transit across our territory, now a unintentional, may give rise to injurious | convenient thoroughfare of travel from one foreign country to another, of fugitives surrendered by a foreign government to a third state. Such provisions are not unusual in the legislation of ether countries and tend to prevent dustrial activity of the United States the miscarriage of justice. It is also and the opportunity of beneficial interuncertainties, that authority should be conferred on the Secretary of State to issue a certificate in case of arrest for constitutional President, and a period of the purpose of extradition to the officer rehabilitation is entered upon, but the | before whom the proceeding is pending, showing that a requisition for the surrender of the person charged, has been eivil disturbances. A convention to duly made. Such a certificate, if required adjust by arbitration the claims of our to be received before the prisoner's examination, would prevent a long and expensive judicial inquiry into a charge which the foreign government might not desire to press. I also recommend that express provision be made for the immediate discharge from custody of persons committed for extradition where the President is of the opinion that a surrender

INTERNATIONAL COPYRIGHT.

much as the constitution gives to Congress science and the useful arts, by a curing pared with the preceding year as fol-for limited times to authors and inven- lows: For the year ending June 30, tors the exclusive right to their respective writings and discoveries, this

government did not feel warranted in becoming a signatory, pending the acternational copyright now before it, but | 682 946; foreign merchandise, vention hereafter has been reserved. I 753 933 trust the subject will receive at your hands the attention it deserves. Representations are made to me of the injurious effect upon American artists studying abroad and having free access to the art collection of foreign countries of maintaining a discriminating duty against the introduction of the works of their brother artists of other countries; and I am induced to reneat my recommendation for the abolition of that tax

THE DIPLOMATIC AND CONSULAR SERVICE.

Pursuant to a provision of the diplomatic and consular appropriation act, approved July 1st, 1886, the estimates submitted by the secretary of state for the maintenance of the consular service, have been recast on the basis of salaries | \$20,711,349; 1885. \$26.691,696. Silfor all officers to whom such allowance is deemed advisable. Advantage has 550,627. been taken of this to redistribute the salaries of the officers now appropriated for in accordance with the work performed, the importance of the represenreached, and upon notification from the tative duties of the incumbent and the cost of living at each post. The last consideration has been too often lost sight of in the allowance heretofere made. The compensation which may and absolutely relinquished, I availed suffice for the decent maintenance of myself of the discretion conferred by worthy and capable officer in a position of representative trust at a post readily accessible and where the necessaries of life are abundant and cheap may prove most gratifying to bear testimony to the an inadequate pittance in distant lands. where the better part of a year' ernment of the Queen Regent pay is consumed in reaching the post has met our efforts to avert the of duty and where the comforts of ustice to have been satisfied by the en- initiation of commercial discriminations ordinary civilized existence can only be forcement of a small part of the original and reprisals which are ever disastrous obtained with difficulty and at exceptitant cost. I trust that in considering the submitted schedules, no mistaken theory of economy will perpetuate a system which in the past has virtually closed to deserving talent many offices where capacity and attainments of a high order are indispensable, and in not a few instances has brought discredit on our national character and entailed embarrassment and even suffering on those deputed to uphold our dignity and interest abroad. In connection with this but the right is denied of any foreign commercial and financial movements subject, I carnestly reiterate the practical necessity of supplying some mode of trustworthy inspection and report of the manner in which the consulates though the offence be against a subject exist. The standing instructions of our are conducted. In the absence of such or citizen of such sovereign. The representatives at Madrid and Havana reliable information efficiency can scarcely be rewarded or its opposite unessayed oo further these ends and at corrected. Increasing competition in no time has the equal good desire of trade has directed attention to the Spain been more hopefully manifest- value of the consular reports printed by ed than now. The government of Spain, the efforts of the government. They are by removing the consular tonnage fees much sought for by all interested in the

Treasury exhibits in detail the condition of the public finances and of the several this department. I especially direct the attention of the Congress to the recommendations contained in this and the sens are not relinquished because they to a disagreement of interpretation of last preceding report of the secretary have gone abroad, and if charged with a the clauses relative to the effects of the touching the simplification and amend crime committed in a foreign land, a fair return to and sojourn of a naturalised ment of the laws relating to the collecand open trial conducted with decent re- citizen in the land of origin. I trust tion of our revenues and in the interest soon to be able to announce a favorable of economy and justice to the settlement of the differences as to this government. I hope they may less than this, this government interpretation. It has been highly sat- be adopted by appropriate legisly life or liberty of its citizens is at stake. of American missionaries in Turkey, as government for the fiscal year ended Whatever the degree to which extra has been attested by their acknowledge- June 30, 1886 were \$336,439 727 06. territorial criminal jurisdiction may ments to our late minister to that Of this amount \$192,905,023 41 was have been formerly allowed by consent government of his successful exertions received from customs and \$116,805, and reciprocal agreement among certain in their behalf. The exchange of ratifi- 936.48 from internal revenue. The of the European States, no such dec- cation, of the conventions of December total receipts as here stated were \$13,trine or practice was ever known to 5th, 1885, with Venezuella, for the re- 749,020.68 greater than for the prethe laws of this country or of that from opening of the awards of the Caracas com- vious year, but the increase from cuswhich our institutions have mainly been mission under the claims convention of toms was \$11,434 084 10, and from in-1866, has not yet been effected, owing to ternal revenue 2440 721,094; making a the delay of the executive of that re- gain in these items for the last year of \$15,841,295.04, a falling off in other resources reducing the total increase to brief, but should it much longer con- the smaller amount mentioned. The bly neighbors and wisdom and kind tinues the delay may well be regarded expense at the different custom houses feeling should make us friends. The overflow of capital and enterprise from the
ure on the part of Venezuela to comrevenue was less than the expense atlete an average and a failrevenue was less than the expense at-United States is a patent factor in assist- plete an arrangement so persistently tending the collection of such revenue ing the development of the resources of sought by her during many years and for the preceding year by \$490,-Mexico and building up the prosperity assented to by this government in a 608, and the increased receip of both countries. To assist this good spirit of international fairness. of internal revenue were collected at a cost to the internal revenue bureau. \$165.594. 99, less than the expense of such collection for the previous year. ernment for the fiscal year ended June 30th, 1886, were \$242.483 138 50, being less by \$17.788.797 than such expenditures for the year preceding, and having a surplus in the treasury at the constantly pays into the public treasury as he supplies his daily wants, he receives his fair share of advantages. The total ordinary expenses of the gov close of the previous year, being an in-orease in such surplus of \$30,492,817 29.

THE PINANCES.

classified as follows: Year ending June 30, 1886; for civil expenses, \$21,955,604,04; year ending

The expenditures are compared with

those of the preceding fiscal year, and

June 30, 1885, \$28,826,942 11. For foreign intercourse, for the 1886. \$1,332,320.88; for the year 1885. \$5,489,609.11. For Indians, for the year 1886, 26,090.158.17; for the year 1885, \$6,552 494 63. For pensions, for the year 1886, \$63 504 864 06; for the year 1885 \$56,102,267 49. For the military, including river and harbor improvements and arsenals, for the year 1886. \$34,324,152.74; for the year 1885,242. 670,578.47. For the navy, including vessels, machinery and improvement of navy yards, for the year 1886, \$13 907.887.74; for the year 1885. 216 021,079 69. For interest on public debt, for the year 1886, \$50, 580,145.07; for the year 1885, \$51, 386,256,47. For the District of Columbia, for the year 1886, \$2 892, 321.89; for the year 1885, \$3,899, 650 95. For miscellaneous expenditures, including public buildings, light houses and collecting the revenue, for the year 1886. \$47,986,683 04; for the year 1885. \$54,728,056 21. For the current year to end June 80, 1887, the ascertained receipts up to October 1, 1886, wi communities toward full recognition of such receipts estimated for the remainthe rights of preperty in the creations der of the year amount to \$356,000,000. of the human intellect has brought The expenditures ascertained and estiuary 20th, 1883. Our commercial Civil perturbations in the Sa- of the human intellect has brought The expenditures assertained and estitrenty of 1831 with Mexico was termi- moan Islands have, during the about the adoption by many important mated for the same period are \$266,000,nated according to its provisions in past few years, been a source nations of an international copyright 000, indicating an anticipated surplus at 1881 upon notification given by Mexico of considerable embarrassment to the convention, which was righted at Berne the close of the years of 290,000,000 the close of the years of \$90,000,000 The total value of the experts from the United States to foreign countries dur-Mexico has since concluded with several relations and extra territorial rights in the power to promote the progress of ind the fiscal year is stated and comforcing governments new treaties of that important group are guaranteed by

1884: Domestic merchandise, \$665,-964,529; foreign merchandise, \$18,560,-

301; gold, \$42 952,191; silver, \$29,-511,219. For the year ending June tion of Congress upon measures of in- 30, 1885: Domestic merchandise, \$726, the right of adhesion to the Berne cop- 506 809; gold, 28,477,892; silver, \$33,-

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 suggestive:

For the year ending June 30, 1896: Cotton and cotton manufactures, \$219.045,576.00 tobacco and its manufactures, \$30,424,908.00 bread stuffs, \$125,346,558.00; provisions, \$90,625,216.00. For the year ending June 30.1:85: Cotton and cotton manufactures, \$213,799, 049.00; tobacco and its manufactures, \$24,-767,305.40; breadstuffs, \$180,876,821.00; provisions, \$107,382,456.00.

Our imports during the last fiscal year as compared with the previous year were as follows :

Merchandise, 1886. \$635,436,186 1885, \$579,580 058 80. Gold, 1886, ver, 1886, \$17,850,307; 1885, \$16 -

## REVENUE REPORM.

In my last annual message to Congress attention was directed to the fact that the revenues of the government exceeded the 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 importance of the subject I deem it my duty to again urge its consideration. The income of the government by its increased volume and through coopemies 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 debit as is now at our option subject to extinguishment if continued at the rate which has lately prevailed would retire that class of indebtedness within less than one year from this date. Thus a continuation of our present revenue system would soon result in the receipt of an annual income much greater than necessary to meet government expenses, with no indebtedness to which it could be applied. We should then be confronted with a vast quantity of money, the circulating medium of the people, hourded in the treasury when it should be in their hands, or which would be drawn into wasteful public extravagance with all the corrupting national un-demogratic system which follows in its train, but it is not the simple existence of the 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 perversion of the relations between the people and their government, and a dangerous departure from the rules which limit the right of federal taxation. Good government, and especially the government of which every American citizen boasts, has for its obbranches of the government related to ject the protection of every person withsistent with the good order of society, and his perfect security in the er joyment ofe is earnings with the least possible diminution for public needs. When more of the people's substance is exacted through the form of taxation than is necessary to meet the just obligations of the government and the expense of its economical administration, such exaction becomes ruthless exsortion and a violation of the full fundamental principles of free gov-

> ernment. The indirect manner in which these exactions are made has a tendency to conceal their true character and their

But we have arrived at a stage of su-

perfizous revenue, which has aroused the people to a realisation of the fact that the amount raised professedly for the support of the government, is paid by them as absolutely as if added to the price of the things which supply their daily wants, as if it was paid at fixed periods into the hand of the tax gatherer. ance and clamoring for the protection and favor of the government, is dull and sluggish till, touched by the magical hand of labor, it springs into activity furnishing an occasion for Federal taxation and gaining the value which enables it to bear its burden. The laboring man profits which under the system which produces such surplus, increases, without corresponding benefit to the people at large, the vast accumulations of the few among our citizens whose fortunes. rivalling the wealth of the most favored in anti-democratic nations. are not the natural outgrowth of a steady, plain and industrious republic. prior to November 1, 1886. The re-Our farmers too and those engaged di-rectly and indirectly in supplying the matured under the salls after that products of agriculture, see that, day by day, and as often as the daily wants of their households recur, they are forced to pay needless and excessive taxation, while their products struggle in foreign markets with the competition of nations which by allowing a freer exchange of productions than we permit, enable their people to sell for prices which distrees the American farmer.

As every patriotic citizen rejoices in the constantly increasing pride of our people in American citizenship and in the glory of our national achievements and progress, a sentiment prevails that the leading strings useful to a nation in its infancy may well be to a great extent discarded in the present stage of reduced by \$22,606,150, being bonds American ingenuity, courage and fearless self-reliance and for the privilege of stated, but not redeemed and cancelled indulging this sentiment with true American enthusiasm our citizens are quite willing to forego an idle surplus in the public treasury. And all the needle treasury that the needle treasury the needle treasury that the needle treasury the needle treasury that the needle treasury the needle treasury that the needle treasury the needle treasury that the needle treasury the needle treasury the people know that the average rate of federal taxation upon imports is today, in time of peace, upon some articles of necessary consumption actually more than was imposed by the grievous burning that the close of the previous fis all the provious fis all the previous fis all the close of the previous fis all the close of the previous fis all the close of the previous fis all the previous fis all the close of the previous fis all the previous first den willingly horne at a time when the government needed millions to maintain by war the safety and integrity of the lat day of December, 1886, the total Union. It has been the policy of the government to collect the principal part of its revenues by a tax upon imports, and no change in the policy is desirable.

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 recognised and obeyed by the people's representatives in the leg islative branch of the government. In readjusting the burdens of federal taxation, a sound public policy requires that such of our citis ns as have built up large and important industries under the advantages to which they have adapted requires it they should be content with such consideration as shall deal fairly relief from needless taxation is honestly

But the present condition of affairs con-

strains our people to demand that by a

present conditions should not be suddenly and to their injury deprived of their business; but if the public good and cautiously with their interests. while the just demand of the people for answered. A reasonable and timely submission to such a demand should certainly be possible without a disastrous shook to any interest, and a cheerful soncession sometimes averts abrupt and heedless action, often the outgrowth of impatience and delayed justice. LABOR Due regard should be also accorded in any proposed readjustment to the interests American labor so far as they are involved. We congratulate ourselves

that there are among us no laboring class fixed with unyielding strength and doomed under all conditions to the inexorable fate of daily toil. We recog-nise in labor a chief factor in the wealth of the republic, and we treat those who have it in their keeping as citizens entitled to the most careful regard and thoughtful attention. This regard and attention should be awarded them, not only because labor is the capital of our workingmen, justly entitled to its share of government 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 living and enables 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 palpably influences the question of wages should not be forgotten in the justifiable prominches given to the proper maintenance of the supply and protection of well paid labor, and these considerations suggest such an arrangement of government revenues as shall reduce the expense of living while it does not curtail the opportunity for work ner reduce the compeneation of American labor and injuriously affect its condition and the dignified place it holds in the estimation of our people.

THE PARMERS.

But our farmers and agriculturists, those who from the South. are more directly and plainly concerned than any other of our citisens in a just and careful system of Bederal taxation. Those actually engaged in and more remotely connected with this kind of work numbers nearly one-half of our population. None labor harder or more conscientiously than they. No engagements limit their hours of toil and no interposition of the government enhances to any great extent, the value of their products; and yet, for many of thenecessaries and comforts of life which the most scrupulous sconomy 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 manufacturer. I recommend that keeping in view all these considerations the increasing and unnecessary surplus of national income annually accumulated, be released to the people by an amend-ment to our revenue laws which shall cheapen the price of the necessaries of life and give free entrance to such imported materials as by American labor may be manufactured into marketable commodities. Nothing can be accomtion of this much needed reform unless the subject is approached in a patriotic spirit of devotion to the interwillingness to yield something for the public good.

The sum paid upon the public debt during the fiscal year ended June 30, 1886, was \$44,551,-048.86. During the twelve months ended October 81, 1886, three per cent bonds were called for redemption, amounting to \$127,283 100, of which \$80,648,200 was so called to answer the requirements of the law relating to the sinking fund, and \$46,689,900 for the purpose of reducing the public debt by application of a part of the surplus in the treasury to that object. Of the bonds thus called \$102,269,450 became subject under such calls to redemption date. In addition to the am unt subject to payment and cancellation prior to November 1st, there were also paid before that day certain of these bonds with the interest thereon amounting to \$5,072,350, which were anticipated as to their maturity, of which \$2 664,850 had not been called. Thus \$107.841.800 had been actually applied prior to the 1st of November, 1886, to the extinguishment of our bonded and interest-bearing debt, leaving on that day still outstanding the sum of \$111 344 -812. Of this amount \$86,848,700 were still represented by three per cent bonds. They, however, have been since November 1st or will at once be further which have been called as already

SILVER COINAGE.

before the latter date.