

STATE OF THE UNION ADDRESSES OF CHESTER A. ARTHUR

CHESTER A. ARTHUR*

To the Senate and House of Representatives of the United States:

An appalling calamity has befallen the American people since their chosen representatives last met in the halls where you are now assembled. We might else recall with unalloyed content the rare prosperity with which throughout the year the nation has been blessed. Its harvests have been plenteous; its varied industries have thriven; the health of its people has been preserved; it has maintained with foreign governments the undisturbed relations of amity and peace. For these manifestations of His favor we owe to Him who holds our destiny in His hands the tribute of our grateful devotion.

To that mysterious exercise of His will which has taken from us the loved and illustrious citizen who was but lately the head of the nation we bow in sorrow and submission.

The memory of his exalted character, of his noble achievements, and of his patriotic life will be treasured forever as a sacred possession of the whole people.

The announcement of his death drew from foreign governments and peoples tributes of sympathy and sorrow which history will record as signal tokens of the kinship of nations and the federation of mankind.

The feeling of good will between our own Government and that of Great Britain was never more marked than at present. In recognition of this pleasing fact I directed, on the occasion of the late centennial celebration at Yorktown, that a salute be given to the British flag.

Save for the correspondence to which I shall refer hereafter in relation to the proposed canal across the Isthmus of Panama, little has occurred worthy of mention in the diplomatic relations of the two countries.

Early in the year the Fortune Bay claims were satisfactorily settled by the British Government paying in full the sum of 15,000 pounds, most of which has been already distributed. As the terms of the settlement included compensation for injuries suffered by our fishermen at Aspee Bay, there has

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been retained from the gross award a sum which is deemed adequate for those claims.

The participation of Americans in the exhibitions at Melbourne and Sydney will be approvingly mentioned in the reports of the two exhibitions, soon to be presented to Congress. They will disclose the readiness of our countrymen to make successful competition in distant fields of enterprise.

Negotiations for an international copyright convention are in hopeful progress.

The surrender of Sitting Bull and his forces upon the Canadian frontier has allayed apprehension, although bodies of British Indians still cross the border in quest of sustenance. Upon this subject a correspondence has been opened which promises an adequate understanding. Our troops have orders to avoid meanwhile all collisions with alien Indians.

The presence at the Yorktown celebration of representatives of the French Republic and descendants of Lafayette and of his gallant compatriots who were our allies in the Revolution has served to strengthen the spirit of good will which has always existed between the two nations.

You will be furnished with the proceedings of the Bimetallic Conference held during the summer at the city of Paris. No accord was reached, but a valuable interchange of views was had, and the conference will next year be renewed.

At the Electrical Exhibition and Congress, also held at Paris, this country was creditably represented by eminent specialists, who, in the absence of an appropriation, generously lent their efficient aid at the instance of the State Department. While our exhibitors in this almost distinctively American field of achievement have won several valuable awards, I recommend that Congress provide for the repayment of the personal expenses incurred in the public interest by the honorary commissioners and delegates.

No new questions respecting the status of our naturalized citizens in Germany have arisen during the year, and the causes of complaint, especially in Alsace and Lorraine, have practically ceased through the liberal action of the Imperial Government in accepting our often-expressed views on the subject. The application of the treaty of 1868 to the lately acquired Rhenish provinces has received very earnest attention, and a definite and lasting agreement on this point is confidently expected. The participation of the descendants of Baron von Steuben in the Yorktown festivities, and their subsequent reception by their American kinsmen, strikingly evinced the ties of good will which unite the German people and our own.

Our intercourse with Spain has been friendly. An agreement concluded in February last fixes a term for the labors of the Spanish and American Claims Commission. The Spanish Government has been requested to pay the

late awards of that Commission, and will, it is believed, accede to the request as promptly and courteously as on former occasions.

By recent legislation onerous fines have been imposed upon American shipping in Spanish and colonial ports for slight irregularities in manifests. One ease of hardship is specially worthy of attention. The bark *Masonic*, bound for Japan, entered Manila in distress, and is there sought to be confiscated under Spanish revenue laws for an alleged shortage in her transshipped cargo. Though efforts for her relief have thus far proved unavailing, it is expected that the whole matter will be adjusted in a friendly spirit.

The Senate resolutions of condolence on the assassination of the Czar Alexander II were appropriately communicated to the Russian Government, which in turn has expressed its sympathy in our late national bereavement. It is desirable that our cordial relations with Russia should be strengthened by proper engagements assuring to peaceable Americans who visit the Empire the consideration which is due to them as citizens of a friendly state. This is especially needful with respect to American Israelites, whose classification with the native Hebrews has evoked energetic remonstrances from this Government.

A supplementary consular agreement with Italy has been sanctioned and proclaimed, which puts at rest conflicts of jurisdiction in the case of crimes on shipboard.

Several important international conferences have been held in Italy during the year. At the Geographical Congress of Venice, the Beneficence Congress of Milan, and the Hygienic Congress of Turin this country was represented by delegates from branches of the public service or by private citizens duly accredited in an honorary capacity. It is hoped that Congress will give such prominence to the results of their participation as they may seem to deserve.

The abolition of all discriminating duties against such colonial productions of the Dutch East Indies as are imported hither from Holland has been already considered by Congress. I trust that at the present session the matter may be favorably concluded.

The insecurity of life and property in many parts of Turkey has given rise to correspondence with the Porte looking particularly to the better protection of American missionaries in the Empire. The condemned murderer of the eminent missionary Dr. Justin W. Parsons has not yet been executed, although this Government has repeatedly demanded that exemplary justice be done.

The Swiss Government has again solicited the good offices of our diplomatic and consular agents for the protection of its citizens in countries where it is not itself represented. This request has, within proper limits, been granted.

Our agents in Switzerland have been instructed to protest against the conduct of the authorities of certain communes in permitting the emigration to this country of criminals and other objectionable persons. Several such persons, through the cooperation of the commissioners of emigration at New York, have been sent back by the steamers which brought them. A continuance of this course may prove a more effectual remedy than diplomatic remonstrance.

Treaties of commerce and navigation and for the regulation of consular privileges have been concluded with Roumania and Servia since their admission into the family of European States.

As is natural with contiguous states having like institutions and like aims of advancement and development, the friendship of the United States and Mexico has been constantly maintained. This Government has lost no occasion of encouraging the Mexican Government to a beneficial realization of the mutual advantages which will result from more intimate commercial intercourse and from the opening of the rich interior of Mexico to railway enterprise. I deem it important that means be provided to restrain the lawlessness unfortunately so common on the frontier and to suppress the forays of the reservation Indians on either side of the Rio Grande.

The neighboring States of Central America have preserved internal peace, and their outward relations toward us have been those of intimate friendship. There are encouraging signs of their growing disposition to subordinate their local interests to those which are common to them by reason of their geographical relations.

The boundary dispute between Guatemala and Mexico has afforded this Government an opportunity to exercise its good offices for preventing a rupture between those States and for procuring a peaceable solution of the question. I cherish strong hope that in view of our relations of amity with both countries our friendly counsels may prevail.

A special envoy of Guatemala has brought to me the condolences of his Government and people on the death of President Garfield.

The Costa Rican Government lately framed an engagement with Colombia for settling by arbitration the boundary question between those countries, providing that the post of arbitrator should be offered successively to the King of the Belgians, the King of Spain, and the President of the Argentine Confederation. The King of the Belgians has declined to act, but I am not as yet advised of the action of the King of Spain. As we have certain interests in the disputed territory which are protected by our treaty engagements with one of the parties, it is important that the arbitration should not without our consent affect our rights, and this Government has accordingly thought proper to make its views known to the parties to the agreement, as well as to intimate them to the Belgian and Spanish

Governments.

The questions growing out of the proposed interoceanic waterway across the Isthmus of Panama are of grave national importance. This Government has not been unmindful of the solemn obligations imposed upon it by its compact of 1846 with Colombia, as the independent and sovereign mistress of the territory crossed by the canal, and has sought to render them effective by fresh engagements with the Colombian Republic looking to their practical execution. The negotiations to this end, after they had reached what appeared to be a mutually satisfactory solution here, were met in Colombia by a disavowal of the powers which its envoy had assumed and by a proposal for renewed negotiation on a modified basis.

Meanwhile this Government learned that Colombia had proposed to the European powers to join in a guaranty of the neutrality of the proposed Panama canal—a guaranty which would be in direct contravention of our obligation as the sole guarantor of the integrity of Colombian territory and of the neutrality of the canal itself. My lamented predecessor felt it his duty to place before the European powers the reasons which make the prior guaranty of the United States indispensable, and for which the interjection of any foreign guaranty might be regarded as a superfluous and unfriendly act.

Foreseeing the probable reliance of the British Government on the provisions of the Clayton-Bulwer treaty of 1850 as affording room for a share in the guaranties which the United States covenanted with Colombia four years before, I have not hesitated to supplement the action of my predecessor by proposing to Her Majesty's Government the modification of that instrument and the abrogation of such clauses thereof as do not comport with the obligations of the United States toward Colombia or with the vital needs of the two friendly parties to the compact.

This Government sees with great concern the continuance of the hostile relations between Chile, Bolivia, and Peru. An early peace between these Republics is much to be desired, not only that they may themselves be spared further misery and bloodshed, but because their continued antagonism threatens consequences which are, in my judgment, dangerous to the interests of republican government on this continent and calculated to destroy the best elements of our free and peaceful civilization.

As in the present excited condition of popular feeling in these countries there has been serious misapprehension of the position of the United States, and as separate diplomatic intercourse with each through independent ministers is sometimes subject, owing to the want of prompt reciprocal communication, to temporary misunderstanding, I have deemed it judicious at the present time to send a special envoy accredited to all and each of them, and furnished with general instructions which will, I trust, enable him to bring these powers into friendly relations.

The Government of Venezuela maintains its attitude of warm friendship and

continues with great regularity its payment of the monthly quota of the diplomatic debt. Without suggesting the direction in which Congress should act, I ask its attention to the pending questions affecting the distribution of the sums thus far received.

The relations between Venezuela and France growing out of the same debt have been for some time past in an unsatisfactory state, and this Government, as the neighbor and one of the largest creditors of Venezuela, has interposed its influence with the French Government with the view of producing a friendly and honorable adjustment.

I regret that the commercial interests between the United States and Brazil, from which great advantages were hoped a year ago, have suffered from the withdrawal of the American lines of communication between the Brazilian ports and our own.

Through the efforts of our minister resident at Buenos Ayres and the United States minister at Santiago, a treaty has been concluded between the Argentine Republic and Chile, disposing of the long-pending Patagonian boundary question. It is a matter of congratulation that our Government has been afforded the opportunity of successfully exerting its good influence for the prevention of disagreements between these Republics of the American continent.

I am glad to inform you that the treaties lately negotiated with China have been duly ratified on both sides and the exchange made at Peking. Legislation is necessary to carry their provisions into effect. The prompt and friendly spirit with which the Chinese Government, at the request of the United States, conceded the modification of existing treaties should secure careful regard for the interests and susceptibilities of that Government in the enactment of any laws relating to Chinese immigration.

Those clauses of the treaties which forbid the participation of citizens or vessels of the United States in the opium trade will doubtless receive your approval. They will attest the sincere interest which our people and Government feel in the commendable efforts of the Chinese Government to put a stop to this demoralizing and destructive traffic.

In relation both to China and Japan some changes are desirable in our present system of consular jurisdiction. I hope at some future time to lay before you a scheme for its improvement in the entire East.

The intimacy between our own country and Japan, the most advanced of the Eastern nations, continues to be cordial. I am advised that the Emperor contemplates the establishment of full constitutional government, and that he has already summoned a parliamentary congress for the purpose of effecting the change. Such a remarkable step toward complete assimilation with the Western system can not fail to bring Japan into closer and more beneficial relationship with ourselves as the chief Pacific power.

A question has arisen in relation to the exercise in that country of the judicial functions conferred upon our ministers and consuls. The indictment, trial, and conviction in the consular court at Yokohama of John Ross, a merchant seaman on board an American vessel, have made it necessary for the Government to institute a careful examination into the nature and methods of this jurisdiction.

It appeared that Ross was regularly shipped under the flag of the United States, but was by birth a British subject. My predecessor felt it his duty to maintain the position that during his service as a regularly shipped seaman on board an American merchant vessel Ross was subject to the laws of that service and to the jurisdiction of the United States consular authorities.

I renew the recommendation which has been heretofore urged by the Executive upon the attention of Congress, that after the deduction of such amount as may be found due to American citizens the balance of the indemnity funds heretofore obtained from China and Japan, and which are now in the hands of the State Department, be returned to the Governments of those countries.

The King of Hawaii, in the course of his homeward return after a journey around the world, has lately visited this country. While our relations with that Kingdom are friendly, this Government has viewed with concern the efforts to seek replenishment of the diminishing population of the islands from outward sources, to a degree which may impair the native sovereignty and independence, in which the United States was among the first to testify a lively interest.

Relations of unimpaired amity have been maintained throughout the year with the respective Governments of Austria-Hungary, Belgium, Denmark, Hayti, Paraguay and Uruguay, Portugal, and Sweden and Norway. This may also be said of Greece and Ecuador, although our relations with those States have for some years been severed by the withdrawal of appropriations for diplomatic representatives at Athens and Quito. It seems expedient to restore those missions, even on a reduced scale, and I decidedly recommend such a course with respect to Ecuador, which is likely within the near future to play an important part among the nations of the Southern Pacific.

At its last extra session the Senate called for the text of the Geneva convention for the relief of the wounded in war. I trust that this action foreshadows such interest in the subject as will result in the adhesion of the United States to that humane and commendable engagement.

I invite your attention to the propriety of adopting the new code of international rules for the prevention of collisions on the high seas and of conforming the domestic legislation of the United States thereto, so

that no confusion may arise from the application of conflicting rules in the case of vessels of different nationalities meeting in tidal waters. These international rules differ but slightly from our own. They have been adopted by the Navy Department for the governance of the war ships of the United States on the high seas and in foreign waters, and, through the action of the State Department in disseminating the rules and in acquainting shipmasters with the option of conforming to them without the jurisdictional waters of the United States, they are now very generally known and obeyed.

The State Department still continues to publish to the country the trade and manufacturing reports received from its officers abroad. The success of this course warrants its continuance and such appropriation as may be required to meet the rapidly increasing demand for these publications. With special reference to the Atlanta Cotton Exposition, the October number of the reports was devoted to a valuable collection of papers on the cotton-goods trade of the world.

The International Sanitary Conference for which, in 1879, Congress made provision assembled in this city early in January last, and its sessions were prolonged until March. Although it reached no specific conclusions affecting the future action of the participant powers, the interchange of views proved to be most valuable. The full protocols of the sessions have been already presented to the Senate.

As pertinent to this general subject, I call your attention to the operations of the National Board of Health. Established by act of Congress approved March 3, 1879, its sphere of duty was enlarged by the act of June 2 in the same year. By the last-named act the board was required to institute such measures as might be deemed necessary for preventing the introduction of contagious or infectious diseases from foreign countries into the United States or from one State into another.

The execution of the rules and regulations prepared by the board and approved by my predecessor has done much to arrest the progress of epidemic disease, and has thus rendered substantial service to the nation.

The International Sanitary Conference, to which I have referred, adopted a form of a bill of health to be used by all vessels seeking to enter the ports of the countries whose representatives participated in its deliberations. This form has since been prescribed by the National Board of Health and incorporated with its rules and regulations, which have been approved by me in pursuance of law.

The health of the people is of supreme importance. All measures looking to their protection against the spread of contagious diseases and to the increase of our sanitary knowledge for such purposes deserve attention of Congress.

The report of the Secretary of the Treasury presents in detail a highly

satisfactory exhibit of the state of the finances and the condition of the various branches of the public service administered by that Department.

The ordinary revenues from all sources for the fiscal year ending June 30, 1881, were:

From customs - \$198,159,676.02

From internal revenue - 135,264,385.51

From sales of public lands - 2,201,863.17

From tax on circulation and deposits of national banks - 8,116,115.72

From repayment of interest by Pacific Railway companies - 810,833.80

From sinking fund for Pacific Railway companies - 805,180.54

From customs fees, fines, penalties, etc - 1,225,514.86

From fees—consular, letters patent, and lands - 2,244,983.98

From proceeds of sales of Government property - 262,174.00

From profits on coinage - 3,468,485.61

From revenues of the District of Columbia - 2,016,199.23

From miscellaneous sources - 6,206,880.13

Total ordinary receipts - 360,782,292.57

The ordinary expenditures for the same period were:

For civil expenses - \$17,941,177.19

For foreign intercourse - 1,093,954.92

For Indians - 6,514,161.09

For pensions - 50,059,279.62

For the military establishment, including river and harbor improvements and arsenals - 40,466,460.55

For the naval establishment, including vessels, machinery, and improvements at navy-yards - 15,686,671.66

For miscellaneous expenditures, including public buildings,
light-houses, and collecting the revenue - 41,837,280.57
For expenditures on account of the District of Columbia - 3,543,912.03
For interest on the public debt - 82,508,741.18
For premium on bonds purchased - 1,061,248.78
Total ordinary expenditures - 260,712,887.59

Leaving a surplus revenue of \$100,069,404.98, which was applied as follows:

To the redemption of -
Bonds for the sinking fund - \$74,371,200.00
Fractional currency for the sinking fund - 109,001.05
Loan of February, 1861 - 7,418,000.00
Ten-forties of 1864 - 2,016,150.00
Five-twenties of 1862 - 18,300.00
Five-twenties of 1864 - 3,400.00
Five-twenties of 1865 - 37,300.00
Consols of 1865 - 143,150.00
Consols of 1867 - 959,150.00
Consols of 1868 - 337,400.00
Texan indemnity stock - 1,000.00
Old demand, compound-interest, and other notes - 18,330.00
And to the increase of cash in the Treasury - 14,637,023.93 -

State of the Union Address
Chester A. Arthur
December 4, 1882

To the Senate and House of Representatives of the United States:

It is provided by the Constitution that the President shall from time to time give to the Congress information of the state of the Union and recommend to their consideration such measures as he shall judge necessary and expedient.

In reviewing the events of the year which has elapsed since the commencement of your sessions, I first call your attention to the gratifying condition of our foreign affairs. Our intercourse with other powers has continued to be of the most friendly character.

Such slight differences as have arisen during the year have been already settled or are likely to reach an early adjustment. The arrest of citizens of the United States in Ireland under recent laws which owe their origin to the disturbed condition of that country has led to a somewhat extended correspondence with the Government of Great Britain. A disposition to respect our rights has been practically manifested by the release of the arrested parties.

The claim of this nation in regard to the supervision and control of any interoceanic canal across the American Isthmus has continued to be the subject of conference.

It is likely that time will be more powerful than discussion in removing the divergence between the two nations whose friendship is so closely cemented by the intimacy of their relations and the community of their interests.

Our long-established friendliness with Russia has remained unshaken. It has prompted me to proffer the earnest counsels of this Government that measures be adopted for suppressing the proscription which the Hebrew race in that country has lately suffered. It has not transpired that any American citizen has been subjected to arrest or injury, but our courteous remonstrance has nevertheless been courteously received. There is reason to believe that the time is not far distant when Russia will be able to secure toleration to all faiths within her borders.

At an international convention held at Paris in 1880, and attended by representatives of the United States, an agreement was reached in respect to the protection of trade-marks, patented articles, and the rights of manufacturing firms and corporations. The formulating into treaties of the recommendations thus adopted is receiving the attention which it merits.

The protection of submarine cables is a subject now under consideration by an international conference at Paris. Believing that it is clearly the true policy of this Government to favor the neutralization of this means of intercourse, I requested our minister to France to attend the convention as a delegate. I also designated two of our eminent scientists to attend as our representatives at the meeting of an international committee at Paris

for considering the adoption of a common unit to measure electric force.

In view of the frequent occurrence of conferences for the consideration of important matters of common interest to civilized nations, I respectfully suggest that the Executive be invested by Congress with discretionary powers to send delegates to such conventions, and that provision be made to defray the expenses incident thereto.

The difference between the United States and Spain as to the effect of a judgment and certificate of naturalization has not yet been adjusted, but it is hoped and believed that negotiations now in progress will result in the establishment of the position which seems to this Government so reasonable and just.

I have already called the attention of Congress to the fact that in the ports of Spain and its colonies onerous fines have lately been imposed upon vessels of the United States for trivial technical offenses against local regulations. Efforts for the abatement of these exactions have thus far proved unsuccessful.

I regret to inform you also that the fees demanded by Spanish consuls in American ports are in some cases so large, when compared with the value of the cargo, as to amount in effect to a considerable export duty, and that our remonstrances in this regard have not as yet received the attention which they seem to deserve.

The German Government has invited the United States to participate in an international exhibition of domestic cattle to be held at Hamburg in July, 1883. If this country is to be represented, it is important that in the early days of this session Congress should make a suitable appropriation for that purpose.

The death of Mr. Marsh, our late minister to Italy, has evoked from that Government expressions of profound respect for his exalted character and for his honorable career in the diplomatic service of his country. The Italian Government has raised a question as to the propriety of recognizing in his dual capacity the representative of this country recently accredited both as secretary of legation and as consul-general at Rome. He has been received as secretary, but his exequatur as consul-general has thus far been withheld.

The extradition convention with Belgium, which has been in operation since 1874, has been lately supplanted by another. The Senate has signified its approval, and ratifications have been duly exchanged between the contracting countries. To the list of extraditable crimes has been added that of the assassination or attempted assassination of the chief of the State.

Negotiations have been opened with Switzerland looking to a settlement by treaty of the question whether its citizens can renounce their allegiance

and become citizens of the United States without obtaining the consent of the Swiss Government.

I am glad to inform you that the immigration of paupers and criminals from certain of the Cantons of Switzerland has substantially ceased and is no longer sanctioned by the authorities.

The consideration of this subject prompts the suggestion that the act of August 3, 1882, which has for its object the return of foreign convicts to their own country, should be so modified as not to be open to the interpretation that it affects the extradition of criminals on preferred charges of crime.

The Ottoman Porte has not yet assented to the interpretation which this Government has put upon the treaty of 1830 relative to its jurisdictional rights in Turkey. It may well be, however, that this difference will be adjusted by a general revision of the system of jurisdiction of the United States in the countries of the East, a subject to which your attention has been already called by the Secretary of State.

In the interest of justice toward China and Japan, I trust that the question of the return of the indemnity fund to the Governments of those countries will reach at the present session the satisfactory solution which I have already recommended, and which has recently been foreshadowed by Congressional discussion.

The treaty lately concluded with Korea awaits the action of the Senate. During the late disturbance in Egypt the timely presence of American vessels served as a protection to the persons and property of many of our own citizens and of citizens of other countries, whose governments have expressed their thanks for this assistance.

The recent legislation restricting immigration of laborers from China has given rise to the question whether Chinese proceeding to or from another country may lawfully pass through our own.

Construing the act of May 6, 1882, in connection with the treaty of November 7, 1880, the restriction would seem to be limited to Chinese immigrants coming to the United States as laborers, and would not forbid a mere transit across our territory. I ask the attention of Congress to the subject, for such action, if any, as may be deemed advisable.

This Government has recently had occasion to manifest its interest in the Republic of Liberia by seeking to aid the amicable settlement of the boundary dispute now pending between that Republic and the British possession of Sierra Leone.

The reciprocity treaty with Hawaii will become terminable after September 9, 1883, on twelve months' notice by either party. While certain provisions of that compact may have proved onerous, its existence has fostered

commercial relations which it is important to preserve. I suggest, therefore, that early consideration be given to such modifications of the treaty as seem to be demanded by the interests of our people.

In view of our increasing trade with both Hayti and Santo Domingo, I advise that provision be made for diplomatic intercourse with the latter by enlarging the scope of the mission at Port au Prince.

I regret that certain claims of American citizens against the Government of Hayti have thus far been urged unavailingly.

A recent agreement with Mexico provides for the crossing of the frontier by the armed forces of either country in pursuit of hostile Indians. In my message of last year I called attention to the prevalent lawlessness upon the borders and to the necessity of legislation for its suppression. I again invite the attention of Congress to the subject.

A partial relief from these mischiefs has been sought in a convention, which now awaits the approval of the Senate, as does also another touching the establishment of the international boundary between the United States and Mexico. If the latter is ratified, the action of Congress will be required for establishing suitable commissions of survey. The boundary dispute between Mexico and Guatemala, which led this Government to proffer its friendly counsels to both parties, has been amicably settled.

No change has occurred in our relations with Venezuela. I again invoke your action in the matter of the pending awards against that Republic, to which reference was made by a special message from the Executive at your last session.

An invitation has been received from the Government of Venezuela to send representatives in July, 1883, to Caracas for participating in the centennial celebration of the birth of Bolivar, the founder of South American independence. In connection with this event it is designed to commence the erection at Caracas of a statue of Washington and to conduct an industrial exhibition which will be open to American products. I recommend that the United States be represented and that suitable provision be made therefor.

The elevation of the grade of our mission in Central America to the plenipotentiary rank, which was authorized by Congress at its late session, has been since effected.

The war between Peru and Bolivia on the one side and Chile on the other began more than three years ago. On the occupation by Chile in 1880 of all the littoral territory of Bolivia, negotiations for peace were conducted under the direction of the United States. The allies refused to concede any territory, but Chile has since become master of the whole coast of both countries and of the capital of Peru. A year since, as you have already been advised by correspondence transmitted to you in January last, this

Government sent a special mission to the belligerent powers to express the hope that Chile would be disposed to accept a money indemnity for the expenses of the war and to relinquish her demand for a portion of the territory of her antagonist.

This recommendation, which Chile declined to follow, this Government did not assume to enforce; nor can it be enforced without resort to measures which would be in keeping neither with the temper of our people nor with the spirit of our institutions.

The power of Peru no longer extends over its whole territory, and in the event of our interference to dictate peace would need to be supplemented by the armies and navies of the United States. Such interference would almost inevitably lead to the establishment of a protectorate—a result utterly at odds with our past policy, injurious to our present interests, and full of embarrassments for the future.

For effecting the termination of hostilities upon terms at once just to the victorious nation and generous to its adversaries, this Government has spared no efforts save such as might involve the complications which I have indicated.

It is greatly to be deplored that Chile seems resolved to exact such rigorous conditions of peace and indisposed to submit to arbitration the terms of an amicable settlement. No peace is likely to be lasting that is not sufficiently equitable and just to command the approval of other nations.

About a year since invitations were extended to the nations of this continent to send representatives to a peace congress to assemble at Washington in November, 1882. The time of meeting was fixed at a period then remote, in the hope, as the invitation itself declared, that in the meantime the disturbances between the South American Republics would be adjusted. As that expectation seemed unlikely to be realized, I asked in April last for an expression of opinion from the two Houses of Congress as to the advisability of holding the proposed convention at the time appointed. This action was prompted in part by doubts which mature reflection had suggested whether the diplomatic usage and traditions of the Government did not make it fitting that the Executive should consult the representatives of the people before pursuing a line of policy somewhat novel in its character and far reaching in its possible consequences. In view of the fact that no action was taken by Congress in the premises and that no provision had been made for necessary expenses, I subsequently decided to postpone the convocation, and so notified the several Governments which had been invited to attend.

I am unwilling to dismiss this subject without assuring you of my support of any measures the wisdom of Congress may devise for the promotion of peace on this continent and throughout the world, and I trust that the time is nigh when, with the universal assent of civilized peoples, all

international differences shall be determined without resort to arms by the benignant processes of arbitration.

Changes have occurred in the diplomatic representation of several foreign powers during the past year. New ministers from the Argentine Republic, Austria-Hungary, Brazil, Chile, China, France, Japan, Mexico, the Netherlands, and Russia have presented their credentials. The missions of Denmark and Venezuela at this capital have been raised in grade. Switzerland has created a plenipotentiary mission to this Government, and an embassy from Madagascar and a minister from Siam will shortly arrive.

Our diplomatic intercourse has been enlarged by the establishment of relations with the new Kingdom of Servia, by the creation of a mission to Siam, and by the restoration of the mission to Greece. The Shah of Persia has expressed his gratification that a charge' d'affaires will shortly be sent to that country, where the rights of our citizens have been hitherto courteously guarded by the representatives of Great Britain.

I renew my recommendation of such legislation as will place the United States in harmony with other maritime powers with respect to the international rules for the prevention of collisions at sea.

In conformity with your joint resolution of the 3d of August last, I have directed the Secretary of State to address foreign governments in respect to a proposed conference for considering the subject of the universal adoption of a common prime meridian to be used in the reckoning of longitude and in the regulation of time throughout the civilized world. Their replies will in due time be laid before you.

An agreement was reached at Paris in 1875 between the principal powers for the interchange of official publications through the medium of their respective foreign departments.

The admirable system which has been built up by the enterprise of the Smithsonian Institution affords a practical basis for our cooperation in this scheme, and an arrangement has been effected by which that institution will perform the' necessary labor, under the direction of the Department of State. A reasonable compensation therefor should be provided by law.

A clause in the act making appropriations for the diplomatic and consular service contemplates the reorganization of both branches of such service on a salaried basis, leaving fees to inure to the benefit of the Treasury. I cordially favor such a project, as likely to correct abuses in the present system. The Secretary of State will present to you at an early day a plan for such reorganization.

A full and interesting exhibit of the operations of the Treasury Department is afforded by the report of the Secretary.

It appears that the ordinary revenues from all sources for the fiscal year

ended June 30, 1882, were as follows:

From customs - \$220,410,730.25

From internal revenue - 146,497,595.45

From sales of public lands - 4,753,140.37

From tax on circulation and deposits of national banks - 8,956,794.45

From repayment of interest by Pacific Railway companies - 840,554.37

From sinking fund for Pacific Railway companies - 796,271.42

From customs fees, fines, penalties, etc - 1,343,348.00

From fees—consular, letters patent, and lands - 2,638,990.97

From proceeds of sales of Government property - 314,959.85

From profits on coinage, bullion deposits, and assays - 4,116,693.73

From Indian trust funds - 5,705,243.22

From deposits by individuals for surveying public lands - 2,052,306.36

From revenues of the District of Columbia - 1,715,176.41

From miscellaneous sources - 3,383,445.43

Total ordinary receipts - 403,525,250.28

The ordinary expenditures for the same period were—

For civil expenses - \$18,042,386.42

For foreign intercourse - 1,307,583.19

For Indians - 9,736,747.40

For pensions - 61,345,193.95

For the military establishment, including river and harbor improvements,
and arsenals - 43,570,494.19

For the naval establishment, including vessels, machinery, and
improvements at navy-yards - 15,032,046.26

For miscellaneous expenditures, including public buildings, light-houses,
and collecting the revenue - 34,539,237.50

For expenditures on account of the District of Columbia - 3,330,543.87

For interest on the public debt - 71,077,206.79

Total ordinary expenditures - 257,981,439.57

Leaving a surplus revenue of \$145,543,810.71, which, with an amount drawn
from the cash balance in the Treasury of \$20,737,694.84, making
\$166,281,505.55, was applied to the redemption—

Of bonds for the sinking fund - \$60,079,150.00

Of fractional currency for the sinking fund - 58,705.55

Of loan of July and August, 1861 - 62,572,050.00

Of loan of March, 1863 - 4,472,900.00

Of funded loan of 1881 - 37,194,450.00

Of loan of 1858 - 303,000.00

Of loan of February, 1861 - 1,000.00

Of five-twenties of 1862 - 2,100.00

Of five-twenties of 1864 - 7,400.00

Of five-twenties of 1865 - 6,500.00

Of ten-forties of 1864 - 254,550.00

Of consols of 1865 - 86,450.00

Of consols of 1867 - 408,250.00

Of consols of 1868 - 141,400.00

Of Oregon War debt - 675,250.00

Of old demand, compound-interest, and other notes - 18,350.00 -

State of the Union Address
Chester A. Arthur

December 4, 1883

To the Congress of the United States:

At the threshold of your deliberations I congratulate you upon the favorable aspect of the domestic and foreign affairs of this Government.

Our relations with other countries continue to be upon a friendly footing. With the Argentine Republic, Austria, Belgium, Brazil, Denmark, Hayti, Italy, Santo Domingo, and Sweden and Norway no incident has occurred which calls for special comment. The recent opening of new lines of telegraphic communication with Central America and Brazil permitted the interchange of messages of friendship with the Governments of those countries.

During the year there have been perfected and proclaimed consular and commercial treaties with Servia and a consular treaty with Roumania, thus extending our intercourse with the Danubian countries, while our Eastern relations have been put upon a wider basis by treaties with Korea and Madagascar. The new boundary-survey treaty with Mexico, a trade-marks convention and a supplementary treaty of extradition with Spain, and conventions extending the duration of the Franco-American Claims Commission have also been proclaimed.

Notice of the termination of the fisheries articles of the treaty of Washington was duly given to the British Government, and the reciprocal privileges and exemptions of the treaty will accordingly cease on July 1, 1885. The fisheries industries, pursued by a numerous class of our citizens on the northern coasts, both of the Atlantic and Pacific oceans, are worthy of the fostering care of Congress. Whenever brought into competition with the like industries of other countries, our fishermen, as well as our manufacturers of fishing appliances and preparers of fish products, have maintained a foremost place. I suggest that Congress create a commission to consider the general question of our rights in the fisheries and the means of opening to our citizens, under just and enduring conditions, the richly stocked fishing waters and sealing grounds of British North America.

Question has arisen touching the deportation to the United States from the British Islands, by governmental or municipal aid, of persons unable there to gain a living and equally a burden on the community here. Such of these persons as fall under the pauper class as defined by law have been sent back in accordance with the provisions of our statutes. Her Majesty's Government has insisted that precautions have been taken before shipment to prevent these objectionable visitors from coming hither without guaranty of support by their relatives in this country. The action of the British authorities in applying measures for relief has, however, in so many cases proved ineffectual, and especially so in certain recent instances of needy emigrants reaching our territory through Canada, that a revision of our legislation upon this subject may be deemed advisable.

Correspondence relative to the Clayton-Bulwer treaty has been continued

and
will be laid before Congress.

The legislation of France against the importation of prepared swine products from the United States has been repealed. That result is due no less to the friendly representations of this Government than to a growing conviction in France that the restriction was not demanded by any real danger to health.

Germany still prohibits the introduction of all swine products from America. I extended to the Imperial Government a friendly invitation to send experts to the United States to inquire whether the use of those products was dangerous to health. This invitation was declined. I have believed it of such importance, however, that the exact facts should be ascertained and promulgated that I have appointed a competent commission to make a thorough investigation of the subject. Its members have shown their public spirit by accepting their trust without pledge of compensation, but I trust that Congress will see in the national and international bearings of the matter a sufficient motive for providing at least for reimbursement of such expenses as they may necessarily incur.

The coronation of the Czar at Moscow afforded to this Government an occasion for testifying its continued friendship by sending a special envoy and a representative of the Navy to attend the ceremony.

While there have arisen during the year no grave questions affecting the status in the Russian Empire of American citizens of other faith than that held by the national church, this Government remains firm in its conviction that the rights of its citizens abroad should be in no wise affected by their religious belief.

It is understood that measures for the removal of the restrictions which now burden our trade with Cuba and Puerto Rico are under consideration by the Spanish Government.

The proximity of Cuba to the United States and the peculiar methods of administration which there prevail necessitate constant discussion and appeal on our part from the proceedings of the insular authorities. I regret to say that the just protests of this Government have not as yet produced satisfactory results.

The commission appointed to decide certain claims of our citizens against the Spanish Government, after the recognition of a satisfactory rule as to the validity and force of naturalization in the United States, has finally adjourned. Some of its awards, though made more than two years ago, have not yet been paid. Their speedy payment is expected.

Claims to a large amount which were held by the late commission to be without its jurisdiction have been diplomatically presented to the Spanish Government. As the action of the colonial authorities which has given rise

to these claims was admittedly illegal, full reparation for the injury sustained by our citizens should be no longer delayed.

The case of the *Masonic* has not yet reached a settlement. Manila court has found that the proceedings of which this Government has complained were unauthorized, and it is hoped that the Government of Spain will not withhold the speedy reparation which its sense of justice should impel it to offer for the unusual severity and unjust action of its subordinate colonial officers in the case of this vessel.

The Helvetic Confederation has proposed the inauguration of a class of international treaties for the referment to arbitration of grave questions between nations. This Government has assented to the proposed negotiation of such a treaty with Switzerland.

Under the treaty of Berlin liberty of conscience and civil rights are assured to all strangers in Bulgaria. As the United States have no distinct conventional relations with that country and are not a party to the treaty, they should, in my opinion, maintain diplomatic representation at Sofia for the improvement of intercourse and the proper protection of the many American citizens who resort to that country as missionaries and teachers. I suggest that I be given authority to establish an agency and consulate-general at the Bulgarian capital.

The United States are now participating in a revision of the tariffs of the Ottoman Empire. They have assented to the application of a license tax to foreigners doing business in Turkey, but have opposed the oppressive storage tax upon petroleum entering the ports of that country.

The Government of the Khedive has proposed that the authority of the mixed judicial tribunals in Egypt be extended so as to cover citizens of the United States accused of crime, who are now triable before consular courts. This Government is not indisposed to accept the change, but believes that its terms should be submitted for criticism to the commission appointed to revise the whole subject.

At no time in our national history has there been more manifest need of close and lasting relations with a neighboring state than now exists with respect to Mexico. The rapid influx of our capital and enterprise into that country shows, by what has already been accomplished, the vast reciprocal advantages which must attend the progress of its internal development. The treaty of commerce and navigation of 1848 has been terminated by the Mexican Government, and in the absence of conventional engagements the rights of our citizens in Mexico now depend upon the domestic statutes of that Republic. There have been instances of harsh enforcement of the laws against our vessels and citizens in Mexico and of denial of the diplomatic resort for their protection. The initial step toward a better understanding has been taken in the negotiation by the commission authorized by Congress of a treaty which is still before the Senate awaiting its approval.

The provisions for the reciprocal crossing of the frontier by the troops in pursuit of hostile Indians have been prolonged for another year. The operations of the forces of both Governments against these savages have been successful, and several of their most dangerous bands have been captured or dispersed by the skill and valor of United States and Mexican soldiers fighting in a common cause.

The convention for the resurvey of the boundary from the Rio Grande to the Pacific having been ratified and exchanged, the preliminary reconnoissance therein stipulated has been effected. It now rests with Congress to make provision for completing the survey and relocating the boundary monuments.

A convention was signed with Mexico on July 13, 1882, providing for the rehearing of the cases of Benjamin Well and the Abra Silver Mining Company, in whose favor awards were made by the late American and Mexican Claims Commission. That convention still awaits the consent of the Senate. Meanwhile, because of those charges of fraudulent awards which have made a new commission necessary, the Executive has directed the suspension of payments of the distributive quota received from Mexico.

Our geographical proximity to Central America and our political and commercial relations with the States of that country justify, in my judgment, such a material increase of our consular corps as will place at each capital a consul-general.

The contest between Bolivia, Chile, and Peru has passed from the stage of strategic hostilities to that of negotiation, in which the counsels of this Government have been exercised. The demands of Chile for absolute cession of territory have been maintained and accepted by the party of General Iglesias to the extent of concluding a treaty of peace with the Government of Chile in general conformity with the terms of the protocol signed in May last between the Chilean commander and General Iglesias. As a result of the conclusion of this treaty General Iglesias has been formally recognized by Chile as President of Peru and his government installed at Lima, which has been evacuated by the Chileans. A call has been issued by General Iglesias for a representative assembly, to be elected on the 13th of January, and to meet at Lima on the 1st of March next. Meanwhile the provisional government of General Iglesias has applied for recognition to the principal powers of America and Europe. When the will of the Peruvian people shall be manifested, I shall not hesitate to recognize the government approved by them.

Diplomatic and naval representatives of this Government attended at Caracas the centennial celebration of the birth of the illustrious Bolivar. At the same time the inauguration of the statue of Washington in the Venezuelan capital testified to the veneration in which his memory is there held.

Congress at its last session authorized the Executive to propose to Venezuela a reopening of the awards of the mixed commission of Caracas. The departure from this country of the Venezuelan minister has delayed the opening of negotiations for reviving the commission. This Government holds that until the establishment of a treaty upon this subject the Venezuelan Government must continue to make the payments provided for in the convention of 1866.

There is ground for believing that the dispute growing out of the unpaid obligations due from Venezuela to France will be satisfactorily adjusted. The French cabinet has proposed a basis of settlement which meets my approval, but as it involves a recasting of the annual quotas of the foreign debt it has been deemed advisable to submit the proposal to the judgment of the cabinets of Berlin, Copenhagen, The Hague, London, and Madrid.

At the recent coronation of His Majesty King Kalakaua this Government was represented both diplomatically and by the formal visit of a vessel of war.

The question of terminating or modifying the existing reciprocity treaty with Hawaii is now before Congress. I am convinced that the charges of abuses and frauds under that treaty have been exaggerated, and I renew the suggestion of last year's message that the treaty be modified wherever its provisions have proved onerous to legitimate trade between the two countries. I am not disposed to favor the entire cessation of the treaty relations which have fostered good will between the countries and contributed toward the equality of Hawaii in the family of nations.

In pursuance of the policy declared by this Government of extending our intercourse with the Eastern nations, legations have during the past year been established in Persia, Siam, and Korea. It is probable that permanent missions of those countries will ere long be maintained in the United States. A special embassy from Siam is now on its way hither.

Treaty relations with Korea were perfected by the exchange at Seoul, on the 19th of May last, of the ratifications of the lately concluded convention, and envoys from the King of Tab Chosen have visited this country and received a cordial welcome. Korea, as yet unacquainted with the methods of Western civilization, now invites the attention of those interested in the advancement of our foreign trade, as it needs the implements and products which the United States are ready to supply. We seek no monopoly of its commerce and no advantages over other nations, but as the Chosenese, in reaching for a higher civilization, have confided in this Republic, we can not regard with indifference any encroachment on their rights.

China, by the payment of a money indemnity, has settled certain of the long-pending claims of our citizens, and I have strong hopes that the remainder will soon be adjusted.

Questions have arisen teaching the rights of American and other foreign manufacturers in China under the provisions of treaties which permit aliens to exercise their industries in that country. On this specific point our own treaty is silent, but under the operation of the most-favored-nation clause we have like privileges with those of other powers. While it is the duty of the Government to see that our citizens have the full enjoyment of every benefit secured by treaty, I doubt the expediency of leading in a movement to constrain China to admit an interpretation which we have only an indirect treaty right to exact. The transference to China of American capital for the employment there of Chinese labor would in effect inaugurate a competition for the control of markets now supplied by our home industries.

There is good reason to believe that the law restricting the immigration of Chinese has been violated, intentionally or otherwise, by the officials of China upon whom is devolved the duty of certifying that the immigrants belong to the excepted classes.

Measures have been taken to ascertain the facts incident to this supposed infraction, and it is believed that the Government of China will cooperate with the United States in securing the faithful observance of the law.

The same considerations which prompted Congress at its last session to return to Japan the Simonoseki indemnity seem to me to require at its hands like action in respect to the Canton indemnity fund, now amounting to \$300,000.

The question of the general revision of the foreign treaties of Japan has been considered in an international conference held at Tokyo, but without definite result as yet. This Government is disposed to concede the requests of Japan to determine its own tariff duties, to provide such proper judicial tribunals as may commend themselves to the Western powers for the trial of causes to which foreigners are parties, and to assimilate the terms and duration of its treaties to those of other civilized states.

Through our ministers at London and at Monrovia this Government has endeavored to aid Liberia in its differences with Great Britain touching the northwestern boundary of that Republic. There is a prospect of adjustment of the dispute by the adoption of the Mannah River as the line. This arrangement is a compromise of the conflicting territorial claims and takes from Liberia no country over which it has maintained effective jurisdiction.

The rich and populous valley of the Kongo is being opened to commerce by a society called the International African Association, of which the King of the Belgians is the president and a citizen of the United States the chief executive officer. Large tracts of territory have been ceded to the association by native chiefs, roads have been opened, steamboats placed on

the river, and the nuclei of states established at twenty-two stations under one flag which offers freedom to commerce and prohibits the slave trade. The objects of the society are philanthropic. It does not aim at permanent political control, but seeks the neutrality of the valley. The United States can not be indifferent to this work nor to the interests of their citizens involved in it. It may become advisable for us to cooperate with other commercial powers in promoting the rights of trade and residence in the Kongo Valley free from the interference or political control of any one nation.

In view of the frequency of invitations from foreign governments to participate in social and scientific congresses for the discussion of important matters of general concern, I repeat the suggestion of my last message that provision be made for the exercise of discretionary power by the Executive in appointing delegates to such convocations. Able specialists are ready to serve the national interests in such capacity without personal profit or other compensation than the defrayment of expenses actually incurred, and this a comparatively small annual appropriation would suffice to meet.

I have alluded in my previous messages to the injurious and vexatious restrictions suffered by our trade in the Spanish West Indies. Brazil, whose natural outlet for its great national staple, coffee, is in and through the United States, imposes a heavy export duty upon that product. Our petroleum exports are hampered in Turkey and in other Eastern ports by restrictions as to storage and by onerous taxation. For these mischiefs adequate relief is not always afforded by reciprocity treaties like that with Hawaii or that lately negotiated with Mexico and now awaiting the action of the Senate. Is it not advisable to provide some measure of equitable retaliation in our relations with governments which discriminate against our own? If, for example, the Executive were empowered to apply to Spanish vessels and cargoes from Cuba and Puerto Rico the same rules of treatment and scale of penalties for technical faults which are applied to our vessels and cargoes in the Antilles, a resort to that course might not be barren of good results.

The report of the Secretary of the Treasury gives a full and interesting exhibit of the financial condition of the country.

It shows that the ordinary revenues from all sources for the fiscal year ended June 30, 1883, amounted to \$398,287,581.95, whereof there was received—

From customs - \$214,706,496.93

From internal revenue - 144,720,368.98

From sales of public lands - 7,955,864.42

From tax on circulation and deposits of national banks - 9,111,008.85

From profits on coinage, bullion deposits, and assays - 4,460,205.17

From other sources - 17,333,637.60

Total - 398,287,581.95

For the same period the ordinary expenditures were:

For civil expenses - \$22,343,285.76

For foreign intercourse - 2,419,275.24

For Indians - 7,362,590.34

For Pensions - 66,012,573.64

For the military establishment, including river and harbor
improvements and arsenals - 48,911,382.93

For the naval establishment, including vessels, machinery,
and improvements at navy-yards - 15,283,437.17

For miscellaneous expenditures, including public buildings,
light-houses, and collecting the revenue - 40,098,432.73

For expenditures on account of the District of Columbia - 3,817,028.48

For interest on the public debt - 59,160,131.25

Total - 265,408,137.54

Leaving a surplus revenue of \$132,879,444.41, which, with an amount drawn
from the cash balance in the Treasury of \$1,299,312.55, making
\$134,178,756.96, was applied to the redemption—

Of bonds for the sinking fund - \$44,850,700.00

Of fractional currency for the sinking fund - 46,556.96

Of funded loan of 1881, continued at 3 1 per cent - 65,380,250.00

Of loan of July and August, 1861, continued at 3 1/2 per cent -
20,594,600.00

Of funded loan of 1907 - 1,418,850.00

Of funded loan of 1881 - 719,150.00

Of loan of February, 1861 - 18,000.00

Of loan of July and August, 1861 - 266,600.00

Of loan of March, 1863 - 116,850.00

Of loan of July, 1882 - 47,650.00

Of five-twenties of 1862 - 10,300.00

Of five-twenties of 1864 - 7,050.00

Of five-twenties of 1865 - 9,600.00

Of ten-forties of 1864 - 133,550.00

Of consols of 1865 - 40,800.00

Of consols of 1867 - 235,700.00

Of consols of 1868 - 154,650.00

Of Oregon War debt - 5,450.00

Of refunding certificates - 109,150.00

Of old demand, compound-interest and other notes - 13,300.00

Total - 134,178,756.96

The revenue for the present fiscal year, actual and estimated, is as follows:

Source - For the quarter ended September 30, 1883 (actual) - For the remaining three quarters of the year (estimated)

From customs - \$57,402,975.67 - \$137,597,024.33

From internal revenue - 29,662,078.60 - 90,337,921.40

From sales of public lands - 2,932,635.17 - 5,067,634.83

From tax on circulation and deposits of national banks - 1,557,800.88 - 1,542,199.12

From repayment of interest and sinking fund, Pacific

Railway companies - 521,059.51 - 1,478,940.49

From customs fees, fines, penalties, etc - 298,696.78 - 901,303.22

From fees-consular, letters patent, and lands - 863,209.80 - 2,436,790.20

From proceeds of sales of Government property - 112,562.23 - 167,437.77

From profits on coinage, etc - 950,229.46 - 3,149,770.54

From deposits for surveying public lands - 172,461.31 - 327,538.69

From revenues of the District of Columbia - 256,017.99 - 1,643,982.01

From miscellaneous sources - 1,237,189.63 - 2,382,810.37

Total receipts - 95,966,917.03 - 247,033,082.97

The actual and estimated expenses for the same period are:

Object - For the quarter ended September 30, 1883 (actual) - For the remaining three quarters of the year (estimated)

For civil and miscellaneous expenses, including public buildings, light-houses, and collecting the revenue - \$15,385,799.42 - \$51,114,200.58

For Indians - 2,623,390.54 - 4,126,609.46

For pensions - 16,285,261.98 - 53,714,738.02

For military establishment, including fortifications, river and harbor improvements, and arsenals - 13,512,204.33 - 26,487,795.67

For naval establishment, including vessels and machinery, and improvements at navy-yards - 4,199,299.69 - 12,300,700.31

For expenditures on account of the District of Columbia - 1,138,836.41 - 2,611,163.59

For interest on the public debt - 14,797,297.96 - 39,702,702.04

Total ordinary expenditures - 67,942,090.33 - 190,057,909.67

Total receipts, actual and estimated - \$343,000,000.00

Total expenditures, actual and estimated - 258,000,000.00 -

State of the Union Address
Chester A. Arthur
December 1, 1884

To the Congress of the United States:

Since the close of your last session the American people, in the exercise of their highest right of suffrage, have chosen their Chief Magistrate for the four years ensuing.

When it is remembered that at no period in the country's history has the long political contest which customarily precedes the day of the national election been waged with greater fervor and intensity, it is a subject of general congratulation that after the controversy at the polls was over, and while the slight preponderance by which the issue had been determined was as yet unascertained, the public peace suffered no disturbance, but the people everywhere patiently and quietly awaited the result.

Nothing could more strikingly illustrate the temper of the American citizen, his love of order, and his loyalty to law. Nothing could more signally demonstrate the strength and wisdom of our political institutions.

Eight years have passed since a controversy concerning the result of a national election sharply called the attention of the Congress to the necessity of providing more precise and definite regulations for counting the electoral vote.

It is of the gravest importance that this question be solved before conflicting claims to the Presidency shall again distract the country, and I am persuaded that by the people at large any of the measures of relief thus far proposed would be preferred to continued inaction.

Our relations with all foreign powers continue to be amicable.

With Belgium a convention has been signed whereby the scope of present treaties has been so enlarged as to secure to citizens of either country within the jurisdiction of the other equal rights and privileges in the acquisition and alienation of property. A trade-marks treaty has also been concluded.

The war between Chile and Peru is at an end. For the arbitration of the claims of American citizens who during its continuance suffered through the acts of the Chilean authorities a convention will soon be negotiated.

The state of hostilities between France and China continues to be an embarrassing feature of our Eastern relations. The Chinese Government has promptly adjusted and paid the claims of American citizens whose property was destroyed in the recent riots at Canton. I renew the recommendation of my last annual message, that the Canton indemnity fund be returned to

China.

The true interpretation of the recent treaty with that country permitting the restriction of Chinese immigration is likely to be again the subject of your deliberations. It may be seriously questioned whether the statute passed at the last session does not violate the treaty rights of certain Chinese who left this country with return certificates valid under the old law, and who now seem to be debarred from relanding for lack of the certificates required by the new.

The recent purchase by citizens of the United States of a large trading fleet heretofore under the Chinese flag has considerably enhanced our commercial importance in the East. In view of the large number of vessels built or purchased by American citizens in other countries and exclusively employed in legitimate traffic between foreign ports under the recognized protection of our flag, it might be well to provide a uniform rule for their registration and documentation, so that the bona fide property rights of our citizens therein shall be duly evidenced and properly guarded.

Pursuant to the advice of the Senate at the last session, I recognized the flag of the International Association of the Kongo as that of a friendly government, avoiding in so doing any prejudgment of conflicting territorial claims in that region. Subsequently, in execution of the expressed wish of the Congress, I appointed a commercial agent for the Kongo basin.

The importance of the rich prospective trade of the Kongo Valley has led to the general conviction that it should be open to all nations upon equal terms. At an international conference for the consideration of this subject called by the Emperor of Germany, and now in session at Berlin, delegates are in attendance on behalf of the United States. Of the results of the conference you will be duly advised.

The Government of Korea has generously aided the efforts of the United States minister to secure suitable premises for the use of the legation. As the conditions of diplomatic intercourse with Eastern nations demand that the legation premises be owned by the represented power, I advise that an appropriation be made for the acquisition of this property by the Government. The United States already possess valuable premises at Tangier as a gift from the Sultan of Morocco. As is stated hereafter, they have lately received a similar gift from the Siamese Government. The Government of Japan stands ready to present to us extensive grounds at Tokyo whereon to erect a suitable building for the legation, court-house, and jail, and similar privileges can probably be secured in China and Persia. The owning of such premises would not only effect a large saving of the present rentals, but would permit of the due assertion of extraterritorial rights in those countries, and would the better serve to maintain the dignity of the United States.

The failure of Congress to make appropriation for our representation at the autonomous court of the Khedive has proved a serious embarrassment in our

intercourse with Egypt; and in view of the necessary intimacy of diplomatic relationship due to the participation of this Government as one of the treaty powers in all matters of administration there affecting the rights of foreigners, I advise the restoration of the agency and consulate-general at Cairo on its former basis. I do not conceive it to be the wish of Congress that the United States should withdraw altogether from the honorable position they have hitherto held with respect to the Khedive, or that citizens of this Republic residing or sojourning in Egypt should hereafter be without the aid and protection of a competent representative.

With France the traditional cordial relationship continues. The colossal statue of Liberty Enlightening the World, the generous gift of the people of France, is expected to reach New York in May next. I suggest that Congressional action be taken in recognition of the spirit which has prompted this gift and in aid of the timely completion of the pedestal upon which it is to be placed.

Our relations with Germany, a country which contributes to our own some of the best elements of citizenship, continue to be cordial. The United States have extradition treaties with several of the German States, but by reason of the confederation of those States under the imperial rule the application of such treaties is not as uniform and comprehensive as the interests of the two countries require. I propose, therefore, to open negotiations for a single convention of extradition to embrace all the territory of the Empire.

It affords me pleasure to say that our intercourse with Great Britain continues to be of a most friendly character.

The Government of Hawaii has indicated its willingness to continue for seven years the provisions of the existing reciprocity treaty. Such continuance, in view of the relations of that country to the American system of States, should, in my judgment, be favored.

The revolution in Hayti against the established Government has terminated. While it was in progress it became necessary to enforce our neutrality laws by instituting proceedings against individuals and vessels charged with their infringement. These prosecutions were in all cases successful.

Much anxiety has lately been displayed by various European Governments, and especially by the Government of Italy, for the abolition of our import duties upon works of art. It is well to consider whether the present discrimination in favor of the productions of American artists abroad is not likely to result, as they themselves seem very generally to believe it may, in the practical exclusion of our painters and sculptors from the rich fields for observation, study, and labor which they have hitherto enjoyed.

There is prospect that the long-pending revision of the foreign treaties of

Japan may be concluded at a new conference to be held at Tokyo. While this Government fully recognizes the equal and independent station of Japan in the community of nations, it would not oppose the general adoption of such terms of compromise as Japan may be disposed to offer in furtherance of a uniform policy of intercourse with Western nations.

During the past year the increasing good will between our own Government and that of Mexico has been variously manifested. The treaty of commercial reciprocity concluded January 20, 1883, has been ratified and awaits the necessary tariff legislation of Congress to become effective. This legislation will, I doubt not, be among the first measures to claim your attention.

A full treaty of commerce, navigation, and consular rights is much to be desired, and such a treaty I have reason to believe that the Mexican Government stands ready to conclude.

Some embarrassment has been occasioned by the failure of Congress at its last session to provide means for the due execution of the treaty of July 29, 1882, for the resurvey of the Mexican boundary and the relocation of boundary monuments.

With the Republic of Nicaragua a treaty has been concluded which authorizes the construction by the United States of a canal, railway, and telegraph line across the Nicaraguan territory.

By the terms of this treaty 60 miles of the river San Juan, as well as Lake Nicaragua, an inland sea 40 miles in width, are to constitute a part of the projected enterprise.

This leaves for actual canal construction 17 miles on the Pacific side and 36 miles on the Atlantic. To the United States, whose rich territory on the Pacific is for the ordinary purposes of commerce practically cut off from communication by water with the Atlantic ports, the political and commercial advantages of such a project can scarcely be overestimated.

It is believed that when the treaty is laid before you the justice and liberality of its provisions will command universal approval at home and abroad.

The death of our representative at Russia while at his post at St. Petersburg afforded to the Imperial Government a renewed opportunity to testify its sympathy in a manner befitting the intimate friendliness which has ever marked the intercourse of the two countries.

The course of this Government in raising its representation at Bangkok to the diplomatic rank has evoked from Siam evidences of warm friendship and augurs well for our enlarged intercourse. The Siamese Government has presented to the United States a commodious mansion and grounds for the

occupancy of the legation, and I suggest that by joint resolution Congress attest its appreciation of this generous gift.

This government has more than once been called upon of late to take action in fulfillment of its international obligations toward Spain. Agitation in the island of Cuba hostile to the Spanish Crown having been fomented by persons abusing the sacred rights of hospitality which our territory affords, the officers of this Government have been instructed to exercise vigilance to prevent infractions of our neutrality laws at Key West and at other points near the Cuban coast. I am happy to say that in the only instance where these precautionary measures were successfully eluded the offenders, when found in our territory, were subsequently tried and convicted.

The growing need of close relationship of intercourse and traffic between the Spanish Antilles and their natural market in the United States led to the adoption in January last of a commercial agreement looking to that end. This agreement has since been superseded by a more carefully framed and comprehensive convention, which I shall submit to the Senate for approval. It has been the aim of this negotiation to open such a favored reciprocal exchange of productions carried under the flag of either country as to make the intercourse between Cuba and Puerto Rico and ourselves scarcely less intimate than the commercial movement between our domestic ports, and to insure a removal of the burdens on shipping in the Spanish Indies, of which in the past our shipowners and shipmasters have so often had cause to complain.

The negotiation of this convention has for a time postponed the prosecution of certain claims of our citizens which were declared to be without the jurisdiction of the late Spanish-American Claims Commission, and which are therefore remitted to diplomatic channels for adjustment. The speedy settlement of these claims will now be urged by this Government.

Negotiations for a treaty of commercial reciprocity with the Dominican Republic have been successfully concluded, and the result will shortly be laid before the Senate.

Certain questions between the United States and the Ottoman Empire still remain unsolved. Complaints on behalf of our citizens are not satisfactorily adjusted. The Porte has sought to withhold from our commerce the right of favored treatment to which we are entitled by existing conventional stipulations, and the revision of the tariffs is unaccomplished.

The final disposition of pending questions with Venezuela has not as yet been reached, but I have good reason to expect an early settlement which will provide the means of reexamining the Caracas awards in conformity with the expressed desire of Congress, and which will recognize the justice of certain claims preferred against Venezuela.

The Central and South American Commission appointed by authority of the act of July 7, 1884, will soon proceed to Mexico. It has been furnished with instructions which will be laid before you. They contain a statement of the general policy of the Government for enlarging its commercial intercourse with American States. The commissioners have been actively preparing for their responsible task by holding conferences in the principal cities with merchants and others interested in Central and South American trade.

The International Meridian Conference lately convened in Washington upon the invitation of the Government of the United States was composed of representatives from twenty-five nations. The conference concluded its labors on the 1st of November, having with substantial unanimity agreed upon the meridian of Greenwich as the starting point whence longitude is to be computed through 180 degrees eastward and westward, and upon the adoption, for all purposes for which it may be found convenient, of a universal day which shall begin at midnight on the initial meridian and whose hours shall be counted from zero up to twenty-four.

The formal report of the transactions of this conference will be hereafter transmitted to the Congress.

This Government is in frequent receipt of invitations from foreign states to participate in international exhibitions, often of great interest and importance. Occupying, as we do, an advanced position in the world's production, and aiming to secure a profitable share for our industries in the general competitive markets, it is a matter of serious concern that the want of means for participation in these exhibitions should so often exclude our producers from advantages enjoyed by those of other countries. During the past year the attention of Congress was drawn to the formal invitations in this regard tendered by the Governments of England, Holland, Belgium, Germany, and Austria. The Executive has in some instances appointed honorary commissioners. This is, however, a most unsatisfactory expedient, for without some provision to meet the necessary working expenses of a commission it can effect little or nothing in behalf of exhibitors. An International Inventions Exhibition is to be held in London next May. This will cover a field of special importance, in which our country holds a foremost rank; but the Executive is at present powerless to organize a proper representation of our vast national interests in this direction.

I have in several previous messages referred to this subject. It seems to me that a statute giving to the Executive general discretionary authority to accept such invitations and to appoint honorary commissioners, without salary, and placing at the disposal of the Secretary of State a small fund for defraying their reasonable expenses, would be of great public utility.

This Government has received official notice that the revised international regulations for preventing collisions at sea have been adopted by all the leading maritime powers except the United States, and came into force on

the 1st of September last. For the due protection of our shipping interests the provisions of our statutes should at once be brought into conformity with these regulations.

The question of securing to authors, composers, and artists copyright privileges in this country in return for reciprocal rights abroad is one that may justly challenge your attention. It is true that conventions will be necessary for fully accomplishing this result; but until Congress shall by statute fix the extent to which foreign holders of copyright shall be here privileged it has been deemed inadvisable to negotiate such conventions. For this reason the United States were not represented at the recent conference at Berne.

I recommend that the scope of the neutrality laws of the United States be so enlarged as to cover all patent acts of hostility committed in our territory and aimed against the peace of a friendly nation. Existing statutes prohibit the fitting out of armed expeditions and restrict the shipment of explosives, though the enactments in the latter respect were not framed with regard to international obligations, but simply for the protection of passenger travel. All these statutes were intended to meet special emergencies that had already arisen. Other emergencies have arisen since, and modern ingenuity supplies means for the organization of hostilities without open resort to armed vessels or to filibustering parties.

I see no reason why overt preparations in this country for the commission of criminal acts such as are here under consideration should not be alike punishable whether such acts are intended to be committed in our own country or in a foreign country with which we are at peace.

The prompt and thorough treatment of this question is one which intimately concerns the national honor.

Our existing naturalization laws also need revision. Those sections relating to persons residing within the limits of the United States in 1795 and 1798 have now only a historical interest. Section 2172, recognizing the citizenship of the children of naturalized parents, is ambiguous in its terms and partly obsolete. There are special provisions of law favoring the naturalization of those who serve in the Army or in merchant vessels, while no similar privileges are granted those who serve in the Navy or the Marine Corps.

"An uniform rule of naturalization" such as the Constitution contemplates should, among other things, clearly define the status of persons born within the United States subject to a foreign power (section 1992) and of minor children of fathers who have declared their intention to become citizens but have failed to perfect their naturalization. It might be wise to provide for a central bureau of registry, wherein should be filed authenticated transcripts of every record of naturalization in the several Federal and State courts, and to make provision also for the vacation or

cancellation of such record in cases where fraud had been practiced upon the court by the applicant himself or where he had renounced or forfeited his acquired citizenship. A just and uniform law in this respect would strengthen the hands of the Government in protecting its citizens abroad and would pave the way for the conclusion of treaties of naturalization with foreign countries.

The legislation of the last session effected in the diplomatic and consular service certain changes and reductions which have been productive of embarrassment. The population and commercial activity of our country are steadily on the increase, and are giving rise to new, varying, and often delicate relationships with other countries. Our foreign establishment now embraces nearly double the area of operations that it occupied twenty years ago. The confinement of such a service within the limits of expenditure then established is not, it seems to me, in accordance with true economy. A community of 60,000,000 people should be adequately represented in its intercourse with foreign nations.

A project for the reorganization of the consular service and for recasting the scheme of extraterritorial jurisdiction is now before you. If the limits of a short session will not allow of its full consideration, I trust that you will not fail to make suitable provision for the present needs of the service.

It has been customary to define in the appropriation acts the rank of each diplomatic office to which a salary is attached. I suggest that this course be abandoned and that it be left to the President, with the advice and consent Of the Senate, to fix from time to time the diplomatic grade of the representatives of this Government abroad as may seem advisable, provision being definitely made, however, as now, for the amount of salary attached to the respective stations.

The condition of our finances and the operations of the various branches of the public service which are connected with the Treasury Department are very fully discussed in the report of the Secretary.

It appears that the ordinary revenues for the fiscal year ended June 30, 1884, were:

From customs - \$195,067,489.76

From internal revenue - 121,586,072.51

From all other sources - 31,866,307.65

Total ordinary revenues - 348,519,869.92

The public expenditures during the same period were:

For civil expenses - \$22,312,907.71

For foreign intercourse - 1,260,766.37

For Indians - 6,475,999.29

For pensions - 55,429,228.06

For the military establishment, including river and harbor improvements and arsenals - 39,429,603.36

For the naval establishment, including vessels, machinery, and improvements at navy-yards - 17,292,601.44

For miscellaneous expenditures, including public buildings, light-houses, and collecting the revenue - 43,939,710.00

For expenditures on account of the District of Columbia - 3,407,049.62

For interest on the public debt - 54,578,378.48

For the sinking fund - 46,790,229.50

Total ordinary expenditures - 290,926,473.83

Leaving a surplus of - 57,603,396.09

As compared with the preceding fiscal year, there was a net decrease of over \$21,000,000 in the amount of expenditures. The aggregate receipts were less than those of the year previous by about \$54,000,000. The falling off in revenue from customs made up nearly \$20,000,000 of this deficiency, and about \$23,000,000 of the remainder was due to the diminished receipts from internal taxation.

The Secretary estimates the total receipts for the fiscal year which will end June 30, 1885, at \$330,000,000 and the total expenditures at \$290,620,201.16, in which sum are included the interest on the debt and the amount payable to the sinking fund. This would leave a surplus for the entire year of about \$39,000,000.

The value of exports from the United States to foreign countries during the year ending June 30, 1884, was as follows:

Domestic merchandise - \$724,964,852

Foreign merchandise - 15,548,757

Total merchandise - 740,513,609

Specie - 67,133,383

Total exports of merchandise and specie - 807,646,992

The cotton and cotton manufactures included in this statement were valued at \$208,900,415; the breadstuffs at \$162,544,715; the provisions at \$114,416,547, and the mineral oils at \$47,103,248.

During the same period the imports were as follows:

Merchandise - \$667,697,693

Gold and silver - 37,426,262

Total - 705,123,955

More than 63 per cent of the entire value of imported merchandise consisted of the following articles:

Sugar and molasses - \$103,884,274

Wool and woolen manufactures - 53,842,292

Silk and its manufactures - 49,949,128

Coffee - 49,686,705

Iron and steel and manufactures thereof - 41,464,599

Chemicals - 38,464,965

Flax, hemp, jute, and like substances, and manufactures thereof - 33,463,398

Cotton and manufactures of cotton - 30,454,476

Hides and skins other than fur skins - 22,350,906

I concur with the Secretary of the Treasury in recommending the immediate suspension of the coinage of silver dollars and of the issuance of silver certificates. This is a matter to which in former communications I have more than once invoked the attention of the National Legislature.

It appears that annually for the past six years there have been coined, in compliance with the requirements of the act of February 28, 1878, more than 27,000,000 silver dollars.

The number now outstanding is reported by the Secretary to be nearly 185,000,000, whereof but little more than 40,000,000, or less than 22 per cent, are in actual circulation. The mere existence of this fact seems to me to furnish of itself a cogent argument for the repeal of the statute which has made such fact possible.

But there are other and graver considerations that tend in the same direction.

The Secretary avows his conviction that unless this coinage and the issuance of silver certificates be suspended silver is likely at no distant day to become our sole metallic standard. The commercial disturbance and the impairment of national credit that would be thus occasioned can scarcely be overestimated.

I hope that the Secretary's suggestions respecting the withdrawal from circulation of the \$1 and \$2 notes will receive your approval. It is likely that a considerable portion of the silver now encumbering the vaults of the Treasury might thus find its way into the currency.

While trade dollars have ceased, for the present at least, to be an element of active disturbance in our currency system, some provision should be made for their surrender to the Government. In view of the circumstances under which they were coined and of the fact that they have never had a legal-tender quality, there should be offered for them only a slight advance over their bullion value.

The Secretary in the course of his report considers the propriety of beautifying the designs of our subsidiary silver coins and of so increasing their weight that they may bear their due ratio of value to the standard dollar. His conclusions in this regard are cordially approved.

In my annual message of 1882 I recommended the abolition of all excise taxes except those relating to distilled spirits. This recommendation is now renewed. In case these taxes shall be abolished the revenues that will still remain to the Government will, in my opinion, not only suffice to meet its reasonable expenditures, but will afford a surplus large enough to permit such tariff reduction as may seem to be advisable when the results of recent revenue laws and commercial treaties shall have shown in what quarters those reductions can be most judiciously effected.

One of the gravest of the problems which appeal to the wisdom of Congress for solution is the ascertainment of the most effective means for increasing our foreign trade and thus relieving the depression under which our industries are now languishing. The Secretary of the Treasury advises that the duty of investigating this subject be intrusted in the first instance to a competent commission. While fully recognizing the considerations that may be urged against this course, I am nevertheless of the opinion that upon the whole no other would be likely to effect speedier or better results.

That portion of the Secretary's report which concerns the condition of our shipping interests can not fail to command your attention. He emphatically recommends that as an incentive to the investment of American capital in American steamships the Government shall, by liberal payments for mail transportation or otherwise, lend its active assistance to individual enterprise, and declares his belief that unless that course be pursued our foreign carrying trade must remain, as it is to-day, almost exclusively in the hands of foreigners.

One phase of this subject is now especially prominent in view of the repeal by the act of June 26, 1884, of all statutory provisions arbitrarily compelling American vessels to carry the mails to and from the United States. As it is necessary to make provision to compensate the owners of such vessels for performing that service after April, 1885, it is hoped that the whole subject will receive early consideration that will lead to the enactment of such measures for the revival of our merchant marine as the wisdom of Congress may devise

The 3 per cent bonds of the Government to the amount of more than \$100,000,000 have since my last annual message been redeemed by the Treasury. The bonds of that issue still outstanding amount to little over \$200,000,000, about one-fourth of which will be retired through the operations of the sinking fund during the coming year. As these bonds still constitute the chief basis for the circulation of the national banks, the question how to avert the contraction of the currency caused by their retirement is one of constantly increasing importance.

It seems to be generally conceded that the law governing this matter exacts from the banks excessive security, and that upon their present bond deposits a larger circulation than is now allowed may be granted with safety. I hope that the bill which passed the Senate at the last session, permitting the issue of notes equal to the face value of the deposited bonds, will commend itself to the approval of the House of Representatives.

In the expenses of the War Department the Secretary reports a decrease of more than \$9,000,000. Of this reduction \$5,600,000 was effected in the expenditures for rivers and harbors and \$2,700,000 in expenditures for the Quartermaster's Department.

Outside of that Department the annual expenses of all the Army bureaus proper (except possibly the Ordnance Bureau) are substantially fixed charges, which can not be materially diminished without a change in the numerical strength of the Army. The expenditures in the Quartermaster's Department can readily be subjected to administrative discretion, and it is reported by the Secretary of War that as a result of exercising such discretion in reducing the number of draft and pack animals in the Army the annual cost of supplying and caring for such animals is now \$1,108,085.90 less than it was in 1881.

The reports of military commanders show that the last year has been notable for its entire freedom from Indian outbreaks.

In defiance of the President's proclamation of July 1, 1884, certain intruders sought to make settlements in the Indian Territory. They were promptly removed by a detachment of troops.

During the past session of Congress a bill to provide a suitable fire-proof building for the Army Medical Museum and the library of the Surgeon-General's Office received the approval of the Senate. A similar bill, reported favorably to the House of Representatives by one of its committees, is still pending before that body. It is hoped that during the coming session the measure may become a law, and that thereafter immediate steps may be taken to secure a place of safe deposit for these valuable collections, now in a state of insecurity.

The funds with which the works for the improvement of rivers and harbors were prosecuted during the past year were derived from the appropriations of the act of August 2, 1882, together with such few balances as were on hand from previous appropriations. The balance in the Treasury subject to requisition July 1, 1883, was \$10,021,649.55. The amount appropriated during the fiscal year 1884 was \$1,319,634.62 and the amount drawn from the Treasury during the fiscal year was \$8,228,703.54, leaving a balance of \$3,112,580.63 in the Treasury subject to requisition July 1, 1884.

The Secretary of War submits the report of the Chief of Engineers as to the practicability of protecting our important cities on the seaboard by fortifications and other defenses able to repel modern methods of attack. The time has now come when such defenses can be prepared with confidence that they will not prove abortive, and when the possible result of delay in making such preparation is seriously considered delay seems inexcusable. For the most important cities—those whose destruction or capture would be a national humiliation—adequate defenses, inclusive of guns, may be made by the gradual expenditure of \$60,000,000—a sum much less than a victorious enemy could levy as a contribution. An appropriation of about one-tenth of that amount is asked to begin the work, and I concur with the Secretary of War in urging that it be granted.

The War Department is proceeding with the conversion of 10-inch smooth-bore guns into 8-inch rifles by lining the former with tubes of forged steel or of coil wrought iron. Fifty guns will be thus converted within the year. This, however, does not obviate the necessity of providing means for the construction of guns of the highest power both for the purposes of coast defense and for the armament of war vessels.

The report of the Gun Foundry Board, appointed April 2, 1883, in pursuance of the act of March 3, 1883, was transmitted to Congress in a special message of February 18, 1884. In my message of March 26, 1884, I called

attention to the recommendation of the board that the Government should encourage the production at private steel works of the required material for heavy cannon, and that two Government factories, one for the Army and one for the Navy, should be established for the fabrication of guns from such material. No action having been taken, the board was subsequently reconvened to determine more fully the plans and estimates necessary for carrying out its recommendation. It has received information which indicates that there are responsible steel manufacturers in this country who, although not provided at present with the necessary plant, are willing to construct the same and to make bids for contracts with the Government for the supply of the requisite material for the heaviest guns adapted to modern warfare if a guaranteed order of sufficient magnitude, accompanied by a positive appropriation extending over a series of years, shall be made by Congress. All doubts as to the feasibility of the plan being thus removed, I renew my recommendation that such action be taken by Congress as will enable the Government to construct its own ordnance upon its own territory, and so to provide the armaments demanded by considerations of national safety and honor.

The report of the Secretary of the Navy exhibits the progress which has been made on the new steel cruisers authorized by the acts of August 5, 1882, and March 3, 1883. Of the four vessels under contract, one, the *Chicago*, of 4,500 tons, is more than half finished; the *Atlanta*, of 3,000 tons, has been successfully launched, and her machinery is now fitting; the *Boston*, also of 3,000 tons, is ready for launching, and the *Dolphin*, a dispatch steamer of 1,500 tons, is ready for delivery.

Certain adverse criticisms upon the designs of these cruisers are discussed by the Secretary, who insists that the correctness of the conclusions reached by the Advisory Board and by the Department has been demonstrated by recent developments in shipbuilding abroad.

The machinery of the double-turreted monitors *Puritan*, *Terror*, and *Amphitrite*, contracted for under the act of March 3, 1883, is in process of construction. No work has been done during the past year on their armor for lack of the necessary appropriations. A fourth monitor, the *Monadnock*, still remains unfinished at the navy-yard in California. It is recommended that early steps be taken to complete these vessels and to provide also an armament for the monitor *Miantonomoh*.

The recommendations of the Naval Advisory Board, approved by the Department, comprise the construction of one steel cruiser of 4,500 tons, one cruiser of 3,000 tons, two heavily armed gunboats, one light cruising gunboat, one dispatch vessel armed with Hotchkiss cannon, one armored ram, and three torpedo boats. The general designs, all of which are calculated to meet the existing wants of the service, are now well advanced, and the construction of the vessels can be undertaken as soon as you shall grant the necessary authority.

The act of Congress approved August 7, 1882, authorized the removal to the United States of the bodies of Lieutenant-Commander George W. De Long and his companions of the Jeannette expedition. This removal has been successfully accomplished by Lieutenants Harber and Schuetze. The remains were taken from their grave in the Lena Delta in March, 1883, and were retained at Yakutsk until the following winter, the season being too far advanced to admit of their immediate transportation. They arrived at New York February 20, 1884, where they were received with suitable honors.

In pursuance of the joint resolution of Congress approved February 13, 1884, a naval expedition was fitted out for the relief of Lieutenant A. W. Greely, United States Army, and of the party who had been engaged under his command in scientific observations at Lady Franklin Bay. The fleet consisted of the steam sealer Thetis, purchased in England; the Bear, purchased at St. Johns, Newfoundland, and the Alert, which was generously provided by the British Government. Preparations for the expedition were promptly made by the Secretary of the Navy, with the active cooperation of the Secretary of War. Commander George W. Coffin was placed in command of the Alert and Lieutenant William H. Emory in command of the Bear. The Thetis was intrusted to Commander Winfield S. Schley, to whom also was assigned the superintendence of the entire expedition.

Immediately upon its arrival at Upernavik the fleet began the dangerous navigation of Melville Bay, and in spite of every obstacle reached Littleton Island on June 22, a fortnight earlier than any vessel had before attained that point. On the same day it crossed over to Cape Sabine, where Lieutenant Greely and the other survivors of his party were discovered. After taking on board the living and the bodies of the dead, the relief ships sailed for St. Johns, where they arrived on July 17. They were appropriately received at Portsmouth, N. H., on August 1 and at New York on August 8. One of the bodies was landed at the former place. The others were put on shore at Governors Island, and, with the exception of one, which was interred in the national cemetery, were forwarded thence to the destinations indicated by friends. The organization and conduct of this relief expedition reflects great credit upon all who contributed to its success.

In this the last of the stated messages that I shall have the honor to transmit to the Congress of the United States I can not too strongly urge upon its attention the duty of restoring our Navy as rapidly as possible to the high state of efficiency which formerly characterized it. As the long peace that has lulled us into a sense of fancied security may at any time be disturbed, it is plain that the policy of strengthening this arm of the service is dictated by considerations of wise economy, of just regard for our future tranquillity, and of true appreciation of the dignity and honor of the Republic.

The report of the Postmaster-General acquaints you with the present condition and needs of the postal service.

It discloses the gratifying fact that the loss of revenue from the reduction in the rate of letter postage recommended in my message of December 4, 1882, and effected by the act of March 3, 1883, has been much less than was generally anticipated. My recommendation of this reduction was based upon the belief that the actual falling off in receipts from letter postages for the year immediately succeeding the change of rate would be \$3,000,000. It has proved to be only \$2,275,000.

This is a trustworthy indication that the revenue will soon be restored to its former volume by the natural increase of sealed correspondence.

I confidently repeat, therefore, the recommendation of my last annual message that the single-rate postage upon drop letters be reduced to 1 cent wherever the payment of 2 cents is now required by law. The double rate is only exacted at offices where the carrier system is in operation, and it appears that at those offices the increase in the tax upon local letters defrays the cost not only of its own collection and delivery, but of the collection and delivery of all other mail matter. This is an inequality that ought no longer to exist.

I approve the recommendation of the Postmaster-General that the unit of weight in the rating of first-class matter should be 1 ounce instead of one-half ounce, as it now is. In view of the statistics furnished by the Department, it may well be doubted whether the change would result in any loss of revenue. That it would greatly promote the convenience of the public is beyond dispute.

The free-delivery system has been lately applied to five cities, and the total number of offices in which it is now in operation is 159. Experience shows that its adoption, under proper conditions, is equally an accommodation to the public and an advantage to the postal service. It is more than self-sustaining, and for the reasons urged by the Postmaster-General may properly be extended.

In the opinion of that officer it is important to provide means whereby exceptional dispatch in dealing with letters in free-delivery offices may be secured by payment of extraordinary postage. This scheme might be made effective by employment of a special stamp whose cost should be commensurate with the expense of the extra service.

In some of the large cities private express companies have undertaken to outstrip the Government mail carriers by affording for the prompt transmission of letters better facilities than have hitherto been at the command of the Post-Office.

It has always been the policy of the Government to discourage such enterprises, and in no better mode can that policy be maintained than in supplying the public with the most efficient mail service that, with due regard to its own best interests, can be furnished for its accommodation.

The Attorney-General renews the recommendation contained in his report of last year touching the fees of witnesses and jurors.

He favors radical changes in the fee bill, the adoption of a system by which attorneys and marshals of the United States shall be compensated solely by salaries, and the erection by the Government of a penitentiary for the confinement of offenders against its laws.

Of the varied governmental concerns in charge of the Interior Department the report of its Secretary presents an interesting summary. Among the topics deserving particular attention I refer you to his observations respecting our Indian affairs, the preemption and timber-culture acts, the failure of railroad companies to take title to lands granted by the Government, and the operations of the Pension Office, the Patent Office, the Census Bureau, and the Bureau of Education.

Allusion has been made already to the circumstance that, both as between the different Indian tribes and as between the Indians and the whites, the past year has been one of unbroken peace.

In this circumstance the President is glad to find justification for the policy of the Government in its dealing with the Indian question and confirmation of the views which were fully expressed in his first communication to the Forty-seventh Congress.

The Secretary urges anew the enactment of a statute for the punishment of crimes committed on the Indian reservations, and recommends the passage of the bill now pending in the House of Representatives for the purchase of a tract of 18,000 square miles from the Sioux Reservation. Both these measures are worthy of approval.

I concur with him also in advising the repeal of the preemption law, the enactment of statutes resolving the present legal complications touching lapsed grants to railroad companies, and the funding of the debt of the several Pacific railroads under such guaranty as shall effectually secure its ultimate payment.

The report of the Utah Commission will be read with interest.

It discloses the results of recent legislation looking to the prevention and punishment of polygamy in that Territory. I still believe that if that abominable practice can be suppressed by law it can only be by the most radical legislation consistent with the restraints of the Constitution.

I again recommend, therefore, that Congress assume absolute political control of the Territory of Utah and provide for the appointment of commissioners with such governmental powers as in its judgment may justly and wisely be put into their hands.

In the course of this communication reference has more than once been made to the policy of this Government as regards the extension of our foreign trade. It seems proper to declare the general principles that should, in my opinion, underlie our national efforts in this direction.

The main conditions of the problem may be thus stated:

We are a people apt in mechanical pursuits and fertile in invention. We cover a vast extent of territory rich in agricultural products and in nearly all the raw materials necessary for successful manufacture. We have a system of productive establishments more than sufficient to supply our own demands. The wages of labor are nowhere else so great. The scale of living of our artisan classes is such as tends to secure their personal comfort and the development of those higher moral and intellectual qualities that go to the making of good citizens. Our system of tax and tariff legislation is yielding a revenue which is in excess of the present needs of the Government.

These are the elements from which it is sought to devise a scheme by which, without unfavorably changing the condition of the workingman, our merchant marine shall be raised from its enfeebled condition and new markets provided for the sale beyond our borders of the manifold fruits of our industrial enterprises.

The problem is complex and can be solved by no single measure of innovation or reform.

The countries of the American continent and the adjacent islands are for the United States the natural marts of supply and demand. It is from them that we should obtain what we do not produce or do not produce in sufficiency, and it is to them that the surplus productions of our fields, our mills, and our workshops should flow, under conditions that will equalize or favor them in comparison with foreign competition.

Four paths of policy seem to point to this end:

First. A series of reciprocal commercial treaties with the countries of America which shall foster between us and them an unhampered movement of trade. The conditions of these treaties should be the free admission of such merchandise as this country does not produce, in return for the admission free or under a favored scheme of duties of our own products, the benefits of such exchange to apply only to goods carried under the flag of the parties to the contract; the removal on both sides from the vessels so privileged of all tonnage dues and national imposts, so that those vessels may ply unhindered between our ports and those of the other contracting parties, though without infringing on the reserved home coasting trade; the removal or reduction of burdens on the exported products of those countries coming within the benefits of the treaties, and the avoidance of the

technical restrictions and penalties by which our intercourse with those countries is at present hampered.

Secondly. The establishment of the consular service of the United States on a salaried footing, thus permitting the relinquishment of consular fees not only as respects vessels under the national flag, but also as respects vessels of the treaty nations carrying goods entitled to the benefits of the treaties.

Thirdly. The enactment of measures to favor the construction and maintenance of a steam carrying marine under the flag of the United States.

Fourthly. The establishment of an uniform currency basis for the countries of America, so that the coined products of our mines may circulate on equal terms throughout the Whole system of commonwealths. This would require a monetary union of America, whereby the output of the bullion-producing countries and the circulation of those which yield neither gold nor silver could be adjusted in conformity with the population, wealth, and commercial needs of each. As many of the countries furnish no bullion to the common stock, the surplus production of our mines and mints might thus be utilized and a step taken toward the general remonetization of silver.

To the accomplishment of these ends, so far as they can be attained by separate treaties, the negotiations already concluded and now in progress have been directed; and the favor which this enlarged policy has thus far received warrants the belief that its operations will ere long embrace all, or nearly all, the countries of this hemisphere.

It is by no means desirable, however, that the policy under consideration should be applied to these countries alone. The healthful enlargement of our trade with Europe, Asia, and Africa should be sought by reducing tariff burdens on such of their wares as neither we nor the other American States are fitted to produce, and thus enabling ourselves to obtain in return a better market for our supplies of food, of raw materials, and of the manufactures in which we excel.

It seems to me that many of the embarrassing elements in the great national conflict between protection and free trade may thus be turned to good account; that the revenue may be reduced so as no longer to overtax the people; that protective duties may be retained without becoming burdensome; that our shipping interests may be judiciously encouraged, the currency fixed on firm bases, and, above all, such an unity of interests established among the States of the American system as will be of great and ever-increasing advantage to them all.

All treaties in the line of this policy which have been negotiated or are in process of negotiation contain a provision deemed to be requisite under the clause of the Constitution limiting to the House of Representatives the authority to originate bills for raising revenue.

On the 29th of February last I transmitted to the Congress the first annual report of the Civil Service Commission, together with communications from the heads of the several Executive Departments of the Government respecting the practical workings of the law under which the Commission had been acting. The good results therein foreshadowed have been more than realized.

The system has fully answered the expectations of its friends in securing competent and faithful public servants and in protecting the appointing officers of the Government from the pressure of personal importunity and from the labor of examining the claims and pretensions of rival candidates for public employment.

The law has had the unqualified support of the President and of the heads of the several Departments, and the members of the Commission have performed their duties with zeal and fidelity. Their report will shortly be submitted, and will be accompanied by such recommendations for enlarging the scope of the existing statute as shall commend themselves to the Executive and the Commissioners charged with its administration.

In view of the general and persistent demand throughout the commercial community for a national bankrupt law, I hope that the differences of sentiment which have hitherto prevented its enactment may not outlast the present session.

The pestilence which for the past two years has been raging in the countries of the East recently made its appearance in European ports with which we are in constant communication.

The then Secretary of the Treasury, in pursuance of a proclamation of the President, issued certain regulations restricting and for a time prohibiting the importation of rags and the admission of baggage of immigrants and of travelers arriving from infected quarters. Lest this course may have been without strict warrant of law, I approve the recommendation of the present Secretary that the Congress take action in the premises, and I also recommend the immediate adoption of such measures as will be likely to ward off the dreaded epidemic and to mitigate its severity in case it shall unhappily extend to our shores.

The annual report of the Commissioners of the District of Columbia reviews the operations of the several departments of its municipal government. I ask your careful consideration of its suggestions in respect to legislation, especially commending such as relate to a revision of the civil and criminal code, the performance of labor by persons sentenced to imprisonment in the jail, the construction and occupation of wharves along the river front, and the erection of a suitable building for District offices.

I recommend that in recognition of the eminent services of Ulysses S.

Grant, late General of the armies of the United States and twice President of this nation, the Congress confer upon him a suitable pension.

Certain of the measures that seem to me necessary and expedient I have now, in obedience to the Constitution, recommended for your adoption.

As respects others of no less importance I shall content myself with renewing the recommendations already made to the Congress, without restating the grounds upon which such recommendations were based.

The preservation of forests on the public domain, the granting of Government aid for popular education, the amendment of the Federal Constitution so as to make effective the disapproval by the President of particular items in appropriation bills, the enactment of statutes in regard to the filling of vacancies in the Presidential office, and the determining of vexed questions respecting Presidential inability are measures which may justly receive your serious consideration.

As the time draws nigh when I am to retire from the public service, I can not refrain from expressing to the members of the National Legislature with whom I have been brought into personal and official intercourse my sincere appreciation of their unfailing courtesy and of their harmonious cooperation with the Executive in so many measures calculated to promote the best interests of the nation.

And to my fellow-citizens generally I acknowledge a deep sense of obligation for the support which they have accorded me in my administration of the executive department of this Government.