THOSE WHO

PAY FOR WHAT THEY GET are the people the advertiser wishes to reach. The subscription list of the GAZETTE is *not* inflated with bums and dead-heads for the sake of "largest circulation."

The Easton Gazette.

THE OLDEST PAPER IN TALBOT COUNTY.

The Purest in Politics, the Subscription Lists containing the most Bona-fide subscribers.

VOL. LXXIX. NO. 4. EASTON, MD., SATURDAY, DECEMBER 8, 1894. $1.50 PER YEAR.

Here's Your Chance!
FOR BARGAINS.

☞Everything in CA-SIMERES, DRESS GOODS, DRESS TRIMMINGS, LACES and EMBROIDERIES at and below cost. Underwear, Hosiery, Gloves and Corsets greatly reduced. About 300 pairs of Corsets left. A good CORSET for 35 Cents.

☞Shirts, Collars, Cuffs, Neckwear and all Gents' Furnishings greatly reduced. In fact, everything in Dry Goods, Notions, &c., must go, to make room for our new line of HOUSE FURNISHINGS, of which we intend to carry the largest and handsomest line ever in this market. Our Carpets are extremely low.

☞Best Razor-Steel Scissors, 25 cents. "New-Home" and "American" Sewing Machines, from $12 to $30. A first-class Machine for $18 and $20. In Queensware we are headquarters. Our Groceries are always pure and fresh. Cigars, Cigarettes and Tobacco, all grades. An immense stock of Pipes at half-price.

J. E. SHANNAHAN.

☞Agent for the Old Staten Island Dyeing Establishment.

Dallas B. Hayward.

DRUGGIST.
SUCCESSOR TO HAYWARD & BRO
WASHINGTON STREET.

Drugs, the freshest, finest and cheapest. Prescriptions, compounded with the greatest of care. Every feature of the drug business given particular attention. Our establishment is perfectly appointed, thereby enabling us to supply you with the best of everything in our lines. Besides carrying the best assortment of drugs, we have a choice lot of toilet articles, perfumery, sachet, soaps, etc. Patent Medicines, and all else you may require. Visit us.

Dallas B. Hayward.

Christmas Gifts!

Consisting of Novelties in

Sterling & Silver.

Artistic Articles of Fancy Brass. Wrought Iron Five O'clock Teas, &c., &c.

Diamonds and Fine Jewelry.

STURMER,
"THE JEWELER,"
Washington Street, EASTON, MD.

MRS. JNO. MEINTZER,
CONDUCTS ONE OF THE LARGEST
BAKERY ESTABLISHMENTS.
ON THE SHORE.

Everything in the Bakery line can be found at her store in the Shanahan Building, opp. Saml. Patchett's, Dover Street.

Fresh Bread delivered at your home in time for breakfast, Rolls, Buns, Pies, Cakes, etc.

CONFECTIONERIES
of the choicest kinds, together with Fruits are always kept in stock. Your kind patronage solicited and desired.

PRICES THE LOWEST.

JOSEPH MILLER,
MARKET SPACE, EASTON,
MANUFACTURER AND DEALER IN
Harness, Collars and Saddlery Goods
Largest Stock on the Peninsula.

Repairing Department Attached.
All Work Positively Guaranteed First Class.

Lewis Whitehouse,
CONTRACTOR, BUILDER and PLUMBER.

Steam and Hot Water Heating, with latest and most Scientific appliances.

ALL KINDS OF ELECTRIC WORK AND FIXTURES.

Moving Buildings a specialty. Also Agent for AER MOTOR WIND MILL

Carpentering and Constructing given Special Attention. All work GUARANTEED.
ADDRESS, EASTON, MD.

FURNITURE! FURNITURE!

JOHN MASON & CO'S.

Three story warehouse is full of Furniture from bottom to top, the best and cheapest that was ever brought to town and in price and quality we defy competition. We have bought our goods at the lowest cash price and as times are hard we propose to sell at a very small advance.

COME AND SEE US AND WE GUARANTEE TO SAVE YOU MONEY.

UNDERTAKING and EMBALMING.

This department is complete in all its details, and price the lowest Our fifty years experience enables us to know our business thoroughly. 11-18

MEAT and PROVISION DEPOT

GEO. C. SHEHAN,
COR. DOVER and HARRISON STREETS.

THE RELIABLE MEAT AND PROVISION DEPOT.

Fresh meats, vegetables, canned goods, etc., constantly on hand. Buy only where the best is served at lowest market rates.

FALL NOTICE.

THE WRIGHT
Grocery and Queensware Store,

Is now completely stocked with everything known to the trade

FOREIGN AND DOMESTIC FRUITS, PICKLES, APPLE BUTTER, PRESERVES, SAUCES,
Finest Assorted Confections.

☞Open stock pattern in Queensware, Cigars and Tobacco.

☞Prices the lowest to be found anywhere, quality considered.

MARTIN M. WRIGHT,
Successor to B. P. COX.
Odd Fellow's Hall, EASTON, MD.

THE NEWS

Miss Ella Haines, of Biddleford, Me., has brought suit against the estate of Luther Bryant, a millionaire, for $260,000.——Louisa Alberti, of Galveston, Tex., poisoned her five children in a fit of dementia.——Kansas City physicians are using anti-toxine, the new diphtheria remedy, with great success.——During a fight in Fairland, Wash., H. C. Cummings shot and killed Tish Roberts.——Claude P. Campbell was hazed by students of the University in a recent foot ball game.——Mrs. Mary Ellen Lease, of Kansas, will remove to California. She says she is tired of Kansas.——S. W. Ridenburg, the missing ex-deputy county clerk of Cook county, Ill., is said to be a defaulter to the extent of $50,000.——Dr. Carl F. Rubaugh, a prominent physician and botanist, is believed to have been murdered in Mexico by his servant.——The village of Cedarville, in New Jersey, was visited by a big fire, and property valued at $40,000 was destroyed.——A smelter combine is about to be formed. The object of the trust is to raise the rates.——The jury in the case of Thomas McLaren, charged with the murder of Jennie Knittle, was discharged in Jersey City, having reported a failure to agree. The jury was out twenty-four hours.——An attempt was made to steal the silver statue of actress Ada Rehan in Chicago.——Commander Ballington Booth, of the Salvation Army, is critically ill at Chicago.——The Egyptian Sanitary Pottery Works, of the Egyptian Pottery Company, of Trenton, were destroyed by fire. The damage is estimated from ten to fifteen thousand dollars. The fire is believed to have originated from the frame kiln shed igniting from the kilns. Three kilns filled with ware were also destroyed.

The Southern Pacific Railroad officers made a wholesale reduction in salaries.——The officers of the National W. C. T. U. met in Chicago and appointed delegates to the triennial meeting of the International council of Women, which meets in Washington February 18 next.——The wife and three children of Henry Madra, a laborer in Chicago, were fatally burned.——Large quantities of sugar are to be shipped next year from the Hawaiian Islands to New York.——Captain Kolb took the oath of office before a magistrate at the same time Saturday as Governor Oates was sworn in at the capital at Montgomery.——The other parties on the Kolb ticket, who claim they were elected, also took the oath of office. A large force of state militia was on hand, and there was no attempt at violence.——The Board of trustees of the Brotherhood of Locomotive Firemen voted to remove the headquarters from Terre Haute to Peoria, Ills.——Rev. Dr. Henry M. Storrs, pastor of the First Presbyterian Church of Orange, N. J., is dead.——The Great Western Manufacturing Company, manufacturers of electrical supplies, confessed judgment in Chicago on a note for $15,000. The company's liabilities are $33,000, and its assets $70,000.——Almost the entire business portion of Rockwood, Tenn., was destroyed by fire.

A. L. Loughborough shot and probably fatally wounded Buckhout, a football player in a San Francisco saloon during a quarrel about a game.——Three negroes, confined in jail at Quitman, Ga., tried to burn their way out and were caught in the burnt toils.——Ex-Secretary of the Treasury Fairchild predicts that there will be another issue of bonds.——H. Granville Gray was arrested in Philadelphia. He is wanted for swindling.——Pierre J. Gulick, a Harvard student, whose home is in Springfield, Mass., committed suicide.——Albert G. Rideout, president of the Deer Park Improvement Company, was arrested in Jersey City, charged with obtaining money under false pretenses.——The Newark Morning Times, the only morning newspaper published in Newark, suspended. The paper was started in October, 1893, by Taomas C. Barr.——During a quarrel in Chicago, Frederick Friesch shot his daughter and her husband and put a ball into his own head.——Councilman W. E. Lubry, of Henderson, Ky., was shot by Lee Powell, a colored man, and will probably die.——Thurman Balling, alias "Skeeter," Jesse Snyder and Will Ferris, all members of the Cook gang, were sentenced in the United States Court at Fort Smith, Ark., "Skeeter" received thirty years, and Snyder and Ferris twenty years each in the House of Correction at Detroit, Mich.

John Naughton killed his companion Wm. Brickley, in Patchogue, by a blow with his fist.——Mrs. Hannah Williamson committed suicide by leaping overboard from the steamship Ohio while enroute from Liverpool to Philadelphia.——Mark S. Swarts, president, and S. S. Swarts, cashier and treasurer of the Swarts Iron and Metal Company, and Barnett Graff, of the Graff Contracting Company, Chicago, were arrested on charges of conspiracy to steal.——A large number of Russian farmers in Emmons county, N. D., were arrested for carrying off government property at Fort Lincoln.——Fire destroyed the First Baptist Church and the Exposition Hall in Omaha.——Louis Poidert, a well-known ranchman of Texas, and his son were killed by Mexican outlaws.——A quantity of dynamite intended for use in the big sewer which is being constructed in Huntington, Ind., exploded, resulting in the instant death of two men and serious injury to several others.——Governor John Gary Evans was inaugurated as governor of South Carolina.

THREE ATHLETES KILLED.

Many Other Members of a Foot-Ball Team Injured in a Wreck.

South Bridge, Mass., was the scene of an awful calamity, resulting in the instant death of three young men, fatal injury to one and serious injuries to twelve others. The South Bridge foot ball eleven was scheduled to play a game with the eleven of the Worcester Polytechnic Institute and was passing over the tracks of the New York & New England Railroad on the way to the grounds in a large barge when the vehicle was struck by a passenger engine.

The wagon was demolished and its occupants scattered in every direction, three member of the eleven being killed outright. Some were thrown into the air to descend many feet away, maimed and broken, while others went down under the wheels and were ground into a mangled mass. The train was not brought to a standstill until it had proceeded a quarter of a mile down the track.

The fatally injured are Arthur Hughes Brigham and Andrew Taylor. Hughes's recovery. The eleven remaining members of the Worcester eleven only escaped by a miracle.

THE MESSAGE.

President Cleveland Discusses the Nation's Affairs.

FOR FREE COAL AND IRON.

Favors Repeal of the Differential Duty on Refined Sugar.

Suggests a Divorce of the Government and the Banks—Exemption of Certain State Banks From Taxation on Circulation Recommended—Pension Matters—Our Foreign Relations and the Condition of Our Governmental Departments.

To the Congress of the United States:

The assemblage within the Nation's legislative halls of those charged with the duty of making laws for the benefit of a generous and free people impressively suggests the exalting obligations and emphasizes the responsibility involved in their task. At the threshold of such labor now to be undertaken by the Congress of the United States, and in the Hall therefore of a coordinate department, by the Constitution, I submit this communication, containing a brief statement of the condition of our National affairs, and recommending such action as seems to me necessary and expedient.

The history of our recent dealings with other Nations, and our peaceful relations with them at this time, additionally demonstrate the advantage of consistently adhering to a firm but just foreign policy, free from any one of ambitious National schemes and characterized by entire honesty and sincerity.

A serious tension of relations having arisen at the close of the war between Brazil and Portugal, the friendly good offices of Rear Admiral da Gama and his colleagues, the friendly offices of our representatives to those countries were exerted for the protection of the rights of either within the territory of the other.

Although the Governor of Brazil was duly notified that the recognition arrangement entered into by the United States and this country, based on the third section of the Tariff act of 1890, was abrogated on August 18, 1894, by the ruling effect of the Tariff law now in force, that Government subsequently notified us of its intention to terminate such arrangement on the first day of January, 1895, in the exercise of the right reserved in the agreement between the two countries.

The commission organized under the convention which we had entered into with Chile for the settlement of the outstanding claims of each Government against the other, adjourned at the end of the period stipulated for its continuance, leaving undetermined a number of American claims which had been duly presented. These claims are not barred and negotiations are in progress for their submission to a new tribunal.

TREATY WITH CHINA.

On the 17th of March last, a new treaty with China in further regulation of emigration was signed at Washington, and on August 13, it received the sanction of the Senate. Ratification on the part of China and formal exchange are awaited to give effect to this mutually beneficial convention.

A gratifying recognition of the unbroken impartiality of this country towards all foreign States was manifested by the coincident request of the Chinese and Japanese Governments, that the agents of the United States should, within proper limits, afford protection to the subjects of the other during the suspension of diplomatic relations due to a state of war. This delicate office was accepted, and a misapprehension on the part of the brave rise to the belief that in affording this kindly unofficial protection our agents would exercise the same authority which the privileges accorded to belligerents had exercised, was promptly corrected. Although the war between China and Japan endangered no policy of the United States, it deserves our careful consideration, by reason of its disturbances of our growing commercial interests in the two countries and the increased dangers which may result to our citizens domiciled or sojourning in the interior of China.

Acting under a stipulation in our treaty with Korea (the first concluded with a Western power) I felt constrained at the beginning of the controversy to tender our good offices to induce an amicable arrangement of the initial difficulty growing out of the Japanese demands for administrative reforms in Korea; but the unhappy precipitation of actual hostilities defeated this kindly purpose.

Deploring the destructive war between the most powerful of the Eastern Nations with whom we have the most extensive interests in these countries may be preserved, and that the safety of our citizens there shall not be jeopardized. I would not hesitate to lend my influence that our friendly aid for the honorable termination of hostilities would be acceptable to both belligerents.

Our relations with the Republic of France continue to be such as should exist between Nations so long bound together by friendly sympathy and similarity in their form of government.

The recent cruel assassination of the President of this sister Republic called forth such universal expressions of sorrow and condolence from our people and Government as to leave no doubt of the depth and sincerity of our attachment. The resolutions passed by the Senate and House of Representatives on the occasion have been communicated to the widow of President Carnot.

Acting upon the reported discovery of Turkish outrages upon Armenians in which the German prohibition against importations of live stock and fresh meats from this country has been revived. It is hoped that Germany will soon become convinced that the inhibition is as needless as it is harmful to mutual interests.

REPEALING DISCRIMINATING DUTIES.

The German Government has protested against that provision of the customs tariff act which imposes a discriminating duty of one-tenth of one cent a pound on sugars coming from countries paying an export bounty thereon, claiming that the exaction of such duty is in contravention of article five and nine of the treaty of 1828 with Prussia.

In the interests of the commerce of both countries and to avoid even the accusation of treaty violation, I recommend the appeal of so much of the statute as imposes that duty, and I invite attention to the accompanying report of the Secretary of State containing a discussion of the questions raised by the German protests.

Early in the present year an agreement was reached with Great Britain concerning instructions to be given to the naval commanders of the two Governments in Bering Sea and the contiguous North Pacific Ocean, for their guidance in the execution of the award of the Paris Tribunal of Arbitration and the enforcement of the regulations therein prescribed, for the protection of seal life in the waters mentioned. An understanding has also been reached for the payment by the United States of $425,000, in full satisfaction of all claims which may be made by Great Britain for damages growing out of the controversy as to fur seals in Bering Sea, or the seizure of British vessels engaged in taking seal in those waters. The award and findings of the Paris Tribunal to a great extent determined the facts and principles upon which these claims should be adjusted, and they have been subjected by both Governments to a thorough examination upon the principles as well as the facts which they involve. I am convinced that a settlement upon the terms mentioned would be an equitable and advantageous one and I recommend that provision be made for the prompt payment of the stipulated sum.

HAWAII AND JAPAN.

Since communicating the voluminous correspondence in regard to Hawaii and the action taken by the Senate and House of Representatives on certain questions submitted to the judgment and wise consideration of Congress, the organization of a de facto government in place of the provisional arrangement which followed the deposition of the Queen has been established with evidences of its effective operation. The recognition usual in such cases has been accorded the new Government.

Apart from the war in which the Island Empire is engaged, Japan attracts increasing attention in this country by reason of her desire to cultivate more liberal intercourse with us and to seek our kindly aid in unrestrained freer latitude desire for complete autonomy in her domestic affairs and full equality in the family of Nations. The Japanese Empire of to-day is no longer the Japan of the past, and our relations with this progressive people should rest on less broad and liberal than those with other powers.

THE ALLEGED LIN INCIDENT.

Prominent among the questions of the year was the arrest by all nations in which is known as the Mosquito Indian Reservation on the Atlantic Ocean and within the jurisdiction of Nicaragua. By the treaty of 1859 between Great Britain and Nicaragua the former Government expressly recognized the sovereignty of the latter over the Strip, and a liberal form of self-government was guaranteed to the Mosquito Indians, to be exercised according to their customs, for themselves and other dwellers within its limits. The so-called native Government which grew to be largely made up of aliens, for many years disputed the sovereignty of Nicaragua over the Strip and claimed the right to exercise therein a more especially independent municipal government. Early in the past year efforts of Nicaragua to maintain sovereignty over these districts, at least free from serious disturbance, culminating in the suppression of the native Government and the attempted substitution of an impracticable composite administration, in which Nicaragua and alien residents were to participate. Following upon the abortive insurrection which began in the summer of Nicaragua the recalling her officers and restoring local organization. This, in general terms, is the status of the Government established and upheld by Nicaragua.

Although the alien interests against which Nicaragua in those days struggled have been largely American, and the disturbance that rose on for some time has been and still is chiefly controlled by citizens, we have not for that reason failed to insist upon the sovereignty of Nicaragua over this important part of her domain.

For some months one, and during part of the time two, vessels of our Navy have been stationed at Bluefields for the protection of all legitimate interests of our citizens. In September last the Government at Managua expelled from its territory three of our consular officers, recalling two American officers, for alleged participation in the affairs of revolutionary movements against the people. At Bluefields, however, the recognition through the earnest remonstrance of this Government the two Americans have been permitted to return to the peaceful management of their business. The summary manners at the second of these distinguished by their constant exhibition of firmness and good judgment, continued interest in the prevention of needless bloodshed and early to the restoration of quiet and order. I regret that in the midst of these conferences there supervened a most grave and irritating case of flagrant Nicaraguan injustice. An American citizen named Wilson, residing at Rama, in the Mosquito territory, was murdered by one Aran Ulloa, a military officer of that place. After some delay the murderer was arrested, but so insecurely confined or guarded that he escaped, and, notwithstanding our repeated demands, has not been recaptured. Recapture has been impossible, by reason of its flight beyond Nicaraguan jurisdiction.

The Nicaraguan authorities have given copies of letters of the fugitive Ulloa to the canal company, on grounds purely technical and not embraced in the contract, have receded from that position.

POACHING ON RUSSIAN SEALS.

The sealing interests of Russia in Bering Sea are second to those of our own. A modus vivendi has therefore been established with the Imperial Government restrictive of poaching on the Russian rookeries, and of sealing in waters which are now common-ly included in the protected area defined in the Paris award.

Ocean has been found to urge upon the Russian Government equality of treatment for our great life insurance companies whose operations have been extended throughout Europe. Admitting, as we do, foreign corporations to transact business in the United States, we naturally expect no less toleration for our own in the ample fields of competition abroad.

But few cases of interference with naturalized citizens returning to Russia have been reported during the current year. One Krzminski was arrested in the Polish province, on a report of a purpose to have permitted renunciation of Russian allegiance, but it transpired that the proceedings originated in alleged indiscreet communications by Krzminski while an Imperial official at a number of years ago. Efforts for his release, which promised to be successful, were in progress when his death was reported.

TURKEY'S TREATMENT OF MISSIONARIES.

In my last annual message I adverted to the claim on the part of Turkey of the right to expel, as persons undesirable and dangerous, Armenians naturalized in the United States and returning to Turkish jurisdiction. Numerous questions in this relation have arisen. While this Government acquiesces in the asserted right of expulsion, it will not consent that Armenians may be imprisoned or otherwise punished for no other reason than having acquired without Imperial consent American citizenship.

Three of the children of Miss Melton, an American teacher in Mosul, have been convicted by the Ottoman courts, and I am advised that an appeal against the acquittal of the remaining five has been taken by the Turkish prosecuting officer.

TROUBLES IN SAMOA.

Reports received from our agents at Apia do not justify the belief that the peace thus brought about will be of long duration. It is their conclusion that the natives are at heart hostile to the present Government, that such of them as profess loyalty it is do so from fear of the powers, and that it would speedily go to pieces if the war ships were withdrawn.

The present Government has utterly failed to correct, if indeed it has not aggravated, the very evils it was intended to prevent. It has not stimulated our commerce with the islands. Our participation in its establishment against the wishes of the natives was the plain reliance of the conservative tendencies and warnings of the wise and patriotic men who laid the foundations of our free institutions, and I invite an expression of the judgment of Congress on the propriety of steps being taken by this Government looking to the withdrawal from its engagements with the other powers on some reasonable terms not prejudicial to any of our existing rights.

CONDITION OF THE TREASURY.

The Secretary of the Treasury reports that the receipts of the Government from all sources of revenue during the fiscal year ending June 30, 1894, amounted to $372,802,498 29, and its expenditures to $442,605,753.87, leaving a deficit of $69,803,255.58. There was a decrease of $15,952,674.66 in the ordinary expenses of the Government, as compared with the fiscal year 1893.

There was collected from the customs $131,818,531.62, and from internal revenue $147,16 ,449.73. The balance of the income for the year, amounting to $93,815,517.97, was derived from the sales of lands and other sources.

The value of our total dutiable imports amounted to $275,192,046, being $146,657,625 less than during the preceding year, and the importations free of duty amounted to $277,595,586, being $64,745,675 less than during the preceding year. The receipts from customs were $34,026,404 less, and from internal revenue $13,833,39.97 less than in 1893.

The total tax collected from distilled spirits was $68,259,020.25, on manufactured tobacco $28,617,898.62, and on fermented liquors, $31,414,788.04.

Our exports of merchandise, domestic and foreign, amounted during the year to $892,145,752, being an increase over the preceding year of $44,495,378.

The total amount of gold exported during the fiscal year was $76,89 ,061, against $103,834,444 during the fiscal year 1893. The amount of gold imported was $41,944,381, against $21,174,381 during the previous year.

The imports of silver were $13,293,552, and the exports were $50,451,235

THE ARMY.

The execution of the policy of concentrating the army at important centers of population and transportation, foreshadowed in the last annual report of the Secretary, has resulted in the abandonment of fifteen of the smaller posts, and the movement under a plan which assembles organizations of the same regiments hitherto widely separated. This renders our small forces more really effective for any service they may be called upon to perform, and to a considerable extent it is not surprising that the deficiency of revenue to meet the expenditures of the Postoffice Department, which was estimated in advance at about eight million dollars, should be exceeded by nearly one and a quarter million dollars. The aforesaid reconstruction of the last year, which were the basis of calculation for the current year, being less than estimated, the deficiency for the current year will be correspondingly greater, though the Postmaster-General states that the latest indications are so favorable that he confidentially predicts an expenditure of at least eight per cent in the revenues of the current year over those of the last year.

The expenditures increase steadily and necessarily with the growth and wealth of a country, so that the deficiency is greater or less in any year depending upon the volume of receipts.

The Postmaster-General says that this deficiency is unnecessary, and might be obviated at once if the law regulating rates upon mail matter of the second class were modified. The rate received for the transmission of this second-class matter is one cent per pound, while the cost of such transmission to the Government is eight times that amount. In the general terms of the law this rate covers newspapers and periodicals. The extensions of the meaning of these terms from time to time have admitted to the privileges intended for legitimate newspapers and periodicals a surprising range of publications and created abuses the cost of which amount in the aggregate to the total deficiency of the Postoffice Department. Pretended newspapers are started by business houses for the mere purpose of advertising goods, complying with the law in form only and discounting the publications as soon as the period of advertising is over. Simple copies of pretended newspapers are issued in great numbers for a like purpose only. The result is a great loss of revenue to the Government, besides its humiliating use as an agency to aid in carrying out the schemes of a business house to advertise its goods by means of a privilege both its rival houses and the regular and legitimate newspapers. Paper-covered literature, consisting chiefly of trashy novels, to the extent of many thousand tons is sent through the mails at one cent per pound, while the publishers of standard works are required to pay eight times that amount in sending their publications. Another abuse consists of the free carriage through the mails of hundreds of tons of seed and grain uselessly distributed through the Department of Agriculture. The Postmaster-General predicts that if the law be so amended as to eradicate these abuses not only will the Postoffice Department show no deficiency, but he believes that in the near future all legitimate newspapers and periodical magazines might be properly transmitted through the mails to their subscribers free of cost. I invite your prompt consideration of this subject, and fully indorse the views of the Postmaster-General.

The Postmaster-General renews a suggestion made in a previous report that the department organization be increased to the extent of creating a first assistant postmaster-general of mail affairs and in this suggestion I heartily concur.

There are now connected with the Postoffice establishment 32,651 employes who are in the classified service. This includes many who have been classified under the operation of the Postmaster-General. He states that another year's experience at the head of the department serves only to strengthen the conviction as to the excellent working of the Civil Service law in this branch of the public service.

OUR NAVY.

Attention is called to the report of the Secretary of the Navy, which shows very gratifying progress in the construction of ships for our new navy. All the vessels now building, including the three torpedo boats authorized at the last session of Congress, and excepting the first-class ship Iowa, will probably be completed during the coming fiscal year.

The estimates for the increase of the navy for the year ending June 30, 1895, are large, but they include practically the entire sum necessary to complete and equip all the new ships of the new navy now in commission, so that unless new ships are authorized the appropriations for the naval service for the fiscal year ending June 30, 1897, should fall below those made for the coming year by at least $12,000,000.

The Secretary presents with much earnestness the policy of the construction of three additional battle ships and ten or twelve torpedo boats. While the immediate necessity for these vessels is not apparent, it is plain that they will constitute a reserve force of great value in case of sudden emergency, and could be quickly completed. This, in connection with the present force afloat, would give the country a navy for warlike operations, of quick and effective, we certainly ought to increase both the number of battle ships and of cruisers.

The manufacture of armor plate requires expensive plant and the making of many skilled workmen. All the armor necessary to complete the vessels now building will be delivered before the first of January. If no new contracts are given our contractors must fashion their work upon their present plant and their present force, or else withdraw their organization, which was dissipated at great cost, and which cannot be reassembled except at great cost and inconvenience. In the efficiency and discipline which the Navy has now attained, the country has a valuable property which should not be impaired by neglect to provide for its reasonable employment.

I recommend that provision be made for the construction of additional battle ships and torpedo boats.

The war now in progress between China and Japan has rendered it necessary or expedient to despatch eight vessels to those waters.

I feel it my imperative duty to call attention to the recommendation of the Secretary of the Navy for the creation of the office of Lieutenant-General, to be filled by the ranking officer of the highest grade in the line of the navy. The stagnation of promotion in this, the vital branch of the service, is becoming dangerously apparent.

I commend to your favorable consideration the young and invisible naval officers should, before the age of retirement, be permitted to attain a grade entitling them to active and honorable command.

The total enlistment of the militia of the several States is 112,533 officers and enlisted men, an increase of 3,313 over the number reported at the close of the previous year. The reports of militia inspections by regular officers detailed for that purpose show progress in interest and efficiency among the State organizations, and I strongly recommend a continuance of the policy of affording every practicable encouragement possible to this important auxiliary of our military establishment.

The condition of the Apache Indians, held as prisoners of war at Mount Vernon Barracks, in Alabama, has been a source of much solicitude. Their number is reduced from eight years ago, from about a million dollars, has been changed during the year from captivity to one which gives them an opportunity to demonstrate their capacity for self-support, and at least partial civilization. Legislation enacted at the late session of Congress gave the War Department authority to transfer the survivors, numbering 343, from Mount Vernon Barracks, in Alabama, to any suitable reservation. The department selected as their future home the military lands near Fort Sill, in the Territory of Oklahoma, where, in accordance with the former practice, they have been established in communities under conditions favorable to their advancement.

In recognition of the long and distinguished military services and faithful discharge of delicate and responsible civil duties by Major-General John M. Schofield, now the General commanding the Army, it is suggested to Congress that the temporary grade of General of the Army of the United States, with the pay appropriate to that office, would be an equitable and advantageous one and I recommend that provision be made for the prompt payment of the stipulated sum.

HAWAII AND JAPAN.

Since communicating the voluminous correspondence in regard to Hawaii and the action taken by the Senate and House of Representatives on certain questions submitted to the judgment and wise consideration of Congress, the organization of a de facto government in place of the provisional arrangement which followed the deposition of the Queen has been established with evidences of its effective operation. The recognition usual in such cases has been accorded the new Government.

Apart from the war in which the Island Empire is engaged, Japan attracts increasing attention in this country by reason of her desire to cultivate more liberal intercourse with us and to seek our kindly aid in unrestrained freer latitude desire for complete autonomy in her domestic affairs and full equality in the family of Nations. The Japanese Empire of to-day is no longer the Japan of the past, and our relations with this progressive people should rest on less broad and liberal than those with other powers.

THE ALLEGED LIN INCIDENT.

Prominent among the questions of the year was the arrest by all nations in which is known as the Mosquito Indian Reservation on the Atlantic Ocean and within the jurisdiction of Nicaragua. By the treaty of 1859 between Great Britain and Nicaragua the former Government expressly recognized the sovereignty of the latter over the Strip, and a liberal form of self-government was guaranteed to the Mosquito Indians, to be exercised according to their customs, for themselves and other dwellers within its limits. The so-called native Government which grew to be largely made up of aliens, for many years disputed the sovereignty of Nicaragua over the Strip and claimed the right to exercise therein a more especially independent municipal government. Early in the past year efforts of Nicaragua to maintain sovereignty over these districts, at least free from serious disturbance, culminating in the suppression of the native Government and the attempted substitution of an impracticable composite administration, in which Nicaragua and alien residents were to participate. Following upon the abortive insurrection which began in the summer of Nicaragua the recalling her officers and restoring local organization. This, in general terms, is the status of the Government established and upheld by Nicaragua.

Although the alien interests against which Nicaragua in those days struggled have been largely American, and the disturbance that rose on for some time has been and still is chiefly controlled by citizens, we have not for that reason failed to insist upon the sovereignty of Nicaragua over this important part of her domain.

For some months one, and during part of the time two, vessels of our Navy have been stationed at Bluefields for the protection of all legitimate interests of our citizens. In September last the Government at Managua expelled from its territory three of our consular officers, recalling two American officers, for alleged participation in the affairs of revolutionary movements against the people. At Bluefields, however, the recognition through the earnest remonstrance of this Government the two Americans have been permitted to return to the peaceful management of their business. The summary manners at the second of these distinguished by their constant exhibition of firmness and good judgment, continued interest in the prevention of needless bloodshed and early to the restoration of quiet and order. I regret that in the midst of these conferences there supervened a most grave and irritating case of flagrant Nicaraguan injustice. An American citizen named Wilson, residing at Rama, in the Mosquito territory, was murdered by one Aran Ulloa, a military officer of that place. After some delay the murderer was arrested, but so insecurely confined or guarded that he escaped, and, notwithstanding our repeated demands, has not been recaptured. Recapture has been impossible, by reason of its flight beyond Nicaraguan jurisdiction.

The Nicaraguan authorities have given copies of letters of the fugitive Ulloa to the canal company, on grounds purely technical and not embraced in the contract, have receded from that position.

POACHING ON RUSSIAN SEALS.

The sealing interests of Russia in Bering Sea are second to those of our own. A modus vivendi has therefore been established with the Imperial Government restrictive of poaching on the Russian rookeries, and of sealing in waters which are now commonly included in the protected area defined in the Paris award.

Ocean has been found to urge upon the Russian Government equality of treatment for our great life insurance companies whose operations have been extended throughout Europe. Admitting, as we do, foreign corporations to transact business in the United States, we naturally expect no less toleration for our own in the ample fields of competition abroad.

But few cases of interference with naturalized citizens returning to Russia have been reported during the current year. One Krzminski was arrested in the Polish province, on a report of a purpose to have permitted renunciation of Russian allegiance, but it transpired that the proceedings originated in alleged indiscreet communications by Krzminski while an Imperial official at a number of years ago. Efforts for his release, which promised to be successful, were in progress when his death was reported.

TURKEY'S TREATMENT OF MISSIONARIES.

In my last annual message I adverted to the claim on the part of Turkey of the right to expel, as persons undesirable and dangerous, Armenians naturalized in the United States and returning to Turkish jurisdiction. Numerous questions in this relation have arisen. While this Government acquiesces in the asserted right of expulsion, it will not consent that Armenians may be imprisoned or otherwise punished for no other reason than having acquired without Imperial consent American citizenship.

Three of the children of Miss Melton, an American teacher in Mosul, have been convicted by the Ottoman courts, and I am advised that an appeal against the acquittal of the remaining five has been taken by the Turkish prosecuting officer.

TROUBLES IN SAMOA.

Reports received from our agents at Apia do not justify the belief that the peace thus brought about will be of long duration. It is their conclusion that the natives are at heart hostile to the present Government, that such of them as profess loyalty it is do so from fear of the powers, and that it would speedily go to pieces if the war ships were withdrawn.

The present Government has utterly failed to correct, if indeed it has not aggravated, the very evils it was intended to prevent. It has not stimulated our commerce with the islands. Our participation in its establishment against the wishes of the natives was the plain reliance of the conservative tendencies and warnings of the wise and patriotic men who laid the foundations of our free institutions, and I invite an expression of the judgment of Congress on the propriety of steps being taken by this Government looking to the withdrawal from its engagements with the other powers on some reasonable terms not prejudicial to any of our existing rights.

CONDITION OF THE TREASURY.

The Secretary of the Treasury reports that the receipts of the Government from all sources of revenue during the fiscal year ending June 30, 1894, amounted to $372,802,498 29, and its expenditures to $442,605,753.87, leaving a deficit of $69,803,255.58. There was a decrease of $15,952,674.66 in the ordinary expenses of the Government, as compared with the fiscal year 1893.

There was collected from the customs $131,818,531.62, and from internal revenue $147,16 ,449.73. The balance of the income for the year, amounting to $93,815,517.97, was derived from the sales of lands and other sources.

The value of our total dutiable imports amounted to $275,192,046, being $146,657,625 less than during the preceding year, and the importations free of duty amounted to $277,595,586, being $64,745,675 less than during the preceding year. The receipts from customs were $34,026,404 less, and from internal revenue $13,833,39.97 less than in 1893.

The total tax collected from distilled spirits was $68,259,020.25, on manufactured tobacco $28,617,898.62, and on fermented liquors, $31,414,788.04.

Our exports of merchandise, domestic and foreign, amounted during the year to $892,145,752, being an increase over the preceding year of $44,495,378.

The total amount of gold exported during the fiscal year was $76,89 ,061, against $103,834,444 during the fiscal year 1893. The amount of gold imported was $41,944,381, against $21,174,381 during the previous year.

The imports of silver were $13,293,552, and the exports were $50,451,235

THE ARMY.

The execution of the policy of concentrating the army at important centers of population and transportation, foreshadowed in the last annual report of the Secretary, has resulted in the abandonment of fifteen of the smaller posts, and the movement under a plan which assembles organizations of the same regiments hitherto widely separated. This renders our small forces more really effective for any service they may be called upon to perform, and to a considerable extent it is not surprising that the deficiency of revenue to meet the expenditures of the Postoffice Department, which was estimated in advance at about eight million dollars, should be exceeded by nearly one and a quarter million dollars. The aforesaid reconstruction of the last year, which were the basis of calculation for the current year, being less than estimated, the deficiency for the current year will be correspondingly greater, though the Postmaster-General states that the latest indications are so favorable that he confidentially predicts an expenditure of at least eight per cent in the revenues of the current year over those of the last year.

The expenditures increase steadily and necessarily with the growth and wealth of a country, so that the deficiency is greater or less in any year depending upon the volume of receipts.

The Postmaster-General says that this deficiency is unnecessary, and might be obviated at once if the law regulating rates upon mail matter of the second class were modified. The rate received for the transmission of this second-class matter is one cent per pound, while the cost of such transmission to the Government is eight times that amount. In the general terms of the law this rate covers newspapers and periodicals. The extensions of the meaning of these terms from time to time have admitted to the privileges intended for legitimate newspapers and periodicals a surprising range of publications and created abuses the cost of which amount in the aggregate to the total deficiency of the Postoffice Department. Pretended newspapers are started by business houses for the mere purpose of advertising goods, complying with the law in form only and discounting the publications as soon as the period of advertising is over. Simple copies of pretended newspapers are issued in great numbers for a like purpose only. The result is a great loss of revenue to the Government, besides its humiliating use as an agency to aid in carrying out the schemes of a business house to advertise its goods by means of a privilege both its rival houses and the regular and legitimate newspapers. Paper-covered literature, consisting chiefly of trashy novels, to the extent of many thousand tons is sent through the mails at one cent per pound, while the publishers of standard works are required to pay eight times that amount in sending their publications. Another abuse consists of the free carriage through the mails of hundreds of tons of seed and grain uselessly distributed through the Department of Agriculture. The Postmaster-General predicts that if the law be so amended as to eradicate these abuses not only will the Postoffice Department show no deficiency, but he believes that in the near future all legitimate newspapers and periodical magazines might be properly transmitted through the mails to their subscribers free of cost. I invite your prompt consideration of this subject, and fully indorse the views of the Postmaster-General.

The Postmaster-General renews a suggestion made in a previous report that the department organization be increased to the extent of creating a first assistant postmaster-general of mail affairs and in this suggestion I heartily concur.

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