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REPORT OF THE SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT,
Washington, D. C., December 5, 1870.

OUR FINANCIAL CONDITION.

SIR—The financial condition of the country has improved during the past year. The average rate of gold for the year 1869, as shown by weekly sales, was 32.9 per centum premium, and for the first eleven months of the year 1870, 15.2 per centum premium, indicating an improvement in value of paper currency of about seventeen per cent.

From the first day of July, 1869, to the thirtieth of June, 1870, inclusive, the public debt, as shown by the warrant account, was reduced in the sum of $101,601,916 88. From the first day of December, 1869, to the thirtieth day of November, 1870, inclusive, the reduction was $119,251,240 58, as shown by monthly statements of the public debt; and the total reduction from the first of March, 1869, to the first of December, 1870, was $191,154,765 36. The consequent reduction in the interest account is at the rate of more than $10,000,000 per annum.

THE RECEIPTS AND EXPENDITURES.

The receipts for the fiscal year ending June 30, 1870, were as follows:

From customs	$194,538,374 44
Internal revenue	143,198,236 27
Sales of public lands	3,356,481 76
Miscellaneous	28,237,763 00
Total	$411,355,477 63

The expenditures during the same period were—

For civil and miscellaneous purposes	$69,234,017 16
War Department	57,655,675 49
Navy Department	31,780,229 87
Indians and pensions	31,748,140 32
Interest on public debt	129,235,498 00
Total	$309,653,560 75

This statement exhibits a surplus applicable to the payment of the public debt, including the amount pledged to the sinking fund by the act of February 25, 1862, of $101,601,916 88; receipts for the first quarter of the present fiscal year from customs, $57,729,473 57; internal revenue, $49,147,137 92; sales of public lands, $842,437 67; miscellaneous, $7,382,181 59; total, $115,101,230 75. Expenditures for the same period, excluding payments on account of sinking fund, were: For civil and miscellaneous purposes, $18,207,242 49; War Department, $10,218,538 36; Navy Department, $4,815,237 58; Indians and pensions, $13,825,451 89, interest on public debt, $39,496,450 51; total, $86,562,920 83.

The estimated receipts for the remaining three-quarters of the present year are as follows: From customs, $128,000,000; internal revenue, $98,000,000; sales of public lands, $2,000,000; miscellaneous sources, $16,000,000. Total, $244,000,000.

The estimated expenditures for the same period are for civil and miscellaneous purposes $54,000,000. War Department $30,000,000, Navy Department $15,000,000, Indians and pensions $24,500,000, interest on public debt $80,000,000. Total $203,500,000, showing a balance applicable to payment of the public debt, including, however, the amount payable on account of the sinking fund of $69,038,399 92.

In estimating the expenditures for the next fiscal year, I have included the sum of $2,450,000 properly chargeable to the current revenue as an appropriation under the acts of February 25, 1862, and July 14, 1870, relating to the sinking fund. Although the language employed in those acts is not the language commonly used in appropriation bills, it still has the force and effect of a permanent appropriation. I therefore so treat it. There will be required also the sum of $4,866,933, being the amount answering to the interest on the capital of the sinking fund, as represented upon the books of the department. This sum I have included in the estimate of expeditures for the fiscal year ending June 30, 1872.

Upon this basis I submit the following estimate of receipts and expenditures for the next fiscal year:

ESTIMATED RECEIPTS AND EXPENDITURES FOR THE YEAR ENDING JUNE 30, 1872—RECEIPTS.

From customs	$175,000,000 00
From internal revenue	126,418,000 00
From sales of public lands	3,000,000 00
From miscellaneous sources	16,000,000 00
Total	$320,418,000 00

EXPENDITURES.

Legislative establishment	$3,263,998 34
Executive establishment	17,238,165 80
Judicial establishment	22,687,500 00
Military establishment	28,488,194 00
Naval establishment	20,045,417 77
Indian affairs	5,021,569 03
Pensions	30,000,000 00
Public works	22,338,278 37
Postal service	4,694,383 00
Miscellaneous	14,305,428 60
Permanent appropriations	133,528,234 00
Sinking fund	24,500,000 00
Interest upon capital of sinking fund	4,866,933 00
Total	$309,639,319 61

According to this estimate, there will be a surplus applicable to the payment of the principal of the public debt, in addition to the present, made on that account through the sinking fund, of $10,778,680 39. An analysis of expenditures develops the fact tending to sustain the opinion that the balance will be considerably larger than appears from the foregoing estimates.

The sum of $22,338,278 37 is estimated for public works. The appropriations for these objects for the present year are less than $12,000,000, and it is reasonable to presume that the appropriations for the next year will not much exceed that amount. It is believed also that the estimates made by the several departments, for different branches of the public service, are for maximum amounts which will be required under any circumstances. If such is the case, there will remain on the thirtieth of June, 1872, an unexpended balance to be covered into the treasury. It may, therefore, reasonably be anticipated that the total reduction of the public debt during the next fiscal year, including payment on account of the sinking fund, will be about $50,000,000. It is a noticeable fact that the estimated expenditure for the next fiscal year including the payments on account of the sinking fund, and for interest on the public debt, are so nearly equal to the receipts as to justify and demand the greatest caution in dealing with the revenues and business of the country.

It is apparent that disaster or even a serious check to business would reduce the revenue below our necessary expenditures. It is apparent also that the prosperous condition of the country is largely due to the revenue system inaugurated during the war by which manufactures and mechanic arts have been extended and established. This policy can not now be rashly widened, or suddenly and radically changed without great injury to business and labor, and serious consequent losses of revenue. The war in Europe has rendered it impracticable to refund the total debt, as authorized by an act approved July 14, 1870. A portion of the paper has been manufactured, and the preparation of the plates has been so far advanced that, whenever a favorable opportunity arises, a loan may be offered and bonds delivered without delay. Inasmuch as the war in Europe and the consequent demand for money make it doubtful whether four and four and a half per cent bonds will be taken, it seems wise to me to authorize the issue of $300,000,000 additional of bonds, bearing interest at the rate of five per cent. The interest can be paid quarterly without inconvenience, and I therefore respectfully recommend that the loan act be so modified that the payment of interest may be made quarterly, instead of semi-annually. Should these recommendations be approved by Congress, it is of great importance that an act authorizing the change be passed without delay.

Since the first of July the currency balance in the treasury has been unusually and for immediate purposes unnecessarily large. The act of July 12, 1870, authorizing an increase in national bank notes, imposed upon the Secretary of the Treasury the duty of providing for the redemption of equal amounts of their present certificates. The certain, though progressive, decrease in revenue, both of coin and currency, made it my duty to receive a sum sufficient to enable the department to comply with the law without resorting to extraordinary means. Happily, the financial condition of the country has not been unfavorably affected.

[illegible] the accumulation in the treasury during the year ending September 30, 1870, national banks paid in interest the sum of $6,449,872 62. It is estimated that of this sum $6,000,000 more were paid to private parties. I can not doubt that the practice of paying interest, except upon balances due from one bank to another, is a means by which large amounts of capital are directed from extreme portions of the country to commercial and financial centres, and injure business severely. The province of the bank is to loan money, and its proper duty is, by loans and discounts, to facilitate and develop business in the neighborhood of its location. As a matter of fact, under the present system, banks are agencies by which capital is gathered and sent away to distant cities, there to be loaned on call and used for speculative purposes.

Complaints are made from all parts of the country that bills on national banks are worn and defaced to such an extent as to be no longer fit for circulation. As many new banks are soon to be organized under the act passed at the last session of Congress, I respectfully recommend that an appropriation be made and authority given to issue new bills upon such paper and in such form as may be designated by the Secretary of the Treasury.

The Comptroller of the Currency, in his report in 1869, recommended the establishment of an agency in New York, under the control of the national banks, for the redemption of their issue. The substance of this recommendation seems to me not only proper but necessary. The expense should be borne by the banks.

THE BANKING SYSTEM.

Coupled with this recommendation, I take this occasion to say that the banking system of the country appears to be well managed and to answer reasonably the purpose for which it was established. It is no doubt true that treasury notes representing an equal amount of the puqlic debt without interest are the most economical circulation of the government, but it should be considered that the banking institutions of the country are agencies by which the business is established and fostered. Upon the whole, the system of banking should be extended only for the purpose of meeting the demands of business; but when the demands are urged, concessions should be made upon the ground that the prosperity of business is more important than the mere saving of interest arising from the circulation of treasury notes excluding redeposits.

GOLD AND SILVER.

The amount of gold and silver deposited at the mints and thier several branches during the last fiscal year was $30,408,788 10; the coinage for the year was $24,636,011, and the value of gold and silver bars stamped was $8,748,852 91.

MINTS AND COINAGE.

I respectfully ask the attention of Congress to the bill prepared in this department and submitted at the last session, and to the accompanying report relative to mints and the coinage system of the country. The bill was prepared with great care, and has since been submitted to the criticism of a large number of practical and scientific men, whose views have been published by the authority of Congress. During the year several branch mints and assay offices have been visited and examined by Mr. Knox and Dr. Lindermann. The assay office at Boise City, Idaho, is nearly completed, and will require a small appropriation for the commencement of business. Provision should be made for the redemption of bronze and other tokens issued by the government. The report of the Commissioners of Mining Statistics for the year 1869 has been printed since the close of the session of July last, and that for the year 1870 will be made during the winter.

Without undertaking to specify the means by which it is to be accomplished, I can not overstate the importance of such legislation as will secure the revival of American commerce.

LIGHTHOUSES.

The report of the lighthouse board sets forth in detail the difficulties which have arisen in that branch of the public service. From the operation of the fifth section of the act of July 12, 1870, making appropriations for legislative and executive expenses of the government for the year ending June 30, 1871, the legislation asked for by said board seemed to me to be necessary.

OUR COMMERCE.

The continuance of the depression arising from the war appears to be a matter of national importance. The proportion of American vessels engaged in foreign trade has not increased relatively during the year, although there has been an actual increase in entries of American vessels at the ports of the United States, amounting in the aggregate to 130,000 tons. The total tonnage engaged in foreign trade, entered at all of the ports of the United States, has increased from 5,583,000 tons in 1869 to 5,957,000 tons in 1870, but the proportion of American tonnage remaining the same as in 1870, at thirty-three per cent.

COAST SURVEY.

The report of the Superintendent of the Coast Survey gives a brief but satisfactory statement of the progress made during the last surveying year.

On the first day of October last regulations were issued concerning the transportation of merchandise from ports of importation to certain other ports in the United States without appraisement or liquidation of duties at the port of arrival, agreeable to the provisions of the act to reduce internal tax and for other purposes, approved July 14, 1870. A copy of the regulations will be transmitted to Congress.

In many cases the regulations are stringent, but when the railroad companies shall have given the bonds required, and importing merchants in interior cities shall have made arrangements for the importation of goods upon the basis of the act, I am satisfied that no serious difficulties will arise either with the railways, merchants or the government. Without doubt the act increases the opportunity for the introduction of foreign goods in the country in violation of the revenue law, but the examination which I have given the subject in preparation of regulations leads me to think that business can be safely conducted.

The appropriation for expenses in collecting customs revenue, under the act approved May 31, 1866, is at the rate of $4,200,000 annually, in addition to such sums as may be received from fines and penalties, fixtures and for from storage, cartage, drayage and labor. Experience has shown that this amount is insufficient, and a deficiency appropriation will be needed at each session of Congress until the permanent appropriation is increased. I have instituted a careful supervision in the Treasury Department, over this branch of expenditures, and agents are employed investigating the expenses of the customhouses in the country, for the purpose of ascertaining whether a reduction in the number of employes and salaries is practicable. By this means some saving will be effected, but it will in that event be impossible to reduce the expenses within the appropriation.

From 1858 to 1866 a permanent appropriation was made at the rate of $3,600,000 per annum in addition to the receipts before enumerated as applicable to this branch of the service.

RECEIPTS OF CUSTOMS.

From 1856 to 1860 inclusive, the total receipts from customs were about $272,000,000, and expenses of collection were $15,879,000 or at the rate of more than five and a half per cent of receipts. For the year ending June 30, 1870, they were $194,538,374 44 and expenses $591,211,363, or not exceeding three and a half per cent. From 1856 to 1860 the revenue collected did not exceed an average of $50,000,000 per year, and the temptation to smuggling and fraud was much less than it is at the present time.

SMUGGLING.

At the principal importing cities of the country it is necessary to employ a large force for the protection of wharves and water lines within or near such cities. It is also necessary to guard against smuggling by the presence of the several officers upon and around steamers and other vessels importing large quantities of goods while engaged in discharging their cargoes. It is also apparent that our extensive lines of coast on the Atlantic and Pacific oceans and the Gulf of Mexico, everywhere furnishing opportunities for the introduction of goods in violation of the revenue law, requires the presence of a large number of skillful and trustworthy persons. The acquisition of Alaska, the establishment of interior ports of entry, the accommodation business by railroads and steamers on the Northern frontier, add materially to the expenses of collecting and guarding the revenue.

I therefore respectfully recommend an increase of the permanent appropriation for collecting revenue from customs to the sum of $3,000,000 for each half year from and after the thirtieth of June, 1870. At several of the important ports there are two appraisers, whose powers are equal. I recommend such an alteration in the law as will provide for one principal appraiser at each port, who shall be responsible for the business of the office. The Treasury Department has the care of one hundred and ten public buildings that are completed, and seventeen more that are in course of erection, all of which had cost on the thirtieth of June last, $3,590,099,893. The appropriation for repairs and preservation of these buildings for the current year is $100,000, a sum manifestly inadequate, being less than one-third of one per cent. Unless larger annual appropriations are made, the buildings will rapidly deteriorate in value, and finally will need much larger repairs, or the erection of new ones in their stead, while, with the increase of population in the country, appropriations must be annually made.

The erection of postoffices, customhouses and other public buildings and the present mode of inaugurating these works, seem to me unwise. Appropriations are often made without sufficient information upon the subject. It is true that when the propositions are introduced into Congress for the erection of public buildings, the subject is referred to the Treasury Department, and by the Secretary to the supervising architects of the treasury; but it is also true that the supervising architect has only general information upon the subject, and in answer to a sudden call, and without time for preparation of plans and estimates, cannot give a correct opinion as to the necessity or cost of the work.

I respectfully recommend that hereafter when appropriations are made for the construction of public buildings, the first step on the part of Congress will be to instruct the Treasury Department to make careful inquiry as to the necessity of the work, and also to prepare estimates to be laid before this department. This being done and the work authorized, it would be wise to make an appropriation sufficient to meet the entire cost, and then hold the department and the supervising architect responsible for the speedy completion of the building substantially upon the plans duly authorized and within the estimate. I am satisfied that much waste of the public money occurs, and much complaint on the part of the citizens arises from small appropriations which are made from year to year. The inevitable consequence of this policy is that public works are injured in process of construction, and expenses are largely increased.

The supervising architect of the treasury states in his report that the expenditures authorized by law for the construction of postoffices in the city of New York will be inadequate, unless the character of the work is changed from the original design. It seems to be due the city of New York, for general and apparent reasons, and in consideration of the fact that the most eligible site has been secured by the co-operation, and, in some degree, at the expense of the city, that the building should not only be a fire-proof structure, but also of such design and workmanship as rank among the best public buildings in the country.

At the present time there are twenty-four steamers and ten sailing vessels attached to the revenue marine service, the number having been reduced during the year by the sale of two vessels of the latter class. At the third session of the Fortieth Congress an appropriation of $300,000 was made for the construction of four steam revenue cutters. After proposals had been issued and bids received, which were rejected, under the impression on my part that the public interests did not require vessels of as large a size as those for which proposals had been issued, I appointed a commission by letter, dated December 16, 1869, consisting of Captain C. T. Patterson, coast survey; Captain Douglas Ottinger and Captain J. H. Merriman, of the revenue marine, and instructed them to consider and report upon the character of vessels best adapted to the service. The final action in reference to the construction of the vessels authorized, was delayed for the report of the commission; that report was made on the first day of May, 1870. Executive document No. 93 of the Senate, second session of the present Congress.

Upon the completion of the work of the commission, proposals were again issued for the construction of the four vessels authorized by law. Satisfactory bids were received, and on the twenty-second of July and twenty-second of August last, contracts were made and the construction given by the Controller. The fifth section of the act making appropriations for the legislative, executive and judicial expenditures of the government for the year ending June 30, 1871, rendered the appropriation unavailable, and it therefore became necessary to notify the parties to the contracts that they must be considered null and void. One of the parties has asked to have his contract formally annulled, which has been done. I recommend a renewal of the appropriation of $300,000 for the construction of steam revenue cutters, without limitation as to the number or specification as to the size of the vessels to be built.

The report of the commission shows that thirteen vessels now in use are either old or not adapted to the service. The opinion entertained by me, that the vessels in use are larger than the nature of the service required, is confirmed by the report of the commission. They recommend that the number be reduced to thirty-two, and the aggregate tonnage reduced from 9208 tons to 7175 tons. They also state that it will be practicable, upon the proposed basis, to reduce the total number of officers, pilots, petty officers and men from 1266, number then in service, to 1061, and the actual expenses of maintaining the system, not including appropriations for the construction of new vessels, from $1,446,430 to $943,639, making a saving of more than half a million dollars per year. The report of the commission is the result of a careful and comprehensive examination of the subject by competent men, and while it is the present purpose of the department to act upon it, I am of the opinion that it should receive legislative sanction.

On the ninth of July, 1869, I convened the board of examiners, charged, among other things, with the examination of the officers of the revenue marine board. It is composed of Captain Patterson and Coast Survey. The examination has not yet been completed, as only a small number of officers could be detailed for the same. Some one hundred and ten lieutenants have been examined; ten first lieutenants, nine second lieutenants and six third lieutenants were reported for removal, and have been removed. Vacancies thus created in the first and second grades were filled by promotions, and vacancies in the lowest grade will be filled with qualified persons selected at large. The remaining officers will be continued.

The condition of marine hospitals has been improved during the past year. This result is largely due to Dr. J. S. Billings, of the Surgeon General's office, who has visited nearly all of them, and through whose advice many important changes have been made. No appointment has yet been made for the superintendents. Under the act of last session, authority therein was granted to appoint. A superintendent is desirable, although the salary does appear to be sufficient. I, however, recommend such an alteration of the law as will permit the President to detail a surgeon of the army or navy to perform the duty of superintendent without any addition to his pay other than his necessary traveling expenses. With such authority the department could have the benefit of the services of Dr. Billings, or some other competent surgeon, with less expense than would be involved in an appointment. Even with the present appropriation, five of the principal ports of the country—New York, New Orleans, San Francisco, Baltimore and Philadelphia—are without hospital accommodations, and provision is made for the patients by contract with hospitals or private parties.

The War Department is in possession of a very desirable hospital at New Orleans, known as the Sedgwick Hospital, and I earnestly recommend the passage of an act by which the building may be transferred to the Treasury Department for a marine hospital, and an appropriation made for the purchase of the land upon which it stands.

At the last session the attention of Congress was called to the subject of transferring David's Island, at New York, from the War Department to the Treasury Department, for the establishment of a marine hospital. This recommendation is now respectfully renewed.

In compliance with act of July 1, 1870, in reference to the seal fisheries, proposals were issued and bids received for the exclusive right to the fisheries for the term of twenty years. The phraseology employed in the act warrants the interpretation that the contract should be awarded to the Alaska Commercial Company if their proposition was as favorable to the government as that of any other party, and upon that basis the contract was awarded to that company. A copy of the contract and of the papers connected therewith will be transmitted to Congress. About 86,000 seal skins have arrived at San Francisco as the product of the year 1869, on which the owners have paid one dollar on each as required by the sixth section of said act.

INADEQUATE SALARIES.

I consider it my duty to call the attention of Congress to the inadequacy and inequality of the salaries of the officers in the Treasury Department, as fixed by law. The offices recently established are supported by proper salaries, but the salaries attached to many of those created at the organization of the government are insufficient. As a temporary means of alleviating the admitted evil, Congress has from time to time and for many years made annual appropriations to be used at the discretion of the Secretary for additions to the salaries of officers in the department. In the nature of the case this is a disagreeable duty for the Secretary to perform; is usually unsatisfactory to the parties interested, and the result has not the sanction and support incident to a system of specified salaries established by law. At the present time the sum of $21,500 is distributed by the Secretary in his discretion. After careful examination of the subject, I find that an additional appropriation, not exceeding $16,000 a year, will be sufficient to provide adequate salaries for the officers of the Treasury Department.

The act of 1853 in regard to the examination of clerks has been observed by this department and with beneficial results. It is worthy of consideration, however, whether it would not be wise to provide by law for an examining board, the majority of whose members should not have been officers of the department to which the clerk is to be assigned. In case of appointment and approval, this system should also be extended to the principal customhouses and revenue offices of the country. By such an arrangement a definite security would be taken for the character and qualifications of clerks as far as they can be ascertained without actual service in the discharge of official duty. It is well understood, however, that no examination can furnish security that the person examined will prove satisfactory upon trial, and there should always be a speedy and easy method of removing such persons from office. I do not therefore accept the idea that the tenure of office for the clerks and employes in this department should be changed; indeed I believe that the present tenure of office furnishes the most security which the people of the country can have that the business of the government will be efficiently and properly performed. The work of the Treasury Department does not differ essentially from the business done in the banking houses and merchants' counting-rooms, and there is no reason why the tenure-of-office should be permanent in one case that does not apply with equal force in the others. It does happen practically that there are in the Treasury Department and in every bureau and office of it, men who have been connected with the service for several years, and who possess all the knowledge derived from experience and tradition that is essential to the performance of their duties. Excluding the employes of the Bureau of Engraving and Printing, and the messengers and laborers, there were 2143 officers and clerks connected with the Treasury Department at Washington on the first day of November, 1870, and of these, 1439 were in office on the fourth day of March, 1869, leaving 654 as the total number of appointments made since that time.

Previous to the war the business of the department was so small that on the first of March, 1861, only four hundred and thirty-three persons were employed, and of these, fifty-seven are now in the service; one has been in office over fifty years, one over thirty-five years, seven over thirty years, one over twenty-five years, ten over twenty years, fourteen over fifteen years, and twelve over ten years. These statements show that the changes in the departments are not so numerous as to deprive the service of the knowledge derived from experience. On the other hand, the introduction of new men secures additional energy and efficiency. Two errors prevail in the community in connection with the subject. One is, that under a republican government every man has a right to an office. This is in no sense true. The only right is that of the people to elect and to have appointed to office persons best qualified to perform the work. The other is, that offices in the Treasury Department are prizes which the young men of the country may wisely seek.

Speaking generally, it is a misfortune to a young man who possesses even ordinary capacity for business or labor to remain permanently in the public offices of this city. It is, however true, that many of the most valuable clerks in the treasury are young men who are pursuing professional studies, or who having completed their course, remain from one to four years in the Department with the purpose, by industry and economy, of securing a small amount of money with which to commence an active life elsewhere. A system of life tenure would exclude all these men from the service, unless they chose to accept it as a permanent pursuit, which, in the main, would be an injury to them and to the country.

I am also fully convinced that any more permanent tenure of office would materially impair the efficiency of the revenue system. There are many thousand men employed in the custom and internal revenue service, and however careful the preliminary examination might be, the evils which now impair their efficiency would undoubtedly exist. No system of examination could exclude all those who are dishonest, or who, under the pressure of necessity, or the offer of wealth, might yield to temptation. It often happens, and it would happen under any system, that men are found who are honest, temperate and sufficiently capable, and yet lack the energy or courage necessary to the enforcement of the revenue law—a duty which often requires sagacity, and a kind of intelligence too subtle for discovery through formal questions.

Men who are thus unqualified should be removed from office, and this without an investigation, which, indeed, might furnish nothing tangible in justification of the act. So, too, in the customhouse, the collection districts and branch service will fail to meet just expectations, although no dishonesty may be traceable to any person connected with the office. In such cases the interests of the government demand a change, and a change must be made without a hearing of the parties concerned.

I may be warranted in saying in this connection that the evil of office seeking, although great, is probably exaggerated in the public mind. It is true there are more applications for appointment to office in this department than can be met, but the number of applicants who are well qualified and who could pass any proper examination is not unusually very large. Outside of the department and in several States and districts of the country the number of applicants for local services does not often exceed three or four to each office, and occasionally there are no more than two who are really so presented. It is to be considered in connection with the appointment. In justification of the present tenure and as a proper recognition of the services of officers and clerks employed in this department, I express the opinion that the business upon the whole is not only done in a satisfactory manner, but that it will compare in accuracy and efficiency with the business of the country generally, which is carried on by corporations or individuals.

In my annual report of December last, I advised a continuance of the existing system of taxation as an essential condition of such a proposed loan. The circumstance that war was declared between France and Prussia, simultaneously with the passage of the loan bill, put it out of the power of the department to make negotiations, as had been expected. The large revenue, however, of the government continuing without material abatement till the present time, improved the credit of the country and enabled the Treasury Department, by weekly purchases, to reduce the amount of surplus bonds offered for sale, and contributed to depreciate the market value of gold. I also expressed the opinion that the settled policy of the country should contemplate a revenue sufficient to meet the ordinary expenses of the government, the payment of the interest on the public debt, and from $25,000,000 to $50,000,000 principal annually.

The reduction of the public debt since the thirtieth day of June last has been so great as to render it certain that a total reduction for the present year will exceed $60,000,000. The natural increase of the business of the country during the next eighteen months is likely to be such as to show a surplus for the fiscal year ending June 30, 1872, of about $40,000,000. The principal of the public debt on the last day of November, 1870, not deducting moneys on hand, was $2,418,673,044 53. Of this amount $395,269,239 08 was represented by United States notes and fractional currency not bearing interest. The banks of the country, acting within the authority of the existing law, will require about $390,300,000 of bonds to be placed on deposit as security for their circulation. Should the present system of furnishing paper circulation for the country, partly by the treasury and partly by national banks, be continued, or the entire circulation be furnished by the treasury or by the banks, the credit of the United States will be secured for the redemption of the notes.

From this new policy of the country, it follows that the amount of $800,000,000 of the public debt will remain unpaid, existing either in the form of treasury notes in circulation, without interest, or in bonds owned by banks and held as security for the redemption of their notes, and that only about $1,600,000,000 of the principal debt is subject to payment. The financial prospect, although highly favorable, is not such as to warrant important changes in the revenue system at the present session of Congress; but should the result during the coming year meet my expectations, it will be possible at the December session of the Forty-second Congress to make a material reduction in revenues without impairing the ability of the government to make satisfactory payments of the public debt.

The reduction already made has been advantageous to the country, not only in the particulars indicated, but in other respects hardly less important. There is much evidence tending to show that no event since the conclusion of the war has contributed so much to the diffusion of republican opinions in Europe. The spread of these opinions stimulates emigration from Europe, at the same time prepares the way for the establishment of free institutions on that continent.

Nor can there be any doubt that the policy of accepting, just as prominent, would retard emigration from Europe, especially reading and reflecting classes. Whatever arguments may be adduced, or whatever theories may be advanced, the fact must ever remain that the public debt is a public evil. It is especially burdensome to the laboring classes, and it is, therefore, in their interests to provide for the convenient reduction of the existing national debt. This policy will not prevent such changes in the revenue system from time to time as will equalize the inevitable burdens of our present condition, and within a comparatively short period taxes may be removed from many articles of prime necessity.

It is an occasion of satisfaction that no other nation ever passed through a greater war with so slight a shock to industry and business.

Intelligence from various parts of the United States shows that all classes, especially the laboring classes, are in the enjoyment of more than average prosperity, whether tested by the experience of this country, or by the present condition of other nations.

No reason can be found, however, in the favorable condition of public and private affairs, for neglecting any proper means for equalizing and diminishing the burden of taxation, but it does not justify the statement that the nation can make provision for the public debt by many means recommended, without embarrassing its industry and retarding its progress.

GEORGE S. BOUTWELL,
Secretary of the Treasury.

The *Courier-Journal* of Louisville says: "Two boot-blacks were passing up Jefferson street late last evening, when one accosted the other with, 'I say, Jack,' 'I I's you I be ashamed of myself, picking up old second-hand chaws terbacker?' 'Tend to your own business,' retorted Jack. 'I guess this is good enough to learn on.'"

MISCELLANEOUS.

PETER MARKEY,
LUMBER MERCHANT,
PLANTATION CABINS, STORES, ETC.,
Of all Sizes, framed and ready to put up at short notice, by Competent Mechanics. Bill Lumber sawed to order. Keeps constantly on hand a large stock of Rough and Dressed Yellow Pine and Cypress Lumber, Sash Doors and Blinds, Laths and Shingles.
Particular attention paid to shipments.
Yards, corner of Euphrosine and Franklin streets New Basin, shell-road side, one block from Rampart street.
Address Glass Box 142, New Orleans Postoffice or Box 41, Mechanics' and Dealers' Exchange, No. 10 Union street, New Orleans, Louisiana. no13 1m

WANATA.....WANATA
CELEBRATED
GUACO BITTERS.
THE WANATA GUACO BITTER IS A GOOD TONIC and STOMACHIC, composed entirely of the vegetable substance of Guaco.
Being very agreeable to the taste, can be taken by the most delicate persons. It rids the system of all impurity and promotes health and vigor.
This celebrated Bitter is a preservative against Cholera, and a cure for Dyspepsia, Chronic and Nervous Debility, Diarrhea, Weakness of the Loins, and all diseases proceeding from the Liver, the Stomach or the Bowels.
This Bitter can be taken either with a little sugar and water, in Anisette, or any other spirits, or even pure. A small glass of it, taken before a meal, sharpens the appetite and facilitates digestion.
For sale by J. LLADO, Agent,
Druggist, corner Chartres and Dumaine.
au18 6m

BUILDING PAPER.
This is a hard, compact paper, like an ordinary book cover, and is saturated with tar and used on the outside of frame buildings under the clapboards, also under shingles and floors, to keep out damp and cold. It is also used on the inside, not saturated, instead of Plastering, and makes a warm and cheap wall. It costs only from $8 to $30 (according to size) to cover houses on the outside. Samples and descriptive circulars sent free.
Address, Rock River Paper Company, Chicago, Or, E. C. PALMER & CO.,
93, 95, 97 Camp street, New Orleans,
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DOVER STAMPING COMPANY,
BOSTON, MASSACHUSETTS,
Manufacturers and Wholesale Dealers in every description of Stamped Tin Goods, Tinners' Hardware, French Tinned Iron Wares, Japanned and Enameled Wares, Ice Cream Freezers, Stove Shovels, Waiters, Foundry Supplies, Tinners' Tools and Machines, Coal Hods, Stove Polish, Black Lead, Rivets, Ears, etc.

ANDERSON'S
PHOTOGRAPHIC STUDIO,
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NEW ORLEANS,
Where will be found every style of Photograph known to the art. Copying in Oil and Water Colors, and the new picture, the SUN PEARL, which can not be surpassed for beauty and durability.
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HOUSEKEEPERS, ATTENTION.
No. 15, CAMP STREET, UP STAIRS.
Please call and see the Bants Boiler, Steamer and Doucer, combined in one machine, which will wash a batch of clothes in thirty minutes; also, blankets, etc. Price, $12. It has been tried here, and found to perform all that is claimed for it.
oc30 1m BANTZ & CO., Patentees.

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HOME WASHERS,
HOME WASHERS,
HOME WASHERS,
SOLD WITHIN PAST TWO MONTHS UNDER A FULL GUARANTEE,
NOT ONE RETURNED—NOT ONE COMPLAINT SPEAKS FOR ITSELF.
In Operation Daily at the
Depot, No. 176 Canal Street.
PRICE $12.
New Orleans Home Manufacturing Compo

TO SAVE LABOR
AND
INSURE LARGE CROPS,
Use Stern's RAW BONE SUPER-PHOSPHATE and FINE GROUND BONE, the great Fertilizers
LOUIS STERN & BROTHERS, manufacturers
office No. 6 Chartres street, New Orleans, Louisiana. Bone Black of all grades constantly on hand.
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Sells all kinds of
MACHINERY.
General Southern Agent for
Watertown Steam Engine Company,
Builders of
Excelsior Patent Portable Engine, with Cylinder in Dome, Locomotive Boilers,
Plantation and Farm Engines,
Mounted on Wheels, with Spark Arrester.
STATIONARY ENGINES
Of all Sizes,
With Flue, Tubular or Locomotive Boilers.
Improved Reversible Circular Saw Mills,
Can be set up either Right or Left Handed, without altering any part of Mill or Carriage.
J. D. BROOKS' Improved Jolnvas
Turbine Water Wheel,
Shafting,
Hangers,
Pulleys,
Car Wheels,
Mill Work.
All the above are built under the personal supervision of MR. G. BRADFORD, the Pioneer in
Portable Steam Engine Building,
Which enables them to produce
MACHINERY UNSURPASSED BY ANY.
SOUTHERN COTTON GIN,
Manufactured by
J. E. CARVER & CO.,
Bridgewater, Massachusetts.
These Gins have been in use for many years, and received the highest MEDAL awarded at the
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And are built under the superintendence of
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The only person of the name who is engaged in the manufacture of COTTON GINS.
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Also the following from the BEST MAKERS.
Sugar Mills, Evaporators, Sugar Kettles, Portable Cotton Presses, Newell Screws, Corn and Wheat Mills, Seed Carriers, Horse Powers, Belting, Saws,
Broom Corn Thrashers,
To run by hand or power.
Broom Corn Scrapers,
Wood Working Machinery, and all Varieties of
Mill and Plantation Machinery.
W. H. SEAMAN. J. B. KNIGHT,
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QUARANTINE.

PROCLAMATION BY THE GOVERNOR

STATE OF LOUISIANA,
Executive Department,
New Orleans, May 23, 1870.

WHEREAS, An act of the Legislature, approved March 15, 1855, entitled "An act to establish quarantine for the protection of the State," provides that the Governor of the State shall issue his proclamation, upon the advice of the Board of Health, declaring any place where there shall be reason to believe a pestilent, contagious or infectious disease exists, to be an infected place, and stating the number of days of quarantine to be performed by the vessels, their passengers, officers and crews, coming from such place or places.

Now, therefore, in pursuance of the provision of the act aforesaid, I issue this, my proclamation, and declare the places hereafter named to be infected places, and that all vessels, together with officers, crews and passengers, and cargoes, arriving from such places, or having touched or stopped at any of them shall be subject to a quarantine of not less than ten days, or for a longer period, as may be considered necessary by the Board of Health, to take effect from and after the FIFTH DAY OF JUNE, 1870. Any violation of the quarantine laws, as here proclaimed, will be severely punished.

The places which are hereby declared infected as aforesaid are the following, to wit: Havana, Matanzas, Trinidad, Cardenas, St. Jago, all on the Island of Cuba; Port Royal and Mintego bay, on the Island of Jamaica; Jacmel and Port-au-Prince on the Island of San Domingo; the Islands of St. Thomas, Martinique and Gaudaloupe; Campeachy, in Yucatan; Belize, in Honduras; Vera Crux, Alvarado, Tampico, Matamoras and Tuspan, in Mexico; San Juan, in Nicaragua; Chagres, Aspinwall and Porto Bello, in Central America; Maracaibo, in Venezuela; Laguayra, Island of Trinidad, Rio de Janeiro, Para Cayenne, in South America, and Nassau, New Providence.

Given under my hand and the seal of the State, this thirtieth day of May, 1870, and of the independence of the United States the ninety-fourth.

H. C. WARMOTH,
Governor of Louisiana.

GEORGE E. BOVEE,
Secretary of State. mv2

DOOLEY'S YEAST POWDER
Is now almost universally used in the Kitchen, the Camp, the Galley. It is not only the best but the Cheapest Baking Powder, and is unequaled for the production of elegant and wholesome
ROLLS, BISCUITS, BREAD,
Griddle Cakes, Waffles, Dumplings, Etc.
Composed of the purest and best materials, and put up in Tins, which are, to all intents and purposes, impervious to the action of weather and time.
It Will Keep for Years in Any Climate.
To those who have never used it, we say give it a fair trial, and our word for it, you will thereafter use no other kind.
Put up in quarter pound, half pound, one pound and five pound cans, actual weight.
Sold Generally by Grocers, Ship Chandlers and Dealers.
DOOLEY & BROTHER, Proprietors,
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NEW AND FANCY GOODS.
KID GLOVES, VELVETS AND TRIMMINGS.
GUEBLE & NIPPERT,
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Have just received per steamers Fire Queen, Alhambra and ship Oakland a magnificent assortment of NEW AND SEASONABLE FANCY GOODS, such as Kid Gloves, Velvet Ribbons, Taffetas and Satin Ribbons; new styles of Ribbons for scarfs, Jet and Fancy Jewelry, Embroidered Slippers, Fancy Linens, etc.; Toys, Porcelain Dolls, etc.; Velocipedes and Children's Carriages, etc.
Gentlemen's Furnishing Goods,
Such as Shirts, Gloves, Collars, Cravats, Suspenders, Drawers, Handkerchiefs, Fancy Walking Canes, Umbrellas, etc.
GUEBLE & NIPPERT,
no12 3m6m No. 137 Canal street.

CORPORATIONS.

NOTICE TO THE STOCKHOLDERS OF THE New Orleans Canal and Banking Company.

The stockholders of the New Orleans Canal and Banking Company are hereby notified that, in pursuance of a resolution of the Board of Directors, adopted November 2, 1870, a meeting of the stockholders of the said corporation will be held at the office of the said corporation, at the corner of Camp and Gravier streets, in the First District