THE DAILY JOURNAL

WILMINGTON, N. C.

THURSDAY, DECEMBER 10, 1868.

The President's Message.

The JOURNAL alone of the North Carolina press publishes the full text of the President's Message this morning. The hour at which the telegram was completed compels us to omit any reference to it in this issue. This last annual Message of President JOHNSON is worthy its predecessors. He calmly surveys the situation, unawed by the partisan storm which rages about him, and marches off the field bearing aloft the banner of the Constitution, under which he has so nobly, but unsuccessfully, battled. He will carry with him in his retirement the hearty good wishes of every patriot in the land.

The Legislature.

The proceedings of the Legislature on Monday were unimportant. One half of the Committee on Elections reported that Mr. Purdie, Senator from the 14th District, had held the position of Magistrate before the war; was a member of the Legislature of 1858-'59, and took an oath to support the Constitution of the United States; never served in the army; never invested a dollar in Confederate bonds; was a private in the Home Guards, but never served, unless compelled to do so; and that in consequence he is banned by the Howard Amendment, and not entitled to his seat. On motion of Mr. Love, its further consideration was postponed until Wednesday, in order to give the other portion of the Committee time to present a minority report.

In the House, Mr. Justice, of Rutherford, introduced a bill to divide and separate the Wilmington, Charlotte and Rutherford Railroad, which was ordered to be printed.

PRESIDENT'S MESSAGE.

[Telegraphed to the Journal.]

WASHINGTON, Dec. 9—10:50 A. M.

Fellow-citizens of the
Senate and House of Representatives:

Upon the reassembling of Congress, it again becomes my duty to call your attention to the state of the Union and to its continued disorganized condition under the various laws which have been passed upon the subject of reconstruction. It may be safely assumed as an axiom in the government of States, that the greatest wrongs inflicted upon a people are caused by unjust and arbitrary legislation by the unrelenting decrees of despotic rulers, and that the timely revolution of injurious, of oppressive measures is the greatest good that can be conferred upon a nation. The Legislature or ruler who has the wisdom and magnanimity to retrace his steps, when convinced of error, will sooner or later be rewarded with the respect and gratitude of an intelligent and patriotic people. Our own history, although embracing a period less than a century, affords abundant proof that most, if not all, of our domestic troubles are directly traceable to violations of the organic law and excessive legislation. The most striking illustrations of this fact are furnished by the enactments of the past three years upon the question of reconstruction. After a fair trial they have substantially failed and proved pernicious in their results, and there seems to be no good reason why they should longer remain upon the statute books. States to which the constitution guarantees a republican form of government have been reduced to military dependencies, in each of which the people have been made subject to the arbitrary will of the commanding general. Although the constitution requires that each State shall be represented in Congress, Virginia, Mississippi and Texas are yet excluded from the two Houses and contrary to the express provisions of that instrument, and were denied participation in the recent election for a President and Vice President of the United States. The attempt to place the white people under the dominion of persons of color in the south has impaired, if not destroyed, the kindly relations that had previously existed between them, and mutual distrust has engendered a feeling of animosity which, leading in some instances to collision and bloodshed, has prevented that co-operation between the two races so essential to the success of industrial enterprises in the southern States. Nor have the inhabitants of those States alone suffered from the disturbed condition of affairs growing out of these Congressional enactments. The entire Union has been agitated by grave apprehensions of troubles which might again disturb the peace of the nation. Its interests have been injuriously affected by the derangement of business and labor, and the consequent want of prosperity throughout that portion of the country.

The federal constitution, the *Magna Charta* of American rights—under whose wise and salutary provisions we have successfully conducted all our domestic and foreign affairs, sustained ourselves in peace and in war, and became a great nation among the powers of the earth, must assuredly be now adequate to the settlement of questions growing out of the civil war waged alone for its vindication. This great fact is made most manifest by the condition of the country when Congress assembled in the month of December, 1865. Civil strife has ceased—the spirit of rebellion had spent its entire force in the Southern States—the people had warmed into national life and throughout the whole country a healthy reaction in public sentiment had taken place. By the application of the simple, yet effective provisions of the constitution, the executive department with the voluntary aid of the States, had brought the work of restoration as near completion as was within the scope of its authority, and the nation was encouraged by the prospect of an early and satisfactory adjustment of all its difficulties.—Congress, however, interfered and refusing to perfect the work so nearly accomplished, declined to admit members from the unrepresented States; adopted a series of measures which arrested the progress of restoration frustrated all that had been so successfully accomplished, and after three years of agitation and strife, has left the country farther from the attainment of union and fraternal feeling than at the inception of the Congressional plan of reconstruction. It needs no argument to show that legislation which has produced such baneful consequences should be abrogated or else made to conform to the genuine principles of republican government.

Under the influence of party passion and sectional prejudice other acts have been passed not warranted by the constitution. Congress has already been made familiar with my views respecting the tenure-of-office bill. Experience has proved that its repeal is demanded by the best interests of the country, and that while it remains in force the President cannot enjoin that rigid accountability of public officers so essential to an honest and efficient execution of the laws. Its repeal would enable the executive department to exercise the power of appointment and removal in accordance with the original design of the federal constitution.

The act of March 2d, 1865, making appropriations for the support of the army for the year ending June 30th, 1868, and for other purposes, contains a provision which interfere with the President's constitutional function as commander-in-chief of the army, and deny to States of the Union the right to protect themselves by means of their own militia. These provisions should be at once annulled, for while the first might, in times of great emergency, seriously embarrass the Executive in efforts to employ and direct the common strength of the nation for its protection and preservation, the other is contrary to the express declaration of the constitution, that "a well regulated militia being necessary to the security of a free State, the right of the people to keep and bear arms, shall not be infringed."—It is believed that the repeal of all such laws would be accepted by the American people as at least a partial return to the fundamental principles of the government, and an indication that hereafter the constitution is to be made the nation's safe and unswerving guide. They can be productive of no permanent benefit to the country, and should not be permitted to stand as so many monuments of the deficient wisdom which has characterized our recent legislation.

The condition of our finances demands the early and earnest consideration of Congress. Compared with the growth of our population the public expenditures have reached an amount unprecedented in our history. The population of the United States in 1790 was nearly four millions of people, increasing each decade about thirty-three per cent., it reached in 1860 thirty-one millions, an increase of seven hundred per cent. on the population in 1790. In 1869 it is estimated that it will reach thirty-eight millions, or an increase of eight hundred and sixty-eight per cent. in seventy-nine years. The annual expenditures of the federal government in 1791 were four million two hundred thousand dollars. In 1820, eighteen million two hundred thousand dollars. In 1850, forty-one millions. In 1860, sixty-three millions. In 1865, nearly thirteen hundred millions, and in 1869 it is estimated by the Secretary of the Treasury, in his last annual report, that they will be three hundred and seventy-two million. By comparing the public disbursements of 1869, as estimated with those of 1791, it will be seen that the increase of expenditures since the beginning of the government, has been eight thousand six hundred and eighteen *per centum*, while the increase of the population for the same period was only eight hundred and sixty-eight *per centum*. Again; the expenses of the government in 1869, the year of peace immediately preceding the war, were only sixty-three million, while in 1866, the year of peace three years after the war, it is estimated they will be three hundred and seventy-two million, an increase of four hundred and eighty-nine *per centum*, while the increase of population was only twenty-one *per centum* for the same period. These statistics further show that in 1791, the annual national expenses, compared with the population, were little more than one dollar *per capita*, and in 1860, but two dollars *per capita*, while in 1869, they will reach the extravagant sum of nine dollars and seventy-eight cents *per capita*.

It will be observed that all of these statements refer to, and exhibit the disbursements of peace periods. It may, therefore, be of interest to compare the expenditures of three war periods, the war with Great Britain, the Mexican war, and the war of the rebellion. In 1814, the annual expenses incident to the war of 1812, reached their highest amount—about thirty-one million, while our population slightly exceeded eight million, showing an expenditure of only three dollars and eighty cents *per capita*.—In 1847 the expenditures growing out of the war with Mexico reached fifty-five millions, and the population about twenty-one millions, giving only two dollars and sixty cents *per capita* for the war expenses of that year. In 1865 the expenditures called for by the rebellion reached the vast amount of twelve hundred and ninety millions, which compared with a population of thirty-four millions, gives thirty eight dollars and twenty cents *per capita*.

From the fourth day of March 1789, to the 30th of June 1861 the entire expenditures of the government were seventeen hundred millions of dollars. During that period we were engaged in wars with Great Britain and Mexico, and were involved in hostilities with powerful Indian tribes. Louisiana was purchased from France at a cost of fifteen millions of dollars. Florida was ceded to us by Spain for five millions. California was acquired from Mexico for fifteen millions, and the territory of New Mexico was obtained from Texas for the sum of ten millions. Early in 1861 the war of the rebellion commenced, and from the 1st of July of that year to the 30th of June, 1865, the public expenditures reached the enormous aggregate of thirty-three hundred millions. Three years of peace have intervened, and during that time the disbursements of the government have, successively, been five hundred and twenty millions, three hundred and forty-six millions and three hundred and ninety-three millions. Adding to these amounts three hundred and seventy-two millions, estimated as necessary for the fiscal year ending the 30th of June, 1869, we obtain a total expenditure of sixteen hundred millions of dollars during the four years immediately succeeding the war, or nearly as much as was expended during the seventy-two years that preceded the rebellion, and embraced the extraordinary expenditures already named. These startling facts clearly illustrate the necessity of retrenchment in all branches of the public service. Abuses which were tolerated during the war for the preservation of the nation will not be endured by people now that profound peace prevails. The receipts from internal revenues and customs, have during the past three years gradually diminished and the continuance of useless and extravagant expenditures will involve us in national bankruptcy or else make inevitable an increase of taxes already too onerous and in many respects obnoxious on account of their inquisitorial character. One hundred millions annually are expended for the military force, a large portion of which is employed in the execution of laws both unnecessary and unconstitutional. One hundred and fifty millions are required each year to pay the interest on the public debt. An army of tax-gathers impoverishes the nation, and public agents, placed by Congress beyond the control of the executive, divert from their legitimate purposes large sums of money, which they collect from the people in the name of the government. Judicious legislation and prudent economy can alone remedy defects and avert evils which is suffered to exist, and cannot fail to diminish confidence in the people towards their political institutions. Without proper care the small balance which it is estimated will remain in the treasury at the close of the present fiscal year will not be realized, and additional millions be added to a debt which is now enumerated by billions. It is shown by the able and comprehensive report of the Secretary of the Treasury that the receipts for the fiscal year ending June 30th, 1868, were $405,638,083, and that the expenditures for the same period were $377,340,284, leaving in the treasury a surplus of $28,297,798. It is estimated that the receipts during the present fiscal year ending June 30th, 1869, will be $341,392,868 and the expenditures $336,152,470, showing a small balance of $5,240,398 in favor of the government. For the fiscal year ending June 30th, 1870, it is estimated that the receipts will amount to $327,000,000 and the expenditures to $303,000,000, leaving an estimated surplus of $24,000,000.

It becomes proper in this connection to make a brief reference to our public indebtedness, which has accumulated with such alarming rapidity and assumed such colossal proportions. In 1789, when the government commenced operations under the federal constitution, it was burdened with an indebtedness of seventy-five million of dollars, created during the war of the Revolution. This amount had been reduced to forty-five million of dollars when, in 1812, war was declared against Great Britain. The three years' struggle that followed largely increased the national obligations, and in 1816 they had attained the sum of one hundred and twenty-seven million. Wise and economical legislation, however, enabled the government to pay the entire amount within a period of twenty years, and the extinguishment of the national debt filled the land with rejoicing, and was one of the moral events of President Jackson's administration.

After its redemption a large fund remained in the treasury, which was deposited for safe keeping with the several States, on condition that it should be returned when required by the public wants. In 1849, the year after the termination of an expensive war with Mexico, we found ourselves involved in a debt of sixty-four millions, and this was the amount owed by the government in 1860, just prior to the outbreak of the rebellion. In the Spring of 1861, our civil war commenced. Each year of its continuance made an enormous addition to the debt, and when in the Spring of 1865, the nation successfully emerged from the conflict, the obligations of the government had reached the immense sum of $2,873,992,909. The Secretary of the Treasury shows that on the first day of November, 1867, this amount had been reduced to $2,491,504,450, but at the same time his report exhibits an increase during the past year of $35,625,102, for the debt on the first day of November last is stated to have been $2,527,129,552. It is estimated by the Secretary that the returns for the past month will add to our liabilities the further sum of eleven millions, making a total increase during thirteen months of forty-six and a half millions. In my message to Congress of December 4th, 1865, it was suggested that a policy should be devised which, without being oppressive to the people, would at once begin to effect a reduction of the debt and, if persisted in, discharge it fully within a definite number of years. The Secretary of the Treasury forcibly recommends legislation of this character, and justly urges that the longer it is deferred the more difficult must become the accomplishment. We should follow the wise precedents established in 1789 and 1816, and without further delay make provision for the payment of our obligations at as early a period as may be practicable. The fruits of their labors should be enjoyed by our citizens, rather than used to build up and sustain moneyed monopolies in our own and other lands.

Our foreign debt is already computed by the Secretary of the Treasury at eight hundred and fifty million. Citizens of foreign countries receive interest upon a large portion of our securities, and American tax payers are made to contribute large sums for their support. The idea that such a debt is to become permanent, should be at all times discarded, as involving taxation too heavy to be borne, and the payment once in every sixteen years, at the present rate of interest of an amount equal to the original sum. This vast debt, if permitted to become permanent and increasing, must eventually be gathered into the hands of a few, and enable them to exert a dangerous and controling power in the affairs of the government. The borrowers will become servants to the lenders—the lenders to the masters of the people. We now pride ourselves upon having given freedom to four millions of the colored race. It will then be our shame that forty millions of people, by their own toleration of usurpation and profligacy, have suffered themselves to become enslaved, and merely exchanged slave-owners for new task-masters in the shape of bond-holders and tax-gatherers. Besides, permanent debts pertain to monarchial government and tending to monopolies, perpetuities and class legislation, and are totally irreconcilable with free institutions. Introduced into our republican system, they would gradually but surely sap its foundations, eventually subvert our govermental fabric and erect upon its ruins a moneyed aristocracy. It is our sacred duty to transmit unimpaired to our posterity the blessings of liberty which were bequeathed to us by the founders of our Republic, and by our example teach those who are to follow us, carefully to avoid the dangers which threaten a free and independent people.

Various plans have been proposed for the payment of the public debt. However they may have varied as to the time and mode in which it should be redeemed, there seems to be a general concurrence as to the propriety and justness of a reduction in the present rate of interest. The Secretary of the Treasury, in his report, recommends five *per cent.* Congress in a bill passed prior to the adjournment on the 27th of July last agreed upon four and four-and-a-half per cent. While by many three per cent. has been held to be an amply sufficient return for the investment. The general impression as to the exhorbitancy of the existing rate of interest has led to an inquiry in the public mind respecting the consideration which the Government has actually received for its bonds, and the conclusion is becoming prevalent that the amount it obtained was in real money three or four hundred *per cent* less than the obligations, which it issued in return. It cannot be denied that we are paying an extravagant percenage for the use of the money borrowed which was paper currency, greatly depreciated below the value of coin. This fact is made apparent when we consider that bondholders receive from the treasury upon each dollar they own in government securities six *per cent* in gold which is nearly or quite equal to nine *per cent* in currency; that the bonds are then converted into capital for the National Banks, upon which those institutions issue their circulation, bearing six *per cent.* interest, and that they are exempt from taxation by the government and the States, and thereby enhanced two *per cent.* in the hands of the holders. We thus have an aggregate of seventeen per cent. which may be received upon each dollar by the owners of government securities. A system that produces such results is justly regarded as favoring a few at the expense of the many, and has led to the further inquiry whether our bondholders, in view of the large profits which they have enjoyed, would themselves be averse to a settlement of our indebtedness upon a plan which would yield them a fair renumeration, and at the same time be just to the tax-payers of the nation.

Our national credit should be sacredly observed, but in making provision for our creditors we should not forget what is due to the masses of the people. It may be assumed that the holders of our securities have already received upon their bonds a larger amount than their original investment, measured by a gold standard. Upon this statement of facts it would seem but just and equitable that the six per cent. interest now paid by the government should be applied to the reduction of the principal in semi-annual instalments, which, in sixteen years and eight months, would liquidate the entire national debt. Six per cent. in gold would, at present rates, be equal to nine per cent. in currency, and equivalent to the payment of the debt one and a half times, in a fraction less than seventeen years. This, in connection with all the other advantages derived from their investment, would afford to the public creditors a fair and liberal compensation for the use of their capital, and with this they should be satisfied. The lessons of the past admonish the lender that it is not well to be over anxious in exacting from the borrower rigid compliance with the letter of the bonds.

If provision be made for the payment of the indebtedness of the government in the manner suggested, our nation will rapidly recover its wonted prosperity. Its interests require that some measure should be taken to release the large amount of capital invested in the securities of the government. It is not now merely unproductive, but in taxation annually consumes $150,000,000, which would otherwise be used by our enterprising people in adding to the wealth of the nation. Our commerce, which at one time successfully rivaled that of the great maratine powers, has rapidly diminished and our industrial interests are in a depressed and languishing condition.—The development of our inexhaustible resources is checked, and the fertile fields of the South are becoming waste for want of means to till them. With the release of capital, new life would be infused into the paralyzed energies of our people, and activity and vigor imparted to every branch of industry. Our people need encouragement in their efforts to recover from the effects of the rebellion, and of injudicious legislation, and it should be the aim of the government to stimulate them by the prospect of an early release from the burdens which impede their prosperity. If we cannot take the burdens from their shoulders, we should at least manifest a willingness to help to bear them.

In referring to the condition of the circulating medium, I shall merely reiterate substantially that portion of my last annual message which relate to that subject. The proportion which the currency of any country should bear to the whole value of the annual produce circulated by its means is a question upon which political economists have not agreed, nor can it be controlled by legislation, but must be left to the irrevocable laws which everywhere regulate commerce and trade. The regulating medium will ever irresistibly flow to those points where it is in greatest demand.—The law of demand and supply is as unerring as that which regulates the tides of the ocean, and indeed currency, like the tides, has its ebbs and flows throughout the commercial world.

At the beginning of the Rebellion the bank note circulation of the country amounted to not much more than two hundred millions of dollars. Now the circulation of National Bank notes and those known as "legal tenders," is nearly seven hundred million. While it is urged by some that this amount should be increased, others contend that a decided reduction is absolutely essential to the best interests of the country. In view of these divers opinions, it may be well to ascertain the real value of our paper issues, when compared with a metallic or convertible currency. For this purpose, let us inquire how much gold and silver could be purchased by the seven hundred millions of paper money now in circulation. Probably not more than half the amount of the latter, showing that when our paper currency is compared with gold and silver, its commercial value is compressed into three hundred and fifty millions. This striking fact makes it the obvious duty of the government, as early as may be consistent with the principles of sound political economy, to take such measures as will enable the holder of its notes and those of the National Banks to convert them without loss into specie or its equivalent. A reduction of our paper circulating medium need not necessarily follow. This, however, would depend upon the law of demand and supply, though it should be borne in mind that by making legal tender and bank notes convertable into coin or its equivalent, their present specie value in the hands of their holders would be enhanced one hundred per cent. Legislation for the accomplishment of a result so desirable is demanded by the highest public considerations. The constitution contemplates that the circulating medium of the country shall be uniform in quality and value. At the time of the formation of that instrument the country had just emerged from the war of the revolution, and was suffering from the effects of a redundant and worthless paper currency. The sages of that period were anxious to protect their posterity from the evils which they themselves had experienced.—Hence, in providing a circulating medium, they conferred upon Congress the power to coin money and regulate the value thereof, at the same time prohibiting the States from making anything but gold and silver a tender in payment of debts. The anomalous condition of our currency is in striking contrast with that which was originally designed. Our circulation now embraces, first, notes of the National Banks, which are made receivable for all dues to the government, excluding imposts, and by all its creditors, excepting in payment of interest upon its bonds and the securities themselves. Second, legal tender notes, issued by the United States, and which the law requires shall be received as well in payment of all debts between citizens as of all government dues, excepting imposts. And, third, gold and silver coin. By the operation of our present system of finance, however, the metalic currency, when collected is reserved only for one class of government creditors, who holding its bonds, semi-annually receive their interest in coin from the National Treasury. There is no reason which will be accepted as satisfactory to the people, why those who defend us on the land and protect us on the sea—the pensioner upon the gratitude of the Nation—bearing the scars and wounds received while in its service—the public servants in the various departments of the government; the farmer who supplies the soldiers of the army and the sailors of the navy; the artisan who toils in the Nation's workshops, or the mechanics and laborers who build its edifices and construct its forts and vessels of war, should, in payment of their just and hard earned dues, receive depreciated paper, while another class of their countrymen, no more deserving, are paid in coin of gold and silver. Equal and exact justice requires that all the creditors of the government should be paid in a currency possessing a uniform value. This can only be accomplished by the restoration of the currency to the standard established by the constitution. And by this means we would remove a discrimination which may, if it has not already done so, create a prejudice that may become deep-rooted and wide-spread, and imperil the national credit.

The feasibility of making our currency correspond with the constitutional standard may be seen by reference to a few facts derived from our commercial statistics. The aggregate product of precious metals in the United States from 1849 to 1867 amounted to $1,174,000,000, while, for the same period, the net exports of specie were $741,000,000. This shows an excess of product over net exports of $433,000,000. There are in the treasury $103,407,985 in coin. In circulation in the States on the Pacific coast about forty millions of dollars, and a few millions in the national and other banks. In all less than $160,000,000. Taking into consideration the specie in the country prior to 1849 and that produced since 1867, and we have more than $300,000,000 not accounted for by exportation or by the returns of the treasury, and therefore, most probably, remaining in the country. These are important facts, and show how completely the inferior currency will supercede the better, forcing it from circulation among the masses, and causing it to be exported as a mere article of trade, to add to the money capital of foreign lands. They show the necessity of retiring our paper money, that the return of gold and silver to the avenues of trade may be invited, and a demand created which will cause the retention at home of at least so much of the productions of our rich and inexhaustible gold-bearing fields as may be sufficient for purposes of circulation.

It is unreasonable to expect a return to a sound currency as long as the government and banks, by continuing to issue irredeemable notes, fill the channels of circulation with depreciated paper. Notwithstanding a coinage by our mints since 1849 of eight hundred and seventy-four millions of dollars, the people are now strangers to the currency which was designed for their use and benefit, and specimens of the precious metal, bearing the national device, are seldom seen, except when produced to gratify the interest excited by their novelty. If depreciated paper is to be continued as the permanent currency of the country, and all our coin is to become a mere article of traffic and speculation, to the enhancement in price of all that is indispensable to the comfort of the people, it would be wise economy to abolish our mints, thus saving the nation the care and expense incident to such establishments, and let all our precious metals be exported in bullion.—The time has come, however, when the government and national banks should be required to take the most efficient steps and make all necessary arrangements for a resumption of specie payments. Let specie payments once be earnestly inaugurated by the government and banks, and the value of the paper circulation would directly approximate a specie standard.—Specie payments having been resumed by the government and banks, all notes or bills of paper issued by either of a less denomination than twenty dollars should, by law, be excluded from circulation, so that the people may have the benefit and convenience of a gold and silver currency, which in all their business transactions will be uniform in value at home and abroad. Every man of property or industry; every man who desires to preserve what he honestly possesses as to obtain what he can honestly earn, has a direct interest in maintaining a safe circulating medium: such a medium as shall be real and substantial, not liable to vibrate with opinions; not subject to be blown up or blown down by the breath of speculation, but to be made stable and secure. A disordered currency is one of the greatest political evils. It undermines the virtues necessary for the support of the social system, and encourages propensities destructive of its happiness; it wars against industry, frugality and economy, and it fosters the evil spirits of extravagance and speculation. It has been asserted by one of our profound and most gifted statesmen that of all the contrivances for cheating the laboring classes of mankind, none has been more effectual than that which deludes them with paper money. This is the most effectual of inventions to fertilize the rich man's fields by the sweat of the poor man's brow. Ordinary tyranny, oppression, excessive taxation, bear lightly on the happiness of the mass of the community, compared with a fraudulent currency, and the robberies committed by depreciated paper. Our own history has recorded for our instruction enough and more than enough of the demoralizing tendency—the injustice and intolerable oppression on the virtuous and well-disposed, by a degraded paper currency authorized by law, or in any way countenanced by the government. It is one of the most successful devices in times of peace or war of expansions or revulsions, to accomplish the transfer of all the precious metals from the great mass of the people into the hands of the few, where they are hoarded in secret places or deposited under bolts and bars, while the people are left to endure all the inconvenience, sacrifice and demoralization resulting from the use of depreciated and worthless paper.

The Secretary of the Interior, in his report, gives valuable information in reference to the interests confided to the supervision of his department, and reviews the operations of the land office, pension office, patent office and Indian bureau. During the fiscal year ending June 30th, 1868, 6,655,700 acres of public land were disposed of. The entire cash receipts of the general land office for the same period were $1,632,745, being greater by $284,883 than the amount realized from the same sources during the previous year. The entries under the homestead law cover 2,328,923 acres, nearly one-fourth of which was taken under the act of June 21st, 1866, which applies only to the States of Alabama, Mississippi, Louisiana, Arkansas and Florida.

On the 30th of June, 1868, one hundred and sixty-nine thousand six hundred and forty-three names were borne on the pension rolls; and during the year ending on that day the total amount paid for pensions, including the expenses of disbursement was $24,010,982, being $5,391,025 greater than that expended for like purposes during the preceding year.

During the year ending the 30th of September last, the expenses of the Patent Office exceeded the receipts by one hundred and seventy-one dollars. And including all issues and designs, fourteen thousand one hundred and fifty-three patents were issued.

Treaties with various Indian tribes have been concluded and will be submitted to the Senate for its constitutional action. I cordially sanction the stipulations which provide for reserving lands for various tribes, where they may be encouraged to abandon their nomadic habits and engage in agricultural and industrial pursuits. This policy inaugurated many years since, has met with signal success whenever it has been pursued in good faith and with becoming liberality by the United States. The necessity for extending it as far as practicable in our relations with the aboriginal population is greater now than at any preceding period. Whilst we furnish subsistence and instructions to the Indians, and guarantee the undisturbed enjoyment of their treaty rights, we should habitually insist upon the faithful observance of their agreement to remain within the respective reservations. This is the only mode by which collisions with other tribes and with the whites can be avoided and the safety of our frontier settlements secured.

The companies constructing the railway from Omaha to Sacramento, have been most energetically engaged in prosecuting the work, and it is believed that the line will be completed before the expiration of the next fiscal year. The six per cent. bonds issued to these companies amounted on the 5th instant, to $44,337,000, and additional work had been performed to the extent of $3,200,000. The Secretary of the Interior in August last invited my attention to the report of a government Director of the Union Pacific Railroad Company, who had been specially instructed to examine the location, construction and equipment of their road. I submitted, for the opinion of the Attorney General, certain questions in regard to the authority of the executive which arose upon this report, and those which had, from time to time, been presented by the commissioner appointed to inspect each successive section of the work. After carefully considering the law of the case he affirmed the right of the executive to order, if necessary, a thorough revision of the entire road. Commissioners were thereupon appointed to examine this and other lines, and have recently submitted a statement of their investigation, of which the report of the Secretary of the Interior furnishes specific information.

The report of the Secretary of War contains information of interest and importance respecting the several bureaus of the war department and the operations of the army. The strength of our military force on the 30th of September last was 48 000 men, and it is computed that by the 1st of January next this number will be decreased to 43,000. It is the opinion of the Secretary of War that within the next year a considerable diminution of the infantry force may be made without detriment to the interests of the country. And in view of the great expense attending the military peace establishment, and the absolute necessity of retrenchment, whenever it can be applied, it is hoped that Congress will sanction the reduction which his report recommends.

While in 1860, sixteen thousand three hundred men cost the nation $16,472,000, the sum of $65,682,000 is estimated as necessary for the support of the army during the fiscal year ending June 30th, 1870. The estimates of the war department for the last two fiscal years were, for 1867, $33,814,461, and for 1868, $25,205,669. The actual expenditures during the same periods were, respectively: $95,224,415, $123,246,648. The estimate submitted in December last for the fiscal year ending June 30th, 1869, was $77,124,707. The expenditures for the first quarter ending the 30th of September last were $27,219,117, and the Secretary of the Treasury gives $66,000,000 as the amount which will probably be required during the remaining three quarters if there should be no reduction of the army, making its aggregate cost for the year considerably in excess of $93,000,000. The difference between the estimates and expenditures for the three fiscal years which have been named is thus shown to be $175,545,343 for this single branch of the public service.

The report of the Secretary of the navy exhibits the operations of that department, and of the navy during the year. A considerable reduction of the force has been effected. There are forty-two vessels carrying four hundred and eleven guns, in the six squadrons which are established in different ports of the world, three of these vessels are returning to the United States, and four are used as storeships, leaving the actual cruising force thirty-five vessels, carrying three hundred and fifty-six guns. The total number of vessels in the navy is two hundred and six mounting seventeen hundred and forty-three guns. Eighty-one vessels of every description are in use, armed with six hundred and ninety-six guns. The number of enlisted men in the service, including apprentices, has been reduced to eight thousand five hundred. An increase of navy yard facilities is recommended as a measure which will, in the event of war, be promotive of economy and security.

A more thorough and systematic survey of the North Pacific ocean is advised in view of our recent acquisitions and our expanding commerce and the increasing intercourse between the Pacific States and Asia. The naval pension fund, which consists of a moiety of the avails of prizes captured during the war, amounts to $14,000,000. Exception is taken to the act of 23d July last, which reduces the interest on the fund loaned to the government by the secretary, as trust, to three per cent, instead of six per cent, which was originally stipulated when the investment was made. An amendment to the pension laws is suggested to remedy omissions and defects in existing enactments. The expenditures of the department during the last fiscal year were $20,120,394, and the estimates for the coming year amount to $20,993,414.

The Post Master General's report furnishes a full and clear exhibit of the operations and condition of the postal service. The ordinary postal revenue for the fiscal year ending June 30th, 1868, was $16,292,600, and the total expenditures, embracing all the service for which special appropriations have been made by Congress amounted to $22,730,592, showing an excess of expenditures of $6,437,991. Deducting from the expenditures the sum of $1,896,525, the amount of appropriations for ocean steamship and other special service, the excess of expenditures was $4,541,466. By using an unexpended balance in the treasury of $3,800,000 the actual sum for which a special appropriation is required to meet the deficiency is $741,466. The causes which produced this large excess of expenditure over the revenue were the restoration of service in the late insurgent States, and the putting into operation of new service established by the acts of Congress, which amounted, within the last two years and a half, to about 58,700 miles, equal to more than one-third of the whole amount of the service at the close of the war. New postal conventions with Great Britain, North Germany, Belgium, the Netherlands, Switzerland and Italy, respectively, have been carried into effect. Under their provisions important improvements have resulted in reduced rates of international postage and enlarged mail facilities with European countries. The cost of the United States trans-atlantic ocean mail service since January 1st, 1868, has been largely lessened under the operation of these new conventions—a reduction of over one-half having been effected under the new arrangement for ocean mail steamship service, which went into effect on that date. The attention of Congress is invited to the practical suggestions and recommendations made in his report by the Postmaster General.

No important question has occurred during the last year in our accustomed cordial and friendly intercourse with Costa Rica, Guatamala, Honduras, San Salvador, France, Austria, Belgium, Switzerland, Portugal, the Netherlands, Denmark, Sweden and Norway, Rome, Greece, Turkey, Persia, Egypt, Siberia, Morocco, Tripoli, Tunis, Muscat, Siam, Borneo and Madagascar. Cordial relations have also been maintained with the Argentine and the Oriental Republics. The expressed wish of Congress that our national good offices might be tendered to those republics, and also to Brazil and Paraguay for bringing to an end the calamitous war which has so long been raging in the valley of the La Plate, has been assiduously complied with, and kindly acknowledged by all the beligerents. That important negotiation, however, has thus far been without result.

C. A. Washburn, late United States minister to Paraguay, having resigned, and being desirous to return to the United States, the Rear Admiral commanding the South Atlantic squadron was early directed to send a ship of war to Assumption, the capital of Paraguay, to receive Mr. Washburn and his family, and remove them from a situation which was represented to be endangered by faction and foreign war.—The Brazilian commander of the allied invading forces refused permission to the "Wasp" to pass through the blockading forces, and that vessel returned to its accustomed anchorage. Remonstrance having been made against this refusal, it was promptly overruled, and the "Wasp" therefore resumed her errand, received Mr. Washburn and family and conveyed them to a safe and convenient sea port. In the meantime, an excited controversy had arisen between the President of Paraguay and the late United States Minister, which it is understood grew out of his proceedings in giving asylum in the United States legation to alleged enemies of that Republic.—The question of the right to give asylum is one always difficult, and often productive of great embarrassment. In States well organized and established, foreign powers refuse either to concede or exercise that right except as to persons actually belonging to the diplomatic service. On the other hand, all such powers insist upon exercising the right of asylum in States where the law of nations is not fully acknowledged, respected and obeyed. The President of Paraguay is understood to have opposed to Mr. Washburn's proceedings the injurious and very improbable charge of personal complicity in insurrection and treason. The correspondence, however, has not yet reached the United States. Mr. Washburn, in connection with this controversy, represents that two United States citizens attached to the legation were arbitrarily seized at his side when leaving the capital of Paraguay, committed to prison and there subjected to torture for the purpose of procuring confessions of their own criminality and testimony to support the President's allegation against the United States Minister. Mr. McMahon, the newly appointed Minister to Paraguay, having reached the La Platte, has been instructed to proceed without delay to Assumption, there to investigate the whole subject. The Rear Admiral commanding the U. S. South Atlantic squadron has been directed to attend the new minister, with a proper naval force to sustain such just demands as the occasion may require, and to vindicate the rights of the United States citizens referred to, and of any others who may be exposed to danger in the theatre of war. With these exceptions friendly relations have been maintained between the United States and Brazil and Paraguay. Our relations during the past year with Bolivia, Equador, Peru and Chili have become especially friendly and cordial. Spain and the republics of Peru, Bolivia and Equador have expressed their willingness to accept the mediation of the United States for terminating the war with the South Pacific coast. Chili has not finally declared upon the question. In the meantime the conflict has practically exhausted itself. Since no beligerent or hostile movement has been made by either party during the last two years, and there are no indications of a present purpose to resume hostilities on either side, Great Britain and France have cordially seconded our poposition of mediation, and I do not forego the hope that it may be soon accepted by all the beligerents, and lead to a secure establishment of peace and friendly relations between the Spanish American republics of the Pacific and Spain, a result which would be attended with common benefit to the beligerents and much advantage to all commercial nations.—I communicate for the consideration of Congress a correspondence which shows that the Bolivian republic has established the extremely liberal principle of receiving into its citizenship any citizen of the United States, or of any other of the American republics, upon the simple condition of voluntary registry. The correspondence herewith submitted will be found painfully replete with accounts of the ruin and wretchedness produced by recent earthquakes of unparalleled severity in the republics of Peru, Equador and Bolivia. The diplomatic agents and naval officers of the United States who were present in those countries at the time of those disasters, furnished all the relief in their power to the sufferers, and were promptly rewarded with grateful and touching acknowledgments by the Congress of Peru. An appeal to the charity of our fellow-citizens has been answered by much liberality. In this connection, I submit an appeal which has been made by the Swiss republic, whose government and institutions are tendered to our own, in behalf of its inhabitants who are suffering extreme destitution produced by recent devastating inundation.

Our relations with Mexico during the year have been marked by an increasing growth of mutual confidence. The Mexican government has not yet acted upon the three treaties celebrated here last summer for establishing the rights of naturalized citizens upon a liberal and just basis; for regulating consular powers, and for the adjustment of mutual claims.

All commercial nations, as well as all friends of republican institutions, have occasion to regret the frequent local disturbances which occur in some of the constituent States of Columbia. Nothing has occurred, however, to affect the harmony and cordial friendship which have for several years existed between that youthful and vigorous republic and our own. Negotiations are pending with a view to the survey and construction of a ship canal across the Isthmus of Darien, under the auspices of the United States. I hope to be able to submit the results of that negotiation to the Senate during its present session.

The very liberal treaty which was entered into last year by the United States and Nicaragua has been ratified by the latter republic.

Costa Rica, with the earnestness of a sincerely friendly neighbor, solicits a reciprocity of trade, which I commend to the consideration of Congress.

The convention created by the treaty between the United States and Venezuela in July, 1865, for the mutual adjustment of claims, has been held, and its decisions have been received at the department of State. The heretofore recognized government of the United States of Venezuela has been subverted, a provisional government having been instituted under circumstances which promise durability. It has been formally recognized.

I have been reluctantly obliged to ask explanation and satisfaction for national injuries committed by the President of Hayti. The political and social condition of Hayti and St. Domingo, and the entire West Indies, except the Spanish Islands of Cuba and Porto Rico, has been followed by a profound popular conviction of the rightfulness of republican institutions and an intense desire to secure them. The attempt, however, to establish republics there encounters many obstacles, most of which may be supposed to result from long indulged habits of colonial supineness and dependence upon European monarchial powers. While the United States have on all occasions professed a decided unwillingness that any part of this continent or of its adjacent islands shall be made a theatre for a new establishment of monarchical power, too little has been done by us on the other hand to attach the communicants by which we are surrounded to our own country, or to lend even moral support to the efforts they are so resolutely and so constantly making to secure republican institutions for themselves. It is indeed a question of grave consideration whether our recent and present example is not calculated to check the growth and expansion of free principles, and make these communicants distrust, if not decided, a government which, at will, consigns to military dominion States that are integral parts of our federal union. While ready to resent any attempts by other nations to extend to this hemisphere the monarchial form of government assumes to establish over a large portion of its people a rule more absolute, harsh and tyrannical than any known to civilized powers.

The acquisition of Alaska was made with the view of extending technical jurisdiction and republican principles in the American hemisphere. Believing that a further step could be taken in the same direction, I last year entered into a treaty with the King of Denmark for the purchase of the islands of St. Thomas and St. John on the best terms then attainable, and with the express consent of the people of these islands. This treaty still remains under consideration in the Senate. A new Convention has been entered into with Denmark, enlarging the time fixed for final ratification of the original treaty. Enterprising national policy would seem to satisfy the acquisition and incorporation into our Federal Union of the several adjacent continental and insular communities as speedily as it can be done peacefully, lawfully and without any violation of national justice, faith or honor. Foreign possession or control of those communities has hitherto hindered the growth and impaired the influence of the United States. Chronic revolution and anarchy there would be equally injurious. Each one of them, when firmly established as an independent republic, or when incorporated into the United States, would be a new source of strength and power.

Conforming my administration to these principles, I have on no occasion lent support or toleration to unlawful expeditions set on foot upon the plea of republican propagandism or of national extension or aggrandisement. The necessity, however, of repressing such unlawful movements clearly indicates the duty which rests upon us of adapting our legislative action to the new circumstances of a decline of European monarchial power and influence, and the increase of American republican ideas, interests and sympathies. It cannot be long before it will become necessary for this government to lend some effective aid to the solution of the political and social problems which are continually kept before the world by the two republics of the Island of Saint Domingo, and which are now disclosing themselves more distinctly than heretofore in the Island of Cuba. The subject is commended to your consideration with all the more earnestness, because I am satisfied that the time has arrived when even so direct a proceeding as a proposition for an annexation of the two republics of the island of St. Domingo would not only receive the consent of the people interested, but would also give satisfaction to all other foreign nations. I am aware that upon the question of further extending our possessions it is apprehended by some that our political system cannot successfully be applied to an area more extended than our continent. But the conviction is rapidly gaining ground in the American mind, that with the increased facilities for intercommunication between all portions of the earth the principles of free government, as embraced in our constitution, if faithfully maintained and carried out, would prove of sufficient strength and breadth to comprehend within their sphere and influence the civilized nations of the world.

The attention of the Senate and of Congress is again respectfully invited to the treaty for the establishment of commercial reciprocity with the Hawian kingdom, entered into last year, and already ratified by that government. The attitude of the United States towards these Islands is not very different from that in which they stand towards the West Indies. It is known and felt by the Hawian government and people that their government and institutions are feeble and precarious, and that the United States being so near a neighbor would be unwilling to see the islands pass under foreign control. Their prosperity is continually disturbed by expectations and alarms of unfriendly political proceedings, as well from the United States as from other foreign powers. A reciprocity treaty, while it could not materially diminish the revenues of the United States, would be a guaranty of the good will and forbearance of all nations until the people of the Islands shall of themselves at no distant day, voluntarily apply for admission into the Union.

The Emperor of Russia has acceded to the treaty negotiated here in January last for the security of trade marks in the interest of manufacturers and commerce. I have invited his attention to the importance of establishing now, while it seems easy and practicable, a fair and equal regulation of the vast fisheries belonging to the two nations in the waters of the North Pacific ocean.

The two treaties between the United States and Italy for the regulation of consular powers and the extradition of criminals, negotiated and ratified here during the last session of Congress, have been accepted and confirmed by the Italian government. A liberal consular convention which has been negotiated with Belgium will be submitted to the Senate.

The very important treaties which were negotiated between the United States and North Germany and Bavaria for the regulation of the rights of naturalized citizens have been duly ratified and exchanged, and similar treaties have been entered into with the kingdoms of Belgium and Wurtemburg, and with the Grand Duchies of Baden and Hesse Darmstadt. I hope soon to be able to submit equally satisfactory conventions of the same character now in the course of negotiation with the respective governments of Spain, Italy and the Ottoman empire.

Examination of claims against the United States by the Hudson Bay Co, and the Puget's Sound Agricultural Co, an account of certain possessory rights in the State of Oregon and Territory of Washington, alleged by those companies in virtue of provisions of the treaty between the United States and Great Britain of June 15th 1846, has been diligently prosecuted under the direction of the joint international commission to which they were submitted for adjudication by treaty between the two governments of July 1st 1863, and will, it is expected, be concluded at an early day.

No practical regulation concerning colonial trade and the fisheries can be accomplished by treaty between the United States and Great Britain until Congress shall have expressed their judgment concerning the principles involved.—Three other questions, however, between the United States and Great Britain remain open for adjustment. These are the mutual rights of naturalized citizens; the boundary question involving the title to the Island of San Juan, on the Pacific coast, and mutual claims arising since the year 1853 of the citizens and subjects of the two countries for injuries and depredations committed under authority of their respective governments. Negotiations upon these subjects are pending, and I am not without hope of being able to lay before the Senate for its consideration during the present session, protocols calculated to bring to an end these justly exciting and long existing controversies.

We are not advised of the action of the Chinese government upon the liberal and auspicious treaty which was recently celebrated with its plenipotentiaries at this capital.

Japan remains a theatre of civil war, marked by religious incidents and political severeties peculiar to that long isolated empire. The Executive has hitherto maintained strict neutrality among the belligerents and acknowledges with pleasure that it has been frankly and fully sustained in that cause by the enlightened concurrence and co-operation of the other treaty powers, viz: Great Britain, France, the Netherlands, North Germany and Italy.

Spain having recently undergone a revolution marked by extraordinary unanimity and preservation of order, the provisional government established at Madrid has been recognized, and the friendly intercourse which has so long happily existed between the two countries remains unchanged.

I renew the recommendation contained in my communication to Congress, dated the 18th July last, a copy of which accompanies this message, that the judgment of the people should be taken on the propriety of so amending the Federal constitution that it shall provide: First, for an election of President and Vice-President by a direct vote of the people instead of through the agency of electors, and making them ineligible for re-election to a second term.

2d. For a distinct designation of the person who shall discharge the duties of President in the event of a vacancy in that office by the death, resignation or removal of both the President and Vice-President.

3d. For the election of Senators of the United States directly by the people of the several States instead of by the Legislatures. And,

4th. For the limitation to a period of years of the terms of federal judges. Profoundly impressed with the propriety of making these important modifications in the constitution, I respectfully submit them for the early and mature consideration of Congress. We should, as far as possible, remove all pretence for violations of the organic law by remedying such imperfections as time and experience may develop, ever remembering that the constitution, which at any time exists until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all.

In the performance of a duty imposed upon me by the constitution, I have communicated to Congress information of the state of the Union, and recommended for their consideration such measures as have seemed to me necessary and expedient. If carried into effect they will hasten the accomplishment of the great and beneficent purposes for which the constitution was ordained, and which it comprehensively states were to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defence, promote the general welfare, and secure the blessings of liberty to ourselves and our posterity. In Congress are vested all the legislative powers, and upon them devolves the responsibility as well for framing unwise and excessive laws, as for neglecting to devise and adopt measures absolutely demanded by the wants of the country.

Let us earnestly hope that before the expiration of our respective terms of service, now rapidly drawing to a close, an allwise Providence will so guide our counsels as to strengthen and preserve the Federal Union, inspire reverence for the Constitution, restore prosperity and happiness to our whole people and promote on earth peace and good will towards all men.

Signed, ANDREW JOHNSON.
Washington, Dec. 9th, 1868.

Special Correspondence of the Baltimore Gazette.

The Democratic Members of Congress to give the Radicals Rope—A Blundering Proposition—An Illustrative Fable—Washburne thrown overboard by Grant—Fort Lafayette—A Prison Incident and a Brutal Commandant.

WASHINTON, Dec. 7.—I have great satisfaction in announcing the fact that the members of the Democratic and Conservative party in Congress have resolved that they will not make fools of themselves in the coming session of Congress. The members generally argue thus: The great people of this great country have by a solemn vote invested certain men with the power to do as they please. Very well, let us see what they will do. Give them a wide range. Whenever called upon we shall conscientiously vote upon propositions as they may come up. Beyond this no responsibility rests upon us, and we shall take care that no impediment is placed in the way of a fair trial of the policy of our opponents (God save the mark!) The word seems to be "Go ahead! who's afeard?"

In the midst of this passive programme, I hear threats of what a would-be leader intends to do. He proposes ostensibly to throw a notable firebrand into the Radical party by cajoling Grant. He purposes to introduce a bill repealing the Tenure-of-office act. This, pleads he, will be passed by the House, and rejected by the Senate. We shall, thereby, get Grant, and without loss, and my paper will be placed in a position "whereby profits will ensue." At the same time, by creating a feud between Grant and Congress, the Democratic party will rend the Radicals asunder.

This is a very adroit movement. But, being trumpeted beforehand, is not likely to succeed, as I have reason to believe the leading Radicals are not downright fools to the extent of refusing to avail themselves of the blunders of their opponents. What if the motion of the honorable member from New York should be not only entertained by the House, but acceded to by the Senate, under the pressure of Democratic influences? Would not the member be in the condition of the cat under the mesmeric influence of the monkey which drew out the chestnuts, unmindful of its own claws?

In the meantime, I think it necessary to apprise your readers, as a legitimate result of "non-intervention" in things which don't concern us, that a most intimate radical relationship has been burst asunder by means entirely outside of toadyism on the part of Democratic statesmen. Contrary to all expectation, the Man Friday of Grant has suddenly been thrown overboard. Mr. Washburne, notwithstanding what Yates may say, is now scarcely upon speaking terms with the "coming man." Some attribute this dire catastrophe primarily to Donnelly's influence, derived indirectly from the Fenian Brotherhood, others to the excessive egotism and domineering demeanor of this second Warwick. Be all this as it may, Schenck has had sufficient power to utterly demolish the pretentious demands of the Illinois member.

Speaking of the catastrophe at Fort Lafayette to-day, it was remarked by a sufferer that this was not the only memorable fire at that locality. The whole structure is, and has been for years, covered with a shingle roof. When, in 1861, this bastile was peopled by many honorable gentlemen, confined there in violation of all law, human and divine, a fire took place near the magazine, which contained tons of powder. It had become the custom of the keepers to permit the prisoners for certain hours during the day to go outside of their casemated quarters. Upon the occasion of the alarm of fire I refer to, they were driven back at the point of the bayonet, and the keys of their cells turned upon them by order of Wood, who had temporary command. I doubt if any act of equal villainy can be found in all history.

The Burning of Fort Lafayette—Further Particulars.

The New York papers of yesterday contain further particulars of the burning of Fort Lafayette. The Tribune says:

Everything of an inflammable nature in Fort Lafayette was destroyed on Tuesday afternoon and night. All danger from the explosion of the magazine having passed, the residents below, who fled for safety, have mostly returned, and again occupy their homes. Inside the scene is one of utter devastation. The supports of the huge guns have been burnt away, and they now lie useless among the ruins. The magazine remains uninjured with the exception of the burning of the outer door. The explosion of loaded shells caused some damage to masonry, and cut large holes in the iron doors. Some unexploded shells are still among the ruins. When first seen the fire was less than a foot in diameter.—Buckets could not at first be found, and the vicinity was speedily deserted for fear of the explosion of the magazine. The loaded shells lying in the fort were scarcely less dangerous.

The loss is estimated at about $250,000. The Herald furnishes the following reminiscences of this fort:

Here it was that Colonel Burke presided as chief custodian and jailor of all the refractory prisoners of war and State during the memorable period of the rebellion.—Among the prisoners of note confined there was Admiral Buchanan, of the rebel navy, who lost his leg and was taken at the capture of Mobile, Ala. S. R. Mallory, Secretary of the Confederate Navy, occupied a casemate here until the 10th day of March, 1866.

Charles James Faulkner, formerly Minister of France, and for several successive terms member of Congress from Martinsburg, Virginia, was confined here; and Assistant Surgeon William M. Page, of Virginia, also, James Branch, Mayor of Washington; James Hayde, of Baltimore, Md.; Senator Hill, of Georgia; General Fitzhugh Lee, son of Robert E. Lee; Cole, the pirate of Lake Michigan—each dwelt for a term within the narrow limits of this celebrated work. Kennedy, the New York hotel burner, spent the last hours of his life here, and here finally paid the penalty of his crime. His body is interred in the reserve ground near Fort Hamilton. Brigadier General Stone, of the United States army, was also confined at this fort for several months for some reason or other, which was never divulged by the War Department.

Grant and Stanton.

The Republican Congressmen who have arrived here manifest a decided opinion in favor of Mr. Stanton's restoration to the War Department, partly on account of his administrative skill in the work of Southern restoration, and also as a compensation for his services to the party in retaining his position in opposition to President Johnson. His campaign speeches are also urged in his favor, and it has transpired that General Grant has been approached on the subject by parties of the highest influence. It is said that the General gave no indication of his intentions. It is hinted, however, that the relations of General Grant and Secretary Stanton, when the former was in active service, were not of a character calculated to strengthen the pretensions of Stanton's friends.—Dispatch to the Philadelphia *North American.*