Historical Society

The Worthington Advance.

VOLUME VI. WORTHINGTON, NOBLES COUNTY, MINNESOTA, THURSDAY, DECEMBER 6, 1877. NUMRER 14.

THE PRESIDENT'S MESSAGE.

Delivered to Congress, December 3d, 1877.

Fellow Citizens of the Senate and House of Representatives:

With great gratitude to the bountiful Giver of all good, I congratulate you. At the beginning of your first regular session you find our country blessed with health and peace, and abundant harvests, and with encouraging prospects of an early return of general prosperity.

THE SOUTHERN POLICY.

To complete and make permanent the pacification of the country continues to be and until it is fully accomplished must remain the most important of all our national interests. The earnest purpose of good citizens generally to unite their efforts in these endeavors is evident. It found decided expression in the resolutions announced in 1876 by the national conventions of the leading political parties of the country. There was a wide-spread apprehension that the momentous results in our progress as a nation marked by the recent amendments to the constitution were in imminent jeopardy: that the good understanding which prompted their adoption in the interest of a loyal devotion to the general welfare might prove a barren truce, and that the sections of the country once engaged in civil strife might be again almost as widely severed and disunited as they were when arrayed in arms against each other. The course to be pursued which in my judgment seemed wisest in presence of the emergency was plainly indicated in my inaugural address. It pointed to the time which all our people desire to see when a genuine love of our whole country, and of all that concerns its true welfare shall supplant the destructive forces of mutual animosity, of races and of sectional hostility. Opinions have differed widely as to the measures best calculated to secure this great end. This was to be expected. The measures adopted by the administration have been subjected to severe and varied criticism. Any course whatever which might have been entered upon would certainly have encountered distrust and opposition. These measures were in my judgment such as were most in harmony with the constitution and with the genius of our people, and best adapted under all the circumstances to attain the end in view. The beneficent results already apparent prove that these endeavors are not to be regarded as a mere experiment and should sustain and encourage us in our efforts.

ITS RESULTS.

Already in the brief period which has elapsed the immediate effectiveness, no less than the justice of the course pursued, is demonstrated, and I have an abiding faith that time will furnish this ample vindication in the minds of the great majority of my fellow citizens. The discontinuance of the use of the army for the purpose of upholding local governments in two States of the Union was no less a constitutional duty and requirement under the circumstances existing at the time than it was a much needed measure for the restoration of local self government and the promotion of national harmony. The withdrawal of the troops from such employment was effected deliberately and with solicitous care for the peace and good order of society and the protection of the property and persons and every right of all classes of citizens. The results that have followed are indeed significant and encouraging. All apprehension of danger from remitting those States to local self government is dispelled and a most salutary change in the minds of the people has begun and is in progress in every part of that section of the country—once the theatre of unhappy civil strife—substituting for suspicion distrust and aversion, concord, friendship and patriotic attachment to the Union. No unprejudiced mind will deny that the fatal collisions which for several years have been of frequent occurence and have alarmed the public mind have almost entirely ceased and that a spirit of mutual forbearance and hearty national interest has succeeded. There has been a general re-establishment of order and the orderly administration of justice. Instances of remaining lawlessness have become of rare occurrence. Political turmoil and turbulence have disappeared. Useful industries have been resumed. Public credit in the Southern States has been greatly strengthened and the encouraging benefits of a revival of commerce between the sections of the country lately embroiled in civil war are fully enjoyed. Such are some of the results already attained, upon which the country is to be congratulated. They are of such importance that we may with confidence patiently await the desired consummation that will surely come with the natural progress of events.

THE RIGHTS OF THE FREEDMEN.

It may not be improper here to say that it should be our fixed and unalterable determination to protect, by all available, and proper means under the constitution and the laws, the lately emancipated race in the enjoyment of their rights and privileges, and I urge upon those to whome heretofore the colored people have sustained the relation of bondmen the wisdom and justice of humane and liberal local legislation with respect to their education and general welfare; a firm adherence to the laws, both national and State, as to the civil and political rights of the colored people, now advanced to full, equal citizenship; the immediate repression and sure punishment by the national and local authorities within their respective jurisdiction of every instance of lawlessness and violence toward them, is required for the security alike of both races and is justly demanded by the public opinion of the country and the age. In this way the restoration of harmony and good will, and the complete protection of every citizen in the full enjoyment of every constitutional right will surely be attained. Whatever authority rests with me to this end I shall not hesitate to put forth. Whatever belongs to the power of Congress and the jurisdiction of the courts of the Union they may confidently be relied upon to provide and perform, and to the legislatures the courts and the executive authorities of the several States I earnestly appeal to secure by adequate, appropriate and reasonable means within their borders these common uniform rights of a united people who love liberty, abhor oppression and revere justice.

These objects are very dear to my heart. I shall continue most earnestly to strive for their attainment. The cordial co-operation of all classes of all sections of the country, and of both races, is required for this purpose and with these blessings assured, and not otherwise, we may safely hope to hand down our free institutions of government, unimpaired, to the generations that will succeed.

SPECIE RESUMPTION.

Among the other subjects of great and general importance to the people of this country I cannot be mistaken, I think, in regarding as pre-eminent the policy and measures which are designed to secure the restoration of the currency to that normal and healthful condition in which, by resumption of specie payments, our internal trade and foreign commerce may be brought into harmony with the system of exchanges which is devolved upon the precious metals as the intrinsic money of the world. In the public judgment that this end should be sought and compassed as speedily and as securely as the resources of the people and the wisdom of their government can accomplish, there is a much greater degree of unanimity than is found to concur in the specific measures which will bring the country to this desired end, or the rapidity of the steps by which it can be safely reached. Upon a most anxious and deliberate examination which I have felt it my duty to give to the subject, I am but the more confirmed in the opinion which I expressed in accepting the nomination for the Presidency, and again upon my inauguration, that the policy of resumption should be pursued by every suitable means and that no legislation would be wise that should disparage the importance or retard the attainment of that result.

I have no disposition and certainly no right question the sincerity or integrity of opposing opinions, and would never conceal or undervalue the considerable difficulties and even occasional distresses which attend the progress of the nation toward this primary condition to its general and permanent prosperity. I must, however, adhere to my most earnest conviction that any wavering in purpose or unsteadiness in methods, so far from avoiding or reducing the inconveniences inseparable from the transition from an irredeemable paper currency, would only tend to increased and prolonged disturbance in values and, unless relieved, must end in serious disorder, dishonor and disaster in the financial affairs of the government and of the people. The mischief which I apprehend and urgently deprecate is confined to no class of the people indeed, but seems to me most certainly to threaten the industrial masses. Whether their occupations are of skilled or common labor, to them, it seems to me it is of prime importance that their labor should be compensated in money which is in itself fixed in exchangeable value by being irrevocably measured by the labor necessary to its production. This permanent quality of the money of the people is sought for and can only be gained by the resumption of specie payment. The rich the speculative, the operative, the money dealing classes, may not always feel the mischiefs of, or may find casual profits in a variable currency, but the misfortunes of such a currency to those who are paid salaries or wages are inevitable and remediless.

SILVER REMONETIZATION.

Closely connected with this general subject of the resumption of specie payments is one of subordinate but still of grave importance. I mean the readjustment of our coinage system by the renewal of the silver dollar as an element of our specie currency, endowed by legislation with the quality of legal tender to a greater or less extent. As there is no doubt of the power of Congress under the constitution to coin money and regulate the value thereof, and as this power covers the whole range of authority applicable to the metal standard of value and the legal tender quality which shall be adopted for the coinage, the considerations which should induce or discourage a particular measure connected with the coinage belong clearly to the province of legislative discretion and of public expediency. Without intruding upon this province of legislation in the least, I have yet thought the subject of such critical importance in the actual condition of our affairs as to present an occasion for the exercise of the duty imposed by the constitution on the President of recommending to the consideration of Congress such measures as it shall judge necessary or expedient. Holding the opinion, as I do, that neither the interests of the government nor of the people of the United States would be promoted by disparaging silver as one of the two precious metals which furnish the coinage of the world, and that legislation which looks to maintaining the volume of intrinsic money to as full a measure of both metals as their relative commercial values will permit, would be neither unjust nor inexpedient, I must ask your indulgence to a brief and definite statement of certain essential features in any such legislative measure which I feel it my duty to recommend.

I do not propose to enter the debate represented on both sides by such able disputants in Congress and before the people in the press, as to the extent to which the legislation of any one nation can control this question even within its own borders, against the laws of trade or the positive laws of other governments. The wisdom of Congress in shaping any particular law that may be presented for my approval, may wholly supersede the necessity of my entering into this consideration, and I willingly avoid either vague or intricate inquiries. It is only certain plain and practical traits of such legislation that I commend to your attention. In any legislation providing for a silver coinage, regulating its value and imparting to it the quality of legal tender, it seems to me of great importance that Congress should not lose sight of its action as operating in a two-fold capacity and in two distinct directions. If the United States government were free from a public debt its legislation dealing with the question of silver coinage would be purely sovereign and governmental, under no restraints but those of constitutional power and the public good as affected by the proposed legislation. But in the actual circumstances of the nation, with a vast public debt distributed very widely among our own citizens and held in great amounts also abroad, the general nature of the silver coinage measure, as affecting the relation of this government to the holders of the debt, becomes in any proposed legislation, of the highest concern. The obligation of the public faith transcends all questions of profit or public advantage otherwise. Its unquestionable maintenance is the dictate as well of the highest expediency as of the most necessary duty, and will be carefully guarded by Congress and the people alike. The public debt of the United States to the amount of $729,000,000 bears interest at the rate of 6 per cent., and $706,000,000 at the rate of 5 per cent. and the only way in which the country can be relieved from the payment of these high rates of interest is by advantageously refunding the indebtedness. Whether the debt be ultimately paid in gold or silver is but of little moment compared with the possible reduction of the interest one-third by refunding it at such reduced rate. If the United States had the unquestionable right to pay its bonds in silver coin the little benefit from that process would be greatly overbalanced by the injurious effect of such payment if made or proposed against the honest convictions of the public creditors.

All the bonds that have been issued since February 12th, 1873, when gold became the only unlimited legal tender metallic currency of the country, are justly payable in gold coin or in coin of equal value. During the time of these issues the only dollar that could be or was received by the government in exchange for bonds was the gold dollar. To require public creditors to take in payment any dollar of less commercial value would be regarded by them as a repudiation of the full obligations assumed.

The bonds issued prior to 1873 were issued at a time when the gold dollar was the only coin in circulation or contemplated by either the government or the holders of the bonds as the coin in which they were to be paid. It is far better to pay these bonds in that coin than to seem to take advantage of the unforeseen fall of silver bullion to pay in a new issue of silver coin, thus made so much less valuable.

The power of the United States to coin money and to regulate the value thereof, ought never to be exercised for the purpose of enabling the government to pay its obligations in coin of less value than that contemplated by the parties when the bonds were issued. Any attempt to pay the national indebtedness in coinage of less commercial value than the money of the world would involve a violation of the public credit.

It was the great merit of the act of March, 1869, in strengthening the public credit that it removed all doubt as to the purpose of the United States to pay their bonded debt in coin. That act was accepted as a pledge of public faith. The government has derived great benefit from it in the progress thus far made in refunding the public debt at low rates of interest. An adherence to the wise and just policy of an exact observance of the public faith will enable the government rapidly to reduce the burden of interest of the national debt to an amount exceeding twenty million dollars per annum, and effect an aggregate saving to the United States of more than three hundred million of dollars before the bonds can be fully paid.

In adapting the new silver coinage to the ordinary usages of currency, in the every day transactions of life and prescribing the quality of legal tender to be assigned to it, a consideration of first importance should be so to adjust the ratio between the silver and gold coinage which now constitutes our specie currency, as to accomplish the desired end of maintaining the relative values of the two metallic currencies and keeping up the volume of the two precious metals.

As to our intrinsic money, it is a mixed question for scientific reasoning and historical experience to determine how far and by what methods a practicable equilibrium can be maintained, which will keep both metals in circulation, in their appropriate spheres of common use. An absolute equality of commercial value, free from disturbing fluctuations is hardly attainable, and without it an unlimited legal tender for private transactions assigned to both metals would tend to drive out of circulation the dearest coinage, and disappoint the principal object proposed by the legislation in view. I apprehend, therefore, that the two conditions of a near approach to equality of commercial values between the gold and silver coinage of the same denomination and of a limitation of the amounts for which silver coinage is to be a legal tender, are essential to maintaining both in circulation. If these conditions can be successfully observed the issue from the mint of silver dollars would afford material assistance to the community, in the transition to redeemable paper money, and would facilitate the resumption of specie payments and permanent establishment. Without these conditions I fear that only mischief and misfortune would follow from a coinage of silver dollars with the quality of unlimited legal tender, even in private transactions. Any expectation of temporary ease from an issue of silver coinage to pass as a legal tender at a rate materially above its commercial value is, I am persuaded, a delusion.

Nor can I think that there is any substantial distinction between an original issue of silver dollars at a nominal value materially above their commercial value and the restoration of the silver dollar at a rate which was once, but has ceased to be its commercial value. Certainly the issue of our gold coinage, reduced in weight materially below its legal tender value would not be any the less a debasement of the coinage by reason of its equaling or even exceeding in weight a gold coinage which at some past time has been commercially useful at the legal tender value assigned to the new issue. In recommending that the legislation on any silver coinage which may be authorized by Congress should observe these conditions of commercial value and limited legal tender, I am governed by the feeling that every possible increase should be given to the volume of metallic money which can be kept in circulation, and thereby every possible aid afforded to the people in the process of resuming specie payments. It is in the exercise of my conviction that a disregard of this condition would frustrate the good results which are desired from the new coinage and embarrass with new elements of confusion and uncertainty the business of the country, that I urge upon your attention these considerations.

I respectfully recommend to Congress that in any legislation providing for a silver coinage and imparting to it the quality of legal tender there be impressed in the measure a firm provision exempting the public debt heretofore issued and now outstanding from payment either principal or interest, in any coinage of less value than the present gold coinage of the country.

CIVIL SERVICE REFORM.

The organization of the civil service of the country has for a number of years attracted more and more of public attention. So general has become the opinion that the methods of admission to it and the conditions of remaining in it are unsound, that both the great political parties have agreed on the most explicit declarations of the necessity of reform, and in the most emphatic demands for it. I have fully considered these declarations and demands to be the expressions of the sincere convictions of the intelligent masses of the people upon the subject, and that they should be recognized by earnest and prompt action on the part of the legislative and executive departments of the government. In pursuance of the purpose indicated before my succession to office I endeavored to have my own views distinctly understood and upon my inauguration my accord with the public opinion was stated in terms believed to be plain and unambiguous. My experience in the executive duties has strongly confirmed the belief in the great advantage the country would find in observing strictly the plan of the constitution which imposes upon the executive the sole duty and responsibility of the selection of those federal officers who by law are appointed, not elected, and which in like manner assigns to the Senate the complete right to advise and consent to or reject the nominations so made, whilst the House of Representatives stands as the public censor of the performance of official duties with the prerogative of investigation and proceeding in all cases of dereliction. The blemishes and imperfections of the civil service may, as I think, be traced in most cases to a practical confusion of the duties assigned to the several departments of the government. My purpose in this respect has been to return to the system established by the fundamental law and to do this with the heartiest co-operation and most cordial understanding with the Senate and House of Representatives.

The practical difficulties in the selection of numerous officers for posts of widely varying responsibilities are acknowledged to be very great. No system can be expected to secure absolute freedom from mistakes. The beginning of any attempted change of custom is quite likely to be more embarrassed in this respect than any subsequent period. It is here that the constitution seems to most prove its claim to the great wisdom accorded to it. It gives to the executive the assistance of the knowledge and experience of the Senate, which when acting upon nominations, as to which they may be disinterested and impartial judges, secures as strong a guarantee of freedom of errors of importance as is perhaps possible in human affairs. In addition to this I recognize the public advantage of making all nominations as nearly as possible impersonal in the sense of being free from mere caprice or favor.

In those directions and in those offices where special training is of greatly increased value, I believe such a rule as to the tenure of office should obtain as may induce persons of proper qualifications to apply themselves industriously to the task of becoming proficients.

Bearing these things in mind I have endeavored to reduce the number of the changes in subordinate places usually made upon the change of the general administration, and shall most heartily co-operate with Congress in the best systematizing of such methods and rules of admission to the public service and of promotion within it as may promise to be most successful in making thorough competency, efficiency and character the decisive tests in these matters.

I ask the renewed attention of Congress to what has already been done by the civil service commission appointed in pursuance of an act of Congress, by my predecessor to prepare and revise the civil service rules. In regard to much of the department service especially at Washington, it may be difficult to organize a better system than that which has thus been provided and is now being used to a considerable extent under my direction. The commission has still a legal existence, although for several years no appropriations has been made for defraying its expenses. Believing that the commission has rendered valuable service, and will be a most unusual agency in improving the administration of the civil service, I respectfully recommend that a suitable appropriation be made immediately to enable it to continue its services. It is my purpose to transmit to Congress as early as practicable a report by the chairman of the commission, and to ask your attention to such measures on the subject as will, in my opinion, further promote the improvement of the civil service.

OUR FOREIGN RELATIONS.

During the past year the United States have continued to maintain peaceful relations with foreign powers. The outbreak of war between Russia and Turkey, though at one time attended by grave apprehensions as to its effects upon European nations, had no tendency to disturb the amicable relations existing between us and each of the two contending parties. An attitude of just and impartial neutrality has been preserved and I am gratified to state that in the midst of their hostilities both the Russian and the Turkish governments have shown an earnest desire to adhere to the obligations of all treaties with the United States and give due regard to the rights of American citizens.

By the terms of the treaty defining the rights, immunities, and privileges of consuls between Italy and the United States, ratified in 1868, either government may, after the lapse of ten years, terminate the existence of the treaty by giving twelve months' notice of its intention. The government of Italy, availing itself of this clause, has now given the required notice. The treaty will, accordingly, end on the 15th of September, 1878. It is understood, however, that the Italian government wishes to renew it in its general scope, desiring only certain modifications in some of its articles. In this disposition I concur, and shall hope that no serious obstacles may intervene to prevent or delay the negotiation of a satisfactory treaty.

Numerous questions in regard to passports, naturalization and exemption from military service have continued to arise in cases of emigrants from Germany, who have returned to their native country. The provisions of the treaty of Feb'y. 22, 1868, however, have proved to be so ample and so judicious that the legation of the United States in Berlin has been able to adjust all claims, coming under it, not only without detriment to the amicable relations between the two governments but it is believed without injury or injustice to duly naturalized American citizens. It is desirable that the treaty originally made with the North German Union in 1867, should now be extended so as to apply equally to all the States of the Empire of Germany.

The invitation of the government of France to participate in the exposition of the products of agriculture, industry and the fine arts, to be held at Paris during the coming year, was submitted for your consideration at the extra session. It is not doubted its acceptance by the United States and a well selected exhibition of the products of American industry on that occasion will tend to stimulate international commerce and emigration as well as to promote friendship between the two countries.

A question arose some time since as to the proper meaning of extraditing of articles of the treaty of 1842, between the United States and Great Britain. Both governments, however, are now in accord in the belief that the question is not one that should be allowed to frustrate the ends of justice or to disturb the friendship between the two nations. No serious difficulty has arisen in accomplishing the extradition of criminals when necessary. It is probable that the points of disagreement will in due time be settled, and if need be more explicit declarations be made in a new treaty.

The fishery commission under articles XVIII to XXVI of the treaty of Washington, has concluded its session. The result of the deliberations of the commission as made public by the commissioners, will be communicated to congress.

A treaty for the protection of trade marks has been negotiated with Great Britain which has been submitted to the senate for consideration.

The revolution which recently occurred in Mexico was followed by the accession of the successful party to power and the installation of its chief general, Porfirio Diaz, in the presidential office. It has been the custom of the United States when such changes of government have hitherto occurred in Mexico to recognize and enter into official relations with the de facto government as soon as it should appear to have the approval of the Mexican people, and should manifest a disposition to adhere to the obligations of treaties and international friendship. In the present case such official recognition has been deferred by the occurrences on the Rio Grande border, the records of which have already been communicated to each house of congress, in answer to their respective resolutions of inquiry. Assurances have been received to the effect that the authorities at the seat of the Mexican government have both the disposition and the power to prevent and punish such unlawful invasions and depredations. It is earnestly to be hoped that events may prove these assurances to be well founded. The best interests of both countries require maintenance of peace on the border and the development of commerce between the two countries. It is gratifying to add that this temporary interruption of official relations has not prevented due attention by the representatives of the United States in Mexico to the protection of American citizens as far as practicable. Nor has it interfered with the prompt payment of the amounts due from Mexico to the United States under the treaty of July 4th, 1868, and the awards of the joint commssion. While I do not anticipate an interruption of friendly relations with Mexico, yet I cannot but look with some solicitude on a continuance of the border disorders as exposing the two countries to the fluctuations of popular feeling and mischances of action which are naturally unfavorable to complete amity. Fully determined that nothing shall be wanting on our part to promote a good understanding between the two nations, I yet must ask the attention of Congress to the actual occurrences on the border that the lives and property of our citizens may be adequately protected, and peace preserved.

Another year has passed without bringing to a close the protracted contest between the Spanish government and the insurrection in the island of Cuba. While the United States have sedulously abstained from any intervention in this controversy, it is impossible not to feel that it is attended by incidents affecting the rights of American citizens apart from the effect of the hostilities upon trade between Cuba and the United States. Their progress is inevitably accompanied by complaints, having more or less foundation, of searches, arrests embargoes, oppressive taxes upon property of American residents, and of unprovoked interference with American vessels and commerce. It is due to the government of Spain to say, that during the past year it has promptly disavowed and offered reparation for any unauthorized acts of zealous subordinates, whenever such acts have been brought to its attention, nevertheless such occurrences cannot but tend to excite feelings of annoyance, suspicion and resentment which are greatly to be deprecated between the respective subjects and citizens of two friendly powers.

Much delay consequent on accusations of frauds in some of the awards has occurred in respect to the distributions of the limited amounts received from Venezuela, under the treaty of April 25th, 1866, applicable to the awards of the joint commission created by that treaty. So long as the matters are pending in Congress the executive cannot assume either to pass upon the questions presented or to distribute the fund received. It is eminently desirable that definite legislative action should be taken, either deciding the awards to be final, or providing some method for re-affirmation of the claims.

Our relations with the republics of Central and South America and with the Empire of Brazil, have continued without serious change further than the temporary interruption of diplomatic intercourse with Venezuela and with Gautemala. Amicable relations have already been fully restored with Venezuela and it is not doubted all grounds of misunderstanding with Guatemala will be removed. From all the countries there are favorable indications of a disposition on the part of their government and people to reciprocate our efforts in the direction of increased commercial intercourse.

The government of the Samoan islands has sent an envoy in the person of its Secretary of State, to invite the government of the United States to advise and protect their independence. to establish commercial relations with their people, and to assist them in their steps towards responsible and regular government. The inhabitants of these islands have made considerable progress in Christian civilization, and the development of their ability to maintain peace and independence without the aid of some stronger power. The subject is deemed worthy of respectful attention, and the claims upon our assistance by these independent communities will be carefully considered.

The long commercial depression in the United States has directed attention to the subject of the possible increase of our foreign trade and the methods for its development not only with Europe but with other countries, and especially with the states and sovereignties of the western hemisphere, and instructions from the department of state were issued to the various diplomatic and consular officers of the government, asking them to devote attention to the question of methods by which trade between the respective countries of their official residences and the United States could be most judiciously founded. In obedience to instructions, examinations and reports upon this subject have been made by many of these officers and transmitted to the department and some are submitted to the consideration of Congress.

THE TREASURER'S REPORT.

The annual report of the Secretary of the Treasury on the State of the finances presents important questions for the action of Congress upon some of which I have already remarked. The resources of the government during the fiscal year ending June 30, 1877, were $269,000,586,623; the total expenditures for the same period were $23,866,000,893, leaving a surplus revenue of $3,034,057,769. This has substantially supplied the requirements of the sinking fund for that year. The estimated revenues of the current fiscal year are $365,500,000, and the estimated expenditures for the same period are $23,243,061,372. If these estimates prove to be correct there will be a surplus revenue of $3,306,625,628, an amount nearly sufficient for the sinking fund for that year The estimated revenues for the next fiscal year are $269,250,000. It appears from the report, that during the last fiscal year the revenues of the government compared with the present year have largely decreased. This decrease, amounting to the sum of $18,481,452.54 mainly in custom duties, caused partly by a large falling off of the amount of imported dutiable goods and partly by the fall of prices in the markets of production of such articles as pay ad valorem taxes.

While this is felt injuriously in the diminution of revenue, it has been accompanied with a very large increase of exportations. The total exports during the last fiscal year, including coin, has been $658,637,457, and the imports have been $492,097,540, leaving a balance of trade in favor of the United States amounting to the sum of $166,539,917, the beneficial effects of which extend to all branches of business. The estimated revenue for the next fiscal year will impose upon Congress the duty of strictly limiting appropriations and including the requisite sum for the maintenance of the sinking fund within the aggregate estimate of receipts. While the aggregate taxes should not be increased, amendments might be made to the Revenue laws that would without diminishing the revenue relieve the people from the unnecessary burdens of a tax on tea and coffee. It is shown by the experience not only of our own country but of other countries to be easily collected without loss by undervaluation or fraud and is largely borne in the country of production. A tax of ten cents per pound on tea, and two cents per pound on coffee would produce a revenue exceeding $12,000,000, and thus enable congress to repeal a multitude of annoying taxes yielding a revenue not exceeding that sum. The Internal Revenue system grew out of the necessities of the war, and most of the legislation imposing taxes upon domestic productions under this system has been repealed. By substitution of the tax on tea and coffees, all forms of internal taxation may be repealed except that on whiskey, spirits, tobacco and beer.

SMUGGLING.

Attention is also called to the necessity of enacting more vigorous laws for the protection of the revenue and for the punishment of frauds and smuggling. This can be best done by judicious provisions that will induce the disclosure of attempted fraud by undervaluation and smuggling. All revenue laws should be simple in their provisions and easily understood. So far as practicable the rates of taxation should be in the form of specific duties not ad valorem, requiring the judgment of experienced men to ascertain the values and exposing the revenue to the temptation of fraud.

My attention has been called, during the recess of Congress, to abuses existing in the collection of the customs, and strenuous efforts have been made for their correction by executive orders. The recommendations submitted to the Secretary of the Treasury, by a commission appointed to examine into the collection of customs duties of the port of New York, contain many suggestions for the modifications of custom laws, to which the attention of Congress is invited.

It is a matter of congratulation that, notwithstanding the severe burdens caused by the war the public faith with all creditors has been preserved and as the result of this policy the public credit has continuously advanced and our public securities are regarded with the highest favor in the markets of the world. I trust that no act of the government will cast a shadow upon its credit. The progress of refunding the public debt has been rapid and satisfactory. under the contract existing when I entered upon the discharge of the duties of my office, bonds bearing interest at the rate of 4½ per cent.

WERE BEING RAPIDLY SOLD,

and within three months the aggregate sales of these bonds had raised a sum of two hundred million dollars. With my sanction, the secretary of the treasury entered into a new contract for the sale of 4 per cents. and within thirty days after the popular subscription for such bonds was opened, subscriptions were had amounting to $75,496,550, which were paid for within ninety days after date of subscription. By this process, in but little more than one year, the annual interest on the public debt was reduced in the sum of $3,775,000. I recommend that suitable provision be made to enable the people to easily convert their savings into government securities as the best mode in which small savings may be well secured and yield a moderate interest. It is an object for public policy to retain among our own people the securities of the United States. In this way our country is guarded against their sudden return from foreign countries caused by war or other disturbances beyond our limits.

COMMERCE.

The commerce of the United States with foreign nations and especially the export of domestic productions of late years has largely increased, but the greater portion of this trade is conducted in foreign vessels. The importance of enlarging our foreign trade, and especially by direct and speedy interchange with countries on this continent cannot be overestimated, and it is a matter of great moment that our shipping interest should receive the most practical extension for the benefit of our commerce with other lands. These considerations are forcibly urged by all the large commercial cities of the country and public attention is generally and wisely attracted to the solution of the problem they present. It is not doubted that congress will take them up in the broadest spirit of liberality, and respond to the public demand by practicable legislation upon this subject.

THE WAR DEPARTMENT.

The report of the secretary of war shows that the army has been actively employed during the year, and has rendered very important service in repressing hostilities in the Indian country, and preserving peace, and protecting life and property in the interior as well as along the Mexican border. A long and arduous campaign has been prosecuted with final complete success against a portion of the Nez Perces tribe of Indians. A full account of this campaign will be found in the report of the general of the army. It will be seen that in its course, several battles were fought in which a number of gallant officers and men lost their lives. I join with the secretary of war and the general of the army in awarding to the officers and men employed in the long and toilsome pursuit of these Indians the honor and praise which is so justly their due.

The very serious riots which occurred in several of the States in July last, rendered necessary the employment of a considerable portion of the army to preserve peace and maintain order. In the States of West Virginia, Maryland, Pennsylvania and Illinois these disturbances were so formidable as to defy the local and State authorities, and the national executive was called upon in the mode provided by the constitution and laws to furnish military aid. I am grateful to be able to state the troops sent in response to these calls for aid in suppression of domestic violence were able by the influence of their presence in the distnrbed regions to preserve the peace and restore order without the use of force. In the discharge of this delicate and important duty, both officers and men acted with great prudence and courage and for their services deserve the thanks of the country. Disturbances along the Rio Grande in Texas, to which I have already referred have rendered necessary the constant employment of a military force in that vicinity. A full report of all recent operations in that quarter has been transmitted to the House of Representatives in answer to a resolution of that body, and it will not therefore, be necessary to enter into details I regret to say that these lawless incursions into our territory by armed bands from the Mexican side of the line for the purpose of robbery, have been of frequent occurrence, and in spite of the most vigorous efforts of the commander of our forces, the marauders have generally succeeded in escaping into Mexico with their plunder. In May last I gave orders for the exercise of the utmost vigilance on the part of our troops for the suppression of these raids and the punishment of the guilty parties, as well as the recapture of the property stolen by them. Gen. Ord, commanding in Texas, was directed to invite the co-operation of the Mexican authorities in efforts to this end, and assure them that I was anxious to avert giving the least offense to Mexico. At the same time he was directed to give notice of my determination to put an end to the invasion of our territory by lawless bands, with the intention of plundering our peaceful citizens, even if the effectual punishment of the outlaws should make the crossing of the border by our troops in their pursuit necessary. It is believed that this policy has had the effect to check somewhat these depredations, and that, with a considerable increase of our force upon that frontier, and the establishment of additional military posts along the Rio Grande, so as more effectually to guard that extensive border, peace may be preserved, and the lives and property of citizens in Texas fully protected.

Prior to the first day of July last the army was, in accordance with law, reduced to the maximum of 25,000 enlisted men being a reduction of 2,500 below the force previously authorized. This reduction was made, as required by law, entirely from the infantry and artillery branches of the service, without any reduction of the cavalry. Under the law as it now stands, it is necessary that the cavalry regiments be recruited to one hundred men in each company for service on the Mexican and Indian frontiers. The necessary effect of this legislation is to reduce the infantry and artillery arms of the service below the number required for efficiency, and I concur with the secretary of war in recommending that authority be given to recruit all companies of infantry to at least fifty men, and all batteries of artillery to at least seventy-five men, with power, in case of emergency, to increase the former to 100 and the latter to 125 men each. I invite your special attention to the following recommendations of the secretary of war: First, that provision be made for supplying to the army a more abundant and better supply of reading matter, Second, that early action be taken by congress looking to a complete revision and republication of the army regulations. Third, that section 1258 of the revised statutes limiting the number of officers on the retired list be repealed. Fourth, that the claims arising under the act of July 4, 1864, for supplies taken by the army during the war, be taken from the offices of the quartermaster and commissary generals and transferred to the Southern claims committee or some other tribunal having more time and better facilities for their prompt investigation and decision than are possessed by these officers. Fifth, that congress provide for an annuity fund for the families of deceased soldiers, as recommended by the paymaster general of the army. The report of

THE SECRETARY OF THE NAVY

shows that we have six squadrons now engaged in the protection of our foreign commerce and other duties pertaining to the naval service. The condition and operations of the department are also shown. The total expenditures for the fiscal year ending June 30, 1877, were $16,077,974.54. There are unpaid claims against the department chargeable to last year, which are presented to the consideration of congress by the report of the secretary. The estimates for the fiscal year commencing July 1, 1878, are $16,233,234.40, exclusive of the sum of $231,443.11, submitted for new buildings, repairs and improvements at the several navy yards. The appropriations for the present fiscal year commencing July, 1877, are $13,592,935.98. The amount drawn from the treasury from July 1st to November 1st, 1877, is $5,343,037.00, of which there is estimated to be yet available $1,029,528.30, showing the amount of actual expenditure during the first four months of the present fiscal year to have been $4,313,509.10.

THE POST OFFICE DEPARTMENT.

The report of the postmaster general contains a full and clear statement of the operations and condition of the post office department. The ordinary revenues of the department for the fiscal year ending June 30, 1877, including receipts from the money order business, from official stamps and stamped envelopes amounted to $27,531,585.26. The additional sum of $7,013,000 was received from the appropriation from the general treasury for various purposes, making the receipts from all sources $34,544,885.26. The total expenditures during the fiscal year amounted to $33,486,322.44, leaving an excess of total receipts over total expenditures of $1,058,562.82, and an excess of total expenditures over ordinary receipts of $5,954,737.18. Deducting from the total receipts the sum of $632,618.41, received from international money orders of the preceding fiscal year, and deducting from the total expenditures the sum of $1,163,818.20, paid on liabilities incurred in previous fiscal years, the expenditures and receipts appertaining to the business of the last fiscal year were as follows: Expenditures $32,232,504.24; receipts ordinary from money order business and from official postage stamps, $27,468,323.42; excess of expenditures $4,854,180.42. The ordinary revenues of the post office department for the year ending June 30, 1879, are estimated at an increase of three per cent. over those of 1877, making $29,034,098,28, and the expenditures for the same year are estimated at $36,427,771, leaving an estimated deficiency for 1879 of $7,393,392,03. The additional legislation recommended by the postmaster general for improvements of the mail service and to protect the postal revenue from the abuses practiced under existing laws is respectfully recommended to the careful consideration of congress.

DEPARTMENT OF JUSTICE.

The report of the attorney general contains several suggestions as to the administration of justice to which I invite attention. The pressure of business in the supreme court and certain circuit courts of the United States is such now that serious delay, to the great injury and even oppression of suitors occurs, and a remedy should be sought for this condition of affairs. Whether it will be found in the plan briefly sketched in the report, of increasing the number of judges of circuit courts and by means of this addition to judicial force, of creating an intermediate court of errors and appeals, or whether some other mode can be devised obviating the difficulties which now exist I leave to your mature consideration.

THE INTERIOR DEPARTMENT.

The present condition of the Indian tribes in the territories of the United States and our relations with them are fully set forth in the reports of the secretary of the interior and the commissioner of Indian affairs. After a series of most deplorable conflicts, the successful termination of which, while reflecting honor on the brave soldiers, who accomplished it cannot lessen our regret at the occurrence, we are now at peace with all the Indian tribes in our borders. To preserve that peace by a just and humane policy will be the object of my earnest endeavors. Whatever may be said of their character and savage propensities, of the difficulties of introducing among them the habits of civilized life and the obstacles they have offered to the progress of settling in certain parts of the country, the Indians are certainly entitled to our sympathy and to a conscientious respect on our part for their claims upon our sense of justice. They were the original occupants of the land we now possess. They have been driven from place to place. The purchase money paid to them in some cases for what they called their own has still left them poor. In many instances when they had settled down upon land assigned to them by compact and begun to support themselves by their own labor, they were rudely jostled off and thrust into the wilderness again. Many, if not most all our Indian wars have had their origin in broken promises and acts of injustice on our part, and the advance of Indians in civilization has been slow because the treatment they received did not permit it to be faster and more general. We cannot expect them to improve and follow our guidance unless we keep faith with them in respecting the rights they possess, and unless instead of depriving them of their opportunities, we lend them a helping hand. I cordially approve the policy regarding the management of Indian affairs outlined in the reports of the Secretary of the Interior and of the Commissioner of Indian affairs. The faithful performance of our promises is the first condition of a good understanding with the Indians. I cannot too urgently recommend to Congress that prompt and liberal provision be made for the conscientious fulfillment of all agreements entered into by the government with the Indian tribes. To withhold the means necessary for the performance of a promise is always false economy, and is apt to prove disastrous in its consequences. Especial care is recommended to provide for the Indians settled on their reservations, cattle and agricultural implements to aid them in whatever efforts they may make to support themselves, and by the re-establishment and maintenance of schools to bring them under the control of civilized influences. I see no reason why Indians who can give satisfactory proof of having by their own labor supported their families for a number of years, and who are willing to detach themselves from their tribal relations, should not be admitted to the benefit of the homestead act and the privileges of citizenship, and I recommend the passage of a law to that effect. It will be an act of justice as well as a measure of encouragement. Earnest efforts are being made to purify the Indian service so that every dollar appropriated by congress shall redound to the benefit of the Indian benefited. The effort will have my firm support. With an improved service and every possible encouragement held out to the Indians to better their condition and to elevate them in the scale of civilization, we may hope to do at the same time a good work for them and ourselves.

PUBLIC TIMBER LANDS.

I invite the attention of congress to the importance of statements and suggestions by the secretary of the interior, concerning the depredations committed upon timber lands of the United States, and the necessity for the preservation of the forests. It is believed that the measures taken in pursuance of existing law to arrest these depredations will be entirely successful if congress by an appropriation for that purpose renders their continued enforcement possible. The experience of other nations teaches us that a country cannot be stripped of its forests with impunity, and we shall expose ourselves to the gravest consequences unless the wasteful and improvident manner in which the forests in the United States are destroyed be effectually checked. I earnestly recommend that the means suggested by the Secretary of the Interior for the suppression of depredations on the public timber lands of the United States for the selling of timber from the public lands of the United States, and for the preservation of forests be embodied in laws; that considering the urgent necessity of enabling the people of certain States and Territories to purchase timber from the public land in a legal manner which at present they cannot do, such a law be passed without unavoidable delay. I would also call the attention of congress to the statement made by the Secretary of the Interior concerning the disposition that might be made of the desert lands not irrigable, west of the one hundredth meridian. These lands are practically unsalable under existing laws and the suggestion is worthy of consideration that a system of lease would make them a source of profit to the United States, while at the same time legalizing the business of cattle raising which is at present carried on upon them.

AGRICULTURAL PROGRESS.

The report of the commissioner of agriculture contains the gratifying announcement of the extraordinary success which has rewarded the agricultural industry of the country for the past year. With the fair prices which were obtained for the products of the soil, especially for the surplus which our people have to export, we may confidently turn to this, the most important of all our resources, for the revival of the depressed industries of the country. The reports show our agricultural progress during the year, and contain a statement of the work done by this department for the advancement of agricultural industry upon which the prosperity of our people so largely depends. Matters of information are included of great interest to all who seek by experience to improve their methods of cultivation. The efforts of the department to increase the production of important articles of consumption, will, it is hoped, improve the demand for labor and advance the business of the country, and eventually save some of the many millions that are now annually paid to foreign nations for sugar and other staple products which habitual use has made necessary in our every day life.

EXIT CENTENNIAL.

The board, on behalf of the United States executive departments of the International Exposition of 1876, has concluded its labors. The final report of the board was transmitted to congress at the last session. As these papers contain interesting and valuable information, and will constitute the only report emanating from the government on the subject of the exhibition, I will invite attention to the matter, and recommend that the report be published for general information.

DISTRICT OF COLUMBIA.

Congress is empowered by the constitution with the power of exclusive legislation over the District of Columbia, in which the seat of government of the nation is located. The interests of the District having no direct representation in Congress are entitled to especial consideration and care at the hands of the general government. The capital of the United States belongs to the nation and it is natural that the American people should take pride in the seat of their national government and desire it to be an ornament to the country. Much has been done to render it healthful, convenient and attractive, but much more remains to be done which its permanent inhabitants are not able and ought not to be expected to do. To impose upon them a large proportion of the cost required for public improvements which are in a great measure planned and executed for the convenience of the government, and of the many thousands of visitors from all parts of the country who temporarily reside in the capital of the nation, is an evident injustice. Special attention is asked by the commissioners of the District in their report, which is herewith transmitted, to the importance of a permanent adjustment by congress of the financial relations between the United States and the District, involving a regular annual contribution by the United States of its just proportion of the expenses of the District government, of the outlay for all needed public improvements, and such measures of relief from the burden of taxation now resting on the people of the district as in the wisdom of congress may be deemed just. The report of the commissioners shows the affairs of the District are in a condition as satisfactory as could be expected in view of the heavy debt resting upon it, and its very limited means for necessary expenses.

[Concluded on fourth page.]