The Cairo Bulletin.

OFFICE, BULLETIN BUILDING, COR. 12TH STREET AND WASHINGTON AVENUE.

JOHN H. OBERLY, PROPRIETOR. CAIRO, ILLINOIS, TUESDAY, DECEMBER 3, 1872 BULLETIN BUILDING WASHINGTON-AV.

TELEGRAPHIC.

President's Annual Message.

WASHINGTON, December 2, 1872.

A ROSY VIEW.

To the Senate and House of Representatives:

In transmitting to you my fourth annual message, it is with thankfulness to the giver of all good that, as a nation, we have been blest for the last year with peace at home and abroad, and a general prosperity vouchsafed to but few people. With the exception of the recent devasting fire, which swept from the earth with a breath, as it were, millions of accumulated wealth in the city of Boston, there have been no overshadowing calamities within the year to record. It is gratifying to note how, like their fellow-citizens of the city of Chicago under similar circumstances a year earlier, the citizens of Boston are rallying under their misfortune; and the prospect is that their energy and heroism will overcome all obstacles and show the same prosperity soon that they would have had had no disaster befallen them. Otherwise we have been free from pestilence, war and calamities, which often overtake nations, and as far as human judgment can penetrate the future, no cause seems to exist to threaten our present peace.

THE GENEVA AWARD.

When congress adjourned in June last, a question had been raised by Great Britain, and was then pending, which for a time seriously imperilled the settlement, by friendly arbitration, of the differences existing between this government and that of Her Britanic Majesty, by the treaty of Washington, and had been referred to a tribunal of arbitration which had met in Geneva, Switzerland. The arbitrators, however, disposed of the question which has jeopardised the whole of the treaty and threatened to involve the two nations in most unhappy relations toward each other, in a manner entirely satisfactory to this government and in accordance with the views and the policy which it had maintained. The tribunal which had convened in Geneva, in December, concluded its laborious session on the Fourteenth day of September last, on which day, having availed itself of the discretionary power given to it by the treaty, to award a sum in gross, the tribunal made its decision, whereby it awarded the sum of $15,500,000 in gold as the indemnity to be paid by Great Britian to the United States for satisfaction of claims referred to for consideration. This decision happily disposed of a long standing difference between the two governments, and in connection with another award made by the German Emperor under a reference to him, by the same treaty, leaves the two governments without a shadow upon their friendly relations, which it is my sincere hope may forever remain equally unclouded. The report of the agent of the United States appointed to attend the German tribunal, accompanied by the protocols of the proceedings of the arbitrators, the arguments of the counsel of both governments, the award of the tribunal, and the opinions given by the several arbitrators are transmitted herewith. I have caused to be communicated to the heads of the friendly powers, who complied with the joint request made to them under the treaty, the thanks of this government for the appointment of arbitrators made by them respectively, and also my thanks to the eminent personages named by them, for my appreciation of the dignity, patience, impartiality and great ability with which they discharged their arduous and delicate functions. Her majesty's government has communicated to me its appreciation, of the indefatigable industry displayed by Mr. Adams, the arbitrator named on the part of this government, during the protracted hearings and discussions of the tribunal. I cordially unite with her majesty in this appreciation. It is due to the agent of the United States before the tribunal to record my high appreciation of the marked ability, unwearied patience, and the prudence and discretion with which he has conducted the very responsible and delicate duties committed to him, as it is also due to the learned and eminent counsel who attended the tribunal on the part of the government, to express my sense of the talent and wisdom which they brought to bear in the argument, of the result so happily reached. It will be the province of congress to provide for the distribution, among those who may be entitled to it, of their respective shares of the money. Although the sum awarded is payable until a year from the date of the award, it is deemed advisable that no time be lost in making a proper examination of the cases in which indemnification may be due. Consequently I recommend the creation of a board of commissioners for the purpose.

THE SAN JUAN BOUNDARY.

Under the third and fourth article of the treaty of Washington, the claims of the United States and of Great Britain, in the construction of the treaty of the 15th June, 1846, defining the boundary between their respective territories, were submitted to the arbitration and award of His Majesty, the Emperor of Germany, to decide which of those claims was most in accordance with the interpretation of the treaty of 1846. His Majesty, the Emperor of Germany, having consented to undertake the arbitration, I tender earnest thanks of this government and the people of the United States for the labor, pain and care which he has devoted to the consideration of this long-standing difference. I have caused an expression of many thanks to be communicated to his majesty. Mr. Bancroft, the representative of this government at Berlin, conducted the case and prepared the argument on the part of the United States, with the ability that his past service justified the people in expecting at his hands. As a member of the cabinet at the date of the treaty which has given rise to this discussion between the two governments, as minister to Great Britain when the question now pronounced unfounded was first advanced and as the able and representative of the government to present the case to receive the award, he has been associated with the question in all its phases, and every stage has manifested a patriotic zeal and earnestness in the maintenance of the claim of the United States, entitled to much credit for the success which has attended the negotiation. After a patient hearing on of the case, and at the statements of each party, His Majesty, the Emperor, on the 21st day of October last, signed his award in writing, deciding that the claim of the government of the United States that the boundry line between the territories of Her Britanic Majesty and the United States should be drawn through the Haro Channel is the true interpretation of the treaty, concluded on the 15th of June, 1848, between the agents of Her Britanic Majesty and of the United States. Copies of the case presented on behalf of each and a translation of the award are transmitted herewith. This award confirms the United States in their claim in the important archipalogo of the islands lying between the continent and Vancouver's island, which for twenty-six years, since the ratification of the treaty Great Britain has contested, and leaves u for the first time in the history of the United States as a nation, without a question of disputed boundary between our territory and the possessions of Great Britain on this continent. It is a grateful duty to acknowledge the prompt, spontaneous action of her majesty's government in giving effect to the award. In anticipation of any request from this government, and before the reception in the United States of the award signed by the emperor, her majesty had given instructions for the removal of her troops which had been stationed there, and for the cessation of all exercise or claim of jurisdiction, so as to leave the United States in exclusive possession of the lately disputed territory. I am grateful to be able to announce that the orders for the removal of the troops have been executed and the military joint occupation of San Juan has ceased. The islands are now in the exclusive possession of the United States. It now becomes necessary to complete the survey and determination of that portion of the boundary line through the Haro channel, upon which the commission which determined the remaining part of the line were unable to agree. I recommend the appointment of a commission to act jointly with one which may be named by her majesty for that purpose.

THE ALASKA BOUNDARY.

Experience of the difficulties attending the determination of our admitted line of boundary after the occupation of the territory and its settlement by those owing allegiance to the respective governments points to the importance of establishing by natural objects or other monuments, the actual line between the territory acquired by purchase from Russia and the adjoining possessions of her Britanic majesty. The region is now so sparsely occupied, that no conflicting interests of individual or of jurisdiction are likely to interfere to the delay or embarrassment of the actual location of the line. If deferred until population shall enter and occupy the territory, some trivial contest of neighbors may again array the two governments in antagonism. I therefore recommend the appointment of a commission to act jointly with one that may be appointed on the part of Great Britain to determine the line between our territory of Alaska and the co-terminus possessions of Great Britain.

THE FISHERIES.

In my last annual message I recommended the legislation necessary on the part of the United States to bring into operation the articles of the treaty of Washington, of May, 1871, relating to the fisheries and to other matters touching the relations of the United States toward the British North American possessions, to become operative so soon as the proper legislation should be had on the part of Great Britain and its possessions. That legislation, on the part of Great Britain and its possessions, had not been had, and during the session of Congress a question was raised, which, for the time, raised a doubt whether any action by congress in the direction indicated would become important. This question has since been disposed of, and I have received notice that the imperial parliament and the legislature of the provincial government have passed laws to carry the provisions of the treaty on the matter referred to into operation. I therefore recommend your early adoption of the legislation in the same direction necessary on the part of this government.

OUR NORTHWESTERN BOUNDARIES.

The joint commission for determining the boundary line between the United States and the British possessions between the Lake of the Woods and the Rocky Mountains has organized and entered upon its work. It is desirable that the force be increased in order that the completion of the survey and determination of the line may be the sooner attained. To this end I recommend an appropriation to be made.

OTHER FOREIGN RELATIONS.

With France our earliest ally, and Russia the constant and steady friend of the United States, Germany with whose government and people we have so many cases of friendship, and so many common sympathies, and the other powers of Europe, our relations are maintained on the most friendly terms. Since my last message the exchange has been made of the ratifications of a treaty with the Austria-Hungary empire relating to naturalization; also of a treaty with the German empire respecting consuls and trade-marks; also of a treaty with Sweden and Norway relating to naturalization, all of which treaties have been duly proclaimed.

STATISTICAL CONGRESS.

Congress, at its last session, having made an appropriation to defray the expense of the commission on the part of the United States to the international statistical congress at St. Petersburg, the persons appointed in that character proceeded to their destination and attended the sessions of the congress. Their report shall in due season be laid before you. This congress meets at intervals of about three years and has held its session in several of the countries of Europe. I submit to your consideration the propriety of extending an invitation to the congress to hold its next meeting in the United States.

The centennial celebration to be held in 1876, would be an appropriate occasion for such meeting.

THE VIENNA EXPOSITION.

Preparations are being made for the international exposition to be held during the next year in Vienna, on a scale of very great magnitude. The tendency of these expositions is in the direction of advanced civilization and of the elevation of industry, of labor, and of the increase of human happiness, as well as of the greater intercourse and good-will between nations. As this exposition is to be the first which will have been held in eastern Europe, it is believed that American inventors and manufacturers will be ready to avail themselves of the opportunity for the presentation of their productions, if encouraged by proper aid and protection. At the last session of congress authority was given for the appointment of five or more agents to represent this government at the exposition. The authority thus given has been exercised, but in the absence of any appropriation there is danger that the important benefits which the occasion offers will, in a large degree, be lost to citizens of the United States. I commend the subject strongly to your consideration, and recommend that an adequate appropriation be made for this purpose. To further aid American exhibitors at the Vienna exposition, I would recommend, in addition to an appropriation of money, that the secretary of the navy be authorized to fit up two vessels to transport between our Atlantic cities and Trieste, or the most convenient port to Vienna, and back, their articles for exhibition.

MEXICO.

Since your last session the president of the Mexican republic distinguished by his high character and his services to his country has died. His temporary successor has now been elected with great unanimity by the people, a proof of confidence on their part in his patriotism and wisdom which it is believed will be confirmed by the results of his administration. It is particularly desirable that nothing should be left undone by the government of either republic to strengthen their relations as neighbors and friends. It is much to be regretted that many lawless acts continue to disturb the quiet of the settlement on the border between our territory and that of Mexico, and that complaints of wrong to American citizens in various parts of the country are made. The revolutionary condition in which the neighboring republic has so long been involved has in some degree contributed to this disturbance. It is to be hoped that with a more settled rule of order throughout the republic which may be expected with the present government, the acts of which just complaint is made, will cease.

The proceedings of the commission under the convention with Mexico of the 6th of July, 1868, on the subject of claims have unfortunately been checked by an obstacle for the removal of which measures have been taken by the two governments which it is believed will prove successful.

The commissioners appointed, pursuant to the joint resolutions of congress of the 7th of May last, to enquire into the depredations on the Texas frontier, have diligently made investigations in that quarter. Their report upon the subject will be communicated to you. Their researches were necessarily incomplete, partly on account of the limited appropriation made by congress. Mexico, on the part of their government, has appointed a similar commission to investigate these outrages. It is not announced officially, but the press of that country states the fullest investigation is demanded and that the co-operation of all parties concerned is invited to secure that end. I therefore recommend that a special appropriation be made at the earliest day practicable, to aid the commissioners, on the part of the United States, to return to their labors without delay.

CUBA.

It is with regret that I have again to announce a continuance of the disturbed condition of the island of Cuba. No advance toward the pacification of the discontented part has been made, while the insurrection has gained no advantages and exhibits no more of the elements of power or of the prospect of ultimate success than were exhibited a year ago. Spain, on the other hand, has not succeeded in its repression and the parties stand apparently in the same relative attitude which they have occupied for a long time past. This contest has lasted now for more than four years. Were it seen at a distance from our neighborhood we might be indifferent as to its results, although humanity could not be unmoved by many of its incidents wherever they might occur. It is a fact, however, I cannot doubt, that the maintenance of slavery is among the inducements to the continuance of this strife. A terrible wrong is the natural trouble of a terrible evil. The abolition of slavery and the introduction of other reforms in the administration of the government in Cuba could not fail to advance the restoration of peace and order. It is especially to be hoped that the present liberal government of Spain will voluntarily adopt this view. The law of emancipation which was passed more than two years since has remained unexecuted in the absence of regulations for its enforcement. It was but a feeble step toward emancipation, but it was the recognition of right and was hailed as such, and exhibited Spain in harmony with the sentiments of humanity and sympathy with the other powers of the Christian and civilized world. Within the past few weeks the regulations for carrying out the laws of emancipation have been announced, giving evidence of the sincerity of intention of the present government to carry into effect the law of 1870, have not failed to urge the consideration as the wisdom of the policy and the justice of a more effective system for the abolition of the great evil which oppressed a race and continues a bloody and destructive contest close to our border, as well as the expediency and the justice of conceding reforms of which the propriety is not questionable. Deeply impressed with the conviction that the continuance of slaverly is one of the most active causes of the continuance of the unhappy condition in Cuba, I regret to believe that citizens of the United States, or those claiming to be such, are large holders in Cuba, of what is there claimed as property, but which is forbidden and denounced by the laws of the United States. They are thus, in defiance of the spirit of our own laws, contributing to the continuance of this distressing and sickening contest.

In my last annual message, I referred to this subject, and I again recommend such legislation as may be proper to denounce, and, if not prevent, at least to discourage American citizens from holding or dealing in slaves.

SOUTH AMERICA.

It is gratifying to announce that the ratification of the convention concluded under the auspices of this government, between Spain, on the one part, and the allied republics of the Pacific on the other, providing for an armistice, have been exchanged. A copy of the instruments is herewith submitted. It is hoped that this may be followed by a permanent peace between the same parties.

The differences which at one time threatened the maintenance of peace between Brazil and the Argentine Republic, it is hoped, are in the way of satisfactory adjustment.

With these states, as with the republics of Central and South America, we continue to maintain the most friendly relations. It is with regret, however, I announce that the government of Venezuela has made no farther payments on account of the awards under the convention of the 26th of April, 1866. That republic is understood to be almost if not entirely tranquilized. It is hoped, therefore, that it will lose no time in providing for the unpaid balances of its national debt, which, having originated in injuries to its citizens by the Venezuelan authorities, and having been acknowledged pursuant to a treaty in the most solemn form known among nations, would seem to deserve a preference over debts of a different origin, and contracted in a different manner. This subject is again recommended to the attention of congress for such action as may be deemed proper.

JAPAN.

Our treaty relations with Japan remain unchanged. An imposing embassy from that interesting and progressive nation visited this country during the year that is passing; but being unprovided with powers for the signing of a convention in this country no conclusion in that direction was reached. It is hoped however that the interchange of opinion which took place during their stay in this country has led to a mutual appreciation of the interests which may be promoted when the revision of the existing treaty shall be undertaken. In this connection I renew my recommendation of one year ago, that to give importance and to add to efficiency of our diplomatic relations with Japan and

CHINA,

and to farther aid in retaining the good opinion of these people, and to secure to the United States its share of the commerce destined to flow between these nations and the balance of the commercial world, an appropriation to be made to support at least four American youths in each of these countries, to serve as a part of our official family. Our ministers and representatives would then be placed upon an equality with the representatives of Great Britain or some other powers. As now situated, our representatives in Japan and China have to depend for interpreters and translators upon natives of those countries who know our language imperfectly, or procure for the occasion the services of employes in foreign business houses, or the intepreters of other foreign ministers.

A TRANSFER RECOMMENDED.

I renew the recommendation made on a previous occasion, of the transfer to the department of the interior, to which they seem more appropriately to belong, of all the powers and duties in relation to territories with which the department of state is now charged by law or custom.

DESTITUTE CITIZENS ABROAD.

Congress from the beginning of the government has wisely made provision for the relief of distressed seamen in foreign countries. As similar provision, however, has heretofore been made for the relief of citizens in distress abroad, other than seamen. It is understood to be customary with other governments to authorize consuls to extend such relief to their citizens or subjects in certain cases. A similar authority or an appropriation to carry it into effect, is advisable, in cases of citizens of the United States who are sick, under such circumstances. It is well known that such citizens resort to foreign countries in great numbers. Though some of them are able to bear the expenses incident to location, there are some, who through accident or otherwise, become penniless and have no friends at home able to succor them. Persons in this situation must either perish or cast themselves upon the charity of foreigners or be relieved at the private charge of our own officers who usually, even with the most benevolent dispositions, have nothing to spare for such purposes. Should the authority and appropriation asked for be given, care will be taken to carry the beneficience of congress in to effect, and that it shall not be unnecessarily or unworthily bestowed.

FINANCIAL AFFAIRS.

The money received and carried into the treasury during the fiscal year, ended June 30, 1872, and were: From customs, $216,370,286; from sales of public lands, $2,575,714; from internal revenue, $130,642,177; from tax on national bank circulation, etc., $6,523,396; from Pacific railroad companies, $749,861; from customs, fines, etc., $113,644,234; from fees,—consular, patent, land, etc., $2,284,095; from miscellaneous sources, $4,412,254; total ordinary receipts, $364,694,229; from premium on sales of coin, $9,412,637; total net receipts, $374,106,837; balance in treasury, June 30, 1871, $109,935,705, including $18,222,835 received from unavailable; total available cash, $484,042,573. The net expenditure of warrants during the same period were: for civil expenses, $16,189,059; for foreign interests, $18,409,369; Indians, $7,065,729; pensions, $249,533,402; for military establishment, including fortifications, harbor and river improvements and arsenals, $35,372,157; for naval establishments, including vessels and machinery and improvements at navy yards, $21,249,809; for miscellaneous civil, including public buildings, light houses, and collecting the revenue, $42,958,329; interest on the public debt, $117,357,839: total, exclusive of principal and premium on public debt, $291,559,695; for premium on bonds purchased, $4,958,266; for redemption of the public debt, $99,960,253; total, $106,918,520; total disbursements, $377,478,216; balance in treasury, June 30, 1872, $185,643,569; total, $484,042,573.

From the foregoing statement it appears that the net reduction of the principal of the debt during the fiscal year ending June 30th, 1872, was 99,960,253. The source of this reduction is as follows: Net ordinary receipts during the year, $364,684,229; net ordinary expenditures, including interest on the public debt, $270,569,695; total, $94,134,524; add amount of receipts from premium on sales of gold in excess of the premium paid on bonds purchased, $2,454,470; add the amount of the reduction of the cash balance at the close of the year, $3,371,348; total, $99,960,153. This statement treats solely of the principal of the public debt.

By the monthly statement of the public debt, which adds together with the principal and interest due and unpaid and interest accrued to date due, and deducts the cash in treasury on the day of publication, the reduction was $100,544,491. The source af this reduction is as follows: Reduction in principal account, $99,960,003,54; reduction in unpaid interest account, 83,330,952 96: total, $103,290,946 50; reduction in cash on hand, $2,746,465 22; total, $100,544,491 28.

On the bases of the last table the statements show a reduction of the public debt, from the first of March, 1869, to the present term, as follows: From March 1st, 1869, to March 1st, 1870, $87,134,782-84; from March 1, 1870, to March 1, 1871, $117,619,630 25; from March 1st, 1871, to March 1st, 1872, 94,895,348 94; from March 1st, 1872, to Nouember 1st, 1872, eighth months, $64,047,237 84; total $363,696,999 87.

TAXES LOW ENOUGH.

With the great reduction of taxation by the acts of congress at its last session, the expenditure of the government will be much reduced for the next fiscal year. It is very doubtful, however, whether any further reduction of so vexatious a burthen upon our people will be practicable for the present. At all events, as a matter of justice to the holders of the nation's certificates of indebtedness, I would recommend that no more legislation be had on this subject unless it be to correct errors of omission or commission in the present laws, until sufficient time has elapsed to prove that it can be done and still leave sufficient revenue to meet the current expenses of the government, pay interest on the public debt, and provide for the sinking fund established by law. The preservation of our national credit is of the highest importance.

A NATIONAL CURRENCY.

Next in importance to this comes a solemn duty to provide a national currency, of fixed value, as compared with gold, and as soon as practicable, having due regard for the interests of the debtor class, and the vicissitudes of trade and commerce, and convertible into gold at par.

THE REPORT OF THE SECRETARY OF WAR

shows the expenditures of the department for the fiscal year, ending June 30, 1871, to be $35,799,991.82; for the fiscal year, ending June 30, 1872, to be $35,372,157.20, showing a reduction in favor of the last fiscal year, $427,834.62. The estimates for military appropriations for the next fiscal year, ending June 30, 1874 are $33,801,378. The estimates of the chief of engineers are submitted separately for fortifications on river and harbor improvements, and for public buildings and grounds, and the Washington acqueduct. The affairs of the freedmen's bureau have all been transferred to the war department, and regulations have been put into execution for the speedy payment of bounty pay, etc., due colored soldiers, properly coming under that bureau. All war accounts for money and property prior to 1871, have examined and transmitted to the treasury for final settlement. During the fiscal year there has been for transportation on railroads $1-300,000 paid, of which $80,857 was to the Pacific railroad; for transportation by water $526,373, and by stage $48,675, and for purchase of transportation by animals and wagons, hire of teamsters, etc., etc., $924 650; about $37,000 have been collected from southern railroads during the year, leaving about $4,000,000 still due. The quartermaster has examined and transmitted to the accounting officers for settlement $376,172 71 of claims by loyal citizens for the quartermaster's stores taken during the war. Subsisting supplies to the amount of $8,904,812 have been issued to Indians. The annual average main strength of the army was 24,101 white and 2,494 colored soldiers.

The total deaths of soldiers for the year reported were 367 white and 53 colored.

MEDICAL HISTORY OF SHE WAR.

The distribution of the medical and surgical history of the war is yet to be ordered by congress. There exists an absolute necessity for a medical corps of the full number established by act of congress of July 28th, 1866, their being now fifty-nine vacancies and the number of successful candidates rarely exceeds 8 or 10 in any one year.

RIVER AND HARBOR IMPROVEMENTS.

The river and harbor improvements have been carried on with energy and economy, and although many are only partially completed, the results have saved to commerce many times the amount expended. The increase of commerce, with greater depth of channels, greater security in navigation, and the saving of time, adds millions to the wealth of the country, and increases the resources of the government.

RIVER BRIDGES.

The bridge across the Mississippi river at Rock Island has been completed, and the proper site has been determined on for the bridge at LaCrosse. The able and exhaustive report made by the commission appointed to investigate the Sutro tunnel has been transmitted to congress. The observations and report of the signal office have been continued. Stations have been maintained at each principal lake and seaport, and river cities; ten additional stations have been established in the United States, and arrangements have been made for exchange of reports with Canada, and similar exchanges of observation is contemplated with the West India Islands.

The favorable attention of congress is invited the following recommendations of the secretary of war: The discontinuance of the appointment of extra lieutenants to serve as adjutants and quarter-masters; the adoption of a code providing specific penalty for well-defined offenses, so that the inequality of sentences adjudged by court martial may be adjusted; the consolidation of accounts under which expenditures are made; as a measure of economy a re-appropriation of the money for the construction of a depot at San Antonio, and the title to the site now preferred; a special act placing the cemetery at the city of Mexico on the same basis as other national cemeteries; authority to purchase site for military posts in Texas; the appointment of commissary sergeants from non-commissioned officers as a measure for securing the better care and protection of supplies; an appropriation of the catalogues and table of the anatomical section of the army medical museum; an appropriation of the amount for the manufacture of breech-loading arms should the selection be so delayed by the board of officers to leave the former appropriations expended at the close of the fiscal year; the sale of such arsenals east of the Mississippi as can be spared, and the proceeds applied to the establishment of an arsenal of construction and repairs on the Atlantic coast, and purchase of suitable site for approving and experimenting ground for heavy ordnance; the abrogation of laws which deprive inventors in the United States service from deriving any benefit from their inventions; the repeal of the law prohibiting promotions in the staff corps; a continuance of work upon the cost defences; report of the seventh section of act of July 13, 1866, taking from engineer soldiers the per diem granted to other troops; a limitation of time for prevention of subsistence of supplies under act of July 4, 1864, and a modification in the mode of the selection of cadets for the military academy, in order to enhance the usefulness of the academy, which is impaired by reason of the large amount of time necessarily expended in giving new cadets a thorough knowledge of the more elementary branches of learning, which they should acquire before entering the academy; also an appropriation for philosophical apparatus and an increase in the number and the pay of the military academy bands.

TRANSPORTATION OF PRODUCTS.

The attention of congress will be called, during the present session, to various enterprises for the more certain and chesper transportation of the constantly increasing surplus of the western and southern products to the Atlantic seaboard. The subject is one that will force itself upon the legislative branch of the government sooner or later, and I suggest that means be taken to gain all available information to investigation to the inevitable and just legislation. A route to connect the Mississippi valley with the Atlantic, with Charleston, S. C., and Savannah, Ga., by water by way of the Ohio and Tennessee rivers and canals and slackwater navigation, and to the Savanah and Ochmulgee rivers have been surveyed and report made by an accomplished engineer officer of the navy.

Second and third, new routes will be proposed for the consideration of Congress namely by an extension of the Chesapeake and Ohio Canal. I am not prepared to recommend government aid to these or other enterprises until it is clearly shown that they are not only of national interest but when completed of value commensurate with their cost. That production increases more rapidly than the means of transportation in our country has been demonstrated by past experience. The rapid growth in population and products of the whole country will require additional facilities, cheaper means for the more bulky articles of commerce to reach tide-water, and that a market will be demanded in the near future is equally demonstrable. I would therefore suggest either a committee or commission to be authorized to consider this whole question and to report to congress at some future day for its better guidance in legislating on this important subject.

The railroads of the country have been rapidly extended during the last few years to meet the growing demands of the producers, and reflect much credit upon the capitalists and managers engaged in this construction. In addition to these, a project to facilitate commerce by the building of a ship canal around Niagara Falls on the United States side, which has been agitated for many years, will no doubt be called to your attention this session. Looking to the great future of the country, and the increasing demands of commerce, it might be well while on this subject, not only to have examined and reported upon, the various practicable routes for connecting the Mississippi with the tide water on the Atlantic, but the feasibility of an almost continuous land-locked navigation from Maine to the Gulf of Mexico. Such a route along our coast would be of great value at all times, and of inestimable value in case of a foreign war. Nature has provided a greater part of this route, and the obstacles to be overcome are easily within the skill of engineers. I have not alluded to this subject with the view of having any further expenditure of public money at this time than may be necessary to procure and place all the necessary information before congress in authentic form, to enable it hereafter if deemed practicable and worthy to legislate on the subject without delay.

THE NAVY.

The report of the secretary of navy herewith accompanying explains the condition of that branch of public service, its wants, deficiencies, expenses incurred during the past year, and appropriation for the same. It also gives a complete history of the services of the past year, in addition to its regular services it is evident that unless steps are taken to preserve our navy, that in a very few years the United States will be the weakest nation upon the ocean of all great powers. With an energetic and progressive business people like ours, penetrating and favoring business relations with every part of the known world, a navy strong enough to command the respect of our flag abroad is necessary for the protection of their rights.

I recommend careful consideration by congress, of the recommendations made by the secretary of the navy.

POST-OFFICE DEPARTMENT.

The accompanying report of the postmaster general furnishes a full and satisfactory exhibit of the operations of the post-office department during the past year. The ordinary revenue for the department for the fiscal year ending June 30. 1872, amounted to $12,915,426, and the expenditures are $26,558,192; compared with the previous fiscal year the increase of revenue was $1,878,880, or 8-37 per cent. and the increase of expenditures was $2,268,088, or 9-29 per cent.; adding to the ordinary revenues the annual appropriation $700,000 for free matter and the amount paid to the subsides by mail steamships lines from special appropriations, the deficiency paid out of the general treasury was $337,177 65, an excess of $389,707 over the deficiency for the year 1871. Other interesting satistical information relating to our rapidly extending postal service is furnished in this report. The total length of railroad mail routes on the 30th of June, 1872, was 57,911 miles, 8,077 additional miles of such service having been put into operation during the year. Eight new lines of railroad post offices have been abolished with an aggregate length of 2,909 miles. The number of letters exchanged in the mails with foreign countries, 24,362-500, an increase of 4,066,502, or 20 per cent. over the number in 1871; and the postage thereon amounts to $1.871,257. The total weights of the mails exchanged with European countries exceeds 820 tons. The cost of the United States trans-Atlantic mail steamship service was $2,203 31. The total cost of the United States ocean steamship service, including the amount paid the subsidized lines of mail steamers was $1,027,027,020. The following are the only steamship lines now receiving subsidies for mail service under special acts of congress: The Pacific mail steamship company receives $500,000 for carrying a monthly mail between San Francisco, Japan and China, which will be increased to one million per annum for a semi-monthly mail on and after October 1, 1873; the United States and Brazil steamship company receives $150,000 per annum for carrying a monthly mail between New York and Rio de Janerio, Brazil, and the California, Oregon and Mexican steamship companies receive $75.000 per annum for carrying a monthly mail between San Francisco and Honolulu, Hwain Islands, making the total amount of mail steamship subsidies at $725,000 per annum. Our postal communications with all parts of the civilized world have been placed upon most advantageous footing by the improved postal conventions and arrangements recently concluded with the leading commercial countries of Europe and America, and the gratifying statement that with the conclusion of a satisfactory convention with France, the details of which have been definitely agreed to by the head of the French postal department, subjected to the approval of the minister of finance, little remains to be accomplished by treaty for some time to come. Your favorable consideration is respectfully invited to the recommendations made by the postmaster general for an increase of service from monthly to semi-monthly trips on the mail steamship to Brazil, for a subsidy instead of the establishment of an American line of mail steamers between San Francisco, New Zeland, and Australia; for the establishment of a post-office savings bank and for the increase of the salaries of the heads of bureaus. I have heretofore recommended the abolition of the franking privilege and see no reason now for changing my views on that subject. It not having been favorably regarded by congress, however, I now suggest a modification of that privilege to correct its glaring and costly abuses. I would recommend also the appointment of a committee or commission to take into consideration the best method equitable to private corporations who have invested time and capital in the establishment of telegraph lines, and of acquiring the title to all telegraphic lines now in operation, and of connecting this service with the postal service of the nation. It is not probable that this subject could receive the proper consideration during the limits of a short session of congress, but it may be initiated so that further action may be fair to the government and to the private parties concerned. There are but three lines of ocean steamers, namely: The Pacific mail steamship company between San Francisco, China, and Japan, with provisions made for semi-monthly service after October 1 1873; the United States and Brazil line monthly and the California, New Zealand and Australia line monthly, plying between the United States and foreign parts and owned and operated under our flag. I earnestly recommend that such liberal contracts for carrying the mails be authorized with these lines as will insure their continuance if the expediency of extending the aid of the government to lines of steamers which hitherto have not received it should be worthy of the consideration of congress. Political and commercial objects make it advisable to bestow such aid on a line under our flag between Panama and the Western South American ports. By this mean much trade is now diverted to other countries which might be brought to us to the mutual advantage of this country and those lying in that quarter of the continent of America.

THE TREASURY.

The report of the secretary of the treasury will show an alarming falling off in our carring trade for the last ten or twelve years, and even for the past year. I do not believe that the public treasury can be better expended in the interest of the whole people than in trying to recover this trade. An expenditure of $5,000,000 per annum for the next four years, if it would restore to us our proportion of the carrying trade of the world, would be profitably expended. The price of labor in Europe has so much exhanced within the last few years that the cost of building and operating ocean steamers in the United States is not so much greater than in Europe, and I believe the time has arrived for congress to take this subject into serious consideration. A detailed statement of the disbursements through the department of justice will be furnished by the report of the attorney general; these have been somewhat increased by the recent acts of congress to enforce the rights of citizens of the United States to vote in the several states of the Union and to enforce the provisions of the Fourteenth amendment to the constitution of the United States. Reckless and lawless men, I regret to say, have associated themselves together in some localities to deprive other citizens of the rights guaranteed to them by the constitution of the United States, and to that end have committed deeds of violence; but the prevention and punishment of many of these persons has tended greatly to the suppression of such disorders. I do not doubt that a great majority of the people in all parts of the country favor the full employment by all classes of persons of the rights to which they are entitled under the constitution and the laws, and I invoke the aid and influence of all good citizens to prevent organizations whose objects are by unlawful means to interfere with their rights. I look with confidence to the time not far distant when the obvious advantages of good order and peace will induce an abandonment of all combinations prohibited by the acts referred to and when it will be unnecessary to carry on prosecutions or inflict punishments to protect citizens from the lawless doings of such combinations. Applications have been made to me to pardon persons convicted of a violation of said acts upon the ground that clemency in such cases would lend to tranquilize the public mind and to test the virtue of the policy. I am disposed, as my sense of justice will permit, to give to these persons a favorable consideration, but any action thereon is not to be construed as indicating any change in my determination to enforce with vigor such, so long as the conspiracies therein named disturb the peace of the country. It is much to be regretted, and it is regretted by no one more than myself, that a necessity has ever existed to enforce the enforcement act. None can desire more than I that the necessity of applying it may never again be demanded.

INTERIOR DEPARTMENT.

The secretary of the interior reports satisfactory improvement and progression in each of the several bureaus under the control of the interior department. They are all in excellent condition, the work which in some of them for some years has been in arrears, has been brought down to a recent date, and in all the current business has been promptly dispatched. The policy which was adopted at the beginning of the administration with regard to the management of the Indians has been as successful as its most ardent friends anticipated. Within so short a time it has reduced the expense of their management, decreased the forages upon the white settlements, tended to give the largest opportunity to the extension of great railroads through the public domain, and the pushing of settlements is more remote distances of the country, and at the same time improve the condition of the Indians. The policy will be maintained without any change excepting such as farther experience may show to be necessary to render it more efficient. The subject of converting the so called Indian territory south of Kansas into a home for the Indian and the erection thereon of a territorial farm by the government, is one of great importance as a complement of the now existing Indian policy. The question of removal to the territory within the past year been presented to many of the tribes residing upon other and less desirable portions of the public lands, and has generally been received by them with favor.

[Continued on fourth page.]