Webster in the Senate of the United States are true to-day: "The very man of all others who has the deepest interest in a sound currency and who suffers most by mischievous legislation in money matters, is the man who earns his daily bread by his daily toil."

The most distinguished advocate of bimetallism, discussing our silver coinage, has lately written:

"No American citizen's hand has yet felt the sensation of cheapness, either in receiving or expending the silver-set dollars."

And those who live by labor or legitimate trade never will feel that sensation of cheapness. However pretty silver dollars may become, they will not be distributed as gifts among the people; and if the laboring man should receive four depreciated dollars where he now receives but two, he will pay in the depreciated coin more than double the price he now pays for all the necessaries and comforts of life.

THE DOUBLE AND SINGLE STANDARD.

Those who do not fear any disastrous consequences arising from the continued compulsory coinage of silver as now directed by law, and who suppose that the addition to the currency of the country intended as the result, will be a public benefit, are reminded that history demonstrates that the point is easily reached in the attempt to coin at the same time two sorts of money of different excellence, when the better will cease to be in general circulation. The hoarding of gold, which has already taken place, is undeniable, and it shall not escape the usual experience in such cases. So, if this silver coinage be continued, we may reasonably expect that gold and its equivalent will abandon the field of circulation to silver alone. This of course would be a severe contraction of our circulating medium, instead of adding to it.

It will not be disputed that any attempt on the part of the Government to cause the circulation of silver dollars worth eighty cents as the equal of dollars worth one hundred cents, even within the limit that legislation does not run counter to the laws of trade, to be successful must be seconded by the confidence of the people that both coins will retain the same purchasing power and be interchangeable at will. A single effort has been made by the Secretary of the Treasury to increase the amount of our silver coin in circulation; but the fact that a large share of the limited amount thus put out has soon returned to the public Treasury in payment of dues, leads to the belief that the people do not now desire to keep it in hand, and this notwithstanding the decided preference to hoard gold, gives rise to the suspicion that there already exists a lack of confidence among the people touching our financial processes. There is certainly not enough silver now in circulation to cause inconvenience, and the whole amount could not now be put into hand might, after a time, be absorbed by the people without apprehension; but it is the ceaseless stream that threatens to overflow the land which causes fear and uncertainty.

What has been thus far submitted upon this subject has been almost entirely to considerations of a home nature, unconnected with the bearing which the position of other nations have upon the question. But it is perfectly apparent that a line of action in regard to our currency cannot wisely be settled upon or persisted in without considering the attitude on the subject of other countries with whom we maintain the closest commercial relations. The acknowledgement of this fact is found in the act by virtue of which a commission is empowered to confer. It provides that "the President shall invite the Government of the countries composing the Latin Union, and such other European nations as may desire to join, or the United States, in a conference to adopt a common ratio between gold and silver for the purpose of establishing international bimetallism, the use of fixed ratios between money and bullion, and of realizing the full benefits of the use of both metals in the money of the world."

The confidence absolutely failed, and a similar fate has awaited all subsequent efforts in the same direction. And still we continue our coinage of silver at a ratio different from that of any other nation. The most of the part of the silver coinage are outside of the Treasury, and have not been put there by its agents, but have come into the silver fund in an illegal and roundabout way.

To give full effect to the design of Congress, it is authorized to have made several silver dollars, which shall be the equivalent of those now in circulation. The director of the Mint has recently conferred with the representatives of the financial centers of Europe, and in conjunction with our minister to England, has sought to obtain a full expression of the views of the European Governments on the question of a change in the ratio between the two metals. The answers received from the different Governments have been in the negative, and have indicated a very decided opinion that the ratio established by the law of the United States between the two metals should not be changed. Nor do the answers indicate that any of the Governments represented in the correspondence have any thought of adopting the bimetallic system. The Latin Union, which is composed of France, Belgium, Italy and Switzerland, has for years been trying to induce other nations to join with them in the establishment of a common ratio between gold and silver for the purpose of establishing international bimetallism, the use of fixed ratios between money and bullion, and of realizing the full benefits of the use of both metals in the money of the world. But the efforts have been unsuccessful, and the Latin Union, as a result, has been compelled to suspend the coinage of the silver of its members, which, by the terms of the compact, they had been coining at the ratio established by the Union. The report of the commissioners to these countries shall well attest the attention of those who suppose that we can succeed without stock of inquiry in the attempt to circulate upon the metals all the silver we have now, under the provisions of our present coinage act.

The condition in which our Treasury may be placed by a persistency in our present course is a matter of concern to every patriotic citizen who does not desire to see government belied in every such of its obligations as should be paid in gold. Nor should the condition of our Treasury be a matter of perplexity to the wise management of our affairs, to the economical calling in and payment of interest-bearing obligations, which we have the right now to discharge and thus avoid the payment of further interest thereon.

The seven-tenths of our silver dollars, for whose benefit the continued compulsory coinage of silver is insisted upon, are not dishonest, because they are in gold, and they should not be suspected of a desire to jeopardize the financial safety of the country in order that they may exchange their present dollar for one hundred cents in gold. Nor should it be forgotten that it is not the rich but the masses, under whose hard toil and mind to such a readjustment, enforced by the Government, and their debtors. The pittance of the widow and the orphan and the incomes of helpless beneficiaries of all kinds would be disastrously reduced. The depositors in savings banks and in other institutions where hard in trust the savings of the poor, when their little accumulations are scaled down to meet the new order of things, would in their distress painfully realize the delusion of the promise made to them that the plentiful money would to prove their condition.

RESUMPTION OR SUSPENSION OF SILVER COINAGE.

We have now on hand all the silver dollars necessary to supply the present needs of the people, and they will not, we think, generally wish to see them in circulation, and if their exchange is suspended they can be readily obtained by all who desire them. If the need of more is at any time apparent the coinage may be renewed.

That disaster has not already overtaken us furnishes no proof that danger does not wait upon a continuation of the present silver coinage. We have been saved by the most careful management and unusual expedients. By a combination of fortunate conditions, and by a confident expectation that the course of the Government in regard to silver coinage would be speedily changed by the action of Congress, Prosperity hesitates upon our threshold because of the dangers and uncertainties surrounding the question, capital timidly shrinks from trade, and the capitalist is unwilling to take the chance of the questionable shape in which their money will be returned to them; while enterprises built at a risk against which care and sagacious management do not protect. As a necessary consequence idle hands are seeking work, suffering and distress are visited upon a portion of our fellow-citizens especially entitled to the careful consideration of those charged with the duties of legislation.

No interest appeals to us so strongly for a safe and stable currency as the vast army of the unemployed. I recommend the suspension of the compulsory coinage of silver dollars directed by the law passed in February, 1878.

INSPECTION OF VESSELS.

The steamboat inspection service on the 30th day of June, 1885, was composed of one hundred and forty persons, including officers, clerks, and messengers. The expenses of the service over the receipts were $19,822.32 during the fiscal year.

The special inspection of foreign steam-vessels organized under a law passed in 1882, was maintained during the year at an expense of $86,042.63. Since the close of the fiscal year reductions have been made in the force employed, which will result in a saving during the current year of $17,000 without affecting the efficiency of the service.

The supervising Surgeon-General reports that during the fiscal year 41,714 patients have received relief through the marine hospital service, of whom 12,808 were treated in hospitals and 28,911 at the dispensaries. Active and effective efforts have been made through the medium of this service to protect the country against an invasion of cholera, which has prevailed in Spain and France, and the small-pox, which recently broke out in Canada.

The most gratifying results have attended the operations of the Life-Saving service during the last fiscal year. The observance of the provision of law requiring the appointment of the force employed in this service to be made "solely with reference to their fitness, and without reference to their political or party affiliation," has secured the result which has confidently been expected in any branch of public employment where such a rule is applied. As a consequence this service is composed of men well qualified for the performance of their dangerous and exceptionally important duties. The number of stations in commission at the close of the year was 208. The number of disasters to vessels and craft of all kind within their field of action was 871. The number of persons endangered in such disasters was 2,489, of whom 2,428 were saved, and only eleven lost. Other lives which were imperilled, though not by disasters to shipping, were also rescued, and a large amount of property was saved through the aid of this service. The cost of its maintenance during the year was $828,474.45.

COAST AND GEODETIC SURVEY.

The work of the coast and geodetic survey was during the last fiscal year carried on within the boundaries and on the coasts of thirty-two states, two Territories, and the District of Columbia. In July last certain irregularities were found to exist in the management of this bureau, which led to a prompt investigation of its methods. The abuses which were brought to light by this examination, and the reckless disregard of duty and the interests of the Government developed on the part of some of those connected with the service, made a change of superintendency and a few of its other officers necessary. Since the bureau has been in new hands the introduction of economies and the application of business methods have produced an important saving to the Government and a promise of more useful results. This service has never been regulated by anything but the most indefinite legal enactment and the most unsatisfactory rules. It was many years ago sanctioned apparently by a purpose regarded as temporary, and related to a survey of our coast. Having gained a place in the appropriations made by Congress, it has gradually taken to itself powers and objects not contemplated in its creation, and extended its operations until it sadly needs legislative attention. So far as a further survey of our coast is concerned there seems to be a propriety in transferring that work to the Navy Department. The other duties now in charge of this establishment, if not properly belonging to the Navy, in some existing department or other bureau should be prosecuted under a law exactly defining their scope and purpose and with a careful discrimination between the scientific inquiries which may properly be assumed by the Government and those which should be undertaken by state authority or by individual enterprise. It is hoped that the report of the congressional committee heretofore appointed to investigate this and other like matters will aid in the accomplishment of proper legislation on this subject.

THE ARMY.

The report of the Secretary of War is herewith submitted. The attention of Congress is invited to the detailed account which it contains of the administration of his department, and his recommendations and suggestions for the improvement of the military establishment. The strength of the army, consisted at the date of the last consolidated returns of 2,154 officers and 24,705 enlisted men. The expenses of the departments for the fiscal year ended June 30, 1885, including $18,164,804.60 for public works and river and harbor improvements, were $57,838,296.78. The troops which were despatched in pursuit of the small band of Indians who left their reservation in Arizona and committed murders and outrages, two regiments of cavalry and one of infantry were sent last July to the United States Territory adjoining the outbreak, which seemed imminent. They remained to aid, if necessary, in the expulsion of intruders upon the reservation, who seemed to have caused the discontent among the Indians, but the Executive proclamation warning them to remove was complied with without their interference.

Upon the reservation at Pine Springs in Wyoming Territory, after the massacre of Chinese there, to prevent further disturbance, and afterwards to Seattle, in Washington Territory, to avert a threatened attack upon Chinese laborers and domestic violence. In this case the mere presence of the troops sufficed to prevent violence.

It appears that the number of desertions have diminished, but during the last fiscal year they numbered 2,927 and one instance is given to the Lieutenant-General of six desertions by the same recruit. I am convinced that the number of desertions can be much diminished by better discipline and treatment, but the punishment should be increased for repeated offenses. Those deserters might also be reclaimed by lessening the term of first enlistments, thus allowing a discontented recruit to contemplate his honorable discharge and the bribe offered by the bounty to reenlistment would be quite apt to secure a contented recruit and a good soldier.

The acting Judge-Advocate-General reports the trial of officers of the general court-martial during the year were 405, and that 11,831 cases took place before inferior and regimental court-martial. The suggestion that probably more than half the army have been tried for offenses of some kind seems to me not the least worthy of consideration. The punishments inflicted by these courts are not all of a character to degrade a man who may be retained in the service, if they do not, in a way, be devoted to expose a man to more severe punishment than the law has attached to the offense. It seems to me that the system of fines and forfeitures, which deprives the soldier of his pay, and his family of his support, and which, in the case of the married soldier, compels his family to become a charge upon the public, should be abolished. The present time of the enlistment, which is five years, and which, in addition, prevent the class of native born citizens, who generally make the best soldiers, from entering the service, should be much reduced. I do not know that the honors of the army and navy are thought by the Department to be an incentive to good conduct, and I believe they should be more freely bestowed.

The financial condition of other bureaus, appended in pursuance of the provisions of the act of Congress approved March 3, 1885, will be a short time present their reports, and it is hoped that the most greatly and the legislation so necessary to remedy the present deficiencies and defects of our revenue.

SIGNAL SERVICE.

The work of the Signal Service has been prosecuted during the last year with results of increasing benefit to the country. The field of instruction has been enlarged with a view to enabling it to do its duties. The number of stations in operation on June 30, 1885, was 450. Telegraphic reports are received daily from 246 stations. Reporters also received from 22 Canadian stations, 875 voluntee observers, 52 army surgeons at military posts, and 888 foreign stations. The expense of the service during the fiscal year after deducting receipts from military telegraph lines was $392,[illegible].

The report of the Chief Signal Officer is herewith submitted