Treaty of Washington was confined to claims of British subjects arising during the period named in the treaty, but it is understood that there are other British claims of a similar nature, arising after the 9th of April, 1865, and it is known that other claims of a like nature are advanced by citizens or subjects of other powers. It is desirable to have these claims also examined and disposed of.

THE ACHEEN WAR.

Official information being received from the Dutch Government of a state of war between the King of the Netherlands and the Sultan of Acheen, the officers of the United States who were near the seat of the war were instructed to observe an impartial neutrality. It is believed that they have done so.

MEXICAN CLAIMS.

The Joint Commission under the Convention with Mexico of 1868, having again been legally prolonged, has resumed its business, which, it is hoped, may be brought to an early conclusion. The distinguished representative of Her Britannic Majesty at Washington has kindly consented, with the approval of his Government, to assume the arduous and responsible duties of umpire in this Commission, and to lend the weight of his character and name to such decisions as may not receive the acquiescence of both the arbitrators appointed by the respective Governments. The Commissioners appointed, pursuant to the authority of Congress, to examine into the nature and extent of the forays by trespassers from that country upon the herds of Texas have made a report, which will be submitted for your consideration.

CLAIMS ON VENEZUELA.

The Venezuelan Government has been apprised of the sense of Congress in regard to the award of the Joint Commission, under the Convention of the 25th of April, 1866, as expressed in the act of the 25th of February last. It is apprehended that that Government does not realize the character of its obligations under that Convention. As there is reason to believe, however, that its hesitancy in recognizing them springs, in part at least, from real difficulty in discharging them in connection with its obligations to other Governments, the expediency of further forbearance on our part is believed to be worthy of your consideration.

CONSULAR POWERS.

The Ottoman Government and that of Egypt have latterly shown a disposition to relieve foreign Consuls of the judicial powers which heretofore they have exercised in the Turkish Dominions by organizing other tribunals. As Congress, however, has by law provided for the discharge of judicial functions by Consuls of the United States in that quarter, under the treaty of 1830, I have not felt at liberty for myself to accept the present change without the assent of Congress, whose decision upon the subject at as early a period as may be convenient is earnestly requested.

SAN DOMINGO.

I transmit here, for the consideration and determination of Congress, an application of the Republic of Santo Domingo to this Government to exercise a protectorate over that Republic.

TREATIES.

Since the adjournment of Congress, the following treaties with foreign powers have been proclaimed: A naturalization convention with Denmark; a convention with Mexico for renewing their Claims Commission; a convention of friendship, commerce, and extradition with the Orange Free State, and a naturalization convention with Ecuador.

POSTAL APPOINTMENTS.

I renew a recommendation made in my message of December, 1870, that Congress authorize the Postmaster General to issue all commissions to officials appointed through his department.

EXTRADITION.

I invite the earnest attention of Congress to the existing laws of the United States respecting extradition, and the eligibility of nationality by individuals. Many citizens of the United States reside permanently abroad with their families. Under the provisions of the act, approved Feb. 10, 1855, the children of such persons are to be deemed and taken to be citizens of the United States, but the rights of citizenship are not to descend to persons whose fathers never resided in the United States. It thus happens that persons who have never resided within the United States have been enabled to put forward a pretension to the protection of the United States against the claim of military service of the Government under whose protection they were born and have been reared. In some cases unnaturalized citizens of the United States have returned to the land of their birth to remain there, and their children, the issue of a marriage contracted there after their return, and who have never been in the United States, have laid claim to our protection when the lapse of many years has imposed upon them the duty of military service to the only Government which had ever known them personally. Until the year 1868, the question was left embarrassed by conflicting opinions of courts and jurists to determine how far the doctrine of perpetual allegiance derived from our former colonial relations with Great Britain was applicable to American citizens. Congress then wisely swept the doubts away by electing that any declaration, instruction, opinion, order, or decision of any officer of this Government which denies, restricts, impairs, or questions the right of expatriation is inconsistent with the fundamental principle of this Government; but Congress did not indicate in that statute, nor has it since done so, what acts are to be deemed to work expatriation. For my own guidance in determining such questions I requested, under the provisions of the Constitution, the opinion in writing of the principal officer in each of the Executive Departments upon certain questions relating to this subject. The result satisfies me that further legislation has become necessary. I therefore commend the subject to the careful consideration of Congress, and I transmit herewith copies of the several opinions of the principal officers of the Executive Departments, together with other correspondence and prominent information on the same subject. The United States, who led the way in the overthrow of the feudal doctrine of perpetual allegiance, are among the last to indicate how their own citizens may elect another nationality. The papers submitted herewith indicate what is necessary to place us on a par with other leading nations in liberality of legislation on this international question. We have already, in our treaties, assented to the principles which would need to be embodied in laws intended to accomplish such results. We have agreed that citizens of the United States may cease to be citizens, and may voluntarily render allegiance to other powers. We have agreed that residence in a foreign land, without intent to return, shall of itself work expatriation. We have agreed in some instances upon the length of time necessary for such intent. I invite Congress now to mark out and define when and how expatriation can be accomplished; to regulate, by law, the condition of American women marrying foreigners; to fix the status of children born in a foreign country of American parents, residing more or less permanently abroad; and to make rules for determining such other kindred points as may seem best to Congress.

THE SPANISH REPUBLIC.

In compliance with the request of Congress, I transmitted to the American Minister at Madrid, with instructions to present it to the Spanish Government, the joint resolution approved on the 3d of March last, tendering to the people of Spain, in the name and on behalf of the American people the congratulations of Congress upon the efforts to consolidate in Spain the principles of universal liberty in a Republican form of government. The existence of this new Republic was inaugurated by striking the fetters from the slaves in Porto Rico. This beneficent measure was followed by the release of several thousand persons illegally sold as slaves in Cuba. Next, the Captain-General of that colony was deprived of the power to set aside the orders of his superiors at Madrid, which had pertained to the office since 1825. The sequestered estates of American citizens, which had been the cause of long and frequent correspondence, were ordered to be restored to their owners. All these liberal steps, taken in the face of violent opposition, directed by the reactionary slaveholders of Havana, who are vainly striving to stay the march of ideas, have terminated slavery in Christendom, Cuba only excepted. Unhappily, however, this baneful influence has thus far succeeded in defeating the efforts of all liberal-minded men in Spain to abolish slavery in Cuba, and in preventing the promised reform in that island.

THE VIRGINIUS AFFAIR.

The struggle for political supremacy continues. The pro-slavery aristocracy in Cuba is gradually arraigning itself in more and more open hostility and defiance to the Home Government, while it still maintains a political connection with the Republic in the Peninsula, and, although usurping and defying the authority of the Home Government whenever such usurpation or defiance tends in the direction of oppression or of the maintenance of abuses, it is still a power in Madrid, and recognized by the Government,—thus an element more dangerous to continued colonial relations between Cuba and Spain than that which inspired the insurrection at Yarra. An element opposed to granting any relief from misrule and abuse, with no aspirations after freedom, commanding no sympathies in generous breasts, aiming to rivet still stronger the shackles of slavery and oppression, has seized many of the emblems of power in Cuba, and, under professions of loyalty to the mother country, is exhausting the resources of the island, and is doing acts which are at variance with the principles of justice, liberality, and of right, which give nobility of character to a republic. In the interests of humanity, of civilization, and of progress, it is to be hoped that this evil influence may be soon averted.

The steamer Virginius was, on the 26th day of September, 1870, duly registered at the port of New York as a part of the commercial marine of the United States. On the 4th of October, 1870, having the certificate of her register in the usual legal form, she sailed from the port of New York, and has not since been within the territorial jurisdiction of the United States. On the 31st of October last, while sailing under the flag of the United States on the high seas, she was forcibly seized by the Spanish gunboat Tornado, and was carried into the port of Santiago de Cuba, where many of her passengers and crew were inhumanly, and, so far at least as relates to those who were citizens of the United States, without due process of law, put to death. It is a well-established principle, asserted by the United States from the beginning of their national independence, recognized by Great Britain and other maritime powers, and stated by the Senate in a resolution passed unanimously on the 16th of June, 1858, that American vessels on the high seas in time of peace, bearing the American flag, remain under the jurisdiction of the country to which they belong; and, therefore, any visitation, molestation, or detention of such vessel by force on the part of a foreign power is in derogation of the sovereignty of the United States. In accordance with this principle, the restoration of the Virginius and the surrender of the survivors of her passengers and crew, and a due reparation to the flag, and the punishment of the authorities who had been guilty of the illegal acts of violence were demanded. The Spanish Government has recognized the justice of the demand, and has arranged for the immediate delivery of the vessel, and for the surrender of the survivors of the passengers and crew, and for a salute to the flag, and for proceedings looking to the punishment of those who may have been guilty of illegal acts of violence towards the citizens of the United States, and also towards indemnifying those who may be shown to be entitled to indemnity. A copy of a protocol of a conference between the Secretary of State and the Spanish Minister, in which the terms of this arrangement were agreed to, is transmitted herewith:

THE PROTOCOL.

Protocol of the Conference held at the Department of State at Washington, on the 29th of November, 1873, between Hamilton Fish, Secretary of State, and Rear-Admiral Don Jose Polo de Barnabeo, Envoy Extraordinary and Minister Plenipotentiary of Spain:

The undersigned, having met for the purpose of entering into a definitive agreement respecting the case of the steamer Virginius, which, while under the flag of the United States, was on the 31st day of October last captured on the high seas by the Spanish man-of-war Tornado, have reached the following conclusion: Spain, on her part, stipulates to restore forthwith the vessel referred to, and the survivors of her passengers and crew, and, on the 25th day of December next, to salute the flag of the United States. If, however, before that date Spain should prove to the satisfaction of the Government of the United States that the Virginius was not entitled to carry the flag of the United States, and was carrying it at the time of her capture without right, and improperly, the salute will be spontaneously dispensed with, as in such case not being necessary or requirable, but the United States will expect in such case a disclaimer of intent of indignity to its flag in the act which was committed. Further, that on or before the 25th of December, 1873, if it shall be made to appear to the satisfaction of the United States that the Virginius did not rightfully carry the American flag, and was not entitled to American papers, the United States will institute inquiry, and adopt legal proceedings against the vessel if it be found that she violated any law of the United States, and against any of the persons who may appear to have been guilty of illegal acts in connection therewith, it being understood that Spain will proceed according to the second proposition made to Gen. Sickles and communicated in his telegram to Admiral Polo on the 27th inst., to investigate the conduct of those authorities who have infringed Spanish laws and honorary obligations, and will arraign them before competent courts and inflict punishment on those who may have offended, other reciprocal reclamations to be subject to consideration and arrangement between the two Governments, and, in case of no agreement, to be the subject of arbitration, if the constitutional assent of the Senate of the United States be given thereto. It is further stipulated that the time, manner, and place for the surrender of the Virginius and the survivors of those who were on board of her at the time of her capture, and also the time, manner, and place for the salute to the flag of the United States, if there should be occasion for such salute, shall be subject to arrangement between the undersigned within the next two days.

(Signed) HAMILTON FISH,
JOSE POLO DE BARNABEE.

The correspondence on this subject with the Legation of the United States is in cipher and by a cable, and needs the verification of the actual text of the correspondence. It has seemed to be due to the importance of the case not to submit this correspondence until the accurate text can be received by mail. It is expected shortly, and will be submitted when received. In taking leave of this subject for the present, I wish to renew the expression of my conviction that the existence of African slavery in Cuba is a principal cause of the lamentable condition of the island. I do not doubt that Congress shares with me the hope that it will soon be made to disappear, and that peace and prosperity may follow its abolition. The embargoing of American estates in Cuba, cruelty to American citizens detected in no act of hostility to the Spanish Government, the murdering of prisoners taken with arms in their hands, and, finally, the capture upon the high seas of a vessel sailing under the United States flag and bearing a United States registry, has culminated in an outburst of indignation that has seemed for a time to threaten war. Pending negotiations between the United States and the Government of Spain on the subject of this capture, I have authorized the Secretary of the Navy to put our navy on a war footing, to the extent at least of the entire annual appropriation for that branch of the service, trusting to Congress and the public opinion of the American people to justify my action.

THE VETO POWER.

Assuming, from the action of the last Congress, in appointing a Committee on Privileges and Elections to prepare and report to this Congress, a constitutional amendment to provide a better method of electing the President of the United States, and also, from the necessity of such an amendment, that there will be submitted to the State Legislatures for ratification such an improvement in our condition, I suggest two others for your consideration. First, to authorize the Executive to approve of so much of any measure passing the two Houses of Congress as his judgment may dictate, without approving the whole, the disapproved portion or portions to be subjected to the same rules as now, to-wit: to be referred back to the House in which the measure or measures originated, and, if passed by a two-thirds vote of the two Houses, then to become a law without the approval of the President. I would add to this a provision that there should be no legislation by Congress during the last twenty-four hours of its sitting, except upon veto, in order to give the Executive an opportunity to examine and approve or disapprove understandingly.

EXTRA SESSIONS.

Second, to provide by amendment that when an extra session of Congress is convened by Executive proclamation, legislation during the continuance of such extra session shall be confined to such subjects as the Executive may bring before it from time to time in writing. The advantages to be gained by these two amendments are obvious: One session in each year is provided for by the Constitution, in which there are no restrictions as to the subjects of legislation by Congress. If more are required, it is always in the power of Congress during their term of office to provide for sessions at any time. The first of these amendments would protect the people against the many abuses and waste of public moneys which creep into appropriation bills and other important measures passing during the expiring hours of Congress, to which, otherwise, due consideration cannot be given.

TREASURY DEPARTMENT.

The receipts of the Government from all sources for the last fiscal year were $333,738,204, and expenditures on all accounts $290,345,245, thus showing an excess of receipts over expenditures of $43,392,959. But it is not probable that this favorable exhibit will be shown for the present fiscal year. Indeed, it is very doubtful whether, except with great economy on the part of Congress in making appropriations, and the same economy in administering the various Departments of the Government, the revenues will not fall short of making the annual expenses, including interest on the public debt. I commend to Congress such economy, and point out two sources where it seems to me it might commence, to-wit: In the appropriations for public buildings in the many cities where work has not been commenced; in the appropriations for river and harbor improvements in those localities where the improvements are of but little benefit to general commerce, and fortifications. There is a still more fruitful source of expenditure, which I will point out later in this message. I refer to the easy method of manufacturing claims for losses incurred in the suppression of the late Rebellion. I would not be understood here as opposing the erection of good, substantial, and even ornamental buildings by the Government wherever such buildings are needed. In fact, I approve of the Government owning its own buildings in all sections of the country, and hope the day is not far distant when it will not only possess them, but will erect in the Capital suitable residences for all persons who now receive commutation for quarters or rent at Government expense, and for the Cabinet, thus setting an example to the States which may induce them to erect buildings for their Senators; but I would have this work conducted at times when the revenues of the country would abundantly justify it.

THE FINANCIAL CRISIS.

The revenues have materially fallen off for the last five months of the present fiscal year from what they were expected to produce, owing to the general panic now prevailing, which commenced about the middle of September last. The full effect of this disaster—if it does not prove to be a blessing in disguise—is yet to be demonstrated. In either event, it is your duty to heed the lesson, and provide, by wise and well-considered legislation, as far as it lies in your power, against its recurrence, and to take advantage of all benefits that may have accrued. My own judgment is, that, however much individuals may have suffered, one long step has been taken toward specie payments; that we can never have permanent prosperity until an entire new basis is reached, and a specie basis cannot be reached and maintained until our exports, exclusive of gold, pay for our imports, interest due abroad, and other speculations, so heavy as to leave an appreciable accumulation of those metals in the country from products of our mines. The development of the mines of precious metals during the past year, and the prospective development of them for years to come are gratifying in the extreme; but, if one-half the gold extracted from mines be retained at home, our advance towards specie payments would be rapid. To increase our exports, sufficient currency is required to keep all the industries of the country employed. Without this, national as well as individual bankruptcy must ensue. Undue inflation, on the other hand, while it might give temporary relief, would only lead to inflation of prices, the impossibility of competing in our own markets for the products of home skill and labor, and repeated renewals of experiences.

THE CURRENCY.

Elasticity to our speculating medium, therefore, and just enough of it to transact the legitimate business of the country and to keep all industries employed, is what is most desired. The exact medium in specie, the recognized medium of exchange the world over—that obtained, and we shall have a currency of an exact degree of elasticity. If there be too much of it for the legitimate purposes of trade and commerce, it will flow out of the country. If too little, the reverse will result. To hold what we have, and to appreciate our currency to that standard, is a problem deserving of the most serious consideration of Congress. The experience of the present panic has proven that the currency of the country, based as it is upon the credit of the country, is the best that has ever been devised. Usually in times of such trials the currency has become worthless, or so much depreciated in value as to inflate values of all the necessaries of life as compared with the currency, and every one holding it has been anxious to dispose of it on any terms. Now we witness the reverse. Holders of currency hoard it as they did gold in former experiences of a like nature. It is patent to the most casual observer that much more currency or money is required to transact the legitimate trade of the country during the fall and winter months, when the vast crops are being removed, than during the balance of the year. The amount in the country remains the same throughout the year, resulting in an accumulation of all the surplus capital of the country, when not employed in the moving of the crops, in Eastern cities, tempted there by offers of high interest. This surplus capital must earn this interest, paid with a profit, being subject to call. It can be loaned only in part at best to the merchant or manufacturer for a fixed term; hence no matter how much currency there might be in the country, it would be absorbed, prices keeping pace with the volume; and panics, stringency, and disasters would ever be recurring with the elasticity in our money system.

This is the object to be obtained first; and next, as far as possible, a prevention of the use of money in stock and other species of speculation. To prevent the latter, it seems to me that one great step would be taken by prohibiting the National Banks from paying interest on deposits, by requiring them to hold their reserves in their own vaults, and by forcing them into resumption, though it would be only in legal-tender notes. For this purpose, I would suggest the establishment of Clearing-Houses for your consideration.

To secure the former advantage, referred to above, many plans have been suggested, most of which look to me like inflation, on one hand, or compelling the Government, on the other, to pay interest without corresponding benefits upon the surplus funds of the country, during the seasons when otherwise unemployed. I submit for your consideration whether this difficulty might not be overcome by authorizing the Secretary of the Treasury to issue at any time to nominal banks of issue any amount of their notes below a fixed percentage of their issue, say 40 per cent, upon the banks depositing with the Treasurer of the United States an amount of Government bonds equal to the amount of notes demanded, the banks to forfeit to the Government, say, 4 per cent on the interest accruing on the bonds so pledged during the time they remain with the Treasury, as security for the increase of circulation. The bonds so pledged to be redeemable by the banks at their pleasure, either in whole or in part, by returning their own bills for cancellation to an amount equal to the face of the bonds withdrawn.

I would further suggest for your consideration the propriety of authorizing National Banks to diminish their standing issue at pleasure by returning for cancellation their own bills, and withdrawing so many United States bonds as are pledged for the bills returned.

AN ARGUMENT FOR FREE BANKING.

In view of the great actual contraction that has taken place in the currency, and the comparative contraction constantly going on, due to the increase of population, increase of manufactures and all the industries, I do not believe that there is too much of it now for the dullest period of the year. Indeed, if Clearing-Houses should be established, thus forcing redemption, it is a question for consideration whether banking should not be made free,—retaining all safeguards now required to secure bill-holders.

PROPRIETY OF INCREASING THE LEGAL BANK-RESERVES.

In any modification of the present laws regulating the National Banks and a further step towards providing for the resumption of specie payment, I invite your attention to a consideration of the propriety of exacting from them the retention, as a part of their reserve, of either the whole or a part of the gold interest accruing upon the bonds pledged as security for their issue. I have not reflected enough on the bearing this might have in producing a scarcity of coin with which to pay duties on imports to give it my positive recommendation; but your attention is invited to the subject.

THE RECENT CONTRACTION OF THE CURRENCY.

During the last four years the currency has been contracted directly by the withdrawal of 3 per cent certificates compound interest notes, and 7-30 bonds outstanding on the 4th of March, 1869, all of which took the place of legal-tenders in the bank reserves to the extent of $63,000,000. During the same period there has been a much larger comparative contraction of the currency. The population of the country has largely increased; more than 25,000 miles of railroad have been built, requiring the active use of capital to operate them; millions of acres of land have been opened to cultivation, requiring capital to remove the products; manufactories have multiplied beyond all precedent in the same period of time, requiring capital weekly for the payment of wages and for the purchase of material; and probably the largest of all comparative contractions arising from the organizing of free labor in the South. Now, every laborer there receives his wages, and, for want of savings banks, the greater part of such wages is carried in the pocket, or hoarded till required for use. These suggestions are thrown out for your consideration, without any recommendation that they shall be adopted literally, but hoping that the best method may be arrived at to secure such an elasticity of the currency as will keep employed all the industries of the country, and prevent such an inflation as will put off indefinitely the resumption of specie payments—an object devoutly to be wished for by all, and by none more earnestly than the class of people most directly interested—those who earn their bread by the sweat of the brow. The decisions of Congress on this subject will have the hearty support of the Executive.

AMERICAN SHIP-BUILDING.

In previous messages, I have called attention to the decline in American ship-building, and recommended such legislation as would secure to us our portion of the carrying trade. Stimulated by high rates and abundance of freight, the progress for the last year has been very satisfactory. There has been an increase of about 3 per cent in the amount transported on American vessels over the amount of last year. With the reduced cost of material which has taken place, it may reasonably be hoped that this change will be maintained, and even increased. However, as we pay about $80,000,000 per annum to foreign vessels for the transportation of our surplus products to a market, thus increasing the balance of trade against us to this amount, the subject is one worthy of your serious consideration.

CHEAP TRANSPORTATION

is a subject that has attracted the attention of both producers and consumers for the past few years, and has contributed to, if it has not been the direct cause of, the recent panic and stringency. As Congress, at its last session, appointed a special committee to investigate this whole subject during the vacation and report at this session, I have nothing to recommend until their report is ready.

IMPROVEMENT OF THE AMERICAN CANAL SYSTEM.

There is one work, however, of a national character in which the greater portion of the East and the West, the North and the South are equally interested, to which I will invite your attention. The State of New York has a canal connecting Lake Erie with tide-water on the Hudson River. The State of Illinois has a similar canal, connecting Lake Michigan with navigable water on the Illinois River, thus making water communication inland between the East and the West and South. These great artificial water-courses are the property of the States through which they pass, and pay toll to those States. Would it not be wise statesmanship to pledge these States that, if they will open these canals for the passage of large vessels, the Government will look after and keep in navigable condition the great public highways with which they connect, to-wit: the overslough in the Hudson, the St. Clair Flats, and the Illinois and Mississippi Rivers. This would be a national work,—one of great value to the producers of the West and South in giving them cheap transportation for their produce to the seaboard and a market; to the consumers in the East in giving them cheaper food, particularly of those articles of food which do not find a foreign market, and the prices of which, therefore, are not regulated by foreign demand. The advantages of such a work are too obvious for argument. I submit the subject to you, therefore, without further comment.

A SEARCH AFTER SOUTH AMERICAN COMMERCE.

In attempting to regain our lost commerce and carrying trade, I heretofore called attention to the States south of us offering a field where much might be accomplished to further this object. I suggest that a small appropriation be made, accompanied with authority for the Secretary of the Navy to fit out a naval vessel to ascend the Amazon River to the mouth of the Madeira, thence to explore that river and its tributaries into Bolivia, and to report to Congress, at its next session, or as soon as practicable, the accessibility of the country by water, its resources, and the population so reached. Such an exploration will cost but little; it can do no harm, and may result in establishing a trade of value to both nations.

CODIFICATION OF THE TARIFF—NEW MINTS.

In further connection with the Treasury Department, I would recommend a revision and codification of the tariff laws, and the opening of more mints for coining money, with authority to coin for such nations as may apply.

THE WAR DEPARTMENT.

The attention of Congress is invited to the recommendations in the report of the Secretary of War herewith accompanying. The apparent great cost of supporting the Academy is fully explained in the report, and it will receive your attention. While inviting your great attention to all the recommendations made by the Secretary of War, there are two which I would especially invite you to consider:

First—The importance of preparing for war in time of peace by providing for proper armament for our sea-coast defenses. Proper armament is of vastly more importance than fortifications. The latter can be supplied very speedily for temporary purposes when needed. The former cannot.

Second—The necessity of reopening promotion in the staff corps of the army. Particularly is this necessity felt in the Medical, Pay, and Ordnance Departments. At this time it is necessary to employ contract surgeons to supply the necessary medical attention required by the army. With the present force of the Pay Department, it is now difficult to make payments to troops provided for by law. Long delays in payments are productive of desertions and demoralization, and the law prohibits the payment of troops by other than regular army Paymasters. There are now sixteen vacancies in the Ordnance Department, thus leaving that branch of the service without sufficient officers to conduct the business of the different arsenals on a large scale if ever required.

THE NAVY DEPARTMENT.

During the past year our navy has been reduced by the sale of some vessels no longer fit for naval purposes, and by the condemnation of others not yet disposed of. This, however, has been more than compensated for by the repair of six of the old wooden ships, and by the building of eight new sloops-of-war authorized by the last Congress. The building of these latter has occurred at a doubly fortunate time. They are about being completed when they will possibly be much needed; and the work upon them has not only given employment to thousands of men, but, no doubt, has been the means of keeping open establishments of other works at a time of great financial distress.

Since the commencement of last month, however, the distressing occurrences which have taken place in waters of the Caribbean Sea, along our very seaboard, while they illustrate most forcibly the necessity always existing that a nation situated as ours should maintain in a state of efficiency a navy adequate to its responsibilities, have, at the same time, demanded that all the effective force we really have shall be put in immediate readiness for warlike service. This has been, and is being, done promptly and effectively; and I am assured that all the available ships and every authorized man of the American navy will be ready for whatever action is required for the safety of our cities or the maintenance of our honor. This, of course, will render necessary the expenditure, in a short time, of some of the appropriations which were calculated to extend through the fiscal year; but Congress will, I doubt not, understand and appreciate the emergency, and will provide adequately, not only for the present preparation but for the future maintenance of our naval force.

The Secretary of the Navy has during the past year been quietly putting some of our most extensive monitors in condition for service, and thus the exigency finds us in a much better condition for work than we could possibly have been without his action.

THE POST-OFFICE DEPARTMENT.

A complete exhibit is presented in the accompanying report of the Postmaster-General of the Post-Office Department during the year. The ordinary postal revenues for the fiscal year ending June 30, 1873, amounted to $22,996,741.57, and the expenditures of all kinds to $29,084,945.67. The increase of revenue over 1872 was $1,081,315.20, and the increase in expenditures $246,573.36. Independent of the payments made from special appropriations for mail steamship lines, the amount drawn from the general Treasury to meet deficiencies was $52,654,700. The constant and rapid extension of our postal service, particularly upon railways, and the improved facilities for the collection, transmission, distribution, and delivery of mails which are constantly being provided, account for the increased expenditures of this popular branch of the public service.

The total number of post-offices in operation on the 30th of June, 1873, was 332,244,—a net increase of 1,381 over the number reported the preceding year. The number of Presidential offices was 1,363,—an increase of 163 during the year. The total length of railroad mail routes at the close of the year was 63,457 miles,—an increase of 5,546 miles over the year 1872. Fifty-nine railway post-office lines were in operation on the 30th of June, 1873, extending over 14,866 miles of railroad routes, and performing an aggregate service of 34,925 miles daily.

The number of letters exchanged with foreign countries was 27,459,185, an increase of 3,096,685 over the previous year, and the postage thereon amounted to $2,021,310.86, and the total weight of correspondence exchanged in mails with European countries exceeded 912 tons, an increase of 92 tons over the previous year. The total cost of United States ocean mail steamship service, including $735,000 paid from special appropriations to subsidized lines of mail steamers, was $1,047,271.35. New or additional postal conventions have been concluded with Sweden, Norway, Belgium, Germany, Canada, New Foundland, and Japan, reducing the postage rates on correspondence exchanged with these countries; and further efforts have been made to conclude a satisfactory postal convention with France, but without success.

I invite the favorable consideration of Congress to the suggestions and recommendations of the Postmaster-General for an extension of the free-delivery system in all cities having a population of not less than 10,000; for the prepayment of postage on newspapers, and other printed matter of the second class; for uniform postage and limit of weight on miscellaneous matter; for adjusting the compensation of all Postmasters appointed by the President by the old method of commissions on the actual receipts of the office, instead of fixing the salary in advance upon special returns; and especially do I urge favorable action by Congress on the important recommendation of the Postmaster-General for the establishment of United States postal savings depositories.

POSTAL TELEGRAPHS.

Your attention is also again called to a consideration of the question of postal telegraphs, and the arguments adduced in support thereof, in the hope that you may take such action in connection therewith as in your judgment will most contribute to the best interests of the country.

DEPARTMENT OF JUSTICE.

Affairs in Utah require your early and immediate attention. The Supreme Court of the United States, in the case of Clinton v. Englebrecht, decided that the United States Marshal of that Territory could not lawfully summon jurors for the District Courts, and those Courts held that the Territorial Marshal faithfully performs that duty, because he is elected by the Legislative Assembly, and not appointed as provided for in the act organizing the Territory. All proceedings at law are practically abolished by these decisions, and, there have been but few or no jury-trials in the District Courts of that Territory since the last session of Congress, property is left without protection by the courts, and crimes go unpunished. To prevent anarchy there, it is absolutely necessary that Congress provide the courts with some mode of obtaining jurors; and I recommend legislation to that end, and also that the Probate Courts of the Territory do not assume to issue writs of injunction and habeas corpus, and to try criminal cases, and in questions as to land titles be denied all jurisdiction not possessed ordinarily by courts of that description.

THE BANKRUPTCY ACT.

I have become impressed with the belief that the act approved March 2, 1867, entitled an "Act to establish a uniform system of bankruptcy throughout the United States," is productive of more evil than good. At this time, many considerations might be urged for its repeal, but, if this is not considered advisable, I think it will not be seriously questioned that those portions of said act providing for what is called "involuntary bankruptcy" operate to increase the financial embarrassment of careful and prudent men, who very often become involved in debt in the transaction of their business, and though they may possess ample property, if it could be made available for that purpose, to meet all their liabilities, yet, on account of the extraordinary scarcity of money, they may be unable to meet all their pecuniary obligations as they become due, in consequence of which they are liable to be prostrated in their business by proceedings in bankruptcy at the instance of unrelenting creditors. People are now so easily alarmed as to monetary matters, that the mere filing of a petition in bankruptcy by an unfriendly creditor will necessarily embarrass and oftentimes accomplish the financial ruin of a responsible business man. Those who otherwise might make lawful and just arrangements to relieve themselves from difficulties produced by the present stringency in money are prevented by their constant exposure to attack and disappointment by proceedings against them in bankruptcy; and, besides, the law is made use of in many cases by obdurate creditors to frighten or force debtors into a compliance with their wishes, and into acts of injustice to other creditors and to themselves. I recommend that so much of said act as provides for involuntary bankruptcy on account of the suspension of payment be repealed.

CLAIMS AGAINST THE GOVERNMENT.

Your careful attention is invited to the subject of claims against the Government, and the facilities afforded by existing laws for their prosecution. Each of the Departments of State, Treasury, and War have demands for many millions of dollars upon their files, and they are rapidly accumulating. To these may be added those now pending before Congress, the Court of *the* Claims, and the Southern Claims Commission, making in the aggregate an immense sum. Most of these grow out of the rebellion, and are intended to indemnify persons of both sides for their losses during the war, and not a few of them are fabricated and supported by false testimony. Projects are on foot, it is believed, to induce Congress to provide for new classes of claims, and to revive old ones, through the repeal or modification of the statute of limitation, by which they are now barred. I presume these schemes, if proposed, will be received with little favor by Congress, and I recommend that persons having claims against the United States, cognizable by any tribunal or department thereof, be required to present them at an early day, and that legislation be directed as far as practicable to the defeat of unfounded and unjust demands upon the Government; and I would suggest, as a means of preventing fraud, that witnesses be called upon to appear in person to testify before those tribunals having said claims before them for adjudication. Probably the largest saving to the National Treasury can be secured by timely legislation on these subjects of any of the economic measures that will be proposed, and you will be advised of the operations of the Department of Justice by the report of the Attorney-General, and I invite your attention to the amendments of existing laws suggested by him, with a view of reducing the expenses of that department.

THE DEPARTMENT OF THE INTERIOR.

The policy inaugurated towards the Indians at the beginning of the last Administration has been steadily pushed, and, I believe, with beneficial results. It will be continued, with only such modifications as time and experience may demonstrate as necessary, with the encroachment of civilization upon the Indian reservations and hunting-grounds. Disturbances have taken place between the Indians and whites during the past year, and probably will continue to do so until each race appreciates that the other has rights which must be respected. The policy has been to collect the Indians as rapidly as possible on reservations, and, as far as practicable, within what is known as the Indian Territory, and to teach them the arts of civilization and self-support. Where found off their reservations, and endangering the peace and safety of the whites, they have been punished, and will continue to be for like offenses.

The Indian territory south of Kansas and west of the Arkansas is sufficient in area and agricultural resources to support all the Indians of the Rocky Mountains. In time, no doubt all of them, except a few who may select to make their homes among white people, will be collected there. As a preparatory step for this consummation, I am now satisfied that a Territorial form of government should be given them, which will secure the treaty rights of the original settlers and protect their homesteads from alienation for a period of twenty years.

The operations of the Patent Office are growing to such magnitude, and the accumulation of material is becoming so great, that the necessity for more room is becoming obvious day by day. I respectfully invite your attention to the reports of the Secretary of the Interior and Commissioner of Patents on this subject.

PUBLIC LANDS.

The business of the General Land Office exhibits a material increase in all its branches during the last fiscal year. During that time, there were disposed out of the public lands 13,039,606 acres, being an amount greater by 1,165,631 acres than was disposed of the preceding year. Of the amount disposed of, 1,626,266 acres were sold for cash; 214,940 acres were located with military land warrants; 3,793,612 acres were taken for homesteads; 653,446 acres were located with Agricultural College scrip; 6,083,536 acres were certified by railroads; 765,756 acres were granted to wagon-roads; 238,548 acres were made over to States as swamp lands; 138,681 acres were certified for agricultural colleges, common schools, universities, and seminaries; 190,775 acres were made over to States for internal improvements; and 14,222 acres were located with Indian scrip. The cash receipts during the same time were $3,408,515.50, being $190,415.50 in excess of the receipts for the previous year. During the year 30,488,132 acres of public land were surveyed, an increase of the amount surveyed the previous year of 1,037,193 acres, and, added to the area previously surveyed, aggregates 616,554,895 acres which have been surveyed, leaving 1,218,443,505 acres of the public land still unsurveyed. The increased and steadily increasing facilities for reaching our unoccupied public domain, and for the transportation of surplus products, enlarges the available field for desirable homestead locations, thus stimulating settlement, and extending year by year, in a gradually increasing ratio, the ratio of occupation of cultivation.

The expressed desire of the representatives of a large colony of citizens of Russia to emigrate to this country, as is understood with the consent of their Government, if certain concessions can be made to enable them to settle in a compact colony, is of great interest as going to show the light in which our institutions are regarded by an industrious, intelligent, and wealthy people, desirous of enjoying civil and religious liberty; and the acquisition of so large an immigration of citizens of a superior class would without doubt be of substantial benefit to the country. I invite attention to the suggestion of the Secretary of the Interior in this behalf.

THE PENSION BUREAU.

There was paid during the last fiscal year for pensions, including the expenses of disbursement, $29,185,289.62, being an amount less by $984,050.98 than was expended for the same purpose the preceding year. Although this statement of expenditures would indicate a material reduction in amount compared with the preceding year, it is believed that the changes in the Pension laws at the last session of Congress will absorb that amount the current year. At the close of the last fiscal year there were on the pension rolls 99,804 invalid military pensioners, and 112,088 widows, orphans, and dependant widows of deceased soldiers, making a total of that class of 211,892; 18,266 survivors of the war of 1812, and 5,053 widows of soldiers of that war, pensioned under the act of Congress of Feb. 14, 1871, making a total of that class of 23,319; 1,430 invalid navy pensioners, and 1,770 widows and orphans and dependant relatives of deceased officers, sailors, and marines of the navy, making the total of pensioners of this class 3,200, and a grand total of pensioners, of all classes, of 238,411, showing a net increase during the last fiscal year of 6,218. The names of 1,645 pensioners were added to the rolls, and 10,223 names were dropped therefrom, for various causes. The system adopted for the detection of frauds against the Government, in the matter of pensions, has been productive of satisfactory results; but legislation is needed to provide, if possible, against the perpetrating of such frauds in future.

PUBLIC EDUCATION.

The evidently increasing interest in the cause of education is a most encouraging feature in the general progress of the country; and the Bureau of Education is earnest in its efforts to give proper direction to the new applicants; and the increased facilities which are being offered to aid the friends of education of the country in their great work.

THE CENSUS.

The ninth census has been completed, and the report thereof published and distributed, and the working force of the Bureau disbanded. The Secretary of the Interior renews his recommendation for a census to be taken in 1875, to which subject the attention of Congress is invited. The original suggestion in that behalf has met with the general approval of the country, and even if it be not advisable at present to provide for a regular quinquennial census, a census taken in 1875, the report of which could be completed and published before the one hundredth anniversary of our independence, would be especially interesting and valuable as showing the progress of the country during the first century of our national existence. It is believed, however, that a regular census every five years would be of substantial benefit to the country, inasmuch as our growth hitherto has been so rapid that the results of the decennial census are, necessarily, unreliable as a basis of estimates for the latter years of a decennial period.

THE DISTRICT OF COLUMBIA.

Under the very efficient management of the Government and the Board of Public Works of this District, the City of Washington is rapidly assuming the appearance of a capital of which the nation may well be proud. From being a most unsightly place three years ago, disagreeable to pass through in summer in consequence of the dust arising from unpaved streets, and almost impassable in the winter from the mud, it is now one of the most sightly cities in the country, and can boast of being the best paved. The work has been done systematically, the plans, grades, location of sewers, water and gas-mains, being determined upon before the work was commenced, thus securing permanency when completed. I question whether so much has ever been accomplished before in any American city for the same expenditures. The Government having large reservations in the city, and the nation at large having an interest in their Capital, I recommend a liberal policy toward the District of Columbia, and that the Government should bear its just share of the expense of these improvements. Every citizen visiting the Capital feels a pride in its growing beauty, and that he too is part owner in the investments made here.

A NATIONAL UNIVERSITY.

I would suggest to Congress the propriety of promoting the establishment in this District of an institution of learning, or a university of the highest class, by the donation of lands. There is no place better suited for such an institution than the National Capital. There is no other place in which every citizen is so directly interested.

CIVIL SERVICE REFORM.

In three successive messages to Congress, I have called attention to the subject of civil service reform. Action has been taken so far as to authorize the appointment of a Board to devise rules governing the methods of making appointments and promotions; but there never has been any action on these rules, or any rules pending or even entitled to observance where persons desire the appointment of a friend, or the removal of an official who may be disagreeable. To have any rules effect it, they must have the acquiescence of Congress as well as of the Executive.

I recommend, therefore, the subject to your attention, and suggest that a special committee of Congress might confer with the Civil Board during the present session, for the purpose of devising such rules as can be maintained, and which will secure the services of honest and capable officials, and which will also protect them in a degree of independence while in office. Proper rules will protect Congress as well as the Executive from much needless precaution, and will prove of great value to the public at large.

ADMISSION OF COLORADO.

I would recommend for your favorable consideration the passage of an act for the admission of Colorado as a State in the Union. It possesses all the elements of a prosperous State, agricultural and mineral, and, I believe, has a population to justify such an admission in that connection.

TRANS-MISSOURI IRRIGATION.

I would also recommend the encouragement of a canal, for the purpose of irrigation, from the eastern slope of the Rocky Mountains to the Missouri River. As a rule, I am opposed to the donation of public lands for internal improvements owned and controlled by private corporations, but in this instance I would make an exception. Between the Missouri River and the Rocky Mountains there is an area belt of public land, from 300 to 500 miles in width, perfectly valueless for the occupation of man for want of sufficient rain to secure the growth of any products. An irrigating canal would make productive a belt as wide as the supply of water could be made to spread over, across this entire country; and would secure a cordon of settlements connecting the present population of the mountain and mining regions with that of the older States. All the land reclaimed would be clear gain, if alternate sections were reclaimed by the Government. I would suggest that the retained sections be thrown open to entry under the Homestead law, and sold to actual settlers for very low prices.

A GENERAL AMNESTY TO REBELS.

I renew my previous recommendation to Congress for a general amnesty. The number engaged in the late rebellion laboring under disadvantages is very small, but enough to keep up a constant virulation. No possible danger can ensue to the Government by restoring them to eligibility to hold office.

CIVIL RIGHTS OF THE COLORED PEOPLE.

I suggest for your consideration the enactment of a law to better secure the civil rights which freedom should secure, but has not effectually secured, to the enfranchised slave.

(Signed) U. S. GRANT.

EXECUTIVE MANSION, Dec. 1, 1873.

PRESENTATION TO S. J. MEDILL.

Last Sunday, Mr. S. J. Medill, who has been connected with the local force of THE TRIBUNE, with a brief intermission, since the latter part of 1864, and who has been city editor since the summer of 1867, resigned his position here, in order to take a more important one, as the telegraph correspondent of THE TRIBUNE at Washington. The duties of a city editor are more onerous and responsible than they are honorable and gratifying. His regret over what he has missed is greater than his gratification when he has distanced his competitors. He spends more time in fearing than in hoping, and, in such an uneasy and nervous life, beset with applications for favors, it is a miracle if he satisfies everybody, a wonder if he satisfies the majority.

Yet, during these six long years, for which Mr. Medill occupied this burdensome position, his course was such as to win him the regard not merely of his associates, but of persons who had no connection with THE TRIBUNE, but who, in various ways, were brought in contact with him. This feeling of regret at the departure of a gentleman whose constant courtesy had made it so pleasant to do business with him, manifested itself publicly yesterday afternoon at the St. Charles Hotel, where Mr. Medill was presented by the members of the Irish Literary Association with a fine gold-headed cane, on which was engraved the name of the recipient, of the Association, and the date of presentation.

The affair was a very spontaneous one, since Mr. Medill's intended departure was only known a few days ago, but there was time enough for the donors to prepare the handsome present which they intended for him. At the appointed hour Messrs. Frank Agnew, J. F. Finerty, John Armstrong, Capt. Quirk, J. J. Fitzgibbon, Wm. C. McClure, the Hon. A. L. Morrison, and other members of the Irish Literary Association, Ald. Dixon, Phil Conley, Mr. Magee, the city-editor of the *Inter-Ocean* and an old employe of THE TRIBUNE, and the local reporters of this paper met at the St. Charles, and Mr. Finerty, on behalf of the Irish Literary Association, presented Mr. Medill with the cane already referred to, which, he said, would serve as a token of the high esteem in which he had always been held by the members of that Association, and as a memorial of the pleasant hours they had spent together. His only regret was, that their present was not one which would more fitly represent their warm and friendly feelings toward him for the kindly treatment they had received from him while in charge of the local columns of THE TRIBUNE.

As Mr. Medill stated in reply, it is the habit of city editors to read the speeches of others, rather than to talk themselves, and since he had not dreamed, while looking over the reports of other presentations, that he would ever play the principal part in one, it had not occurred to him to commit to memory any "fitting remarks." All he could say was, that he was deeply grateful for that mark of their feelings towards him, a sentiment which he reciprocated, and it would serve as a constant reminder, if one were needed, of their pleasant intercourse in other days.

W. K. Sullivan, Esq., on behalf of the local force of THE TRIBUNE, expressed their sincere regret at Mr. Medill's departure. They had been associated for years, and during that long time their constant intercourse had never been troubled by discord or disagreements. Their relations had not been those of superior and subordinate, but of friend and friend, and his departure was their personal loss.

Remarks were also made by the Hon. A. L. Morrison, John J. Fitzgibbon, and Guy Magee, after which the party had luncheon, and then adjourned to the parlors, where Prof. Gustavus Geary played on the piano and sang several songs, which were highly appreciated by the audience. Miss Sarah Conley, by special request, played after the Professor, and was complimented by him and by all present on her brilliant performance. A couple of hours flew swiftly by in pleasant intercourse, and the gathering broke up after wishing the guest of the occasion all the good luck that could possibly happen him.

Mr. Medill left for Washington last evening.

MARKETS BY TELEGRAPH.

Foreign Markets.

LIVERPOOL, Dec. 2—5 p. m.—Cotton a shade easier: middling upland, 8¼@8⅜; Orleans, 9; sales 10,000 bales; American, 5,000; speculation and export, 2,000 Cotton to arrive, lower.

BREADSTUFFS—Quiet; red winter wheat, 12s@12s 2d Flour, 23s@29s. Corn, 35s 6d. Receipts of wheat for the past three days, 81,000 qrs, of which 9,000 qrs were American.

Provisions—Beef 93s; pork, 71s 6d; Cumberland middles, 45s; short ribs, 41s.

LONDON Dec. 2—5 p. m.—The amount of bullion gone into the Bank of England on balance to-day is £102,000. Consols for money, 93@93⅛; ex-coupon; on account, 93⅛. United States securities: 5-20s of '65, 93⅛; do of '67, 97⅛; 10-40s, 91⅛; new 5s, 92. Erie, 39; preferred, 53⅛. New York Central, 77.

Tallow, 44s 3d@45s 3d.

PARIS, Dec. 2.—Rentes, 58f 75c.

The Live-Stock Markets.

NEW YORK.

NEW YORK, Dec. 2.—HOGS—Thirty-two cars, or 3,870 head, arrived after noon; no sales of live weights. City dressed easier; closed at 5⅞@6⅛c per lb.

BUFFALO.

BUFFALO, Dec. 2.—CATTLE—Receipts, including reported arrivals, 765; total for the week, 3,060. The market moderately active at ¼@½c advance from last week's closing prices, owners holding a strong ½c advance. The run is light, the attendance of buyers fair. About 1,000 were disposed of. Sales include 660 Ohio steers, 1,000@1,350 lbs, at $4.00@5.50; 29 Illinois oxen, 1,671 lbs, at $5.75; 99 Illinois steers, 950@1,038 lbs, at $4.00@5.30; 47 Michigan steers, 994@1,181 lbs, at $4.00@4.60.

SHEEP AND LAMBS—Receipts, including reported arrivals, 3,499; total for the week, 6,030. The market is active, with a slight improvement from last week's prices. The sales were 2,000 Michigan sheep, 64@86 lbs, at $3.25@4.60.

HOGS—Receipts, including reported arrivals, 300; total for the week, 22,500, against 20,300 for the same time last week. The market is 20c per cwt in advance of last week's closing prices. Sales, 2,000 Ohio and Michigan hogs, 130@200 lbs, at $4.30@4.60.

New York Dry Goods Market.

NEW YORK, Dec. 2.—The trade movement to-day was restricted by the stormy weather, but jobbing branches were rather more active. The market for cotton goods remains unsettled, and the prices of brown and bleached goods rule irregular. Cotton flannels are in steady demand and firm. Prints and ginghams less active. Dress goods dull; cassimeres and cottonades taken more freely by the clothing trade. Cloths and overcoatings remain inactive.

The Wool Trade.

PHILADELPHIA, Dec. 2.—Wool advancing; tendency active and higher. Ohio, Pennsylvania, and West Virginia double extra and above, 50@52c; extra, 48@50c; medium, 48@52c; coarse, 45@47½c; New York, Michigan, Indiana, and Western fine, 45@45c; medium, 45@48c; coarse, 45@47c; combing, washed, 57@60c; combing, unwashed, 37@49c; Canada combing, 60c; fine, unwashed, 31@33c; coarse and medium, washed, 31@33½c; tub washed, 47@53½c.

Pittsburgh Oil Market.

PITTSBURGH, Dec. 2.—Crude petroleum quiet 7¾@8¾c; refined, 13c.

The Produce Markets.

NEW YORK.

NEW YORK, Dec. 2.—COTTON—In fair demand; middling upland, 15¼c.

Breadstuffs—Flour less active; receipts, 13,000 brls; superfine Western and State, $5.00@6.60; common to good extra, $5.75@7.10; good to choice, $7.15@7.85; white wheat extra, $7.85@8.50; extra Ohio, $6.85@9.75; St. Louis, $7.00@11.00. Rye flour more active and advancing at $4.75@5.00. Corn meal scarce and firm; Western, $3.50@3.95. Wheat dull and lower; receipts, 135,000 bu; No. 2 Chicago spring, $1.48@1.51; white Michigan, $1.75@1.85; No. 2 Milwaukee, $1.55. Rye quiet; Western and State, $1.10@1.15. Barley dull. Malt quiet. Corn dull and declining; receipts, 13,000 bu; mixed Western, afloat, 75½@75½c; do in store, 72@73c; yellow Western, afloat, 76c; damaged and heated, 57@63c. Oats scarcely so firm; receipts, 32,000 bu; mixed Western, afloat, 56@57c; old do, 56c; white, 58@59c.

EGGS—Scarce and firm; Western, 29@32c.

HAY—Quiet and firm.

HOPS—Quiet.

GROCERIES—Coffee, quiet; Rio, 20@23½c. Sugar quiet; fair to good refining, 7½@7½c. Molasses quiet. Rice dull.

PETROLEUM—Crude, 5½c; refined, 13½c.

TURPENTINE—Firm, at 40½@41c.

PROVISIONS—Pork in moderate demand and steady; new mess, $15.00 spot; $15.50 seller March; prime mess, $14.50; city prime mess, $16.50; stock of pork in store here, Dec. 2, 4,000 brls old; 5,000 brls new. Beef quiet; first grade plain mess, $9.50@10.50; extra prime, $11.50@12.50; stock on hand Dec. 1, 11,093 brls old, 6,000 brls new. Hams quiet, at $10.00@13.00. Tierce beef unchanged. Cut meats quiet and unchanged. Middles quiet and weak; long clear, 7 3-16@7¼c spot; short clear, 7½c, short ribs, 7¼@7 5-16c. Lard weak; Western steam, 8⅛c spot; 8⅛c December; 8⅛c January; 8 13-16c March; 8⅞c February.

BUTTER—Quiet and weak; Western firkin, 22@25c.

CHEESE—Quiet, at 13½c.

WHISKY—Firm, at 94c.

ST. LOUIS.

ST. LOUIS, Dec. 2.—BREADSTUFFS—Flour quiet and unchanged. Wheat dull and lower; No. 2 spring, $1.08; No. 3 red fall, $1.32. Corn firmer, but slow; new No. 2 mixed, 45c, in east elevator; 45½@46c regular. Oats firmer and quiet at 36½@37c. Barley dull and unchanged. Rye dull and lower at 68@71c.

WHISKY—Steady at 88c.

PROVISIONS—Pork firm at $13.00@13.50. Bulk meats firm and quiet; clear rib, 6½c, December. Bacon—Nothing doing. Green shoulders, 4½c. Lard firm at 7½@7½c.

HOGS—Quiet at 4@4½c; weather too soft for packing; receipts, 7,635.

CATTLE—Dull and unchanged.

CINCINNATI.

CINCINNATI, Dec. 2.—COTTON—Dull; prices nominal.

BREADSTUFFS—Flour—Demand fair; prices advanced to $7.10@8.65. Wheat firm at $1.43@1.47. Corn quiet; old ear, 50@51c; shelled and new ear, 46c. Rye firm at 85@86c. Oats firm at 34@40c. Barley firm; fall, 1.10@1.40.

GROCERIES—Firm.

OILS—Steady.

EGGS—Firm at 27c.

BUTTER—Steady.

PROVISIONS—Pork easier and nominal at $13.75@14.00. Lard—Kettle steady; jobbing, 8c; steam held at 7½c. Bulk meats nominal; shoulders, 5½@5¾c; clear rib, 6⅝c; clear, 6½c. Bacon dull; only jobbing sales; shoulders, 6½@6⅝c; clear rib, 7⅝c; clear, 7⅞c, all new meat.

HOGS—Dull at $4.40@4.70; receipts estimated at 14,500; shipments, 1,500. Green meats nominal. Weather unfavorable. No transactions made public.

WHISKY—Firm at 90c.

MILWAUKEE.

MILWAUKEE, Dec. 2.—BREADSTUFFS—Flour quiet and unchanged. Wheat quiet and weak; No. 1 Milwaukee, $1.12⅛; No. 2, $1.06⅛; December, $1.06⅛; January, $1.08⅛. Oats—Demand fair; market firm; No. 2, 35c. Corn scarce and firm; No. 2, 49½c. Rye steady; No. 1, 73c. Barley—No. 2, $1.45.

RECEIPTS—Flour, 6,000 brls; wheat, 100,000 bu; corn, 18,000 bu.

SHIPMENTS—Flour, 17,000 brls; wheat, 174,000 bu.

DETROIT.

DETROIT, Dec. 2.—BREADSTUFFS—Flour quiet and unchanged. Wheat dull; prices 2@3c lower; No. 1, $1.50½. Corn steady at 56½c. Oats—Demand good at 41c.

TOLEDO.

TOLEDO, Dec. 2.—BREADSTUFFS—Flour dull and unchanged. Wheat dull and prices a shade lower; No. 3 white Wabash, $1.45; amber Michigan, cash and December, $1.44½; January, $1.49½; February, $1.53½@1.54; No. 2 red, cash, 98c. Corn dull and unchanged. Oats dull and unchanged.

HOGS—Dressed, $5.10@5.12½.

CLOVER SEED—$5.10.

RECEIPTS—Flour, 900 brls; wheat, 7,000 bu; corn, 4,000 bu; oats, 2,000 bu.

SHIPMENTS—Flour, 500 brls; wheat, 10,000 bu; corn, 3,000 bu; oats, 4,000 bu.

CLEVELAND.

CLEVELAND, Dec. 2.—BREADSTUFFS—Grain unchanged.

PETROLEUM—Unsettled, but unchanged.

PHILADELPHIA.

PHILADELPHIA, Dec. 2.—BREADSTUFFS—Flour firm and in good demand at full prices. Wheat firmer; red, $1.53; amber, $1.67@1.70. Rye held at 80@85c. Corn active; yellow and mixed Western, 70@75c. Oats moderately active; white and mixed, 51@52c.

PETROLEUM—In better demand and firm; crude held at 9½@10c; refined, 13c.

WHISKY—Lower at 93½@94c.

BALTIMORE.

BALTIMORE, Dec. 2.—BREADSTUFFS—Flour quiet and unchanged. Wheat steady and unchanged. Corn active; mixed Western, 70@71. Oats in better demand; mixed Western, 45@47c; white, 48@49c. Rye firm at 80@85c.

PROVISIONS—Quiet and unchanged.

COFFEE—Very strong; fair to prime Rio, 22@23½c.

WHISKY—Firmer at 91c.

OSWEGO.

OSWEGO, Dec. 2.—BREADSTUFFS—Wheat quiet; No. 1 Milwaukee, $1.53. Corn quiet at 65c. Barley quiet; prime Canada held at $1.63@1.65.

—An American barber has established himself in Stuttgart, with genuine high-back chairs and the usual conversational abilities.