Nebraska Advertiser.

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Publishers and Proprietors.
Office—No. 70 McPherson's Block, 2d Stairs.

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Nebraska Advertiser.

ESTABLISHED 1856. BROWNVILLE, NEBRASKA, THURSDAY, DECEMBER 16, 1869. VOL. 14. NO. 9.

General Business Cards.

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HEWETT & NEWMAN,
ATTORNEYS & COUNSELORS AT LAW.
Office. No. 70, McPherson Block, up stairs,

SIDNEY FRENCH. W. T. ROGERS.
FRENCH & ROGERS,
ATTORNEYS & COUNSELORS AT LAW.
Office in Court House Building.
Will give diligent attention to any legal business entrusted to their care. [35-tf]

JOB A. DILLON,
Attorney and Counselor at Law, and General Land Agent,
Tecumseh, Johnson County, Nebraska.

J. N. REYNOLDS,
Attorney and Counselor at Law,
OFFICE—No. 90, Reynolds Hotel.

THOMAS & BROADY,
Att'ys at Law & Solicitors in Chancery,
Office in District Court Room.

WM. H. McLENNAN,
Attorney and Counselor at Law,
Nebraska City, Nebraska.

PORTER & BROWN,
Attorneys at Law and Land Agents,
Office: No. 49, Main Street, Up Stairs.

S. M. RICH,
Attorney at Law and Land Agent.
Office in Court House, first door, west side.

R. F. PERKINS,
Attorney and Counselor at Law,
Tecumseh, Johnson Co., Neb.

NYE & HUMPHREY,
ATTORNEYS AT LAW,
Pawnee City, Pawnee Co., Neb.

N. K. GRIGGS,
Attorney at Law & Real Estate Agent,
Beatrice, Gage County, Nebraska.

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Homeopathic Physician, Surgeon and Obstetrician.
A graduate of Cleveland College. Office at Hauk & Armitage's store room. Special attention given to diseases of Women and Children.

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OFFICE—Over Post Office.
OFFICE HOURS—7 A.M. to 6 P.M.

H. C. THURMAN,
PHYSICIAN AND SURGEON,
Office—No. 81 Main Street, one door west of Deuser's Tin Shop. Office hours from 7 to 11 a. m. and 1 to 4 p. m. 15-11-y

H. L. MATHEWS,
PHYSICIAN AND SURGEON.
Office—No. 21 Main Street.

C. F. STEWART, M. D.,
PHYSICIAN AND SURGEON,
Office—No. 21 Main Street.
Office Hours—7 to 9 A. M., and 1 to 2 and 6½ to 7½ P. M.

LAND AGENTS.

R. V. HUGHES,
Real Estate Agent and Justice of Peace,
Office in Court House, first door, west side.

BARRET & LETT,
Land Agents & Land Warrant Brokers.
No. 21 Main Street.
Will attend to paying Taxes for Non-residents. Personal attention given to making Locations. Lands, improved and unimproved, for sale on reasonable terms.

WM. H. HOOVER,
Real Estate and Tax Paying Agent.
Office in District Court Room.
Will give prompt attention to the sale of Real Estate and Payment of Taxes throughout the Nemaha Land District.

JONAS HACKER,
LAND AND TAX PAYING AGENT.
Will attend to the Payment of Taxes for Non-Resident Land Owners in Nemaha County. Correspondence Solicited.

MERCHANDISE.

WM. T. DEN,
Wholesale and Retail Dealer in
General Merchandise, and Commission and Forwarding Merchant,
No. 26 Main Street.
Corn Planters, Plows, Stoves, Furniture, &c., always on hand. Highest market price paid for Hides, Pelts, Furs and Country Produce.

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REYNOLDS HOUSE.
NATHAN N. GREEN, PROPRIETOR.
38 & 30 Main Street, Brownville.
Best accommodations in the city. New House, newly furnished. In the heart of business part of city. Livery stable convenient. 49-9m

PHELPS HOUSE.
W. M. STEVENS, PROPRIETOR.
Opposite the Depot, Phelps City, Missouri.
As good accommodations and good stabling are offered as can be had in the West. [38-1y]

AMERICAN HOUSE.
L. D. ROBISON, Proprietor.
Front St., between Main and Water.
A good Feed and Livery Stable in connection with the House.

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B. H. LEWIS & CO.,
[SUCCESSORS TO HOLLADAY & CO.]
Wholesale and Retail Dealers in
Drugs, Medicines, Paints, Oils, etc.,
No. 41 Main Street.

McCREERY & NICKELL,
Wholesale and Retail Dealers in
Drugs, Books, Wallpaper & Stationery
No. 32 Main Street.

BOOTS AND SHOES.

CHARLES HELMER,
BOOT AND SHOE MAKER,
No. 15 Main Street.
Has on hand a superior stock of Boots and Shoes. Custom Work done with neatness and dispatch.

A. ROBINSON,
BOOT AND SHOE MAKER,
No. 58 Main Street.
Has on hand a good assortment of Gent's, Ladie's, Misses' and Children's Boots and Shoes. Custom Work done with neatness and dispatch. Repairing done on short notice.

HARDWARE.

SHELLENBERGER BRO'S.,
Manufacturers & Dealers in Tinware.
No. 74 Main St., McPherson's Block.
Stoves, Hardware, Carpenter's Tools, Blacksmith's Furnishings, &c., constantly on hand.

JOHN C. DEUSER,
Dealer in Stoves, Tinware, Pumps, &c.,
No. 79 Main Street.

SADDLERY.

JOHN W. MIDDLETON,
HARNESS, BRIDLES, COLLARS, Etc.
No. 64 Main Street.
Whips and Lashes of every description, and Plastering Hair, kept on hand. Cash paid for Hides.

J. H. BAUER,
Manufacturer and Dealer in
HARNESS, BRIDLES, COLLARS, Etc.
No. 9, Main Street.
Mending done to order, Satisfaction guaranteed.

SALOONS.

JOSEPH BUDDARD & CO.,
SALOON,
No. 47 Main Street.
The best Wines and Liquors kept on hand.

R. C. BERGER,
ALHAMBRA BILLIARD SALOON,
The best Wines and Liquors constantly on hand.
No. 48, Whitney's Block.

GRAIN DEALERS.

GEO. G. START & BRO.
DEALERS IN GRAIN, PRODUCE, &c.
Aspinwall, Nebraska.
The highest market price paid for anything the Farmer can raise. We will buy and sell everything known to the market.

WORTHING & WILCOX,
Storage, Forwarding and Commission Merchants,
And Dealers in all kinds of Grain, for which they pay the Highest Market Price in Cash.

STATIONERY.

A. D. MARSH,
PIONEER BOOK AND NEWS DEALER.
City Book Store,
No. 50 Main Street.

AUCTIONEERS.

BLISS & HUGHES,
GENERAL AUCTIONEERS.
Will attend to the sale of Real and Personal Property in the Nemaha Land District. Terms reasonable.

BRIDGE BUILDING.

C. W. WHEELER,
BRIDGE BUILDER,
Sole agent for R. W. Smith's Patent Truss Bridge. The strongest and best wooden bridge now in use.

BLACKSMITHS.

J. W. & J. C. GIBSON,
BLCKSMITHS,
Shop on First, between Main and Atlantic.
All work done to order, and satisfaction guaranteed.

PRESIDENT'S MESSAGE.

To the Senate and House of Representatives:—In coming before you for the first time as the Chief Magistrate of this great nation, it is with great gratitude to the Giver of all good for the many benefits we enjoy.

We are blessed with peace at home, and are without entangling alliances abroad to forebode trouble; with a territory unsurpassed in fertility of an area equal to the abundant support of five hundred millions of people, and abounding in every variety of useful minerals, in quantity sufficient to supply the world for generations, with exuberant crops; with a variety of climate, adapted to the production of every species of earth's riches, suited to the habits, tastes and requirements of every living thing; with a population of forty millions of free people all speaking one language, with facilities for every mortal to acquire an education; with institutions closing to none, the avenues to fame, or any blessing of fortune that may be coveted, with freedom of pulpit, the press and the school, with a revenue flowing into the National Treasury, beyond the requirements of the Government supply; harmony is being rapidly restored within our own borders, manufactures, hitherto unknown in our country are springing up in all directions, producing a degree of National Independence unequalled by that of any other power.

These blessings and countless others are entrusted to your care, and more, for safe keeping, for the brief period of our tenure of office. In a short time we must each of us return to the ranks of the people who have conferred upon us our honors, and account to them for our Stewardship. I earnestly desire that neither you nor I may be condemned by a free and enlightened constituency, nor by our own consciences.

Emerging from a rebellion of gigantic magnitude, aided as it was by the sympathy and assistance of nations with which we were at peace, eleven States of the Union were four years ago left without legal State government, a debt had been contracted, American Commerce was almost driven from the sea, the industry of one half the country had been taken from the control of the capitalist and placed where all labor rightfully belonged, in the keeping of the laborer. The work of restoring State government loyal to the Union, of protecting and fostering free labor and providing means for paying the interest on the public debt, has received ample attention from Congress, although your labors have not met with the success in all particulars that might have been deserved; yet on the whole they have been reasonably anticipated.

Seven States, which passed ordinances of secession, have been fully restored to their places in the Union. The eighth, Georgia, held an election, at which she ratified her Constitution, republican in form, elected a Governor, Members of Congress, a State Legislature, and all other officers required. The Governor was duly installed and the Legislature met and performed all the acts then required of them by the reconstruction acts of Congress. Subsequently, however, in violation of the Constitution which they had just ratified, as since decided by the Supreme Court of the State, they unseated the colored members of the Legislature and admitted to seats some members who are disqualified by the third clause of the Fourteenth Amendment to the Constitution, an article which they themselves had contributed to ratify. Under these circumstances I would submit to you whether it would not be wise, without delay, to enact a law authorizing the Governor of Georgia to convene the members originally elected to the Legislature, requiring each member to take the oath prescribed by the reconstruction act, and none to be admitted who are ineligible under the third clause of the Fourteenth Amendment.

At the March term Congres by joint resolution authorizad the Executive to order elections in the States of Virginia, Mississippi and Texas to submit to them the Constitution which each had previously in Convention framed, and submit the Constitution, either entire or in separate parts, to be voted on at the discretion of the Executive. Under this authority elections were called. In Virginia the election took place on the 6th of July, 1869. The Governor and Lieut. Governor have been installed. The Legislature met and did all required by this resolution, and by all the Reconstruction acts of Congress, and abstained from all doubtful authority. I recommend the admission of Senators and Representatives, and the State be fully restored to its place in the family of States. Elections were called in Mississippi and Texas to commence on the 30th of November, 1869, and to last two days in Mississippi, and four days in Texas. The elections have taken place, but the result is not known. It is to be hoped that the acts of the Legislature of these States, when they meet, will be such as to receive your approbation, and thus cease the work of reconstruction.

Among the evils growing out of the rebellion and not yet referred to, is that of an irredeemable currency; it is an evil which I hope will receive your most earnest attention. It is a duty, and one of the highest duties, of the Government to secure to the citizens a medium of exchange of fixed, unvarying value. This implies a return to a specie basis, and no substitute for it can be devised. It should be commenced now and reached at the earliest practical moment consistent with a fair regard to the interests of the debtor class, immediate resumption, if practicable; it would compel the debtor class to pay beyond their contracts the premium on gold at the date of their purchase, and would bring bankruptcy and ruin to thousands. Fluctuations, however, in the paper value of the measure of gold, is detrimental to the interests of trade. It makes the man of business an involuntary gambler, for in all sales, when future payment is to be made, both parties speculate. As to what will be the value of the currency to be paid and received, I earnestly recommend to you such legislation as will insure a gradual return to specie payment, and put an immediate stop to fluctuation in the valu of currency. The methods to secure the results are as numerous as are the speculators in political economy. To secure the latter, I see but one way, and that is to authorize the Treasury to redeem its own paper at a fixed price whenever presented, to withhold from circulation all such currency redeemed until sold again for gold.

The vast resources of the nation, both developed and undeveloped ought to make our credit the best on earth, with less burden of taxation than the citizens have endured for six years past. The entire public debt could be paid in ten years, but it is not desirable that the people should be taxed to pay it in that time. Year by year the ability to pay increases in a rapid rati , but the burden of interest ought to be reduced as rapidly as can be done without the violation of contract. The public debt is represented in great part by bonds having from five to twenty and ten to forty years to run, bearing interest at the rate of six per. cent and five per cent. respectively. It is optional with the government to pay their bonds at any period after the expiration of the last time mentioned upon their face. The time has already expired when a great portion of them may be taken up, and the time is rapidly approaching when all may be; it is believed that all which are now due may be replaced by bonds bearing a rate of interest not exceeding four and one-half per cent., and, as rapidly as the remainder becomes due, that they may be replaced in the same way. To accomplish this it may be necessary to authorize the interest to be paid at either of the three or four money centres of Europe, or by an Assistant Treasurer of the United States, at the option of the holder of the bond. I suggest this subject for the consideration of Congress; also, simultaneously with this, the propriety of redeeming our currency, as before suggested, at its market value at the time the law goes into effect, increasing the rate at which currency will be bought and sold from day to day or week to week at the same rate of interest as the Government pays upon its bonds. The subject of tax and internal taxation will necessarily receive your attention. The revenues of the country are greater that the requirements, and may with safety be reduced; b t as the funding of the debt in a four or a four and one-half per cent. would reduce the annual currant expenses greatly, thus after funding justifying a greater reduction of taxation, these would be now expedient. I suggest a postponement of the question until the next meeting of Congress. It may be advisable to modify taxation and the tariff in instances where unjust or burdensome discriminations are made by the present laws, but a general revision of the laws regulating this subject, I recommend the postponement of for the present. I also suggest the renewal of the tax on incomes, but at a reduced rate, say of three per cent., and this tax to expire in three years, with the funding of the national debt as here suggested. I feel safe in saying that the taxes and revenue from imports may be reduced safely from sixty to eighty millions per annum at once, and still further reduced from year to year.

The Freedmen, under the protection which they have received, are making rapid progress in learning, and no complaints are heard of the lack of industry on their part when they receive fair remuneration for their labor.

The report of the Secretary of the Treasury shows the receipts of the Government for the fiscal year ending June 30, 1869, to be $370,943,747, and the expenditures, including interest, bounties, &c., to be $321,490,597. The estimates for the ensuing year are more favorable to the Government, and will no doubt show a large decrease of the public debt. The receipts in the Treasury beyond expenditures have exceeded the amount necessary to place to the credit of the sinking fund, as provided by law. To lock up the surplus in the Treasury and withhold it from circulation, would lead to such contraction of currency as to cripple trade and seriously affect the prosperity of the country. Under these circumstances the Secretary of the Treasury and myself heartily concurred in the propriety of using all the surplus currency in the Treasury in the purchase of government bonds, thus reducing the interest bearing debt of the country, and of submitting to Congress the question of the disposition to be made of the bonds so purchased. The bonds now held by the Treasury amount to about seventy-five millions, including those belonging to the sinking fund. I recommend that the whole be placed to the credit of the sinking fund.

Your attention is respectfully invited to the recommendations of the Secretary of the Treasury for the creation of the office of Commission of Customs and Revenue; for the increase of salary to certain classes of officials, and the substitution of the increased national bank circulation to replace the outstanding three per cent certificate; and most especially to his recommendation for the repeal of all laws allowing shares of fines, penalties, forfeitures, &c., to officers of the Government or informers. The office of Commissioner of Internal Revenue is one of the most arduous and responsible under the Government.—If fails little, if any, short of a Cabinet position in its importance and responsibilities. I would ask for it, therefore, such legislation as in your judgment will place the office on a footing of dignity commensurate with its importance, and with the character and qualifications of the class of men required to fill it properly.

As the United States is the freest of all nations, so, too, its people sympathize with all people struggling for liberty and self-government; but, while sympathizing, it is due to our honor that we should abstain from enforcing our views upon unwilling nations, and from taking an interested part, without invitation, in the quarrels between different nations or between governments and their subjects. Our course should always be in conformity with strict justice and law, international and local. Such has been the policy of the administration in dealing with these questions for more than a year. A valuable Province of Spain, and a near neighbor of ours in whom all our people cannot but feel a deep interest, has been struggling for independence and freedom. The people and the Government of the United States entertain the same warm feelings and sympathies for the people of Cuba in their pending struggle that they manifested throughout the previous struggle between Spain and her former colonies in behalf of the latter, but the cantest at no time assumed the conditions which amount to a war in the sense of international law or which would show the exestence of a defacto political organization of the insurgents sufficient to justify a recognition of beligerency. The principle is maintained, however, that this nation is its own judge when to accord the rights of billigerency, either to people struggling to free themselves from a government they believe to be oppressive or to independent nations at war with each other. The United States have no disposition to interfere with the existing relations of Spain to her colonial possessions on this continent. They believe that in due time Spain and other European powers will find their interests in terminating these relations, and establishing the present dependencies as independent powers and members of the family nations, the dependencies are no longer regarded as subject to transfer from European power to another. When the present relations of the Colonies cease they are to be independent powers, exercising the right of choice and self control of their future condition and relations with other powers. The United States, in order to put a stop to blood shed in Cuba, and in the interest tf a neighboring people, proposed their good offices to bring the exist ing contest to a termination. The offer not being accepted by Spain on a basis which we believe could be received by Cuba, was withdrawn.

In is hoped that the good offices of the United States may yet prove ed-advantageous for the settlement of this unhappy strife. Meanwhile a number of illegal expeditions against Cuba have been broken up. It has been the endeavor of the administration to execute the neutrality law in good faith, no matter how unpleasant the task, made so by the suffrings we have endured from lack of like good faith towards us by other nations, The U. S. schooner Lizzie Major was arrested on the high seas, by a Spanish frigate, and two passengers taken from it and carried as prisoners to Cuba.

Representations of these facts were made to the Spanish Government as soon as official information of them reached Washington. The two passengers were set at liberty. and the Spanish Government assured the United States that the captain of the frigate in making the capture had acted without law; that he had been reprimanded for the irregularity of his conduct, and that the Spanish authorities in Cuba, would not sanction any act that could violate or treat with disrespect the sovereignty of this nation.

The question of the seizure of the brig Mary Lowell, at one the Bahama Islands, by the Spanish authorities, is also the subject of correspondence between this Government and those of Spain and Great Britain. The Captain General of Cuba, about May last, issued a proclamation authorizing search to be made of vessels on the seas. Immediate remonstrance was made against this, whereupon the Captain General issued a new proclamation, limiting the right of search vessels of the United States, so far as authorized under the treaty of 1795. This proclamation, however, was immediately withdrawn. I have always felt that the most intimate relations should be cultivated between the Republic of the United States, and all independent nations on this continent. It may be well worth considering whether new treaties between United States and them may not be profitably entered into to secure more intimate relations—friendly, commercial and otherwise. The subject of an interoceanic canal, to connect the Atlantic and Pacific oceans through the Isthmus of Darien, is one which commerce is greatly interested in. Instructions have been given to our Minister to the Republic of the United States of Columbia, to endeavor to obtain authority for a survey by this Government, in order to determine the practicability of such an undertaking, and the charter of the right of way to build, by private enterprise, such a work, if the survey proves to be practicable. In order to comply with the agreement of the United States, as mixed commission in Lima, for the adjustment of claims, it became necessary to send a commissioner and say to Lima, in August last, that no appropriation having been made by Congress for this purpose, it is now aduised that one be made covering the past and future expenses of the Commission. The good office of the United States to bring about a peace between Spain and the South American republics with which she is at war, having been accepted by Spain, Peru and Chili, a Congress has been invited to be held in Washington during the present winter. A grant has been given to the Europeans of an exclusive right of transit over the territory of Nicaraugua to which Costa Rica has given its assent which it is alleged conflicts with vested rights of citizens of the United States. The Department of State has now this subject under consideration. The Minister of Peru having made representations that there was a state of war between Peru and Spain, and that Spain was constructing in and near New York, thirty gunboats, which might be used by Spain in such a way as to relieve the naval force at Cuba so as to operate against Peru, orders were given to prevent their departure, no further steps having been taken by the representative of the Peruvian Government to prevent the departure of their vessels, and I not feeling authorized to detain the property of a nation with which we are at peace on a mere executive order, the matter has been referred to the courts to decide. The conduct of the war between the allies and the republic of Paraguay has made the intercourse with that country so difficult that it has been deemed advisable to withdraw our Representative from there. Toward the close of the last administration, a convention was signed at London for the settlement of all outstanding claims between Great Britain and the United States, which failed to receive the advice and consent of the Senate to its ratification. The time and the negotiation of the treaty were unfavorable to its acceptance by the people of the United States, and its provisions were wholly inadequate for settlement of the grave wrongs that had been sustainined by this Government, as well as by its citizens; the injuries resulting to the United States by Great Britain during our late civil war increased the rates of insurance in the dimunition of exports and imports, and other obstructions to domestic industry and production of its effect upon the foreign commerce of the country, in the decrease and transfer to Great Britain of our commercial marine, in the prolongation of war and increased cost, both in treasure and in lives, of its suppression, could not be adjusted and satisfied as ordinary commercial claims, which continually arise between commercial nations, and yet the convention erected them simply as such ordinary claims, from which they differ more widely in the character than in the magnitude of their amount. Great even as is that difference not a word was found in the treaty, and not an inference could be drawn from it to remove the sense of unfriendliness of the course of Great Britain in our struggle for existence, which had so deeply and universally impressed itself on the people of this country. Believing that a convention thus misconceived in its scope, and made quite so in its provisions, would not have produced the hearty and cordial settlement of pending questions, which alone is consistent with the relations which I desire to have established between the United States and Great Britain, I regard the action of the Senate in its rejection of the treaty to have been wisely taken in the interests of peace, and as a necessary step in the direction of a perfect and cordial friendship between the two countries.

Sensitive people conscious of their power, are more at ease under a great wrong wholly unatoned than the restraint of settlement which satisfies neither their ideas of justice nor their grave senses of the grievicences they have sustained. The rejection of the treaty was followed by a state of public feeling on both sides which I thought not favorable to an immediate attempt at renewed negotiations. I, accordingly, so instructed the Minister of the United States to Great Britain, and found that my views in this regard was shared by her Majesty's Minister. I hope that the time may soon arrive when the two Governments can approach the solution of this moment us question with an assurance of what, is due to the rights, dignity and honor of each, and with the determination not only to remove the causes of complaint in the past, but lay the foundation of a broad principal of public law, which will prevent future differences and tend to firm and continued peace and friendship. This is now the only grave question which the United States have with any foreign nation. The question of a treaty for reciprocity the between U. S. and the British Provinces, on this continent has not been favorably considered by the administration. The advantage of such a treaty would be wholly in favor of the British producer; except, possibly, a few engaged in the trade, between the two sections, no citizens of the United States would be benefitted by reciprocity; our internal taxation would prove a protection to the British producer, almost equal to the protec ion which our manufacturers now receive from the tariff. The same arrangement, however, for the regulation of commercial intercourse between the United States and the Dominion of Canada may be desirable. The commission for adjusting the claims of the Hudson Bay and Puget's Sound Agricultural Company upon tee United States has terminated its labors. The award of six hundred and fifty thousand dollars has been made, and all rights and titles of the company on the Territory of the United States have been extinguished. Deeds for the property of the Company have been received, An appropriation by Congress to meet this sum is asked.

The Commissioners for determining the Northwestern land boundary between the United States and the British Possessions, under the treaty 1856, have completed their labors, and the Commission has been dissolved.

In conformity with the recommendation of Congress a proposition was early made to the British Government to abolish the mixed courts created u der the treaty of April 7th, 1862, for the suppression of the slave trade. The subject is still under negotiation.

It having come to my knowledge that a corporate company organized under British laws proposed to land upon the shores of the United States, and to operate here a submarine cable, under a concession from his Majesty, the Emperor of the French, of an exclusive right for 20 years of telegraphic communication between the shores of France and the United States, with the very objectional feature of subjecting all the messages conveyed thereby to the sovereignty and the control of the French Government, I caused the French and the British Legations at Washington to be made acquainted with the probable policy of Congress on the subject as foreshadowed by the bill which passed the Senate in March last. This drew from the representatives of the Company an agreement to accept, as the basis of their operations, the provisions of the bill, or of such other enactment on the subject as might be passed during the approaching session of Congress; also, to use their influence to secure from the French Government a modification of their concession, so as to permit the landing upon French soil of any cable belonging to any company incorporated by the authority of the United States or of any State in the Union, and on their coast not to oppose the establishment of any such cable. In consideration of this agreement I directed the withdrawal of all opposition by the United States authorities to the landing of the cable and to the working of it until the meeting of Congress. I regret to say that there has been no modification made in the company's concession, nor, so far as I can learn, have they attempted to secure one. Their concession excludes the capital and the citizens of the United States from competition upon the shores of France.

I recommend legislation to protect the rights of the citizens of the United States, as well as the dignity and soverignty of the nation against such an assumption. I shall also endeavor to secure by negotiation an abandonment of the principle of monopolies in ocean telegraphic cables; copies of this correspondence is herewith furnished. The unsettled political condition of other countries, less fortunate than our own, sometimes induces their citizens to come to the United States for the sole purpose of becoming naturalized. Having secured this they return to their native country, and reside there without disclosing their change of allegiance. They occupy official positions or positions of trust or honor, which can only be held by citizens of their native land; they journey under passports describing them as such citizens, and it is only when civil discord, after perhaps years of quiet, threatens them or threatens their person or their property, or when their native State draft into its military service, that the fact of their change of allegiance is made known. They reside permanently from the United States; they contribute nothing to its revenues; they claim the duties of its citizenship, and they only make themselves known by an action of protection.

I have directed diplomatic and consular officers of the United States to scrutinize carefully all such claims of protection from the United States. Only a citizen, native or adopted who discharges his duty to his country, is entitled to its complete protection. While I have a voice in the direction of affairs I shall not consent to infringe the sacred right by conferring it upon the ficticous or fraudulent claimants. On the accession of the present administration it was found that the Minister for North Germany had made a proposition for negotiation for a convention for the protection of eminent passengers to which had been given. It was concluded that to be effectual, all the maritime powers engaged in the trade, should join in such a measure. Invitations have been extended to the Cabinets of London, Paris, Florence, Berlin, Brussels the Hague, Copenhagen and Stockholm, to empower their representatives at Washington to simultaneously enter the negotiations, and to conclude with the United States conventions identical in form, making regulations as to the construction of the parts of vessels to be devoted to the use of emigrant passengers, as to the quality and quantity of food, as to medical treatment of the sick, and as to the rules to be observed during the voyage, and in order to secure ventilation, to promote health, to prevent intrusion, to protect the females, and poviding for the establishment of tribunals in the several countries, for enforcing such regulations by summary process.

Your attention is respectfully called to the law regulating the tariff on Russian hemp, and the question whether to fix the charges on Russian hemp higher than they are fixed upon manilla is not a violation of our treaty with Russia, placing her products upon the same footing with those of the most favored nations.

Our manufactures are increasing with wounderful rapidity under the encouragement which they now receive with the improvements in machinery already effected and still increasing, causing machinery to take the place of skilled labor to a large extent. Our imports of many articles must fall off largely within a very few years. Fortunately, too many manufactures are not confined to a few localities, as formerly, and is to be hoped will become more diffused, making the interest in them equal in all sections. They give employment and support to hundreds of thousands of people at home, and retain with us the means which otherwise would be shipped abroad. The extensions of railroads in Europe and the East is bringing into competition with our agricultural products like products of other countries; self-interest, if not self-preservation, therefore dictates caution against disturbing any industrial interest of the country. It teaches us, also, the necessity of looking to other markets for the sale of our surplus. Our neighbors south of the United States and China and Japan should receive our special attention. It will be the endeavor of the administration to cultivate such relations with all these nations as to entitle us to their confidence and make it to their interest as well as ours to establish better commercial relations through the agency of a more enlightened policy than that heretofore pursued toward China. Largely due to the sagacity and efforts of one of our own distinguished citizens, the world is about to commence largely increased relations with that populous and hitherto exclusive nation. As the United States have been the initiatory in the new policy, so they should be the most earnest in showing their good faith in making it a success. In this connection I advise such legislation as will forever preclude the enslavement or the Chinese upon our soil under the name of Coolies, and also prevent American vessels from engaging in the transportation of Coolies to any country tolerating the system. I also recommend that the mission to China be raised to one of the first class.

On my assuming the responsibilities of the Chief Magistrate of the United States it was with the conviction that three things were essential to our peace, prosperity and the fullest development. First among these is strict integrity in fulfilling all our obligations. Second, To secure protection to the person and property of the citizen of our common country, wherever he may choose to move, without reference to original nationality, religion, color or politics. demanding of him only obedience to the laws, and proper respect for the rights of others. Third, Union of all the States with equal rights, indestructible by any unconstitutional means. To secure the first of these, Congress has taken two essential steps; first, in declaring by joint resolution, tha the public debt should be paid, principle and interest, in coin; and second, the means, however, could not secure the object desired with proper administration of the laws for the collection of the revenues and economical disbursement of them. To this subject the administration has most earnestly addressed itself with results I believe satisfactory to the country. There has been no hesitation in changing officials in order to secure efficient execution of the laws. Sometimes, too, wherein a mere party view, undesirable political results were likely to follow. For any hesitation in sustaining efficient officials against remonstrances, wholly political, it may be well to mention here the embarrassment possibly to arise from leaving on the statue books the so-called tenure of office act, and earnestly recommend its total repeal. It could have not been the intention of the framers of the Constitution, when providing that appointments made by the President should receive the consent of the Senate, that the latter should have the power to retain in office persons placed there by Federal appointment against the will of the President. The law is inconsistent with a faithful and efficient administration of the Government. What faith can the Executive put in officials forced upon him; and those, too, whom he has suspended for reasons? How will such officials be likely to serve an administration which they know does not trust them? For the second requisite to our growth and prosperity, time and a firm but humane administration of existing laws, amended from time to time as they may prove ineffective or prove harsh and unnecessary, are probably all that are required. The third cannot be attained by special legislation, but must be regarded as fixed by the Constitution itself, and gradually acquiesced in by force of public opinion from the foundation of the Government to the present. The management of the original inhabitants of this continent, the Indians, has been a subject of embarrassment and expense, and has been attended with continuous experience up on the frontiers and the Indian countries. I do not hold either legislation or the conduct of the whites, who come most in contact with the Indians, blameless for those hostilities. The past, however; cannot be undone, and the question must be met as we now find it. I have attempted a new policy towards these wards of the nation; they cannot be regarded in any other light than as wards, with fair results so far as tried, and which I hope will be attained ultimately with great success. The Society of friends is well known as having succeeded in living in peace with the Indians in the early settlements of Pennsylvania, while their white neighbors of other sections were constantly embroiled, they are also known for their opposition to all strife, violence and war, and are generally noted for their strict integrity and fair dealing. These considerations induce me to give the management of a few Reservations of Indians to them, and to throw the burthen of selection of agents upon the society itself. The result has proven most satisfactory. It will be found more fully set forth in the report of the Commissioner of Indian affairs, For Superintendents, and Indian agents, not on the Reservations, officers of the army were elected. The reasons for this are numerous. When Indian agents are sent there, or near there, troops must be sent also. The agent and the commander of troops are independent of each other, and are subject to orders from different departments of the Government. The army officer holds a position for life, the agent one at the will of the President. The former is personally interested in living in harmony with the Indians and in the establishment of a permanent peace, to the end that some portion of his life may be spent within the limits of a civilized section. The latter has no such personal interests. Another reason is an economical one, and still another hold which the Government has upon a life officer to secure a faithful discharge of duties in carrying out a given policy. The building of railroads, and the access thereby given to all agricultural and mineral regions of this country, is rapidly bringing civilized settlements into contact with all tribes of Indians. No matter what ought to be the relations between such settlements and the aboriginees, they do not harmonize well, and one or the other has to give way in the end. A system which looks to the extermination of the race is too horrible for a nation to adopt without entailing upon itself the wrath of all Christendom, and engendering in the citizens a disregard for human life and the rights of others dangerous to society. I see no substitute for such a system except in placing all the Indians on a large reservation as rapidly as can be done, and giving them absolute protection there. As soon as they are fitted for it they should be induced to take their lands severally and to set up Territorial Governments for their own protection. For full details on this subject I call your especial attention to the reports of the Secretary of the Interior and the Commissioner of Indian Affairs.

The report of the Secretary of War shows the expenditures of the War Department, for the year ending the 30th of June, 1869, to be $80,644,042, of which $22,882,310 was disbursed in the payment of debts contracted during the war, and it is not chargeable to the current army expenses. The estimate of $34,531,031 for the expenses of the army for the next fiscal year is as low as it is believed can be relied upon. The estimates of Beureau officers have been carefully scrutenized and reduced whenever it has been deemed practicable; if, however, the condition of the country should be such by the beginning of the next fiscal year, as to admit of a greater concentration of troops, the appropriation asked for will not be expended. The appropriation estimated for river and harbor improvement and fortifications are submitted separately. Whatever amount Congress may deem proper to appropriate for these purposes, will be expended. The recommends of the General of the Army that appropriations be made for the forts of Boston, Portland, New York, Philadelphia, New Orleans and San Francisco, if for no other, is concurred in. I also ask your special attention to the recommendation of the General Commanding the Military Division of the Pacific for the sale of the Seal Islands of St. Paul and St. George, Alaska Territory, and suggest that it either be complied with, or that legislation be had for the protection of the seal fisheries, from which a revenue should be derived. The report of the Secretary of War contains a synopsis of the reports of the heads of Bureaus, of the commanders of military divisions and of the districts of Virginia, Mississippi and Texas, and the report of the General of the Army in full. The recommendations therein contained have been well considered, and are submitted for your action. I, however, call special attention to the recommendation of the Chief of Ordnance for the sales of arsenals and lands no longer of use to the Government; also, to the recommendations of the Secretary of War that the act of the 3d of March, 1869, prohibiting promotions and appointments in the staff corps of the army be repealed. The extent of country to be garrisoned and the number of military posts to be occupied is the same with a reduced army as with a large one. The number of staff officers required is more dependent upon the latter than the former condition. The report of the Secretary of the Navy accompanying this shows the condition of the Navy when this administration came into office, and the changes made since. Strenuous efforts have been made to place as many vessels in commission or render them fit for service, if required, as soon as possible, and to substitute the sail for the steam, while cruising, thus materially reducing the expenses of the Navy and adding greatly to its efficiency. Looking to our future I recommend a liberal though not extravagant policy towards this branch of the public service.

The report of the Postmaster General furnishes a clear and comprehensive exhibit of the operations of the postal service and of the financial condition of this part of the Postoffice Department. The ordinary postal revenues for the year ending the 30th of June 1869, amount to $18,344,510 and the expenditures to $23,989,131, showing an excess of the expenditures over the receipts of $5,252,620. The access of expenditures over the receipts for the previous year amounted to $6,527,991. The increase of revenues for 1869, over those of 1868 was $2,051,989, and the increase of expenditures was $967,528. The increased revenue in 1869 exceeded the increased revenue in 1868 by $999,736, and the increased expenditures in 1869 was $2,527,579 less than the increased expenditures in 1867, showing by comparison this gratifying feature of improvment that while the increase of expenditures over the increase of receipts in 1868 was $2,439,435, the increase of receipts in 1868, was $1,084,371.

Your attention is respectfully called to the recommendations made by the Postmaster General for authority to change the rate of compensation to the main trunk railroad lines for their services in carrying the mails, for having post route maps executed; for reorganizing and increasing the efficiency of the special agency service; for increasing the mail service on the Pacific and for establishing mail service under the flag of Union and Atlantic. More especially I call yous attention to his recommendation for the total abolition of the frankin privilege. This is an abuse from which no one receives a pecuniary advantage. It reduces the receipts for postal service from twenty-five to thirty per cent., and largely increases the service to be performed. The method by which postage should be paid upon public matter is set forth fully in the report of the Postmaster General.

The report of the Secretary of the Interior shows that a quantity of the public land disposed of during the year ending 30th of June 1869, was 7,669,159 acres exceeding that of the preceeding year by 1,010,405 acres. Of this amount 2,896,541 acres were sold for cash and 2,757,365 acres were entered under the homestead laws. The remainder was granted to aid in the construction of the work of internal improvements appraised to the United States as swamp land, and located, warrants and scrip. The cash receipts from all sources were $4,472,886, exceeding those of the preceeding year, $2,846,140. During the last fiscal year, 23,196 names were added to the pensions rolls and 4,876 dropped therefrom leaving at the close 187,963. The aggregate paid to pensioners including the compensation of disbursing agents, was $28,422,884. An increase of those who in the line of duty, were wholly or permanently disabled, public opinion has given an emphatic sanction, to these measures of Congress and it will be conceded that no part of our public burden is more cheerfully borne than that which is imposed by this branch of the public service. It necessitates for next fiscal year, in addition to the amount just chargeable to the naval pension fund, an oppropriation of $30,000,000. During the year ending 30th Sept., 1869, the Patent Office issued 15,782 patents, and the receipts were $998,320, being $213,920, more than the expenditures. I would respectfully call your attention to the recommendation of the Secretary of the Interior for uniting the duties of supervising the education of Freedmen with the other duties devolving upon the Commissioner of Education. If it is the desire of Congress to make the census which must be taken during the year of 1870, more complete than heretofore, I would suggest early action upon any plan that may be agreed upon. As Congress at the last session appointed a committee to take into consideration such measures as might be deemed proper in reference to the census and to report a plan