THE NEBRASKA HERALD
IS PUBLISHED WEEKLY BY
H. D. HATHAWAY
EDITOR AND PROPRIETOR.
Office corner Main and Second streets, second story.
TERMS:—Weekly, $2.00 per annum if paid in advance.
$2.50 if not paid in advance.

NEBRASKA HERALD.

VOL. 6. PLATTSMOUTH, NEBRASKA, THURSDAY, DECEMBER 8, 1870 NO. 35

THE DAILY
PLATTSMOUTH HERALD
IS PUBLISHED BY
H. D. HATHAWAY,
EDITOR AND PROPRIETOR.
Office Corner Main and Second streets over Post Office.
TERMS:—Daily $10.00 per annum, or $1.00 per month.

PRESIDENT'S MESSAGE.

Fellow Citizens of the Senate and House of Representatives:

A year of peace and general prosperity to this nation has passed since the last assembling of Congress. We have, through a kind Providence, been blessed with abundant crops, and have been spared from complications and war with foreign nations. In our midst comparative harmony has been restored. It is to be regretted, however, that a free exercise of elective franchise has, by violence and intimidation, been denied to citizens in exceptional cases and several of the States lately in rebellion, and the verdict of the people has thereby been reversed. The States of Virginia Mississippi and Texas have been restored to representation in our national councils.

Georgia, the only State now without representation, may confidently be expected to take her place there also at the beginning of the new year, and then, let us hope, will be completed the work of reconstruction, with an acquiescence on the part of the whole people in the national obligation to pay the public debt created as the price of our union, and the prize of our union, the pensions to our disabled soldiers and sailors, and their widows and orphans, and in the changes to the constitution which have been made necessary by the great rebellion. There is no reason why we should not advance in material prosperity and happiness as no other nation did after so protracted and devastating a war.

Soon after the existing war broke out in Europe the protection of the United States Minister in Paris was invoked in favor of the North Germans domiciled in French territory. Instructions were issued to grant the protection. This has been followed by an extension of American protection to the citizens of Saxony, Hesse and Sax Colony, Gotha, Columbia, Portugal, Uruguay, the Dominican Republic, Equador, Chili, Paraguay and Venezuella. In Paris the charge was an onerous one, requiring constant and severe labor, as well as the exercise of patience, prudence and good judgment. It has been performed to the entire satisfaction of this government, and, as I am officially informed, equally so to the satisfaction of the government of North Germany. As soon as I learned that a republic had been proclaimed at Paris, and that the people of France had acquiesced in the change, the Minister of the United States was directed, by telegraph, to recognize it and tender my congratulations and those of the United States. The re-establishment in France of a system of government disconnected with the dynastic traditions of Europe, appeared to be a proper subject for the felicitation of Americans. Should the present struggle result in attaching the hearts of the French to our simpler form of representative government, it will be a subject of still further satisfaction to our people. While we make no effort whatever to impose our institutions upon the inhabitants of other countries, and while we adhere to our traditional neutrality in civil interests elsewhere, we cannot be indifferent to the spread of American political ideas in a great and highly civilized country like France. We were asked by the new government to use our good offices, joint ly with those of European powers, in the interests of peace. Answer was made that the established policy and the true interests of the United States forbade them to interfere in European questions jointly with European powers. I ascertained, informally and unofficially, that the government of North Germany was not then disposed to listen to such representations from any powers, and, though earnestly wishing to see the blessings of peace restored to the belligerents, with all of whom the United States are on terms of friendship, I declined on the part of this government to take a step which could only result in injury to our true interests without advancing the object for which our intervention was invoked. Should the time come when the action of the United States can hasten the return of peace by a single hour, that action will be heartily taken. I deemed it prudent, in view of the number of persons of German and French birth living in the United States, to issue, soon after official notice of a state of war had been received from both belligerents, a proclamation defining the duties of the United States as a neutral, and the obligations of persons residing within their territory to observe their laws and the laws of nations. The proclamation was followed by others, as circumstances seemed to call for them.—The people, thus acquainted in advance of their duties and obligations, have assisted in preventing violations of the neutrality of the United States.

It is not understood that the condition of the insurrection in Cuba has materially changed since the close of the last session of Congress. In an early stage of the contest the authorities of Spain inaugurated a system of arbitrary arrests, of close confinement and of military trial and execution of persons suspected of complicity with the insurgents, and of summary embargo of their properties, and a requisition of their revenues by the executive, warrant such proceedings as far as they effected the persons or property of citizens of the United States, were in violation of the provisions of the treaty of 1805, between the United States and Spain. Representations of injuries resulting to several persons claiming to be citizens of the United States, by reason of such violations, were made to the Spanish government from April, 1869, to June last.—The Spanish Minister at Washington had been clothed with a limited power to aid in redressing such wrongs. That power was found to be withdrawn, in view, as it was said, of the unfavorable situation in which the Island of Cuba was, which, however, did not lead to the revocation of the suspension of the extraordinary and arbitrary functions exercised by the executive power in Cuba, and we were obliged to make our complaints at Madrid. In the negotiations thus opened and still pending there, the United States only claimed that for the future the rights secured to their citizens by treaty should be respected in Cuba, and that as to the past a joint tribunal should be established in the United States with full jurisdiction over all such claims. Before such an impartial tribunal each claimant would be required to prove his case; on the other hand, Spain would be at liberty to traverse every material fact, and thus complete equity would be done.

A case which at one time threatened seriously to affect the relations between the United States and Spain, has already been disposed of in this way. The claims of the Lloyd Aspinwall for the illegal seizure and detention of that vessel was referred to arbitration by mutual consent, and has resulted in award to this United States for the owner of the same of $19,792 50 in gold. Another and long pending claim of like nature—that of the whale ship Canada—has been disposed of by friendly arbitration.—During the present year it was referred by the joint consent of Brazil and the United States to the decision of Sir Edward Thorton, her Britanic Majesty's Minister at Washington, who kindly undertook the laborious task of examining the voluminous mass of correspondence and testimony submitted by the two governments, and awarded to the United States the sum of one hundred thousand seven hundred dollars and nine cents, gold, which has since been paid by the Imperial Government. These recent examples show that the mode which the United States have proposed to Spain for adjusting the pending claims is just and feasible, and that it may be agreed to by either nation without dishonor. It is to be hoped that this moderate demand may be acceded to by Spain without further delay. Should the pending negotiations unfortunately and unexpectedly be without result, it will then become my duty to communicate that fact to Congress, and its action on the subject.

The long deferred peace conference between Spain and the allied South American republics has been inaugurated in Washington under the auspices of the United States. Pursuant to the recommendation contained in the resolutions of the House of Representatives of the 17th of December, 1866, the executive department of the government offered its friendly offices for the promotion of peace and harmony between Spain and the allied republic. Hesitations and obstacles accrued to the acceptance of the offer. Ultimately, however, a conference was arranged and opened in this city on the 20th of October last, at which I authorized the Secretary of the State to preside. It was attended by the Ministers of Spain, Peru, Chili and Equador. In consequence of the absence of a representative from Bolivia, the conference was adjourned until the attendance of the plenipotentiary from that republic could be secured, or other measures could be adopted towards compassing its object. The allied and other republics of Spanish origin on this continent may see in this fact a new proof of our sincere interest in their welfare, of our desire to see them blessed with good government capable of maintaining order and preserving their respective territorial integrity, and our sincere wish to extend our own commercial and social relations with them. The time is not probably far distant when, in the natural course of events, the European political connection with this continent will cease. Our policy should be shaped in view of this probability, so as to ally the commercial interests of the Spanish American States more closely to our own; others give the United States all the pre-eminence and all the advantage which Mr. Monroe, Mr. Adams and Mr. Clay contemplated when they proposed to join to the Congress of Panama.

During the last session of Congress a treaty for the annexation of the Republic of San Domingo to the United States failed to receive the requisite two-thirds vote of the Senate. I was thoroughly convinced then that the best interest of the country commercially and materially demanded its ratification. Time has only confirmed me in this. In the bay of Samana a large commercial city will spring up, to which we will be tributary without receiving corresponding benefits.

The northern folly, if our rejection so agreed, the government of San Domingo has voluntary sought this annexation. It is a weak Power, numbering probably less than one hundred and twenty thousand souls, and yet possessing one of the richest localities under the sun, capable of maintaining themselves in their present condition, and must look for outside support. They yearn for the protection of our free institutions and laws, our progress and civilization. Shall we refuse them? The acquisition of San Domingo is desirable because of its geographical position. It commands entrance to the Carribean sea and the Isthmus transit of commerce. It possesses the richest soil, the best and most capacious harbors, most salubrious climate, and the most valuable products of the forest, mines and soil of the West India Islands. Its possession by the United States will in a few years build up a coastwise commerce of immense magnitude, which will go far towards restoring to us our lost merchant marine. It will give to us those articles which we consume greatly, and do not produce, thus equalizing our exports and imports in case of foreign war. It will give us command of all the islands referred to, and thus prevent an enemy from again possessing himself of a rendezvous upon our coast. At present our coast trade between the States bordering on the Gulf of Mexico is by the Bahamas and the Antilles, twice what it formerly was. We must, as it were, pass through foreign countries to get by Georgia to the east coast of Florida. San Domingo, with a stable government, under which her immense resources can be developed, will give remunerative wages to ten thousand laborers not now upon the Island. This labor will take advantage of every available means of transportation to abandon the adjacent Islands and seek the blessings of its freedom and its sequence, each inhabitant receiving the reward of his own labor. Porto Rica and Cuba will have to abolish slavery as a measure of self-preservation to retain their laborers. San Domingo will become a large consumer of the products of northern farms and manufactories. The cheap rate at which her citizens can be furnished with food, tools and machinery, will make it necessary that contiguous Islands should have the same advantages in order to compete with the production of sugar, coffee, tobacco and tropical fruits. This will open to us a wider market to our products. The production of our supply of these articles will cent off more than one hundred millions of our annual imports, besides largly increasing our exports. With such a picture it is easy to see how our large debt abroad is ultimately to be extinguished. With a ballance of trade against us, including interest of bonds held by foreigners and money shipment, our citizens traveling in foreign lands, equal to the entire yield of precious metals in this country, it is not easy to see how this result is to be otherwise accomplished. The acquisition of San Domingo, as an adhesion to the Monroe doctrine, is a measure of national protection; it is asserting our just claim to a controlling influence over the great commercial traffic soon to flow from west to east, by way of the Isthmus of Darien; it is to build up our merchant marine; it is to furnish new markets for the products of our farms, shops and manufactories; it is to make slavery unsupportable in Cuba and Porto Rico at once, and ultimately so in Brazil; it is to settle the unhappy condition of Cuba, and end the exterminating conflict; it is to provide honest means for paying our honest debts without overtaxing the people; it is to furnish our citizens with the necessaries of every day life at cheaper rates than ever before, and it is, in fine, a rapid stride towards that greatness which the intelligence, industry and enterprise of citizens of the United States entitled this country to assume among nations. In view of the importance of this question, I earnestly urge upon Congress early action expressive of its views as to the best means of acquiring San Domingo My suggestion is that, by joint resolution of the two Houses of Congress, the Executive be authorized to appoint a commission to negotiate for a treaty with the authorities of San Domingo for the acquisition of that island; that an appropriation be made to defray the expenses of such commission. The question may then be determined by the action of the two Houses of Congress upon a resolution of annexation, as in the case of the acquisition of Texas. So convinced am I of all the advantages to flow from the acquisition of San Domingo and of the great disadvantages, I might almost say calamities, to flow from non-acquisition that I believe the subject has only to be investigated to be approved.

It is to be regretted that our representations in regard to the injurious effects, especially upon the revenue of the United States, of the policy of the Mexican government, in exempting from import duties a large tract of its territory on our borders, have not only been fruitless, but that it is even proposed in that country to extend the limits within which the privilege adverted to has hitherto been enjoyed. The expediency of looking into and giving your serious consideration to proper means for countervailing.

The policy referred, it is presumed, will engage your earnest attention. It is the obvious interest especially of neighboring nations, to provide against injury to those who may have committed high crimes within their borders, and who may have sought refuge abroad. For this purpose extradition treaties have been concluded with several of the Central American republics, and others are in progress. The sense of Congress is desired as as early as may be convenient upon the proceedings of the commission on claims against Venezuela as committed in messages of March 4, 1869, March 1, 1870, and March 31, 1870. It has not been deemed advisable to distribute any of the money which has been received from that Government until Congress shall have acted upon the subject: The massacres of French and Russian residents at Tientien, under circumstances of great barbarity, were supposed by some to have been premeditated, and to indicate a purpose among the populace to exterminate foreigners in the Chinese Empire. The evidence fails to establish such a supposition, but shows a complicity by the local authorities and the mob. The Government at Pekin, however, seems to have been disposed to fulfill its treaty obligations so far as it was able to do so. Unfortunately the news of the war between the German States and France reached China soon after the massacre. It would appear that the popular mind became possessed with the idea that this contest, extending to Chinese waters, would neutralize the christian influence and power, and that the time was coming when the superstitious mass might expel all foreigners and restore mandarin influence. Anticipating trouble from the cause, I invited France and North Germany to make an authorized suspension of hostilities in the East, where they were temporarily suspended by act of the commanders, to act together for the future protection in China, of the lives and prosperity of Americans and Europeans. Since the adjournment of Congress, the ratifications of a treaty with Great Britain for abolishing the mixed courts for the suppression of the slave trade have been exchanged. It is believed that the slave trade in now confined to the eastern cost of Africa, whence the slaves are taken to Arabian markets. The ratifications of the naturalization convention between Great Britain and the United States have also been exchanged during the recess, and thus a long standing dispute between the two Governments has been settled in accordance with the principles always contended for by the United States. In April last, while engaged in locating a military reservation near Pembina, a corps of engineers discovered that the commonly received boundary between the United States and the British Possessions at that place is about fifty seven hundred feet south of the true position of the tenth parallel, and that the line, when run on what is now supposed to be the true position of that parallel, would leave the fort of the Hudson Bay Company at Pembina within the territory of the United States. This information being communicated to the British government, I was requested to consent, and did consent, that British occupation of the fort of the Hudson Bay Company should continue for the present. I deem it important, however, that this part of the boundary lines should be definitely fixed by a joint commission of the government, and submit herewith estimates of the expense of such a commission on the part of the United States, and recommend an appropriation for that purpose. The land boundary is already marked from the summit of the Rocky Mountains to the Georgia Bay. It should now be in like manner marked from the Lake of the Woods to the Rocky Mountains.

I regret to say no conclusion has been reached for the adjustment of claims against Great Britain, growing out of the course adopted by that government during the rebellion. The Cabinet of London, so far as its views have been expressed, does not appear to be willing to concede that her Majesty's government was guilty of negligence or did, or permitted any act, during the war, by which the United States has just cause of complaint. Our firm and unalterable convictions are directly the reverse. I therefore recommend to Congress to authorize the appointment of a commission to take proof of the amounts, and the ownership and their claims, on notice to the representative of her majesty at Washington, and that authority be given for the settlement of these claims by the United States, so that the government shall have the ownership of private claims as well as the responsible control, of all demands against Great Britain. It cannot be necessary to add that whenever Her Majesty's government shall entertain a desire for a full and friendly ajustment of these claims, the United States will enter upon their consideration with an earnest desire for a conclusion consistent with the honor and dignity of both nations.

The course pursued by the Canadian authorities toward the fishermen of the United States during the past season has not been marked by a friendly feeling. By the first article of the Convention of 1818, between Great Britain and the United States, it was agreed that the inhabitants of the United States should have forever in common with British subjects, the right of taking fish in certain waters therein discribed. In the waters not included in the limits named in the Convention within three miles of parts of the British coasts, it has been the custom many years to give intruding fishermen of the United States a reasonable warning of the violation of the technical rights of Great Britain.—The Imperial Government is understood to have delegated the whole or a share of its jurisdiction or control of these inshore fishery grounds to the colonial authrity, known as the Dominon of Canada, and this semi-indipendent but irresponsible agent has exercised the delegated powers in an unfriendly way. Vessels have been siezed without notice or warning, in violation of the custom prevailning, and have been takon into the colonial ports, their voyages broken up and the vessels condemned. There is reason to believe that this unfriendly and vexatious treatment was designed to bear heavy on tha hardy fishermen of the United States with a view of political effect upon this Government. The statutes of the Dominion of Canada assume a still broader and more untenable jurisdiction over the vessels of the United States. They authorize officers or persons to bring vessels hovering within three marine miles of any of the coasts, bays, creeks, or harbors of Canada, into port, to search the cargo, to examine the master, on oath, touching the cargo and voyage, and to indict upon him a heavy pecuniary penalty if true answers are not given, and if such a vessel is found preparing to fish within three marine miles of any of such coasts, bays, creeks, or harbors without a license, or after the expiration of the period named in the license granted to it, they povide that the vessel, with her tackle, &c., &c. shall be forfeited. It is not known that any condemnations have been made under this statute. Should the authorities of Canada attempt to inforce it, it will become my duty to take such steps as may be necessary to protect the rights of the citizens of the United States. It had been claimed by her Majesty's officers that the fishing vessels of the United States have no right to enter the open ports of the British possessions in North America except for the purpose of shelter and repairing damages, of purchasing wood and obtaining water; that they have no right to enter at the British custom houses or to trade, except the purchase of wood and water, and that they must depart within twenty-four hours after notice to leave. It is not known that any seisure of a fishing vessel carrying the flag of the United States has been made under this claim.

So far as the claim is founded on the alleged construction of the Convention of 1818, it cannot be acquiesced in by the United States. It is hoped that it will not be insisted on by her Majestie's Government. During the conference which preceded the negotiation of the convention of 1818 the British Commissioners proposed to expressly exclude the fishermen of the United States from the privilege of carrying trade with any of her Brittanic Majesty's subjects residing within the limits assigned for their use, and also that it should not be lawful for the vessels of the United States, engaged in such fishery to have on board any goods, wares, or merchandise whatever, except such as may be necessary for the prosecution of their voyages to and from said fishing grounds; and any vessel of the United States which shall contravene this regulation may be seized, condemned, and confiscated with her cargo. This proposition, which is identical with the construction now put upon the language of the Convention, was emphatically rejected by the American commissioner, and thereupon was abandoned by the British plenipotentiaries, and article 1, as it stands in the convention was substituted.

It, however, it be said that this claim is founded on Provincial or Colonial statutes, and not upon the Convention, this Government cannot but regard them as unfriendly and in contravention of the spirit, if not of the letter, of the treaty, for the faithful execution of which the Imperial Government is alone responsible.

Anticipating that an attempt may possibly be made by the Canadian authorities in the coming season to repeat their unneighborly acts toward our fishermen, I recommend you to confer upon the Executive the power to suspend by proclamation the operation of the laws authorizing the transit of goods, wares and merchandize in bond across the territory of the United States to Canada: and further, should such an extreme measure become necessary, to suspend the operation of any laws whereby the vessels of the Dominion of Canada was permitted to enter the waters of the United States.

A like unfriendly disposition has been manifested on the part of Canada in the maintenance of a claim of right to exclude the citizens of the United States from navigation of the St. Lawrence. This river constitutes a natural outlet to the ocean for States with an aggregate population of 17,600,000 inhabitants and with an aggregate tonnage of 661,357, tons upon the waters which discharge into it. The foreign commerce of which ports on these waters is open to British competition and the major part of it is done in British bottoms. If the American seamen be excluded from this natural avenue to the ocean, the monopoly of the direct commerce of the lake ports with the Atlantic would be in foreign hands, their vessels on the trans Atlantic voyages having an access to our lake ports, which would be denied to American vessels on similar voyages. To state such a proposition is to refute its justice. During the administration of John Quincy Adams, Mr. Clay unquestionably demonstrated the natural right of the citizens of the United States to the navigation of this river, claiming that the act of Congress of Vienna in opening the Rhine and other rivers to all nations, showed the judgement of European jurists and statesmen, that the inhabitants of a country through which a navigable river passes have a natural right to enjoy the navigation of that river to and into the sea, even though passing through the territory of another power. This right does not exclude them amounting, in the agrigate, to 130,000 tons. The total tonage engaged in foreign trade entered to all the ports of the United States has increased from 5,583,000 tons in 1869, to 5,957,000 in 1870; but the proportion of American tonnage remains as in 1869, at 36 per cent. Without undertaking to specify the means by which it is to be accomplished, I cannot overstate the importance of such legislation as will secure the revival of American commerce. The report of the Lighthouse Board sets forth in detail the difficulties which have arisen in that branch of the public service from the operation of the fifth section of the act of July 12, 1870, making appropriations for legislative and executive expenses of the government for the year ending June 30 1871. The legislation asked for by the board seemed to me to be necessary. The report of the Superintendent of coast Survey gives a brief but satisfactory statement of the Canadian frontier. Since Mr. Clay advanced his argument in behalf of our right, the principle for which he contended has been frequently, and by the various nations, recognized by law or by treaty, and has been extended to several other great rivers By the treaty concluded at Mayence in 1831, the Rhine was declared free from all points where it is first navigable into the sea. By the convention between Spain and Portugal, concluded in 1835, the navagation of the Bourse throughout its whole extent was made free for the subjects of both crowns In 1855 the Argentine Confederation, by treaty threw open the free navigation of the Parana and Uraguay to the merchant vessels of all nations. In 1855, the Crimean war was closed by a treaty which provided for the free navigation of the Danube. In 1858, Bolivia, by treaty, declared it regarded the rivers Amazon and LaPlata, in accordance with fixed principles of national law, as highways or channels opened by nature for the commerce of all nations. In 1859, the Paraguay was made free, by treaty, and in December 1866, the Emperor of Brazil, by Imperial decree, declared the Amazon to be open to all the frontier of Brazil, and to the merchant ships of all nations. The greatest living British authority on this subject, while asserting the abstract right of the British claims, says it seems difficult to deny that Great Britain may ground her refusal upon strict law, but it is equally difficult to deny, first, that in so doing she exercises harshly an extreme and hard law; second ly, that her conduct with respect to the navigation of the St. Lawrence is in glaring and discreditable inconsistency with her conduct with respect to the navigation of the Mississippi, on the ground that she possessed a small domain in which the Mississippi took its rise.—She insisted on this right to navigate the entire volume of its water. On the ground that she possessed both banks of the St Lawrance, where it disembogues itself into the Sea, she denies to the United States the right to navigation though about one half the waters of lakes Ontario, Erie, Huron and Superior, and the whole of Lake Michigan, through which the river flows, are the property of the United States. The whole nation is interested in securing cheap transportation from the agricultural States of the West to the Atlantic seaboard; to the citizens of those states it secures a greater return for their labor; to the inhabitants of the seaboard it offers cheaper food; and to the nation an increase in the annual surplus of wealth. It is hoped the Government of Great Britain will see the justice of abandoning the narrow and inconsistent claim to which her Canadian provinces have urged her adherence.

Our depressed commerce is a subject to which I called your attention at the last session, and suggested that we will, in the future, have to look more to the countries south of us, and to China and Japan, for its revival. Our Representatives to all these Governments have exerted their influence to encourage trade between the United States and the countries to which they are accredited, but the fact exists that the carrying is done almost entirely in foreign vessels; and while this style of affairs exists, we cannot control our due share of the commerce of the world. That between the Pacific States and China and Japan is about all the carrying trade now conducted in American vessels. I would recommend a liberal policy toward that line of American steamers, and one that will insure its success, and even increased usefulness. The cost of building iron vessels, the only ones that can compete with foreign ships in the carrying trade, is so much greater in the United States than in foreign countries, that we must some assistance from the government they cannot be built here. There will be several propositions laid before Congress in the course of the present session looking to a remedy for this evil, even if it should be at some cost to the national treasury. I hope such encouragement will be given as will secure American shipping on the high seas, and American ship building at home.

The condition of the archives at the Deparment of State calls for the early action of Congress. The building now rented by that department is a frail structure, at an inconvenient distance from the Executive Mansion, and from the other departments. It is illy adapted to the purpose for which it is used, has not capcity to accommodate the archives, and is not fire proof. Its remote situation, its slender construction, and the absence of a supply of water in the neighborhood, leaves but little hope of safety to either the building or its contents, in case of the accident of a fire. Its instruction would involve the loss of the rolls containing the original acts and resolutions of Congress; of the historic records of the revolution and of the confederation of the whole series of diplomatic and consular archives since the adoption of the constitution and of the many other valuable records and papers left with the department when it was the principal depository of government archives. I recommend an appropriation for the construction of a building for the Department of State.

I recommend to your reconsideration the propriety of transfering to the Department of the Interior, to which they seem more appropriately to belong, all powers and duties in relation to the territories, with which the Department of State is now charged by law or usage, and from the Interior Department to the War Department the Pension Bureau, so far as it regulates the payment of soldiers' pensions. I would further recommend that the payment of naval pensions be transferred to one of the bureaus of the Navy Department.

The estimates for the expenses of the government for the fiscal year are $18,244,346.01 less than for the current one, but exceed the appropriations for the present year, for the same items, by $8,972,127 56. In this estimate, however, is included $22,338,278 37 for public work heretofore begun under Congressional provision, and of which only so much is asked as Congress may choose to give. The appropriation for the same work for the present fiscal year was $11,984,518.08.

The average value of gold, as compared with national currency, for the whole of the year 1869, was about 134, and for eleven months of 1870 the relative value has been about 115. The approach to a specie basis is very gratifying, but the fact cannot be denied that the instability of the value of our currency is prejudicial to our prosperity, and tends to keep up prices, to the detriment of trade. The evils of a depriciate fand fluctuating currency are so great that now, when the premium on gold has fallen so much it would seem that the time has arrived when, by prudent and wise legislation, Congress should look to a policy which would place our currency at par with gold at no distant day. The tax collected from the people has been reduced more than eight million dollars per annum. By steadiness in our present course, there is no reason why, in a few short years, the national tax gatherer might not disappear from the door of the citizen almost entirely. With the revenue stamp dispensed by postmasters in every community, a tax upon liquors of all sorts, and tobacco in all its forms, and by a wise adjustment of the tariff which will put a duty only upon those articles which we could dispense with, known as luxuries, and on those which we use more of than we produce, revenue enough may be raised, after a few years of peace and consequent reduction of indebtedness, to fulfill all our obligations. A further reduction of expenses in addition to a reduction of the interest account may be relied on to make this practicable. Revenue reform, if it means this, has my early support; if it implies a collection of all the revenue for the support of the government and for the payment of the principal and interest of the public debt, pensions, etc., by directly taxing the people, then I am against the revenue reform, and confidently believe the people are with me. If it means a failure to provide the necessary means to defray all expenses of the government, and there by the repudiation of the public debt and pensions, then I am still more opposed to such kind of revenue reform. Revenue reform has not been defined by any of its advocates to my knowledge, but to be accepted as something but to supply every man wants without any cost or effort on his part. A true revenue reform cannot be made in a day, but must be the work of legislation and of time. As soon as the revenue can be dispensed with, all duty should be removed from coffee, tea and other articles of universal use, not produced by ourselves. The necessities of our country compel us to collect revenue from our imports. An army of assessors and collectors is not a pleasant sight to our citizens, but that or a tariff for revenue is necessary. Such a tariff, so far as it acts in encouragement to home products, affords employment to labor at living wages, in contrast to the pauper wages of the old world, and also in the development of home resources.

Under act of Congress of the 16th day of July, 1870, the army has gradually been reduced, so that, on the 1st of January, 1871, the number of commissioned officers and men all will not exceed the number contemplate I by that law.

The Department building is an old structure, not fire proof, and entirely inadequate in its dimensions to our present wants. Many thousands of dollars are now paid annually for the rent of private buildings to accommodate the various Bureaus of the Department. I recommend an appropriation for a new War Department building suited to the present growing wants of the nation. The report of the Secretary of War shows a very satisfactory reduction in the expenses of the army for the last fiscal year. For details you are referred to his accompanying report.

The expenses of the navy for the whole of the last year, from December 1st, 1869, inclusive of the navy yard and other improvements, were $18,000,000, or about one million less than they were the previous year. The expenses since the commencement of this fiscal year, since July 1st, show, for the three months, a decrease of over $2,400,000 from those of the corresponding months of last year. The estimates for the current year were $20,000,000, and those for the next year are $19,000,000, or $1,000,000 in addition to the necessary permanent improvements. These estimates are made closely for the maintenance of the naval establishment as it now is, without increase in the nature of permanent improvement. The appropriations made for the last and current years were officially intended by Congress, and are so treated by the executive, as a special provision for the repairing and refitting of our old ships. This policy must decrease gradually but surely destroy the navy, and it is in itself far from economical, as a few years more in the pursuit of the necessity for mere repairs in ships and navy yards becomes more imperative and more costly, and our current expenses are annually increased by the decay of our ships, many of which must soon become unsafe and useless. I hope, during the present session of Congress, to be able to submit to it a plan by which naval vessels can be built and repaired at much less saving upon the present cost. I can hardly be wise statesmanship in a Government which represents a country with over five thousand miles of sea coast, and which contains a class of progressive people, with relations of every nature with almost every foreign country to rest with such an idea, instead of embracing any foreign policy, either of peace or war. Separated by the ocean from the nations of the Eastern continent our navy is our only means of direct protection to our citizens abroad, or for the enforcement of any foreign policy.

The accompanying report of the Postmaster General shows a most satisfactory working of the department. With the adoption of the reforms recommended in my last report, particularly those relating to a reform in the franking privilege, and the adoption of correspondence cards, a self-sustaining postal system may speedily be looked for, and no distant day a further reduction of the rate of postage attained.

I recommend the authorization by Congress to the Postmaster General and Attorney General to issue all commissions to officers appointed from the Department of Justice. At present all these commissions, where appointments are Presidential, are issued by the State Department. The law in all the departments of government, except those of the Treasury and of Justice, authorizes each to issue its own commissions.

Always favoring practical reforms, I respectfully call your attention to one abuse of long standing, which I would like to see remedied by this Congress. It is a reform in the civil service of the country. I refer to the practice of fixing the mere fixing of the tenure of office of clerks and employes, who do not require the advice and consent of the Senate to make their appointments complete, to have it go over, not a fixe tenure, but the manner of making all appointments. There is no duty which so much embarrasses the Executive and heads of departments as the duty of appointments; nor is there any such arduous and thankless labor imposed on Senators and Representatives as that of finding places for constituents. The present system does not secure the best, nor does it even fit men for public place. The elevation and purification of the civil service of the government will be hailed with approval by the whole people of the United States.

Reform in the arrangement of Indian Affairs has received the special attention of the administration from its inauguration to the present day. The experiment of making it a missionary work was tried, with a few agencies given to the denomination of Friends, and has been found to work most advantageously. All agencies and superintendencies not so disposed of were given to officers of the army. The act of Congress regulating the army renders army officers ineligible to other offices or employments, civil offices. I determined to give all the agencies to such religious denominations as had heretofore established missionaries among the Indians, and to intrust to such denominations who would undertake the work on the same terms, i. e. as missionary work. The societies selected are allowed to name their own agent, subject to the approval of the Executive, and are expected to watch over them and aid them, as missionaries, to christianize and civilize the Indian, and to train him in the arts of peace. The experiment of making the official acts of these agents, and requires of them as strict an accountability as if they were appointed in any other manner. I entertain the confident hope that the policy now pursued will, in a few years, bring all Indians upon reservations, where they will live in houses, have school houses, and will be pursuing peaceful and self-sustaining avocations, and where they may be visited by the law-abiding white man with the same impunity that he now visits the civilized white settlement. I call your special attention to the report of the Commissioner of Indian Affairs for full information on this subject. During the last fiscal year, 8,005,713 acres of public land were disposed of, of this quantity 2,698,937 acres were taken under the homestead law, and 2,151,951 68 acres sold for cash.—The remainder was located with military warrants and Indian scrip, or applied in satisfaction of grants to railroads or for other public uses. The entries under the homestead law during the year covered 603,505 acres more than those during the preceding year. Surveys have been vigorously prosecuted to the full extent of means applicable to the purpose, and the quantity of land in market will amply supply the present demand. The claims of settlers under the homestead or the pre-emption laws are not, however, limited to lands subject to sale at private entry. Any unappropriated surveyed public land may, to a limited amount, be acquired under the former laws, if the party entitled to enter under them will comply with the requirements they prescribe in regard to the residence and cultivation. The actual settler's preference and right of purchase is even broader and extends to lands which were unsurveyed at the time of his settlement. His right was formerly confined within much narrower limits, and, at one period of our history, was confirmed only by special statute. They were enacted from time to time to legalize what was then regarded as an unauthorized intrusion upon the national domain; the opinion that public lands should be regarded chiefly as a source of revenue is no longer maintained. The rapid settlement and successful cultivation of them is now justly considered of more importance to our well being than is the fund which the sale of them would produce. The remarkable growth and prosperity of our new States and Territories attest the wisdom of the legislation which invites the tiller of the soil to secure a permanent home on terms within reach of all. The pioneer who incurs the dangers and privations of frontier life, and thus aids in laying the foundation of a new commonwealth, renders a signal service to his country. He is entitled to its special favor and protection. The law secures that object, and indirectly promotes the general welfare.—They should therefore be cherished as a permanent feature of our land system. Good faith acquires us to give full effect to existing grants. The time-honored and beneficial policy of setting apart certain sections of public lands for educational purposes in the new States should be continued. When ample provision shall have been made for the public wants, I submit, as a question worthy of serious consideration, whether the residue of our national domain should not be wholly disposed of under the provisions of homestead and preemption laws. In addition to the swamp and overflowed lands granted to the states in which they are situated, the lands taken under Agricultural College acts and for internal improvement purposes, under an act of September, 1841, and the acts supplemental thereto, there have been conveyed up to the close of the last fiscal year, by patent or other equivalent evidence of title to States and corporations, 27,878,227.13-100 acres for railways, canals and wagon roads. It is estimated that an additional quantity of 174,753,329 acres is still due under grants for like uses. The policy of thus aiding the States in building works of internal improvements was inaugurated more than 30 years since in the grant to Indiana and Illinois to aid these States in opening canals to connect the waters of the Wabash with those of Lake Erie and the waters of the Illinois with those of Lake Michigan. It was followed with some modifications in the grant to Illinois of alternate sections of public land within certain limits of the Illinois Central railway. Fourteen States and sundry corporations have received similar subsidies, in connection with the railways completed, or in process of construction.—The grants thus made have greatly promoted the examination, the sale of them at the enhanced prices thus in many instances indemnified the treasury for granted lands. The construction of some of these thoroughfares has undoubtedly given a vigorous impetus to the development of the more distant portions of the country. It may, however, well be insisted that much of our legislation in this regard has been characterized by indiscriminate and profuse liberality. The United States should not loan their credit in aid of any enterprise under taken by States or corporations, nor grant lands in any instance where the project of work is of acknowledged national importance. I am strongly inclined to the opinion that it is inexpedient and unnecessary to become subsidies of railroad enterprises, and should Congress determine otherwise I earnestly recommend that the right of settlers and of the public be more effectually secured and protected by more appropriate legislation.

During the year ending September 30, 1870, there were issued in the patent office, 18,411 applications for patents, 607 caveats, and 199 applications for reissues of patents. Of the number 11,622 patents, including re issues and designs, were issued, 110 were extended, and 1,080 allowed, but not issued, by reason of the non-payment of the final fees. The gross receipts of the office during the fiscal year were $413,653,328 in excess of its expenditures.

The work of the Census Bureau has been energetically prosecuted. The preliminary report, containing much information of special value and interest, will be ready for delivery during the present session. The remaining volumes will be completed as all the disposition possible with perfect accuracy in arranging the returns. We shall thus, at no distant day, be furnished with a mirror of our record of our condition and resources. It will, I doubt not, afford every citizen pleasure to see the country, although during the decade which has just closed, it was so severely tried by the great war waged to maintain its integrity, and to secure and perpetuate one free institutions.

During the last fiscal year the sum paid to pensioners, including the cost of disbursement, was $27,769,931.11 and 1,708 bounty land warrants were issued.

At the close of the year 187 names were on the pension rolls. The labors of the pension office have been directed to the severe scrutiny of new claims, and to the discovery of fictitious claims which have therefore not allowed. The appropriation for the employment of special agents for the investigation of frauds has been judiciously used, and the results of it have been of unquestionable benefit to the service.

The subjects of education and agriculture are of great interest to the success of our republican institutions, happiness and grandeur as a nation. In the interests of one a bureau has been established, in the interior Department, the bureau of education—and in the interior of the other a separate department—that of agriculture. It is my earnest desire that no great good is to flow from the operations of both these bureaus, if properly fostered. I cannot commend to your careful consideration too highly the report of the Commissioner of Education and of Agriculture, nor urge too strongly such liberal legislation as to secure their efficiency.

In conclusion I would sum up the policy of the administration to be a thorough enforcement of every law, a faithful collection of tax imposed, for economy in the disbursement, of the same, a prompt payment of the debt of the nation, a reduction of taxes as rapidly as the requirements of the country will admit, reduction of taxation and tariff will be so arranged as to afford the greatest good to the greatest number honest dealing with all of the people to the end, that war with all its blighting consequences, may be avoided, but without surrendering any right or obligation due to us; a reform in the treatment of Indians, and in the whole civil service of the country, and finally in securing a pure, untrammeled ballott, where every man entitled to cast a vote may do so just once at each election, free from fraud or intimidation, or proscription on account of his political faith, nativity or color.

U. S. GRANT.

EXECUTIVE MANSION, Dec. 5, 1870.

BY TELEGRAPH.

CONGRESSIONAL.

SENATE.

WASHINGTON, December 6.

Bills were introduced as follows:

By Mr. Harlan, to authorize the election of a Delegate to Congress from the Indian Territory.

By Mr Scott, to reneal so much of the act of July 14th, 1870, as continues the income tax after December 31st.

By Mr. Fenton, authorizing the Postmaster General to continue the use of the postal service of a patented device for the post-marking and more effectual cancellation of postage stamps.

A resolution was offered by Mr. Sherman, and adopted, calling upon the Secretary of the Treasury for copies of the regulations prescribed by him for transportation of goods in bond from foreign countries through the United States to Canada.

Adjourned.

HOUSE

Several bills were introduced and the Senate adjourned, in order to complete the informal revisiof of standing committees.

In the House several members elected to fill vacancies sworn in, and several bills for the repeal of the income tax were introduced.

A bill extending the time for the completion of the Lake Superior and Bayfield Railroad was discussed at length and finally tabled.

Mr. Logan asked leave to intoduce and put on its passage a bill abolishing the offices of Admiral and Vice Admiral in the navy the former at once and the latter when a vacancy occurs. Objection was made, and Mr. Logan gave notice that he would move on Mon