To the Congress of the United States. Since the close of your last session the American people, in the exercise of their highest right of suffrage, have chosen their chief magistrate for the four years ensuing. When it is remembered that at no period in the country's history has the long rollitical contest. try's history has the long political contest which customarily precedes the day of the nationel election been waged with greater fer-vor and intensity, it is a subject of congratulation that after the controversy at the polls was over, and while the slight preponderance by which the issue had been determined was as yet unascertained, the public peace suffered no disturbance, but the people everywhere patiently and quietly awaited the result. Nothing could more strikingly illustrate the temper of the American citizen, his love of order, and his loyalty to law; nothing could more signally demonstrate the strength and wisdom of our political institutions. Eight years have passed since a controversy concerning the result of a national election sharply called the attention of congress to the necessity of providing more definite regulations for counting the electoral vote. It is of the gravest importance that this question be solved before conflicting claims to the presidency shall again distract the country. And I am persuaded that by the people at large any of the measures of relief thus far

Our Relations With Foreign Countries. Our relations with all foreign powers continues to be amicable. With Belgium a convention has been signed whereby the scope of present treaties has been so enlarged as to secure to citizens of either country, within the jurisdiction of the other, equal rights and

proposed would be preferred to continued in-

privileges. In the acquisition and alienation of property. a trade mark treaty has also been concluded The war between Chili and Peru is at an end. For the arbitration of the claims of American citizens who, during its continuance suffered through the acts of the Chilian authorities, a convention will soon be negotiated.

The state of hostilities between France and China continue to be an embarrassing feature of our eastern relations. The Chinese gov ernment has promptly adjusted and paid the claims of American citizens whose property was destroyed in the recent riots at Canton. I renew the recommendation of my last annual message that the Canton indemnity fund be returned to China. The true interpretation of the recent treaty with that country permitting the restriction of Chinese immigration is likely to be again the subject of your deliberations. It may be seriously questioned whether the statute passed at the last session does not violate the treaty rights of certain Chinese who left this country with return certificates valid under the old law, and now seem to be de-barred from landing from lack of certificate required by the new.

The recent purchases by the United States of a large trading fleet heretofore under the Chinese flag has considerably enhanced our commercial importance in the east. In view of the large vessels built or purchased by American citizens in other countries, and exclu ively employed in legitimate traffic between foreign ports under the recognized protection of our flag, it might be well to provide a uniform rate of their registration and documentation so that the bona fide rates of our citizens therein shall be duly evidenced and guarded. Pursuant to the advice of the senate at the last session I recognized the flag of the international association of the Congo that of a friendly government, avoiding, in so doing, any prejudgment of conflict in territorial claims in the region subsequently. In execution of the expressed wish of congress I appointed a commercial agent for the Congo Basin. The importance of the rich prospective trade of the Congo valley has led to the general conviction that it should be equal to all nations upon equal terms, an international conference for the consideration of the subject, was called by the emperor of Germany, and is now in session at delegates are in attendance on behalf of the United States. Of the results of the conference you will be duly advised.

The government of Corea has generously aided the efforts of the United States minister to secure suitable premises for the use of the legation. As the conditions of diplomatic intercourse with eastern nations demand the legation premises to be owned by the represented power, I advise that an appropriation be made for the acquisition of this property by the government. The United States already possesses valuable premises at Tangier, as a gift from the sultan of Morocco, and as stated hereafter they have lately received a similar gift from the Siamese government. The government of Japan stands ready to give us extensive grounds at Tokio, wherein to erect a suitable building for the legation, court house and jail, and similar privileges can probably be se-cured in China and Persia. The owning of such premises would not only affect a large saving of present rentals but would permit of the due assertion of presidential rights in these countries and would the better serve to maintain the dignity of the United States.

The failure of congress to make an appropriation for our representation at the Antonemeus court of the khediye has proved a serious embarrassment to our in ercourse with Egypt, and in view of the necessary intimacy of diplomatic relationship due to the participation of this government as one of the treaty powers in all matters of administration thereby affecting the rights of foreigners, I advise the restoration of the agency and consulate general at Cairo on its former basis. I do not conceive it to be the wish of congress that the United States should withdraw altogether from the honorable position they have heretofore held with respect to the khedive, or that citizens of this republic residing or sojourning in Egypt should hereafter be without the aid and protection of a

competent representative. With France the traditional cordial relationship continues. The Bar holdi statue of "Liberty enlightening the World," the generous gift of the people of France, is expected to reach New York in May next. I suggest that congressional action be taken in relation to the spirit which has promised this gift, and in aid of the timely completion of the pedestal upon which it is to be placed.

Our relationship with Germany, a country which contributes to our own some of the best elements of citizenship, continue to be cor-dial. The United States have extradition treaties with several of the German states, but by reason of the confederation of these states under the imperial rule, the application of such treaties is not as uniform and comprehensive as the interests of the two countries require. I propose, therefore, to open negotiations for a single convention of extradition to embrace all the territory of the empire. It affords me pleasure to say that our inter-

course with Great Britain continues to be of the most friendly character. The government of Hawaii has indicated its willingness to continue for seven years the provisions of the existing reciprocity treaty. Such continuance in view of the relations of that country to the American system of states should in my judgement be favored.

The revolution in Havti against the established government has terminated. While it was in progress it became necessary to enforce our neutrality laws by instituting proceedings against individuals and vessels charged with

their infringement. These prosecutions were in all cases successful. Much anxiety has lately been displayed by various European governments, and especfally by the government of Italy, for the abolition of our import duties on works of art. It is well to consider whether the present dis-criminations in favor of the productions of American artists abroad is not likely to result, as they themselves seem very generally to believe it may, in the practical exclusion of our painters and sculptors from the rich fields for occupation, study and labor which they have

hitherto enjoyed. There is a prospect that the long pending revision of the fore gn treaties of Japan may be concluded at a new conference to be held at Tokio. While this government fully recognizes the equal and independent station of Japan in the community of nations, it would not oppose the general adoption of such terms of compromise as Japan may be disposed to conventions. offer in furt ecance of a uniform policy of in-

doubt not, be among the first measures to claim your attention. A full treaty of comclaim your attention. A full treaty of com-mercial navigation and consular rights is much to be desired, and such a treaty, I have reason to believe, that the Mexican government stands ready to conclude. Some embarrass-ment has been occasioned by the failure of congress at its last session to provide means for due execution of the treaty of July 26th, for the re-survey of the Mexican boundary, and

the re-location of boundary monuments.

With the republic of Nicaragua a treaty has been concluded, which authorizes the construction, by the United States, of a canal railway and tolegraph lines across the Nica raguan territory. By the terms of the treaty 60 miles of the river San Juan, as well as lake Nicaragua, an inland sea 40 miles in width, are to constitute a part of the projected empire. This covers the actual canal construction seventeen miles on the Pacific side and thirty-six miles on the Atlantic. To the United States, whose rich territory on the Pacific is for the ordinary purposes of commerce, practically cut off from communication by water with the Atlantic ports the political and commercial advantages of such a project can hardly be over-estimated. It is believed, that when the treaty is laid before you, the justice and liberty of its provisions will command universal approval at home and abroad. The death of our representative at Russia while at his post at St. Petersburg afforded to the Imperial government a renewed opportunity to testify its sympathy in a manner befitting the intimate friendliness which has ever marked the intercourse of the two countries. The course of this government in raising its representation at Bangkok to the diplomatic rank, has evoked from Siam evidences of warm friendship, and argues well for our enlarged intercourse. The Slamese government has presented to the United States commodious mansions and grounds for the occupancy of the legation and I suggest that by joint resolution congress attest its appreciation of the

The Spanish Question.

This government has more than once been called upon of late to take action in fulfillment of its international obligations toward Spain. An agitation in the island of Cuba hostile to the Spanish crown, having been fermented by persons abusing the sacred rights of hospitaliy which our territory affords the officers of the government have been instructed to use due vigilance to prevent the infraction of our neutrality laws at Key West and at points near the Cuban coast. I am happy to say that in the only instance where these precautionary meas-ures were successfully cluded, the offenders were found in our territory, and were subse-quently tried and convicted. The growing need of close relationship of intercourse and traffic between the Spanish Antilies and their natural market in the United States led to the adoption in January last of a commercial agreement looking to that end. This agreement has since been superseded by a more carefully framed and comprehensive convenion, which I shall submit to the senate for approval. It has been the aim of this negotiation to open such a favored reciprocal exchange of production, carried under the flag of either country, as to make the intercourse between Cuba and Porto Rico and ourselves scarcely less intimate than the commercial movement between our domestic ports, and to insure a removal of the burdens on shipping in the Spanish Indies, of which in the past our ship owners and ship masters have so often had cause to complain.

The negotiations of this convention have for a time postponed the prosecution of certain claims of our citizens which were declared to be without the jurisdiction of the late Spanish-American claim commission and which we therefore recommitted to daplomatic channels for adjustment. The speedy settlement of these claims will now be urged by the govern-

The negotiations for a treaty of commercial reciprocity with the American republic have been successfully concluded and the result will shortly be laid before the senate Certain questions between the United States and the Ottoman Empire, still remain unsolved; complaints in behalf of our citizens are not satisfactorily adjusted. The senate has sought to withhold from our commerce the right of favored treatment to which we are sentitled by existing conventional stipulations and the re-

vision of the tariff is unaccomplished. The final disposition of pending questions with Venezuela has not, as yet been reached, but I have good reason to expect an early settlement which provides the means of reexamining the Caracas awards, in conformity with the expressed desire of congress and which will recognize the justice of certain claims preferred against Venezuela. The Central and South American commission appointed by authority of the act of July 7th 1884 will soon proceed to Mexico. It has been furnished with instructions which will be laid before you, they contain a statement of the general policy of the government for enlarging its commercial intercourse with the American states. The commissioners have been actively preparing for their responsible task by holding con-ferences in the principal cities with merchants and others interested in Central and South American trade. The internal meridian conference lately called in Washington upon the invitation of the government of the United States is composed of representatives from twenty five nations. The conference con-cluded its labors on the 1st of November, having with substantial unanimity, agreed upon the Meridian of Greenwich as the starting point whence longitude is to be computed through one hundred and eighty degrees eastward, and westward, and on the adoption for all purposes for which it may be found convenient of a universal day which shall begin at midnight on the initial meridian and whose hours shall be counted from zero, up to twentyfour. The formal report of the transactions of this conference will be hereafter transmitted to congress.

The Exposition Question.

This government is in frequent receipt of invitations from foreign states to participate in inter national exhibitions, often of great interest and importance. Occupying as we do an advanced position in the world's production, and aiming to secure a profitable share for our industries in the general competitive markets, it is a matter of serious concern that the want of means for participation in these exhibits should so often exclude our products from advantages enjoyed by those other countries. During the past year the attention of congress was drawn to the formal invitations in this regard tendered by the governments of England, Holland, Belgium, Germany and Austria. The executive has in some instances appointed honorary commissions. This is however a most unsatisfactory expedient, for without some provision to meet the necessary working expenses of a commission it can effect little. or nothing, in behalf of the exhibitors. An international inventors' exhibition is to be held in London next May. This will cover a field of special importance in which our country holds a foremost rank. But the executive is at present powerless to organize a proper representation of our vast national interests in this direction. I have in several previous messages referred to this subject. It seems to me that a statute giving to the executive general discretionary authority to accept such invitations, and to appoint honorary commissions without salary, and placing at the disposal of the secretary of state a small fund for defraying their de med reasonable expenses, would be of great public utility.

Foreign Marine Laws. This government has received official notice that the revised international regulations for preventing collisions at sea have been adopted by all the leading marine powers except the United States, and they came into force on the 1st of September last, for the due protection of shipping interests. The provisions of our statutes should at once be brought into conformi-

ty with these regulations. The question of securing to authors, composers and artists copyright privileges in this country in return for reciprocal rights abroad, is one that may justly challenge our attention. It is true that a convention will be necessary to fully accomplish this result; but until congres shall by statue fix the extent to which foreign holders of copyright shall be here privileged, it has been inadvisable to create such

The Berne Conference.

fitting out of armed expeditions and restrict the shipment of explosives, though the en-actments in the latter respect were not framed with regard to international obligations, but simply for the protection of passenger travel. All these statutes were intended to meet special emergencies that had already arisen, Other emergencies have arisen since, and modern ingenuity supplies means for organization of hostilities without open resort to armed vessels or to filibustering parties.

The Neutrality Laws.

I see no reason why overt preparations in this country, for the commission of criminal acts, such as are here under consideration, should not be alike punishable, whether such acts are intended to be committed in our own country, or in a foreign country, with which we are at peace. The prompt and thorough treatment of this question is one which intimately concerns the national honor.

The Question of Naturalization. Our existing naturalization laws also need revision. Those sections relating to persons residing within the limits of the United States in 1795 and 1798 have now only a historical interest; section 2712 recognizing the citizenship of children of naturalized parents is ambiguous in its terms and partly obsolete. There are special provisions of law favoring the naturalization of those who serve in the army, or in merchant vessels, while no similar privileges are granted those who serve in the navy, or marine corps. "An uniform rule of naturalization, such as the constitution contemplated, should, among other things, clearly define the status of persons born within the United States subject to a foreign power."

Be wise to provide for a central bureau of registry, wherein should be filed authenticated transcripts of every record of naturalization in the several federal and state courts, and to make provision also for the vacation or cancellation of such record in case where fraud had been practiced upon the court by the appli-cant himself, or where he had removed or forfeited his acquired citizenship. A just and uniform law in this respect would strengthen the hands of the government in protecting its citizens abroad, and would pave the way for the conclusion of treaties of naturalization with foreign countries.

The Consular Service.

The legislation of the last session effected in the diplomatic and consular service certain changes and reductions which have been productive of embarrassment. The population and intermediate activity of our country are steadily on the increase, and are giving rise to new, varying and often delicate relationships with other countries. Our foreign establishment now embraces nearly double the area of operations that it did twenty years ago. The confinement of such a service within the limits of expenditure then established is not, it seems to me in accordance with true econo my. A community of sixty millions of people should be adequately represented in its intercourse with foreign nations. A project for the reorganization of consular service or for recasting the scheme of extra territorial jurisdiction is now before you. If the limits of a short session will not allow its full consideration, I trust you wont fail to make suitable provision for the present needs of the service. It has been customary to define in the appropriation acts the rank of each diplomatic office to which a salary is attached. I suggest that this course be abandoned, and that it be left to the president with the advice and consent of the senate to fix, from time to time, the diplomatic grade of the representatives of this government abroad as may seem advisable, provision being definitely made however, as now, for the amount of salary attached to the respective stations.

The Budget.

The condition of our finance and the operations of the various branches of the public service which are connected with the Treasury department are very fully discussed in the report of the Secretary. It appears that the or-dinary revenues for the fiscal year ending June 30, 1884, were from customs, \$195.067,489.76; from internal revenue, \$121,586,092.57; from all other sources, \$31,866,307.65; total ordinary revenue of \$348,519,869.91.

The public expenditures during the same period were for civil expenses \$22,312,907.71; for foreign intercourse \$1,260,766.37; for Indians, \$6,475,999.29; for pensions, \$55,429. 228.36; for the military establishment, including river and harbor improvements, and arsenals, \$39,429,603.36; for the naval establish ment, including vessels, machinery and improvements at the navy yards, \$17,292,601.44; for miscellaneous expenditures, including public buildings, light-houses and collecting the

revenues, \$43,939,710.00. For expenditures on account of the District of Columbia, \$3,407.049.62; for interest on the public debt, \$34,478,378.48; for the sinking fund, \$46,790,229.50; the total ordinary expenditures were \$290,916,483.83, leaving a surplus of \$56,603,396.00. As compared with the preceding fiscal year there was a net decrease of over \$21,000,000 in the amount of expenditures. The aggregate receipts were less than those of the year previous by about \$54,000,000, the falling off of revenue from customs made up nearly \$20,000,000 of this deficiency and about \$23,000,000 of the remainder was due to the diminished receipts from internal taxation. The secretary estimates the total receipts for the fiscal year which will end June 20th 1885, at \$330,000,900 and the total expenditure at 290,900,201,16 in which are included the inter-

ests on the debt and the amount payable to the sinking fund. This would leave a surplus for the entire year of about \$29,000,000. The value of exports from the United States to foreign countries during the year ending June 30, 1884 was as follows-domestic merchandise \$724,-964,852; foreign merchandise \$15,548,757, total merchandise \$740,593,609; specie \$67,133,383, total exports of merchandise and specie \$807,-646,992 The cotton and cotton manufactures includ-

ed in this statement were valued at \$208,900,-415. The breadstuffs at \$162.544.715. The provisions at \$114,649,517 and the mineral oils \$47,113,348. During the same period the imports were as follows,-merchandise \$667.697, 693, gold and silver \$37,426,262, total \$705,123,-

More than 63 percent of the entire value of imported merchandise consisted of following articles; sugar and molasses \$108,884,274, wool and woollen manufactures \$53.542,292, silk and its manufactures \$49,948,128, coffee \$49,686,705, iron and steel and manufactures thereof \$41,464.599, chemicals \$38,464,965, flax hemp and jute and like substances and manufactures thereof \$33,463,-398, cotton and manufactures of cotton \$30,-454,476, hides and skins, other than fur skins, \$22,350 306.

The Silver Dollar.

I concur with the secretary of the treasury in recomending the immediate suspension of the coinage of silver dollars and of the issuance of silver certificates. This is a matter to which in former communications I have more than once invoked the attention of the pational legislature. It appears that annually for the past six years there have been coined in compliance with the requirements of the act of February 28, 1878, more than 27,000,000 of silver dollars. The number now outstanding is reported by the secretary to be nearly 185,000,000, whereof but little more than 40,000,000 or less than 22 per cent, are in actual circulation. The mere existence of this fact seems to me to furnish of itself a cogent argument for the repeal of the statute which has made such a fact possible, but there are other and graver considerations that tend in the same direction. The secretary avows his conviction that unless this coinage and the issuance of silver certificates be suspended, silver is likely at no distant day to become our sole metallic standard and the impairment of the national credit that would be thus occasioned can scarcely be over estimated. I hope that the secretary's suggestions respecting the withdrawal from circulation of the one and two dollar notes will receive our approval. It is likely that a considerable portion of the silver now in the vaults of the treasury, might find its way into currency, while trade dollars have ceased for the present at least, to be an element of active disturbance in our currency system. The same provision should be made for their surrender to the government. In view of the circumstances under which they tercourse with western nations.

During the past year the increasing good will between our own government and that of will between our own government and that of Mexico has been variously manifested. The Mexico has been variously manifested. The treaty of commercial reciproca ity, concluded the fact that they have a system of productive establishments more than be offered for them but a slight advance over their bullion values. The secretary, in the were retained at Yakutsk until the following wages of labor are nowhere else so great. The cost of living of our artisan classes is admit of their immediate transportation. They such as tends to secure their personal complete the propriety of beautifying the designs of our subsidiary such as tends to secure their personal complete the propriety of beautifying the designs of our subsidiary such as tends to secure their personal complete the propriety of beautifying the designs of our subsidiary such as tends to successful manufactures. We have a system never had a legal tender quality, there should be offered for them but a slight advance over their bullion values. The united States by Lieutenants Harber and Schulz. The remains were taken from their graves in the Lena Delta in March, 1883, and we represented at Yakutsk until the following wages of labor are nowhere else so great. The united States be of the united States be offered for them but a slight advance over their bullion values. The united States by Lieutenants Harber and successful manufactures. January 20, 1885, has been factor and a simed against the peace of a the necessary tardf legislation of congress to the necessary tardf legislation will, I triendly nation. Existing statutes prohibit the that they may bear their due ratio of value admit of their immediate transportation.

admit of their immediate transportation. arrived in New York February 20, that they may bear their due ratio of value. They were received with suitable honors.

to the standard dollars. His conclusions in this regard me cordially approved.

The Abolition of Excise Taxes.

In my annual message of 1882 I recom-mended the abolition of all excise taxes except those relating to distilled spirits. The recommendation is now renewed. In case these taxes shall be abolished, the revenues that will still remain to the government will, in mopinion, not only suffice to get its reasonable expenditures, but will afford a surplus large enough to permit such tariff reduction as may seem to be advisable, when the result of the recent revenue laws and commercial freaties shall have shown in what quarters these reductions can be most judiciously effected.

A Commercial Commission.

One of the gravest of the problems which appeal to the wisdom of congress for solution is the ascertainment of the most effective means of increasing our foreign trade, and thus relieving the depression under which our indestries are now languishing. The secretary of the treasury advises that the duty of investigating this subject be entrus ed in the first instance to a competent commission. While fully recognizing the considerations that may be urged against this course, I am nevertheless of the opinion that upon the whole the other would be likely to eff. e. spe. di.r or but ter results. That portion of the secretary's report which concerns this condition of our interests cannot fail to command your attention. He emphatically recommends that as an incentive to the investment of American capital in American steamships, the government shall by liberal payments for mail transportation or otherwise, lend its active assistance to individual enterprise, and 'he declares his belief that unless that course be pursued our foreign carrying trade must remain as it is to day, almost exclusively in the hands of foreigners. One phase of this subject is now especially prominent in view of the repeal, by the act of June 26, 1884, of all salutatory provisions arbitrarily compelling American vessels to carry the mails to and from the United States. As it is necessary to make provisions to compensate the owners of such vessels for the performance of the service after April 18, 1885, it is hoped that the whole subject will receive early consideration that will lead to the enactment of such measures for the revival of our merchant marine as the wisdom of congress may devise.

The Three Per Cent Bonds. The three per cent bonds of the government. to the amount of more than \$1,000,000,000, have, since my last message, been redeemed by the treasury. The bonds of that issue still outstanding amount to a little over \$200,000,-000, about one-fourth of which will be retired through the operations of the sinking fund during the coming year, as these bonds still continue the chief bases for the circulation of national banks. The question, how to avert the contraction of the currency caused by their retirement is one of constantly increasing importance. It seems to be generally conceded that the law governing that matter exacts from the banks excessive security, and that upon their present bond deposits a larger circulation than is now allowed may be granted with safety. I hope the bill which passed the senate at the last session, permitting the issue of notes equal to the face value of deposited bonds, will commend itself to the approval of the house of representatives.

War Department.

In the expenses of the war department the secretary reports a decrease of more than \$9,000,000, of which reduction \$5,000,000 was effected in the expenditures for rivers and harbors, and \$2,700,000 in expenditures for the quartermaster's department. Outside of that department, the annual expenses of all the army bureaus proper (except, possibly, the ordnance bureau) are substantially charges which cannot be materially diminished without a change in the numerical strength of the The expenditures in the quartermaster's department can easily be subjected to discretion by the secretary of war that as a result of exercising such discretion in reducing the number of draught animals in the army, the annual cost of supplying and caring for such anlinals is now \$1,108,085.90, less than it was in 1882. The reports of military commanders show that the last year has been notable for its entire freedom from Indian outbreaks In defiance of the president's proclamation of may be secured by paying extraordinary post July 1, 1884, certain intruders sought to make settlements in Indian territory, and they were promptly removed by a detachment of troops.

provide for a suitable fire proof building for he army medical museum and the library of he surgeon general's office received the approval. During the coming session the measure may become a law and therefore immediate steps may be taken to secure a place of safe deposit for these valuable collections, now in a state of insecurity. The funds with which these works for the improvement of rivers and harbors were prosecuted during the past year, were derived from the appropriation of the act of August 2, 1882, together with such few balances as were on hand from previous appropriations. The balance in the treasury, subect to requisition July 1, 1883, was \$10,021,-649.55. The amount appropriated during the fiscal year 1884, was \$13,166,346.27 and the amount drawn from the treasury during the fiscal year was \$8,228,703.54, leaving a balance of \$112,580.63 in the treasury subject to requisition July 1, 1884. The secretary of war submits the report of the chief of engineers as to the practicability of protecting our import-ant cities on the seaboards by fortifications and other defenses able to repel modern methods of attack. The time has now come when such defenses can be prepared with confidence that they will not prove abortive when the possible result of delay in making no such preparation is seriously considered, delay seems inexcusa-ble, for the most important cities, those whose destruction or capture would be a national humiliation. Adequate defenses, inclusive of guns, may be made by the gradual expenditure of \$60,000,000, a sum much less than a victorous enemy could lay as a contribution, an appropriation of about one-tenth of that amount is asked to begin the work, and I concur with the secretary of war, in urging that it be granted.

The war department is proceeding with the conversion of ten inch smooth bore guns into eight inch rifles by lining the former with tubes of forged or of ceiled wrought iron. Fifty guns will thus be converted within the year. This however, does not obviate the necessity of providing means for the construction of guns of the highest power, both for the purpose of coast defense and for the armament of war. vessels.

The report of the gun foundry board appointed April 2, 1883, in pursuance of the act of March 3, 1883, was transmitted to congress in a special message of February 8, 1884. In my message of March 26, 1884, I called attention to the recommendation of the board that the government should encourage the production of private steel work of the required material for heavy cannon, and that two government factories, one for the army and one for the navy, should be established for the manufacture of guns from such material. No action having been taken, the board was subsequently reconvened to determine more fully the plans and estimates necessary for carrying out its recommendations. It has received informa-tion which indicates that there are responsible steel manufacturers in this country who, although not provided at present with the necessary plant, are willing to construct the same, and to make bids for contracts with the government for the supply of he requisite material for the heaviest guns adapted to modern war-fare. If a guaranteed order of sufficient magnitude, accompanied by a positive appropriation extending over a series of years, shall be made by congress, all doubts as to the feasibility of the plan would be removed. I renew my recommendation that such action be taken by congress as will enable the government to construct its own ordinance upon its own territory, and also to provide the armament demanded by consideration of the national safety and

The DeLong Expedition.

bodies of Lieutenant Commander George W. De Long and his companions of The Greely Expedition.

In pursuance of the foint resolution of corgress approved February 13, 1500, a naval ex pedition was fitted out for the react of Lieu tenant A. W. Greely, United States army, and of the party who had been engaged under hi Frankin Bay. The fleet consisted of the steamers "Scaler," 'Tactis," purchased it England, and the 'Bear," purchased at Newfoundland, and the "Aler ," watch was gen erously provided by the British government Preparations for the expension were promot ly made by the secretary of the may, with the active co-operation of the sceretary of war. Commander George W. Coffla was placed in

command of the "Ale:t," and Lieucentt W. H. Emery in command of the "Bear." The "Taetis" was intrusted to Commander Winfield S. Copely, to whom also was assigned the superintendency of the en fre expedition.

Immediately upon its critical at Uppernay ck

the fleet began the dangerous navigation o Neville bay, and in spile of every obstace resched Little island on June 12, a forings earlier than any vessel had before attal-ed that point. On the same day it crossed over to Cape Sabine, where Lieutenant Greely and the other survivors of the party were discovered. After taking on board the living and the bodies of the de. d, the relief supersmed for St. Johns, where they arrived on July 17. They were an propriately received at Pertamouth, N. H., o. August 1, and at New York on August 8. One of the bodies was landed at the former place and others were put on shore at Governor's island, with the exception of one which was interred in the national cometery. They were forwarded then to the destination indicates by friends. The organization and conduct of this relief expedition reflects great credit upon all who contributed to its success. In this, the last of the stated messages that I shall have the honor to transmit to the cong eas of the United States, I cannot too strongly urge on its attention the duty of restoring our navy as rapidly as possible to the high state of efficiency which formerly characterized it, as the long peace that has rulled us into a sense of fanciful security, may at any time be disturbed. It is plain that the policy of strengthening this arm of the service is dictated by considerations of use. Postal Matters.

The report of the postmaster general ac-

quaints you with the present condition and needs of the postal service. It disc oses the gratifying fact that the loss of revenue from the reduction in the rate of letter postage, as recommended in my proclamation December 1882, and effected by the act of March 3, 1883. has been much less than was generally autici-pated. My recommendation of this reduction was based upon the belief that the actual fail ing off in receipts from letter postage for th year immediately succeeding the change of rate could be \$3,000,000. It has proved to be only \$2,275,000. This is a trustworthy indica tion that the revenue will soon be restored to former volume by the national increase of sealed correspondence. I confidently repeat, therefore, the recommendation of my last an nual message that single rate postage upon drop letters be reduced to one cent wherever payment of two cents is now required by law, The double rate is only exacted at all offices where the carrier system is in operation and it appears that at the offices where the earrier system is in operation and it appears that at offices that the increase in tax upon local letters defrays the cost of not only its collections and delivery, but of the collection and delivery of all other mail matter. This is an inequality that ought to no longer exist.

I approve the recommendation of the postmaster general that the unit of weight in the rating of first class matter should be one ounce instead of one half ounce as it is now. In view of statistics furnished by the department it may be well doubted whether the change would result in any loss of revenue. That it would greatly promote the convenience of the public is beyond dispute. The free delivery system has been lately applied in five cities and the total number of offices in which it is now in operation is one hundred and fifty-nine. e shows that its adoption proper conditions is equally an accommodation to the public and an advantage to the postal service. It is more than half sustaining and for the reasons urged by the postmaster general may very properly be extended. It is the opinion of that officer that it is proper to provide means whereby exceptional dispatch in dealing with letters in free delivery offices age. This scheme may be made effective by the employment of a seccial stamp, whose cost should be commensurate with the expense During the last session of congress a bill to of the extra service. In some of the large cities some of the private express companies have undertaken to outstrip the government mail carriers by affording for the prompt transmission of letters better facilities than have heretofore been at the command of the post-office. It has always been the po'icy of the government to discourage such enterprises, and in no better way can that policy be main tained than in supplying the public with the most efficient mail service that, with due regard to its own best interest, can be furnished for its own accommodation.

Legal Questions. The attorney general renews the recom-mendations contained in his report of last year touching the fees of witnesses and jurors. He favors a radical change in the fee bill and the adoption of a system by which attorneys and marshals of the United States should be compensated solely by salaries, and the erection by the government of a penitentiary for the confinement of offenders against its laws of the varied government concerns in charge of the interior department. The report of its secretary presents an interesting summary. Among the topics deserving particular attention, I re-fer to his observations respecting our Indian affairs, the pre-emption and timber-culture acts, the failure of railroad companies to take title to lands granted by the government and the operations of the pension office, the patent office, the census bureau, and the bureau of education.

The Indians.

Allusion has been made to the circumstance that both as between different Indian tribes and as between the Indians and the whites the past year has been one of unbroken rest. In this circumstance the president is glad to find justification for the policy of the government in dealing with the Indian question and a confirmation of the views which were fully expressed in his communication to the Fortyseventh congress. The secretary urges a new reenactment of a statute for the punishment of crimes committed on the Indian reservation, and recommends the passage of a bill now pending in the house of representatives for the purchase of a tract of 18,000 square miles from the Sioux reservation. Both of these are worthy of approval. I concur with him, also, in advising the repeal of the pre-emption laws, the enactment of the statute re-solving the present legal complications touching lapsed grants to railroad companies and the funding of the debt of the several Pacific rail roads, under such guaranty as shall effectually ensure its ultimate payment.

The Mormon Question. The report of the Utah commission will be read with interest. It discloses the results of the recent legislation looking to the prevention and punishment of polygamy in that territory. I still believe that if that abominable practice can be suppressed by law it only can be most radical legislation consistent with the restraints of the constitution. I can again recommend, therefore, that congress assume absolute political control of the territory of Utah, and provide for the appointment of a commission with such governmental powers as in its judgment may justly and wisely put into

Foreign Trade.

In the course of this communication reference has more than once been made to the policy of this government as regards the extension of our foreign trade. It seems proper to declare the general principles that should, in my opinion, underlie our national efforts in this direction. The main conditions of the problem may be thus stated: We are people rich in mechanical pursuits and fertile in invention. We cover a vast extent of territory rich in agricultural products and the Jeannette expedition have been removed to | in nearly all the raw materials necessary for moral and intellectual qualities that go to the

making of good citizens. Our system of tax and tariff legislation is yielding a revenue which is in excess of the present needs of the government. Those are the elen from which it is sought to devise a scheme by which, without unfavorable changing the condition of dition of the workingmen. Our merchant marine shall be raised from its enfeebled condition, and new markets provided for the sale beyond our borders of the manifold fruits of our industrial enterprises. The problem is complex, and can be solved by no single meas ure of renovation or reform. The countries of the western continent, and the adjacent is-lands, are for the United States the natural market of supply and demand. It is from them that we should obtain what we do not produce or do not produce in sufficiency, and it is to them that the surplus products of our fields, our mills and our workshops should flow, under conditions that will equalize or favor them in comparison with foreign com-petition. Four paths of policy, seem to point to this end: First, a series of reciprocal com-mercial treaties with the countries of America which shall foster between us and them an unhampered interchange of trade. The condi-tion of these treaties should be the free admission of such merchandise as this country does not produce, in return for admission free, or under a favorable scheme of duties, of our products, the benefits of such exchange to ap-ply on these goods carried under the flag of the parties to the contract. The removal on both sides from vessels, so privileged, of all tonnage on dress and national imports so that their vessels may ply unhindered between our ports and those of other contracting parties though without infringing on the deserved home coasting trade, the removal or reduction of burdens on the exported products of those countries coming within the benefits of the treaties (and the avoidance of the technical restrictions and penalties by which our inter-course with those countries is at present ham-

Secondly. The establishment of the consular service of the United States on a salaried footing, permitting the relinquishment of consular fees not only as respects vessels under the national flag but also as respects vessels of the treaty nation carrying goods entitled to benefits of treaties, Thirdly, the enactment of measures to favor the construction and maintenance of a steam carrying marine under the flag of the United States. Fourthly, the establisment of a uniform commercial treaty for the countries of America so that the coined products of our mints may circulate on equal terms throughout the whole system of commonwealth. This would require a monetary union of America, whereby the output of the bullion producing countries and the circulation of those which yield neither gold or silver, could be adjusted in conformity with the population, wealth and commercial needs of each, as many of the countries furnish no bullion to the common stock of the surplus production.

If our mines and mints might thus be utilized, and a step taken toward the general remoneylization of silver to the accomplishment of their ends, so far as they can be attained by separate treaties the negotiations already concluded and now in progress have been directed and the favor with which this enlarged policy has thus far been received, warrants the belief that its operations will ere long embrace all or nearly all the countries of this hemisphere. It is by no means desirable, however, that the policy under consideration should be applied by these countries at once.

The Tariff Problem.

The healthful enlargement of our trade with Europe, Asia and Africa should be sought by reducing the tariff burdens on such of their wares as neither we nor the other American states are fitted to produce, and thus enabling ourselves to obtain in return a better market for our supplies of food, of raw materials, and of the manufacture in which we excel. It seems to me that many of the embarrassing elements in the great national conflict between protection and free trade may thus be turned to good account, that the revenue may be reduced so no longer to overtax the poople; that protective duties may be retained without becoming burdensome; that our shipping interests may be judiciously encouraged, the currency fixed on a firm basis, and above all such an unity of interests established among the states of the American system as will be of great and ever increasing advantage to them

On the 29th of February last I transmitted to congress the first annual report of the civil service commission, together with communications from the heads of several executive de partments of the government, respecting the practical workings of the law under which the commission had been acting. The good results therein foreshadowed have been more than realized. The system has fully answered the expectations of its friends in securing competent and faithful public servants, and in protecting the appointing officers of the government from the pressure of personal impun-ity and from the labor of examining the claims and pretentions of rival candidates for public employment. The law has had the unqualified support of the president and of the heads of the several departments, and the members of the commission have performed their duties with zeal and fidelity. Their report will shortly be submitted and will be accompanied by such recommendation for enlarging the scope of the exacting statute, as shall commend themselves to the executive and the commissioners charged with its administration.

In view of the general and persistent demand throughout the commercial community for a national bankrupt law I hope that the differences of sentiment which have hitherto prevented its enactment may not outlast the present season.

The Cholera.

The pestilence which for the past two years has been raging in the countries of the east recently made its appearance in European ports with which we are in constant communication. The then secretary of the treasury in pursuance of a proclamation of the president, issued certain regulations restricting and for a time probabiting the importation of rags and the admission of baggage of immi grants, of travelers arriving from the infected quarters. I approve the recommendation of the present secretary that the congress take action in the premises, and, I also recommend the immediate adoption of such measures as will be likely to ward off the dreaded epidemic and to mitigate its severity in case it shall unhapply extend to our shores.

Columbia's Commissioners Report.

The annual report of the commissioners of the District of Columbia reviews the operations of the several departments of its municipal government. I ask your careful consideration of its suggestions in respect to legislation and commend such as relates to revision of the civil and criminal code, the performance of labor by persons sentenced to imprisonment in the jail, the construction and occupation of wharves along the river front, and the erection of a suitable building for a district

A Pension for General Grant.

1 recommend that in recognition of the services of Ulysses S. Grant, late general of the United States and twice president of this nation, that congress confer upon him a suitable pension. Certain of the measures that seem to me necessary and expedient I have now, in obeyance to the constitution, recom-mended for your adoption. As respects others of less importance, I shall content myself with renewing the recommendations already made to the congress, without re-stating the grounds upon which such recommendations were made.

Concluding Recommendations.

The preservation of forests on the public domain, the granting of government aid for popular education, the amendment of the federal constitution so as to make effective the disapproval by the president of particular items in appropriation bills, the enactment of statutes in regard to the filling of vacancies in the presidential office and the determining of vexed questions respecting presidential inactivity, are measures which may justly re-ceive your serious consideration.

As the time draws nigh when I am to retire from public service I cannot refrain from expressing to the members of the national legislature with whom I have been brought into personal and official intercourse, my sincere appreciation of their unfailing courteous, harnonious co-operation with the executive in so nany measures calculated to promote the best sterests of the nation, and to my fellow citi-ens generally, I acknowledge a deep sense of bligation for the support which they have acorded me in my administration of the execuve department.

CHESTER A. ARTHUR. Washington, D. C., December 1st, 1874.