STATE RIGHTS DEMOCRAT

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State Rights Democrat.

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THE PRESIDENT'S MESSAGE.

To the Senate and House of Representatives: In transmitting to you my fourth Annual Message, it is with thankfulness to the Giver of all good. As a nation, we have been blessed for the last year with peace at home and abroad, and a general prosperity has been vouchsafed to all but a few people. With the exception of the recent devastating fire, which has swept from the earth with a breath, as it were, millions of accumulated wealth in the city of Boston, there have been no overshadowing calamities within the year to record. It is gratifying to note how, like their fellow citizens of Chicago under similar circumstances a year earlier, the citizens of Boston are rallying under their misfortunes, and the prospect is that their energy and perseverance will overcome all obstacles, and show the same prosperity soon, that they would had no disaster befallen them. Otherwise, we have been free from pestilence, war, and those calamities which often overtake nations, and as far as human judgment can penetrate the future, no cause seems to exist to threaten our present peace.

THE ALABAMA CLAIMS.

When Congress adjourned in June last, a question had been raised by Great Britain and was then pending, which for a time seriously imperiled the settlement by friendly arbitration of the differences existing between this Government and that of her Britannic Majesty. The Treaty of Washington had been referred to the Tribunal of Arbitration which had met at Geneva in Switzerland. The arbitrators, however, disposed of the question which had jeopardized the whole of the Treaty and threatened to involve the two nations in unhappy relations toward each other, in a manner entirely satisfactorily to this Government, and in accordance with the views and the policy which it had maintained. The tribunal which had convened in December concluded its laborious session on the 14th day of September last, on which day, having availed itself of the discretionary power given to it by the Treaty to award a sum in gross, it made its decision, whereby it awarded the sum of $15,500,000 in gold, as the indemnity to be paid by Great Britain to the United States for satisfaction of all claims referred to its consideration.—This decision happily disposes of a long standing difference between the two Governments, and in connection with another award made by the German Emperor, under a reference to him by the same treaty, leaves the two Governments without a shadow upon the the friendly relations which it is my sincere hope may forever remain equally unclouded. The report of the agent of the United States appointed to attend the Geneva Tribunal, accompanied by protocols of the proceedings of the arbitrators, arguments of counsel of both Governments, award of the tribunal and opinions given by the several arbitrators, is transmitted herewith.

I have caused to be communicated to the heads of the friendly Powers who complied with the joint request made to them under the treaty, the thanks of the Government for the appointment of arbitrators made by them respecting it; and also my appreciation of the dignity, patience, impartiality and great ability with which they discharged their arduous and high functions. Her Majesty's Government has communicated to me its appreciation by Her Majesty of the ability and indefatigable industry displayed by Mr. Adams, the arbitrator named the on the part of this Government, during the protracted inquiries and discussions of the Tribunal. I cordially unite with Her Majesty in this appreciation. It is due to the agent of the United States before the Tribunal to record my appreciation of the marked ability, unwearied patience and the prudence and discretion with which he has conducted the very responsible and delicate duties committed to him, as it is also due to the learned and eminent counsel who atttended the Tribunal on the part of this Government to express my sense of talent and wisdom which they brought to bear in the argument and upon the result so happily reached.

It will be the providence of Congress to provide for the distribution, among those who may be entitled to it, of their respective shares of the money to be paid. Although it is not payable until a year from the date of the award, it is deemed advisable that no time be lost in making the proper examination of the several cases in which indemnification may be due. I consequently recommend the creation of a Board of Commissioners for that purpose.

THE SAN JUAN CONTROVERSY.

By the 34th Article of the Treaty of Washington, the respective claims of the United States and of Great Britain, in their construction of the Treaty of the 15th of June, 1846, defining the boundary line between their respective territories, were submitted to the arbitration and award of His Majesty, the Emperor of Germany, to decide which of the claims is most in accordance with the true interpretation of the Treaty of 1846. His Majesty, the Emperor of Germany, having been pleased to undertake the arbitration, has the earnest thanks of this Government and the people of the United States for the labor, pains and care which he has devoted to the consideration of the long pending difference. I have caused an expression of thanks to be transmitted to His Majesty. Mr. Bancroft, the Representative of our Government at Berlin, conducted the case and prepared the statement on the part of the United States, with the ability that his past services justified the public in expecting at his hands. As a member of the Cabinet at the date of the Treaty which has given rise to the discussion between the Governments, as the Minister to Great Britain when the obstruction, now pronounced unfounded, was first advanced, and as the agent and representative of the Government to present the case and to receive the award, he has been associated with the question in all its phases, and in every stage has manifested a patriotic zeal and earnestness in the maintenance of the claim of the United States. He is entitled to much credit for the success which has attended the submission. After a patient investigation of the case and of the statement of each party, His Majesty, the Emperor of Germany, on the 21st day of October last, signed his award in writing, decreeing that the claim of the Government of the United States that the boundary line between the territories of Her Britannic Majesty and the United States should be drawn through the DeHaro Channel, is most in accordance with the true interpretation of the treaty concluded on the 5th of June, 1846, between the agents of her Her Britannic Majesty and of the United States. Copies of the case presented in behalf of the Government and of the statement in reply of each, and a translation of the award are transmitted herewith. This award confirms the United States in their claim to the important archipelago of Islands lying between the continent and Vancover's Island, which has been in dispute for twenty-six years, ever since the ratification of the treaty.

The claim of Great Britain has ceased and leaves us for the first time in the history of the United States without a question of disputed boundary between our territory and the possesions of Great Britain on this continent. It is my gratification to acknowledge the prompt and spontaneous action of Her Majesty's Government in giving effect to the award.—In anticipation of any request from this Government, and before the reception of the award signed by the Emperor, Her Majesty had given instructions for the removal of her troops which had been stationed there, and for the cessation of all exercise or claim of jurisdiction so as to leave the United States in the exclusive possession of the lately disputed territory. I am grateful to be able to announce that the orders for the removal of the troops have been executed and the military joint occupation of San Juan has ceased. The Islands are now in the exclusive possession of the United States. It now becomes necessary to complete the survey and determination of that portion of the boundary line through De Haro Channel upon which the commissioners which determined the remaining part of the line were unable to agree. I recommend the appointment of a commission to act jointly with one which may be named by Her Majesty for that purpose.

THE ALASKA BOUNDARY.

The experience of the difficulties attending the determination of our admitted line of boundary after its occupation of the Territory and its settlement by those owing allegiance to the respective Governments, points to the importance of establishing by natural objects or other measurments, the actual line between the Territory acquired by purchase from Russia and the adjoining possessions of Her Britannic Majesty. The region is now so sparcely occupied that no complicating interests of individuals or of jurisdiction are likely to intervene to the delay or embarrassment of the actual location of the line. It deferred until population shall enter and ocupy the Territory, some trivial contests of neighbors may again array the two governments into antagonism. I therefore recommend the appointment of a Commission to act jointly with one that may be appointed on the part of Great Britain, to determine the line between the Territory of Alaska and the coterminous possessions of Great Britain.

THE FISHERIES.

In my last annual message I recommended the legislation necessary on the part of the United States to bring into operation the articles of the Treaty of Washington, of May, 1871, relating to the fisheries and other matters touching the relations of the United States toward the British North American possessions to become operative so soon as proper legislation should be had on the part of Great Britain and her possessions.—That legislation on the part of Great Britain and her possessions had not then been had, and during the session of Congress a question was raised which for a time caused a doubt whether action by Congress in the direction indicated would become important,—a question which has since been disposed of, and I have received notice that the Imperial Parliament and the Legislature of the Provincial Government have passed laws to carry the provisions of the treaty on the matters refrred to into operation. I therefore recommend your early adoption of legislation in the same direction, to carry out the treaty on the part of this Government.

THE BOUNDARY EAST OF THE ROCKY MOUNTAINS.

The Joint Commission for determining the boundary line between the United States and the British Possessions, and between the Lake of the Woods and the Rocky Mountains has organized and went upon its work.—It is desirable that the force be increased in order that the completion of the survey and the determination of the boundary line may be sooner attended to and to this end I recommend that a sufficient appropriation be made.

OUR RELATIONS WITH CONTINETAL EUROPE.

With France, our earliest ally, Russia the constant and steady friend of the United States, Germany, with whose Government and people we have so many common sympathies, and the other powes of Europe, our relations are maintained on the most friendly terms.

TREATIES RATIFIED.

Since my last annual message an exchange has been made of ratifications of the treaty with the Austro-Hungarian Empire relating to naturalization; also of a treaty with the German Empire concerning consuls and trade marks; also of a treaty with Sweden and Norway, relating to naturalization, all of which treaties have been duly proclaimed.

COMMISSIONERS TO THE STATISTICAL CONGRESS.

At its last session, Congress having made an appropriation to defray the expenses of the Commissioners on the part of the United States to the International Statistical Congress at St. Petersburg, the persons appointed in that character proceeded to their destination and attended the session of the Congress. Their report shall in due season be laid before you. This Congress meets at intervals of about three years, and has held its sessions in several of the countries of Europe. I submit to your consideration the propriety of extending an invitation to the Congress to hold its next meeting in the United States. The Centennial celebration to be held in 1876 would afford an appropriate occasion for such meting.

THE VIENNA EXPOSITION.

Preparations are making for the International Exposition to be held during next year in Vienna on a scale of very great magnitude. The tendency of these expositions is in the direction of advanced civilization, and the elevation of industry and labor and the increase of human happiness, as well as of greater intercourse and good will between nations. The Exposition is to be the first which will have been held in Eastern Europe. It is believed that American inventors and manufacturers will be ready to avail themselves of the opportunity for the presentation of their productions, if encouraged by proper aid and protection.—At the last session of Congress authority was given for the appointment of one or more agents to represent this Government at the Exposition. The authority thus given has been exercised, but in the absence of any appropriation there is danger that the important benefits which the Exposition offers will in a large degree, be lost to the citizens of the United States. I commend the subject strongly to your consideration and recommend that an adequate appropriation be made for the purpose. To further aid American exhibitors at the Vienna Exposition, I would recommend, in addition to an appropriation of money, that the Secretary of the Navy be authorized to fit up two naval vessels to transport between our Atlantic cities an Trieste, or the most convenient port for Vienna, the articles for exhibition.

OUR RELATIONS WITH MEXICO.

Since your last session, the President of the Mexican Republic has died. His temporary successor has now been elected with great unanimity by the people, a proof of confidence on their part in his patriotism, which it is believed will be confirmed by the results of his administration.—It is particularly desirable that nothing should be left undone by the Government of the Republic to strengthen their relations as neighbors and friends. It is much to be regretted that many lawless acts continue to disturb the quiet of the settlements on the border between our territory and that of Mexico, and that complaints of wrong to American citizens in various parts of the country are made. The revolutionary conduct in which the neighboring Republic has so long been involved, has, in some degree, contributed to this disturbance. It is to be hoped, that under a more settled rule of order through that Republic, which may be expected for the present Government, the acts of which just complaint has been made, will cease.

The proceedings of the Commission under the Convention with Mexico, on the 4th of July, 1868, on the subject of claims, have unfortunately been checked by an obstacle, for the removal of which, measures has been taken by the two governments, which, it is believed, will prove successful.—The Commissioners appointed pursuant to a joint resolution of Congress, of 7th of May last, to inquire into the depredations on the Texas frontier, have diligently made investigation on that subject. Their reports upon the subject will be communicated to you. Their researches were necessarily incomplete—partly on account of the limited appropriation made by Congress. The President of Mexico, on the part of that Government, appointed a similar Commission to investigate these outrages. It is not announced officially, but the press of that country states that the fullest investigation is desired, and that the co-operation of all parties concerned is invited to secure that end. I, therefore, recommend that special appropriation be made at the earliest day to enable the commissioners on the part of the United States to return to their labors without delay.

CUBAN DISTURBANCES.

It is with regret that I have again to announce the continuance of the disturbed condition of the Island of Cuba. No advance toward the pacification of the discontented portion of the population has been made.—While the insurrection has gained no advantages and exhibited no more of the elements of power or of a prospect of ultimate success than were exhibited a year ago, Spain on the other hand has not succeeded in its repression, and the parties stand apparently in the same relative attitude which they have occupied for a long time past. This contest has lasted now for more than four years. Were it seen at a distance from our neighborhood, we might be indifferent to its result, although humanity could not be unmoved by many of its incidents wherever they might occur. It is however at our door. I cannot doubt the continued maintenance of slavery in Cuba is among the strongest inducements to a continuance of this strife. A terrible wrong—it is the natural result of a terrible evil.—The abolition of slavery and the introduction of other reforms in the administration of the Government in Cuba could not possibly fail to advance the restoration of order. It is especially to be hoped that the present Liberal Government of Spain will voluntarily adopt this view. The law of emancipation, which was passed more than two years since, has remained unexecuted. In the absence of regulations for its enforcement, it was but a feeble step toward emancipation, but it was a recognition of the right and was hailed as such and exhibited Spain in harmony with the sentiments of humanity and of justice, and in sympathy with other powers of the Christian and civilized world. Within the past few weeks regulations for carrying out the laws of emancipation have been announced, giving evidence of the sincerity of the intention of the present Government to carry into effect the law of 1870.—I have not failed to urge the consideration of the wisdom, the policy and justice of a more effective system for the abolition of the evil which oppresses a race, and continues the bloody and destructive conflict close to our border, as well as the expediency and justice of conceding other reforms of which the propriety is not questioned.

Deeply impressed with the conviction that the continuance of slavery is the most active cause of the continuance of the unhappy condition of Cuba, I regret to beleive that citizens of the United States, or those claiming to be such, are large holders in Cuba of what is there claimed as property; but which is forbidden and denounced by the laws of the United States. They are thus, in defiance of the spirit of our laws, contributing to the continuance of this distressing and sickening contest.

In my last annual message I referred to this subject, and I again recommend such legislation as may be proper to denounce, if not to prevent and discourage American citizens from dealing in slaves.

THE SPANISH AMERICAN TREATY.

It is gratifying to announce that the ratification of the convention concluded under the auspices of this government, between Spain on the one part and the allied Republics of the Pacific on the other, providing for an armistice have been exchanged. A copy of the instrument is herewith submitted. It is hoped that this may be followed by permanent peace between the same parties.

SOUTH AND CENTRAL AMERICA.

The differences which at one time threatened the maintenance of peace between Brazil and the Argentine Republic it is to be hoped are in a fair way of satisfactory adjustment.—With these States, as with the Republics of Central and South America, we intend to maintain the most friendly relations.

It is with regret, however, that I announce that the Government of Venezuela has made no further payment on account of the awards under the Convention of April 25, 1866.—That Republic is understood to be now almost if not quite tranquilized. It is hoped, therefore, that it will lose no time in procuring for the unpaid balance of its debt to the United States, which, having originated in injuries to its citizens by the Venezuela authorities and having been acknowledged, pursuant to a treaty, in the most solemn form known among nations, would seem to be entitled to a preference over debts of a different origin and contracted in a different manner. This subject is again recommended to the attention of Congress for such action as may be deemed proper.

JAPAN AND CHINA.

Our treaty relations with Japan remain unchanged. An Embassy from that interesting and progressive nation visited this country during the year that is passing, but being unprovided with powers for the signing of a convention in this country, no conclusion in that direction was reached. It is hoped, however, that the interchange of opinion which took place during their stay in this country, has led to a mutual appreciation of the interests which may be expected when the revision of the treaty shall be undertaken. In this connection, I renew my recommendation of a year ago, that to give importance and add to the efficiency of our diplomatic relations with Japan and China, and to further aid in maintaining the good opinion of these people, and secure to us our share of the commerce destined to flow between these nations and the balance of trade of the commercial world, an appropriation should be made to support at least four American youths in each of these countries to serve as part of the official family of our Ministers. Our Representatives would then be placed upon an equality with the representatives of Great Britain and some other Powers. As now, our representatives in Japan and China have to depend for the interpretations and translations upon natives of those countries who know our language imperfectly, or procure for the occasion the services of employes of foreign business houses, or the interpreters to other foreign Ministers.

A CHANGE RECOMMENDED.

I renew the recommendation made on a previous occasion for the transfer to the Department of the Interior, of all the powers and duties in relation to territory, with which the Department of State is now charged, by law or by custom.

RELIEF OF CITIZENS ABROAD.

Congress, from the beginning of the Government, has wisely made provision for the relief of distressed seamen in foreign countries. No similar provision, however has been made for the relief of citizens in distress abroad, other than seamen. It is understood to be customary with other governments to authorize Consuls to extend such relief to their citizens or subjects in extreme cases. A similar authority and an appropriation to carry it into effect are recommended in the case of citizens of the United States destitute or sick under such circumstances. It is well known that our citizens resort to foreign countries in great numbers. Though most of them are able to bear the expenses incident to the location, there are some who through accident or otherwise become penniless, and have not friends at home able to succor them. Persons in this situation must either perish, cast themselves upon the charity of foreigners, or be relieved at the private charge of our own officers who usually, even with the most benevolent dispositions, have nothing to spare for such purposes. Should the authority and appropriation asked for be granted, care will be taken to carry the munificence of Congress into effect, and that it will not be unnecessarily or unworthily bestowed.

CONDITION OF THE TREASURY.

The moneys received and carried into the Treasury during the fiscal year ending June 30, 1872, were: From customs, $21,637,028,677; from sales of public lands, $2,575,514 19; from internal revenue, $130,642,177 73; from tax on National Banks, &c., $6,523,396 39; from the Pacific Railroad Companies, $749,861 87; from customs, fines etc., $1,136,442 34; from fees of Consuls, patents, lands, etc., $2,284,095 92; from miscellaneous sources, $4,412,254 71; total of ordinary receipts, $364,694,229 91; from premiums on sales of coin, $9,412,637 65; total net receipts, $374,016,837 56; balance in Treasury June 30th, 1871, $10,935,705 79, including $1,822,835 received from unavailable assets; total available cash, $484,042,573 15.

The net expenditures by warrants drawn during the same period were: For civil expenses, $16,189,079 70; for foreign interests, $18,409,369 14; Indians, $7,065,726 88; pensions, $28,533,402 76; military establishment, including fortifiations, river, harbor improvements, and arsenals, $31,537,215 72; for naval establishments, including vessels and machinery and improvements at the navy yard, $21,249,809 09; for miscellaneous civil expenditures, including public buildings, lighthouses, and collecting the revenue $42,958,329 08; interest on public debt, $118,358,839 72. Total, exclusive of principal and premium on public debt, $270,559,695 91. For premium on bonds purchased, $4,958,766 66; for redemption of the public debt $99,915,340. Total, $106,918,520 30. Total net disbursements $377,478,216 21. Balance in the Treasury June 30th, 1872, $108,564,356 94. Total, $484,042,563 15.

REDUCTION OF THE PUBLIC DEBT.

From the foregoing statement it appears that the net reduction of the principal of the debt during the fiscal year ending June 30th, 1872, was $99,960,253 54. The source of reduction is as follows: Net ordinary receipts during the year, $364,694,229 91; net ordinary expenditures, including interest on public debt $270,559,965 91. Difference, $94,134,534. Add the amount of receipts from premiums on sales of gold in excess of premiums paid on bonds purchased, $5,547,089; add amount of the cash balance at the close of the year, accompanied with the sale at the commencement of the year, $337,348 65. Total, $99,960,253 54.

This statement treats solely of the principal of the Public Debt. By the monthly statement of the Public Debt, which adds together the principal and interest due and unpaid and interest accrued to date, and deduct the cash in the Treasury as recorded on the day of publication, the reduction was $100,544,591 28. The source of this reduction is as follows: Reduction on principal accounts, $90,860,003 54; reduction on unpaid interest account, $3,430,057 56. Total, $103,290,856 50. Reduction in cash on hand, $2,746,455 22. Total, $10,544,491 28. On the basis of the last totals, the statements show a reduction of the Public Debt from the 1st of March, 1869, to the present time, as follows: From March 1, 1869, to March 1, 1870 $87,347,828 44; from March 1, 1870 to March 1, 1871, $117,819,630 35; from March 1st, 1871, to March 1st, 1872, $94,845,348 94; from March 1st, 1872, to November 1st 1872, eight months, $64,047,237 84. Total, $363,696,999 87.

With the great reduction of taxation by acts of Congress at its last session the expenditures of the Government in collecting the revenue will be much reduced for the next fiscal year. It is very doubtful, however, whether any further reduction of so heavy a burthen upon the people will be practicable for the present. At all events, as a measure of justice to holders of the Nation's certificates of indebtedness, I would recommend that no more legislation be had upon this subject unless it be to correct the errors of omission or commission in the present laws until sufficient time has elapsed to prove that it can be done and still leave sufficient revenue to meet current expenses of the Government, pay the interest on the public debt and provide for the sinking fund established by law.

THE NATIONAL CREDIT—CURRENCY.

The preservation of our national credit is of the highest importance. Next in importance to this comes the solemn duty to provide a national currency of fixed and unvarying value as compared with gold as soon as practicable, having due regard for the interests of the debtor class and the vicissitudes of trade and commerce, and convertible into gold at par.

THE WAR DEPARTMENT.

The report of the Secretary of War shows the expenditures of the War Department for the fiscal year ending June 30, 1871, to be $35,799,991 82, and for the fiscal year ending June 30, 1872, to be $35,372,157 20, showing a reduction in favor of the last fiscal year of $427,834 62.

The estimates for military apportionments for the next fiscal year ending June 30, 1873, are $33,801,378 78. The estimates of the Chief of Engineers are submitted separately for fortifications, for river and harbor improvements, for public buildings and grounds, and for the Washington aqueduct.

The affairs of the Freedmen's Bureau have all been transferred to the War Department, and regulations will be put into execution for the speedy payment of bounty and pay due to colored soldiers properly coming under that bureau.

All warrants for money and property issued prior to 1871, have been examined and transmitted to the Treasury for final settlement. During the fiscal year there has been paid for transportation on railroads $1,300,000, of which $800,857 was over the Pacific railroad. For transportation by water, $626,373 52, and by stage $48,975 84, and for the purchase of transportation, animals and wagons, hire of teamsters, etc., $924,065 74. About $3,705 have been collected from Southern railroads during the year, leaving about $4,000,000 still due.

The Quartermaster has examined and transmitted to the acting officers for settlement, $367,172 72 of claims by loyal citizens for Quartermaster's stores during the war. Subsistence supplies to the amount of $809,412 have been issued to the Indians.

The annual average mean strength of the army was 29,120 white, and 2,494 colored soldiers. The total deaths for the year are reported at 367 white and 54 colored. The distribution of medical and surgical instruments has yet to be ordered by Congress. There exists an absolute necessity for a medical corps of the full number established by the act of congress, July 28, 1866, there being now fifty-nine vacancies and the number of successful candidates rarely exceed eight or ten in any one year.

INTERNAL IMPROVEMENTS.

River and harbor improvements have been carried on with energy and economy, though many are only partially completed. The results have saved to commerce many times the amount expended. The increase of commerce with the greater depth of channels and greater security in navigation, and the saving of time adds much to the wealth of the country and increases the resources of the Government. The bridge across the Mississippi river at Rock Island, has been completed, and a proper site has been determined upon for a bridge at La Crosse. The able and exhaustive report made by the committee appointed to investigate the Sutro Tunnel has been transmitted to Congress.

SIGNAL SERVICE.

The observations and reports of the Signal Office has been continued. Stations have been maintained at each of the principal lake ports and cities, ten additional stations have been established in the United States, and arrangements have been made for the exchange of reports with Canada, and similar exchange of observations is contemplate with the West India islands.

RECOMMENDATIONS OF THE SECRETARY OF WAR.

The favorable attention of Congress is invited to the following recommendations of the Secretary of War: A discontinuance of the appointment of extra men to serve an Adjutants and Quartermasters; the adoption of a code providing a specific penalty for well defined offences, that the inequality of sentence, adjudged by Courts Martial, may be adjusted; the considerations of the accounts under which expenditures are made as a measure of economy; a reappropriation of the money for construction of a depot at San Antonio, the title to the sile now being perfected; special act placing the cemetery at City of Mexico on the same basis as other national cemeteries; authority to purchase sites for military posts in Texas; appointment of Commissary Sergeants for non-commissioned officers as a measure for the security and better care and protection of supplies; an appropriation for catalogues; a table of the anatomical section of arms and medical museum; an appropriation of sufficient amount for the manufacture of breech-loading arms, should the selection be so formed by the board of officers as to leave the former appropriations expended at the close of the fiscal year; the sales of such arsenals east of the Mississippi as can be spared, and the proceeds applied to the establishlishment of one large arsenal of construction and repair upon the Atlantic coast, and the purchase of a suitable site for an approving and experimental ground for heavy ordnance; the abrogation of laws which deprive inventors in the United States service from deriving benefits from their inventions; the repeal of law prohibiting promotions in the staff corps; a continuance of work upon coast defences; the repeal of the seventh section of the act of July 13th, 1866, taking from the engineer soldiers the per diem granted other troops; a limitation of time for the preservation of subsistence supplies under the act of July 4th, 1864, and a modification in the mode of selection of cadets for the Military Academy in order to enhance the usefulness of the Academy, which is impaired by reason of the large amount of time necessarily expended in giving new cadets a thorough knowledge of the mere elementary branches of learning, which they should acquire before entering the Academy; also an appropriation for philosophical apparatus and an increase in the number and pay of teachers at the Military Academy.

TRANSPORTATION TO THE SEA COAST.

The attention of Congress will be called during its present session, to the various enterprises for the more certain and cheaper transportation of the constantly increasing supplies of western and southern products to the Atlantic seaboards. The subject is one that will force itself upon the legislative branch of the Government sooner or later, and I suggest, therefore, that immediate steps be taken to gain available information to secure equitable and just legislation for lines to connect the Mississippi Valley with the Atlantic at Charleston, South Carolina, and at Savannah, Georgia, by way of the Ohio and Tennessee rivers, by canals and slack water navigations. The Savannah and Ocmulgee rivers have been surveyed, and the report made by an accomplished engineer and officer of the army. A second and a third new route will be proposed for the consideration of Congress, viz., by an extension of the Kanawha and James River Canal to the Ohio, and by the extension of the Chesapeake and Ohio, Canal. I am not prepared to recommend Government aid to these or other enterprises, until it is clearly shown that they are not only of National interest, but that, when completed, they will be of a value commensurate with their cost. That production increases more rapidly than the means of transportation in our country, has been demonstrated by past experience; that the unprecedented growth in population and products of the whole country, will require adidtional facilities and cheaper means for the more bulky articles of commerce to reach tide water, and that a market will be demanded in the near future, is equally demonstrated. I would therefore suggest, that either a committee or a commission be organized to consider this whole question, and report to Congress at some future day for its better guidance in legislating on this important subject.

The railroads of the country have been rapidly extended during the last few years to meet the growing demands of producers, and they reflect much credit upon the capitalists and managers engaged in their construction. In addition to these, a project to facilitate commerce by the building of a ship canal around Niagra Falls on the United States side, which has been agitated for many years, will no doubt be called to your attention this session.

LAND-LOCKED NAVIGATION ON THE SEA COAST.

Looking to the great future of the country and the increasing demands of commerce, it might be well while on the subject not only to have examined the reports upon the various practicable routes for connecting the Mississippi with tide water on the Atlantic, but the feasibility of almost continued land-locked navigation from Maine to the Gulf of Mexico. Such a route along our coast would be of great value at all times and of inestimable value in case of a foreign war. Nature has provided the greater part of this route and the obstacles to be overcome are easily within the skill of the engineer. I have not alluded to this subject with the view of having any further expenditure of the public money at this time than may be necessary to procure and place all necessary information before Congress in an authentic form to enable it hereafter, if deemed practicable and worthy, to legislate on the subject without delay.

THE NAVY.

The report of the Secretary of the Navy herewith accompanying explains fully the condition of that branch of the public service, its wants and deficiencies, the expenses incurred during the past year and necessary appropriations for the same. It also gives a complete history of the services of the Navy for the past year. It is evident that unless steps are taken to preserve our Navy, in a very few years the United States will be the weakest nation upon the ocean of all the great Powers. With an energetic, progressive, business people like ours, penetrating and forming business relations with every part of the known world, a Navy strong enough to command the respect of our flag abroad, is necessary for the full protection of their rights.

THE POSTOFFICE DEPARTMENT.

I recommend the careful consideration by Congress of the recommendations made by the Secretary in the accompanying report of the Postmaster General. It furnishes a full and satisfactory exhibit of the operations of the Postoffice Department during the year. The ordinary revenues of the department of the fiscal year ending June 30, 1872, amounted to $21,915,426 37, and expenditures to $26,658,191 21. Compared with the previous fiscal year, the increase of revenue was $1876,380 95, and the increase of expenditures. $2,268,087 23. Adding to the ordinary revenues of the annual appropriation of $700,000 for free matter, and the amounts paid as subsidies to mail steamship lines from special appropriations, the deficiency paid out of the general treasury was $3,317,765,94, an excess of $289,701 28 over the deficiency for the year 1871.

Other interesting statistics relating to the rapidly extending postal service, are furnished in this report. The total length of railroad mail routes on the 30th of June, 1872, was 57,911—8,007 additional miles of such services having been put into operation during the year. Eight new lines of railway postoffices have been established, with an aggregate length of 2,909 miles. The number of letters exchanged by the mails with foreign countries was 24,365,500, an increase of 4,066,502, or 21 per cent. over the number in 1871.