

bution 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 of July 28, 1866, there being now fifty-nine vacancies, and the number of successful candidates rarely exceeds eight or ten in one year.

**RIVER AND HARBOR IMPROVEMENTS**  
Have been carried on with energy and economy, though many are only partially completed. The results have saved 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 SUTRO TUNNEL.**  
The able and exhaustive report made by the Commission appointed to investigate the Suto tunnel has been transmitted to Congress.

**THE SIGNAL SERVICE.**  
The observations and reports of the Signal office have been continued. Stations have been maintained at each of the principal lakes and 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 contemplated with the West India Islands. 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 as Adjutants and Quartermasters; the adoption of a code providing specific penalty for well defined offenses; the consolidation of sentences adjudged by Courts-martial may be adjusted; the consolidation of the accounts under which expenditures are made, as a measure of economy; a reappropriation of the money for the construction of a depot at San Antonio, the title to the site now being perfected; a special act placing the cemetery at the City of Mexico on the same basis as other national cemeteries; authority to purchase sites for military posts in Texas; the appointment of commissary Sergeants from non-commissioned officers, as a measure for securing better care and protection of supplies; an appropriation for catalogues and table of the anatomical section arms and medical museum; an appropriation of a sufficient amount for the manufacture of breech-loading arms, should the selection be so formed by the Board of officers as to have the former; the appropriations to be expended at the close of the fiscal year; the sale of such arsenals east of the Mississippi as can be spared, and the proceeds to be applied to the establishment of one large arsenal of construction and repair upon the Atlantic coast, and the purchase of a suitable site for approving and experimenting ground for heavy ordnance; the abrogation of laws which deprive inventors in the United States service from deriving any benefits from their inventions; the repeal of the law prohibiting promotions in the staff corps; a continuance of the work upon the coast defenses; the repeal of the seventh section of the act of July 13, 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 4, 1864, and a modification in the mode of the 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 more 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.

**RAILROAD AND CANAL COMMUNICATIONS.**  
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 seaboard. The subject is one that will force itself upon the legislative branch of 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 canals and the Ohio and Tennessee rivers; by canals and slack-water navigation. The Savannah and Ocmulgee rivers have been surveyed and a 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, namely: 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 show 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 additional facilities and cheaper means for the more bulky articles of commerce to reach the water, and that a market will be demanded in the near future, is equally demonstrated. I would therefore suggest either a committee or a commission to be organized to consider this whole question and to 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 Niagara falls on the United States' side, which has been agitated for many years, will no doubt be called to your attention this session. 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 practical 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, in an deemed practicable and worthy, to legislate on the subject without delay.

**THE NAVY DEPARTMENT.**  
The report of the Secretary of the Navy, with accompanying, explains fully the condition of that branch of the public service, its wants and deficiencies, the expenses incurred during the past year, and the 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 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 POST-OFFICE DEPARTMENT.**  
I recommend the careful consideration by Congress of the recommendations made by the Secretary of the accompanying report of the Postmaster-General. It furnishes a full and satisfactory exhibit of the operations of the Post-office Department during the year. The ordinary revenues of the department for the fiscal year ending June 30, 1872, amounted to \$21,915,426 37, and the expenditures to \$26,658,192 1. Compared with the previous fiscal year, the increase of revenue was \$1,876,380 95, and the increase of expenditures \$2,268,088 25. Adding to the ordinary revenues of the annual appropriation of \$700,000 for free matter, and the amounts paid on subsidies on mail steamship lines from special appropriations, the deficiency paid out of the general treasury was \$3,319,765 94—an excess of \$389,901 28 over the deficiency for the year 1871. Other interesting statistics relating to rapidly extending postal services are furnished in this report. The total length of railroad mail routes on the 30th of June, 1872, was 57,911 miles, 8,007 additional miles of such services having been put into operation. During the year eight new lines of railway post-offices have been established, with an aggregate length of 2,909 miles. The number of letters exchanged by the mails with foreign countries was 24,362,500—an increase of 4,066,507, or 20 per cent, over the number in 1871. The postage thereon amounted to \$1,871,257 25. The total weight of mails exchanged with European countries exceeded 820 tons. The cost of the United States transatlantic mail steamship service is \$220,201 70. The total cost of the United States ocean steamship service, including the amounts paid to subsidized lines of mail steamers, was \$1,027,020 97. The following are the only steamship lines now receiving subsidies for mail service under special acts of Congress: The Pacific Mail Steamship Company receive \$500,000 per annum for carrying a monthly mail between San Francisco, Japan and China, which will be increased to \$1,000,000 per annum for a semi-monthly mail on and after October 1, 1873; the United States and Brazil Steamship Company receive \$150,000 per annum for carrying a monthly mail between New York and Rio de Janeiro, and the California and Oregon and Mexico Steamship Company receive \$75,000 per annum for carrying a monthly mail between San Francisco and Honolulu, making the total amount of mail steamship subsidies, at present, \$725,000 per annum. Our postal communications with all parts of the civilized world have been placed upon the most advantageous footing by improved postal conventions. And arrangements recently concluded with the leading commercial countries in Europe and America, and the gratifying statement is made that, with the conclusion of a satisfactory convention with France, the details of which have been definitely agreed upon by the French Postal Department, subject to the approval of the Minister of Finance, little remains to be accomplished by treaty for some time to come. In respect to the reduction of the rate for the improved facilities of the postal service, your favorable consideration is respectfully invited to the recommendations of the Postmaster-General for an increase of the service from a monthly to a semi-monthly trip on the mail steamships to Brazil; for a subsidy in aid of the establishment of an American line of mail steamers between San Francisco, New Zealand and Australia; for the establishment of post-office savings banks, and for the increase of the salaries of the heads of bureaus. I have heretofore recommended the abolition of the franking privilege, and see no reason now for changing my views on that subject. It not having been favorably regarded by Congress, however, I now suggest a modification of the privilege to correct the glaring and costly abuses. I would suggest, also, the appointment of a committee or commission to take into consideration the best method equitable to private corporations who have invested their time and capital in the establishment of telegraph lines, of acquiring title to all telegraph lines now in operation, and of connecting this service with the postal service of the nation. It is not probable that this subject could receive proper consideration during the limit of the next session of Congress, but it may be initiated, so that further action may be fair to the Government and to the private parties concerned. There are but three lines of ocean steamers, namely—the Pacific Mail Steamship Company, between San Francisco, China and Japan, with provision made for a semi-monthly service after October 1, 1873, the United States and Brazil line, monthly, and the California and New Zealand and Australia line, monthly—plying between the United States and foreign ports, owned and operated under our flag. I earnestly recommend that such liberal contracts for carrying their mails be authorized with those lines as will insure their continuance, if the expediency of extending the aid of the Government to lines of steamers which hitherto have not received it should be deemed worthy of consideration by Congress. Political and commercial subjects make it advisable to bestow such aid on the line under our flag between Panama and South American ports. By this means our trade now turned to other countries might be brought to us to the mutual advantage of the country and those lying in the short quarter of the continent of America. The report of the Secretary of the Treasury will show an alarming falling off of our carrying trade for the last ten or twelve years, and even for the past year. I do

not believe that the public treasure can be better expended in the interests of the whole people than in trying to recover this trade. An expenditure of a few million dollars annually for the next five years, if it would restore to us our proportion of the carrying trade of the world, would be profitably expended. The price of labor in Europe has so much enhanced within the last few years, that the cost of building and operating ocean steamers in the United States is not so much greater than in Europe, and I believe the time has arrived for Congress to take this subject into serious consideration.

**DEPARTMENT OF JUSTICE.**  
A detailed statement of the disbursements through the Department of Justice will be furnished by the report of the Attorney-General, and though these have been somewhat increased by the recent Acts of Congress to enforce the rights of citizens of the United States to vote in the several States of the Union, and to enforce the provisions of the Fourteenth Amendment to the Constitution of the United States, and other amendments thereto, I cannot question the necessity and salutary effect of the enactments. Reckless and lawless men, I regret to say, have associated themselves together in some localities to deprive others of the rights guaranteed them by the Constitution of the United States, and to that end have committed deeds of violence; but the detection and punishment of many of these persons have tended greatly to the repression of such disorder. I do not admit that a great majority of the people in all parts of the country, however, are in favor of the full enjoyment by all classes of persons to those rights which they are entitled under the constitution and laws. I invoke the aid and influence of all good citizens to prevent organizations whose objects are unlawful means to interfere with those rights. I look with confidence to the time not far distant when the obvious advantages of good order and peace will induce the abandonment of all combinations prohibited by the acts referred to; when it will be unnecessary to carry on prosecutions or inflict punishment to protect citizens from the lawless doings of such combinations. Applications have been made to me to pardon persons convicted of violations of said acts, upon the ground that clemency in such cases would tend to tranquilize the public mind and aid to test the virtue of that policy. I disapprove so far as my sense of justice will permit, to give to those applications favorable consideration, but my action thereon is not to be considered as indicating any cessation of my determination to enforce with vigor such acts so long as the conspiracy and combinations therein named disturb the peace and the country. It is much to be regretted, and is regretted by no one more than myself, that the necessity has ever existed to execute the Enforcement act. No one can desire more than I that the necessity for applying it may never again exist.

**DEPARTMENT OF THE INTERIOR.**  
The Secretary of the Interior reports as satisfactory the improvement and progression in each of the several bureaus under the control of the Interior Department. They are all in excellent condition. All the current business has been promptly dispatched. The policy which was adopted at the beginning of this Administration with regard to the management of the Indians has been as successful as its most ardent friends anticipated within so short a time. It has reduced the expenses of their management, decreased their forays upon the white settlements, tended to give the largest opportunity for the extension of the great railways through the public domain and the pushing of settlements into many districts of country, and at the same time to improve the condition of the Indians. This policy will be maintained without change excepting such as further experience may show to be necessary to render it more efficient. The subject of converting the so-called Indian Territory south of Kansas into a home for the Indians, and erecting thereon a territorial form of Government, is one of very great importance as a complement to the existing Indian policy. The question of their removal to the territory has, within the past year been presented to many tribes resident upon other and less desirable portions of the public domain, and has generally been received by them with favor. As a preliminary step to the organization of such a Territory, it will be necessary to continue the Indian survey, which should be secured to them in fee, the residue to be used for the settlement of other friendly Indians. Efforts will be made in the immediate future to induce the removal of as many of the peaceably disposed Indians only to the Indian Territory as can be settled properly without disturbing the harmony of those already there. A proper location, now available, where a people who are endeavoring to acquire a knowledge of pastoral and agricultural pursuits can be as well accommodated as upon the unoccupied lands of the Indian Territory. A Territory of Government should, however, protect the Indians from the inroads of the whites for a term of years, until they become sufficiently advanced in the arts of civilization to guard their own rights. For the same period, during the last fiscal year, there were disposed of out of the public lands, 11,964,975 acres—a quantity greater by 1,008,270 acres than was disposed of the previous year. Of this amount, 1,370,320 acres were sold for cash; 380,400 acres located with military warrants; 4,671,382 acres taken for homesteads; 633,613 acres located with college scrip; 2,551,857 acres granted to railroads; 64,347 acres granted to wagon roads; 714,250 acres sold to States as swamp land, and 1,250 acres located by Indian scrip. The cash receipts from all sources in the Land Office amounted \$3,208,100 during the same period; 22,016,608 acres of public lands were surveyed, which, added to the quantity before surveyed, amounted to 583,363,780 acres, leaving 1,258,633,628 acres of public lands still unsurveyed. Reports from the subordinates of the Land Office contain interesting information in regard to their respective districts. They uniformly mention the fruitfulness of the increasing yield of all kinds of produce, and state that in those States and Territories where mining is the principal business, the agricultural products have exceeded the local demand, and liberal shipments have been made to distant points.

**THE PATENT OFFICE.**  
During the year ending Sept. 30, 1872, there were issued from the Patent Office 14,666 patents, 23 extensions and 556 certificates and registers of trademarks. During the same time 19,567 applications for patents, including reissues and designs have received during the same period amounting to \$700,929 85 and the total expenditures \$623,533 90, making the net receipts over expenditures \$77,400 96. Since 1856 2,000,000 applications for patents have been filed, and about 134,000 patents have been issued. All business conducted under the same laws and general organization as adopted at its origin, when only from one to five hundred applications were made per annum. The Commissioner shows that the office has outgrown the original plan and that a new organization is become necessary. This subject was presented to Congress in a special communication in February last, with my approval and the approval of the Secretary of the Interior, and the suggestions contained in said communication were embodied in a bill that was reported to the House by the Committee on Patents at the last session. The subject of the reorganization of the Patent Office, as contemplated by the bill referred to, is of such importance to the industrial interests of the country that I recommend it to the attention of Congress. The subject of the separation of the Patent Office from the Department of the Interior. The subject is also embraced in the bill heretofore referred to. The Commissioner complains of the want of room for a model gallery, and for a

working force and necessary files for the office. It is impossible to transact the business of the office properly without more room in which to arrange articles and drawings that must be consulted hourly in the transaction of business. The whole of the Patent Office building will soon be needed, if it is not already, for the accommodation of the business of the Patent Office.

**PENSIONS.**  
The amount paid for pensions in the last fiscal year was \$9,460,340, an amount larger by \$3,709,438 than was paid the preceding year. Of this amount \$4,315,499 was paid, under the act of Congress, to survivors of the war of 1812. The increase of pensions by legislation of Congress has more than kept pace with the natural yearly losses from the rolls. The act of Congress of June 8, 1872, has added an estimated amount of \$750,000 per annum to the rolls, without increasing the number of pensioners. We cannot, therefore, look for any substantial decrease in the expenditures of this bureau for some time to come, or as long as Congress continues to change the dates of pensions. The whole number of soldiers enlisted in the war of the rebellion was 1,888,323. The total number of claims for pensions is 175,500—estimated. The total number of claims on hand at the beginning of the year was 91,769. The number received during the year was 26,574; the number disposed of, 33,178—making a net gain of 1,364. The number of claims now on file is 79,088. On the 30th of June, 1872, there were on the rolls the names of 9,545 invalid military pensioners, 113,519 widows, orphans and dependent relatives, making an aggregate of 208,923 army pensioners. At the same time there were on the rolls the names of 1,449 navy pensioners and 1,730 widows, orphans and dependent relatives, making the whole number of naval pensioners 3,179. There have been received, since the passage of the act to provide pensions for survivors of the war of 1812, 36,581 applications prior to June 30, 1872. Of these there were allowed, during the last fiscal year, 30,136 claims; 483 were retained during the year, leaving 11,580 claims pending at that date. The number of pensions of all claims granted during the last fiscal year was 5,338. During that period there were dropped from rolls, for various causes, 314, leaving the grand total 222,229 pensioners on the rolls on the 30th of June, 1872. It is thought the claims for pensions on account of the war of 1812 will be disposed of by the first of May, 1873. It is estimated that \$60,000,000 will be required for the pension service during the next year.

**THE CENSUS.**  
The sixth census, almost completed, is the subject of congratulation, inasmuch as the use to be made of the statistics therein contained depends greatly on the promptitude of publication. The Secretary of the Interior recommends that the centennial census be taken in 1875, which recommendation should receive the ready attention of Congress. The interval at present established between the Federal censuses is so long, that the information obtained to prove its efficiency, from various institutions of learning and education of all kinds throughout the country. The report of the Commissioner contains a vast amount of educational details of great interest. The bill now pending in Congress, providing for an appropriation of a part of the proceeds of the sale of the lands for educational purposes, to aid the States in the general education of the rising generation, is of such great importance to our real progress and so unanimously approved by the leading minds of education, that I commend it to the favorable attention of Congress.

**THE TERRITORIES.**  
Affairs in the Territories are generally satisfactory. The capacity of the pioneers who are settling upon the vast domains not yet incorporated into States is keeping pace with internal improvements, and the whole part of the Territory, in the opinion of them, Utah, is the condition of affairs unsatisfactory, so far as the quiet of citizens may be disturbed by real or imaginary danger of Indian hostilities. It has seemed to be the policy of the Legislature of Utah to evade all responsibility to the Government, and to have the Territory even to hold a position of hostility towards it. I recommend a careful revision of the present laws of that Territory by Congress at its last session, for instance, or something similar to it, so will secure the peaceful settlement of all citizens before the law and the ultimate extinguishment of polygamy.

**DISTRICT OF COLUMBIA.**  
Since the establishment of a Territorial Government for the District of Columbia the improvement of the city, the beautification of the public buildings, and the increased prosperity of the citizens, is observable to the most casual visitor. The nation, being a large owner of property in this city, should bear with the citizens of the District its just share of the expense of the public buildings. I recommend, therefore, an appropriation to reimburse the citizens of the District for the work done by them along and in front of the public grounds during the past year, and liberal appropriations, in order that the improvements and beautification of the public buildings and grounds may keep pace with the improvements made by the territorial authorities.

**AGRICULTURE.**  
The report of the Commissioner of Agriculture gives a very full and interesting account of the several divisions of that Department, horticultural, agricultural, entomological, and chemical, and the benefits conferred by each on the agricultural interests of the country. The whole report is a complete history of the workings of that Department in all its branches, showing the progress of the various departments, and the manner in which a farmer, and the extent to which he is aided in his pursuits. The Commissioner makes a recommendation that measures be taken by Congress to protect and induce the planting of forests, and suggest the extension of the public lands to the benefit of without the condition that one-tenth of it be reserved in timber where it exists, and where it does not, an inclosure should be offered for the planting of it.

**THE CENTENNIAL ANNIVERSARY.**  
In accordance with the terms of the act of Congress, approved March 3, 1871, providing for the celebration of the one hundredth anniversary of American Independence, a Commission has been organized consisting of two members from each of the States and Territories. The Commission has held two sessions, and has made satisfactory progress in the organization and the preliminary steps necessary for carrying out the propositions of the act, and for executing the provisions also of the act of June 8th, 1871, creating a Centennial Board of Finance. A preliminary report of proceedings has been received from the President of the Commission, and is herewith transmitted. It will be the duty of the Commission at your coming session to transmit the report of the progress made and to lay before you the details relating to the exhibition of American and foreign arts, products and manufactures, which by the terms of the act of the United States, in Philadelphia, in the year 1876. This celebration will be looked forward to by American citizens with great interest as marking a century of greater progress and general prosperity than any other nation of any other nation, and testing the further good purpose in bringing together on our soil the people of all commercial nations of the earth, as a measure calculated to secure international good feeling.

**CIVIL SERVICE.**  
The desire has been felt to correct the abuses which have grown upon the civil service of the country through the defective method of making appointments to offices, which have been requested as the means of political services. Under the authority of Congress, rules have been established to regulate the terms of office and mode of appointment, and it cannot be expected that any system of rule can be entirely effective, and prove a permanent remedy for existing evils, did they have been thoroughly tested by actual practice and an extended appeal to the requirements of the service.

vice. During my term of office it shall be my best endeavor to so apply the rules as to secure the greatest possible reform in the civil service of the Government; but it will require the direct attention of Congress to render the enforcement of the system binding upon my successors, and I trust that the experience of the past year together with appropriate legislation by Congress, will result in a satisfactory solution of this question, and secure to the public service for all time a practical method of obtaining faithful and efficient officers and employees.

(Signed) U. S. GRANT,  
Executive Mansion, Dec. 2, 1872.

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