

STATE OF THE NATION

OUR ANNUAL BUDGET.

ANDREW JOHNSON'S SECOND MESSAGE.

The President's Scheme of Restoration.

What is Accomplished and What is to be Done.

OUR FOREIGN RELATIONS.

The Army, Navy, Treasury, and Interior Reports.

CONDITION OF THE COUNTRY

Etc., Etc., Etc., Etc., Etc.

Tranquil State of the Country.

Fellow Citizens of the Senate and House of Representatives—After a brief interval the Congress of the United States resumes its annual legislative labors. An all-wise and merciful Providence has abated the pestilence which visited our shores, leaving its calamitous traces upon some portions of our country. Peace, order, tranquility and civil authority have been formally declared to exist throughout the whole of the United States. In all of the States civil authority has superseded the coercion of arms, and the people, by their voluntary action, are maintaining their Governments in full activity and complete operation. The enforcement of the laws is no longer obstructed in any State by combinations too powerful to be suppressed by the ordinary course of judicial proceedings; and the animosities engendered by the war are rapidly yielding to the beneficent influences of our free institutions, and to the kindly effects of unrestricted social and commercial intercourse. An entire restoration of fraternal feeling must be the earnest wish of every patriotic heart; and we will have accomplished our grandest national achievement when, forgetting the sad events of the past, and remembering only their instructive lessons, we resume our onward career as a free, prosperous and united people.

Restoration of the States South.

In my message of the 4th of December, 1865, Congress was informed of the measures which had been instituted by the Executive with a view to the gradual restoration of the States, in which the insurrection occurred, to their relations with the General Government. Provisional Governors had been appointed, Conventions called, Governors elected, Legislatures assembled, and Senators and Representatives chosen to the Congress of the United States. Courts had been opened for the enforcement of laws long in abeyance. The blockade had been removed, custom houses re-established, and the Internal Revenue laws put in force, in order that the people might contribute to the national income. Fostel contributions had been renewed, and efforts were being made to restore them to their former condition of efficiency. The States themselves had been asked to take part in the high functions of amending the Constitution, and of thus sanctifying the extinction of African slavery as one of the legitimate results of our intestine struggle.

What the Executive Accomplished.

Having progressed thus far, the Executive Department found that it had accomplished nearly all that was within the scope of its constitutional authority. One thing, however, yet remained to be done before the work of restoration could be completed, and that was the admission to Congress of loyal Senators and Representatives from the States whose people had rebelled against the lawful authority of the General Government. This question devolved upon the respective Houses, which, by the Constitution, are made the judges of the elections, returns and qualifications of their own members; and its consideration at once engaged the attention of Congress.

Efforts to Perfect Restoration.

In the meantime, the Executive Department, in conformity with the plan proposed by Congress, continued its efforts to perfect, as far as practicable, the restoration of the proper relations between the citizens of the respective States, the States, and the Federal Government, extending from time to time, as the public interests seemed to require, the judicial, revenue, and postal systems of the country. With the consent of the Senate, the necessary officers were appointed, and appropriations made by Congress for the payment of their salaries. The proposition to amend the Federal Constitution, so as to prevent the existence of slavery within the United States or any place subject to their jurisdiction, was ratified by the requisite number of States on the 18th day of December, 1865, it was officially declared to have become valid as a part of the Constitution of the United States.

All of the States in which the insurrection had existed promptly amended their Constitutions, so as to make them conform to the great change thus effected in the organic law of the land; declared null and void all pretended debts laws of secession; repudiated all obligations and obligations created for the revolutionary purposes of the insurrection; and proceeded in good faith to the enactment of measures for the protection and amelioration of the condition of the colored race. Congress, however, yet hesitated to admit any of these States to representation; and it was not until the close of the eighth month of the session that an exception was made in favor of Tennessee, by the admission of her Senators and Representatives,

A Profound Regret.

I deem it a subject of profound regret that Congress has thus far failed to admit to seats loyal Senators and Representatives from the other States, whose inhabitants, with those of Tennessee, had engaged in the rebellion. Ten States, more than one-fourth of the whole number, remain without representation; the seats of fifty members in the House of Representatives and twenty members in the Senate are yet vacant, not by their own consent, not by a failure of election, but by the refusal of Congress to accept their credentials. Their admission, it is believed, would have accomplished much towards the renewal and strengthening of our relations as one people, and removed a serious cause for discontent on the part of the inhabitants of those States. It would have accorded with the great principle enunciated in the Declaration of American Independence, that no people ought to bear the burden of taxation, and yet be denied the right of representation.

It would have been in consonance with the express provisions of the Constitution, that "each State shall have at least one Representative," and "that no State, without its consent, shall be deprived of its equal suffrage in the Senate." These provisions were intended to secure to every State, and to the people of every State, the right of representation in each House of Congress; and so important a principle, that the equality of the States in the Senate should be preserved, that not even by an amendment of the Constitution can any State, without its consent, be denied a voice in that branch of the National Legislature.

Congress Refractory.

It is true, it has been assumed that the existence of the law was a necessary consequence of the rebellions of its inhabitants, and that the insurrection having been suppressed, they were therefor to be considered merely as conquered territories. The Legislative, Executive and Judicial Departments of the Government have, however, with great distinctness and uniform consistency, refused to sanction an assumption so incompatible with the nature of our republican system, and with the revolutionary objects of the war. Throughout the recent legislation of Congress, the undeniable fact makes itself apparent, that these ten political communities are nothing less than States of this Union. At the very commencement of the Rebellion, each House declared, with a unanimity as remarkable as it was significant, that the war was not "waged upon our part, in any spirit of opposition, nor for any purpose of conquest, subjugation, nor purpose of overthrowing or interfering with the rights or established institutions of those States, but to defend and maintain the supremacy of the Constitution and all laws made in pursuance thereof, and to preserve the Union with all the dignity, equality and rights of the several States unimpaired; and that as soon as the insurrection should be "accomplished the war ought to cease."

In some instances, Senators were permitted to continue their legislative functions, while in other instances Representatives were elected and admitted to seats after their States had formally declared their right to withdraw from the Union, and were endeavoring to maintain that right by force of arms. In those States whose people were in insurrection, as States were included in the apportionment of the direct tax of twenty millions of dollars annually laid upon the United States by the act approved 5th of August, 1861, Congress, by the act of March 4th, 1862, and by the apportionment of representation thereunder, also recognized their presence as States in the Union; and they have, for judicial purposes, been divided into three classes, so that they can be divided. The same recognition appears in the recent legislation in reference to Tennessee, which evidently rests upon the fact that the functions of the State were not destroyed by the Rebellion, but merely suspended; and that principle is, of course, applicable to those States which, like Tennessee, attempted to renounce their places in the Union.

Action of the Executive.

The action of the Executive Department of the Government upon this subject, has been equally definite and uniform, and the purpose of the war was specifically stated in the Proclamation, issued by my predecessor, on the 22d day of September, 1862. It was then solemnly proclaimed and declared, that "hereafter, as heretofore, the war will be prosecuted for the object of practically restoring the constitutional relations between the United States and each of the States, and the people thereof, in which States that relation is or may be suspended or disturbed."

The recognition of the States by the Judicial Department of the Government, has also been clear and conclusive, in all proceedings affecting them as States, had in the Supreme, Circuit and District Courts.

Presidential Opinion About Southern Representatives.

In the admission of Senators and Representatives from any and all the States there can be no just ground of apprehension that persons who are disloyal will be clothed with the powers of legislation for the Nation. The laws of the Constitution and laws are enforced by a vigilant and faithful Congress. Each House is sworn to support the Constitution, and each member, when a Senator or Representative presents his credentials to Congress, does so with concurrence of two-thirds, expel a member from either House, and no member may be admitted or rejected, or should there be any question as to his eligibility, his credentials may be examined by the committee to the appropriate committee, if admitted to the House, or upon evidence satisfactory to the House, or which he has become a member, that he possesses the requisite constitutional and legal qualifications. If refused admission as a member for want of due allegiance to the Government, and returned to his constituents, they are admitted to representation in the respective Houses of Congress, and will be effectively exerted in the interests of loyalty to the Government and fidelity to the Union. Upon this question, so vitally affecting the restoration of the Union and the permanency of our present form of government, my convictions, heretofore expressed, have undergone no change; but, on the contrary, they have been more fully confirmed by reflection and time. If the admission of loyal members to seats in the respective Houses of Congress was wise and expedient now, it is no less wise and expedient now. If this anomalous condition is right—if, in the exact condition of things at the present time, it is lawful to exclude them from representation, I do not see that the question will be less so in six months, or ten years hence, if the States remain as they are, the right of representation will be no stronger—the right of exclusion will be no weaker.

Demand for the Admission of "Loyal" Representatives.

The Constitution of the United States makes it the duty of the President to recommend to the consideration of Congress "such measures as he shall judge necessary or expedient." I know of no measure more imperatively demanded by every consideration of national interest, sound policy, and equal justice, than the admission of loyal members from the now unrepresented States. This would consummate the work of restoration, and exert a most salutary influence in the re-establishment of peace, harmony, and fraternal feeling, which would greatly renew the confidence of the American people in the vigor and stability of our institutions, and bind us more closely together as a nation, and enable us to show to

the world the inherent and recuperative power of a Government founded upon the principles of the people, and established upon the principles of free justice and intelligence.

Our increased strength and enhanced prosperity would irrefragably demonstrate the fallacy of the argument against free institutions drawn from our recent national disorders by the enemies of republican government. The admission of loyal members from the now unrepresented States, by allaying doubt and apprehension, would turn capital, now awaiting an opportunity for investment, into the channels of industry and commerce, and alleviate the present troubled condition of those States, and, by inducing emigration, aid in the settlement of fertile regions now uncultivated, and the production of those staples which have added so greatly to the wealth of the nation and the commerce of the world. The fields of enterprise opened up to our progressive people, and soon the devastations of war would be repaired, and all traces of our domestic afflictions effaced from the minds of our countrymen.

A Word of Caution.

In our efforts to preserve "the unity of the Government which constitutes us one people," by restoring to representation the States which they held prior to the Rebellion, we should be cautious, lest, having rescued our nation from the perils of threatened dissolution, we should fall into the same errors. In the first place, absolute despotism, as a remedy for the recurrence of similar troubles, is not only a grossly mistaken, but a doubtful expediency. We should hasten to enact legislation within the boundaries prescribed by the Constitution, and by the terms of the act of August 5, 1865, which are our guide to the preservation of succeeding generations. "The Constitution which at any time exists, and which is the basis of our national act of God, is sacredly whole, obligatory upon all." "If, in the opinion of the people, the district, or the State, which it governs, let it be empowered by an amendment in the way in which the Constitution designates, that let it be done, and the amendment is made. It is the customary way by which free Governments are destroyed." Washington spoke these words to his constituents, when, following the trial and gratuitous and voluntarily retired from the care of public life. "To keep in all things within the limits of our present Constitution, as the Federal Union as the only rock of safety," were prescribed by Jefferson as rules of action to endure to his countrymen the true principles of the Constitution, and of our form of government and action equally auspicious to their happiness and safety." Jackson held that the action of our people should be confined to the sphere of its appropriate duties, and justly and forcibly urged that our Government is not to be maintained by the force of arms, but by the force of the rights and powers of the several States. In thus attempting to make our General Government a permanent fixture in the minds and consciences of the people, the strength consists in leaving individuals and States as much as possible to themselves; in making itself felt, not in its power but in its beneficence; in not extending beyond its proper strength, but in its proper sphere; in not binding the States more closely to the centre, but leaving each to move unobscured in its proper constitutional orbit. These are the leading principles of wisdom and services have made them illustrious, and who, long since, have handed down to us the legacy of their example, their wisdom and their patriotism. Drawing fresh inspiration from their lessons, let us maintain the Union with respect for the Constitution and the laws.

Our Financial Status.

The report of the Secretary of the Treasury affords much information respecting the revenue and consumption of the country, in relation to the currency, and with reference to a proper adjustment of our revenue system, internal taxes and other matters. In his annual report to Congress, I expressed my general views upon these subjects. I need now only call attention to the important matters connected with the department of the Government a system of strict accountability, thorough retrenchment, and the reduction of our expenditures to the annual expenditures, the oppressive burdens of taxation can be lessened by such a modification of our revenue laws as will be consistent with the public interest, and the consummate and necessary wants of the Government.

The National Debt.

The report presents a much more satisfactory condition of our finances than we have seen for some time. It contains the following particulars: During the fiscal year ending the 30th June, 1865, the public debt was \$1,597,000,000. On the 31st day of October, 1865, it had been reduced to \$2,351,310,000, the diminution, during a period of four months, being \$754,690,000. On the 31st day of October, 1865, and ending October 31, 1866, having been \$2,679,795. In the last annual report on the state of the finances of the United States, it was shown that the public debt on the 30th day of September, 1862, it was then solemnly proclaimed and declared, that "hereafter, as heretofore, the war will be prosecuted for the object of practically restoring the constitutional relations between the United States and each of the States, and the people thereof, in which States that relation is or may be suspended or disturbed."

Receipts for the Fiscal Year.

During the fiscal year ending on the 30th June, 1866, the receipts were \$558,082,000, and the expenditures \$30,790,940, leaving an available surplus of \$527,291,060. It is estimated that the receipts for the fiscal year ending June 30, 1867, will be \$775,001,888, and that the expenditures will reach the sum of \$116,428,078, leaving in the Treasury on the 30th June, 1867, it is estimated that the receipts will amount to \$438,000,000, and that the expenditures will be \$199,247,841—showing a balance of \$238,752,159 in favor of the Government. These estimated receipts may be diminished by a reduction of excise and import duties; but after all necessary deductions, there will be made a surplus of the present and of following years will doubtless be sufficient to cover all legitimate charges upon the Treasury, and leave a surplus of \$200,000,000 for the payment of the principal of the debt. There seems now to be no good reason why taxes may not be reduced so the country advances in population and industry, and the debt be extinguished within the next quarter of a century.

Secretary Stanton's Report.

The report of the Secretary of War furnishes valuable and important information in reference to the operations of his department during the past year. Few volunteers now remain in the service, and they are being discharged as rapidly as they can be replaced by regular troops. The army has been promptly paid, carefully provided with medical treatment, well equipped, and well supplied with food, and with breech-loading small arms. The military strength of the nation has been unimpaired by the discharge of the volunteers, and the unmercenary or perishable stores, and the retrenchment of expenditures. Sufficient war material to meet any emergency has been retained, and the United States has been standing ready to respond to the national call, large armies can be rapidly organized, equipped and sent to the front.

Fortifications on the coast and frontier have been repaired, or are being prepared for more powerful armaments, the surveys and harbor and river improvements are rapidly progressing. Preparations have been made for the payment of the additional bounties authorized during the recess session of Congress, under such regulations as will protect the Government from fraud, and secure to the honorably discharged soldier the well-earned reward of his faithful and gallant services. More than six thousand maimed soldiers have received artificial limbs or other surgical apparatus, and forty-one national cemeteries, containing the remains of 104,826 Union soldiers, have already been established. The total estimate of military appropriations is \$28,500,000.

The Navy.

It is stated in the report of the Secretary of the Navy that the naval force at this time consists of two hundred and seventy-eight vessels, armed with two thousand three hundred and fifty-one guns, of these, one hundred and fifty-

teen vessels, carrying one thousand and twenty-nine guns, are in commission, distributed chiefly among the squadrons. The number of men in the service is thirty thousand six hundred. Great activity and vigilance have been displayed by all the squadrons, and their movements have been most judiciously directed. Recently arranged in such manner as would best promote American commerce, and protect the rights and interests of our countrymen abroad. The vessels unemployed are undergoing repairs, or are laid up until their services may be required.

The League Island Iron-Clad Navy Yard.

Most of the iron-clad fleet is at League Island, in the vicinity of Philadelphia, a place which, until decisive action should be taken by Congress, was selected by the Secretary of the Navy as the most eligible location for that class of vessels. It is important that a suitable public station should be provided for the iron-clad fleet, and that the vessels shall be in proper condition for any emergency, and it is desirable that the bill accepting League Island as a public station, which passed the House of Representatives at its last session, should receive final action at an early period. In order that there may be a suitable public station for the fleet, it is recommended that a public station should be sufficient for the wants of the service, on the Delaware river. The Naval Pension fund was established from time to time within the year, \$2,750,000 during the year. The expenditures of the Department for the fiscal year ending 30th June last, were \$48,323,230, and the estimates for the fiscal year ending June 30, 1867, are \$50,000,000. The attention is invited to the condition of our sea-men, and the importance of legislative measures to be taken for their relief. The suggestions in behalf of this deserving class of our fellow citizens are earnestly recommended to the favorable attention of Congress.

Postal and Postoffice Reports.

The report of the Postmaster-General presents a most satisfactory condition of the postal service, and submits recommendations which deserve the consideration of Congress. The revenue of the Department for the year ending June 30, 1866, were \$14,386,886, and the expenditures \$15,320,079, showing an excess of the latter over the former of \$933,193. The estimate for the year ending June 30, 1867, however, a special appropriation was made by Congress in the act approved July 28, 1866. Including the standing appropriation of \$700,000, the estimated total for the year ending June 30, 1867, is \$15,026,886, and the estimated deficiency for the year is only \$353,193. The report also contains the following particulars: The report of the Postmaster-General shows that in the year ending June 30, 1866, there were in operation thirteen thousand nine hundred and thirty mail routes, with an aggregate length of one hundred and eighty thousand nine hundred and twenty-two miles, and a total number of one hundred and thirty-seven thousand nine hundred and forty-four miles, and an aggregate annual transportation of three hundred and eighty-four million three hundred and twenty thousand nine hundred and four miles, and the annual transportation three million four hundred and eleven thousand nine hundred and sixty-seven miles. The length of steamboat routes is fourteen thousand four hundred and thirty-six miles, and the annual transportation three million four hundred and eleven thousand nine hundred and sixty-seven miles. The report also shows that the postal service has increased throughout the whole country, and its steady extension in the Southern States indicates their constantly improving condition, and the growth of the postal service also merits attention.

The Post Office Department of Great Britain affords much information respecting the revenue and consumption of the country, in relation to the currency, and with reference to a proper adjustment of our revenue system, internal taxes and other matters. In his annual report to Congress, I expressed my general views upon these subjects. I need now only call attention to the important matters connected with the department of the Government a system of strict accountability, thorough retrenchment, and the reduction of our expenditures to the annual expenditures, the oppressive burdens of taxation can be lessened by such a modification of our revenue laws as will be consistent with the public interest, and the consummate and necessary wants of the Government.

The Atlantic Telegraph.

The establishment of a telegraphic connection between the coast of Ireland and the Province of Newfoundland, is an achievement which has been accomplished in its nature, and it is a grand measure foreign from the United States, and one which has been long contemplated. There is reason to expect that equal success will attend, and even greater results follow, the enterprise of connecting the British Isles through the Pacific ocean by the projected line of telegraph between Kamtschatka and the Russian Possessions on the American coast. The report of the Commissioner of Agriculture reviews the operations of his department during the past year, and asks the aid of Congress in revising the laws which regulate the collection of duties, and the organization of domestic industry.

Cause for Congratulation.

It is a subject of congratulation that no foreign country has thus far been able to molest our safety, or our legitimate influence among the nations, have been formed unobscured. While sentiments of reconciliation, loyalty and patriotism have increased at home, a more just consideration of our national character and rights has been manifested by foreign nations.

Foreign Convicts.

The resolution of Congress protesting against the operations of foreign Governments of persons convicted of infamous offenses, on condition of emigration, is a measure which is highly commended to the States with which we maintain intercourse, and the practice, so justly the subject of complaint on our part, has not been renewed.

Emigration of Freedmen to Foreign Lands.

The Executive, warned of an attempt by Spanish-American adventurers to induce the emigration of the colored people of the United States to foreign countries, protested against the project as one which, if consummated, would reduce to nothing the efforts of the United States to that from which they have just been relieved. Assurance has been received from the Government of the State in which the plan was introduced, that the intention of the Government to encourage non-emigration, whether our laws were enforced, would be entirely null and void. The Emperor of Russia, upon his escape from attempted assassination, have been presented to that nation, and the Emperor of Austria, upon his escape from attempted assassination, have been presented to that nation with expressions of grateful appreciation.

Our Relations with France and Mexico.

In the month of April last, as Congress is aware, a friendly arrangement was made between the Emperor of France and the President of the United States, in relation to the French expeditionary military forces. This withdrawal was to be effected in three detachments, the first of which was to be withdrawn in the month of May, the second in the month of June, and the third in the month of July, 1867. It was also thought expedient that he should be authorized to purchase a limited portion of the "unimproved lands" at the minimum price. The Homestead enactments relieve the settler from the payment of purchase money, and secure to him the possession of the land, upon the condition of residence for a term of years. This liberal policy invites emigration from the old, and to the more crowded portions of the New World. Its propitious results are undoubted, and will be more signally manifested when time shall have given to it a wider development. It is a measure which is highly commended to the people of our vast territory, are objects of far greater importance to the national growth and prosperity than the most valuable land. The restriction upon the sale of the lands should not pass, by patent or otherwise, but be subject to the control until some portion of the land has been actually built. Portions of their might they be conveyed to the States, in the same proportion, but never in a greater ratio to the whole quantity embraced by the grant than the completed parts bear to the entire length of the project. The restriction upon the sale of the lands should not operate to the prejudice of any undertaking conceived in good faith and executed with reasonable energy, as it is the settled practice to withdraw from market the lands falling within the operation of a subsequent law, and thus to exclude the inception of a subsequent law, which Congress may deem proper to impose should work a forfeiture of claim to the lands so withdrawn. It is also to be noted that the lands covered, which remain unsold.

The Pacific Railroad.

Operations on the several lines of the Pacific Railroad have been prosecuted with unexampled vigor and success. Sloughs, and other impediments, have been removed, and it is confidently anticipated that this great thoroughfare will be completed before the expiration of the period designated by Congress.

Payment of Pensions.

During the last fiscal year the amount paid to pensioners, including the expenses of disbursement, was thirteen million four hundred and fifty thousand dollars, and the number of pensioners was twenty thousand one hundred and seventy-seven males were added to the pension roll. The entire number of pensioners, at the close of the year, was twenty-six thousand seven hundred and twenty-two. This fact furnishes melancholy and striking proof of the necessities of the aged and infirm, and of the authority of the Federal Government, and to the maintenance of the integrity of the Union. They impose upon us corresponding obligations, and it is estimated that thirty-three million dollars will be required to meet the exigencies of this branch of the service during the next fiscal year.

Treaties with the Indians.

Treaties have been concluded with the Indians who, entered into armed opposition to

our Government at the outbreak of the Rebellion, have unconditionally submitted to our authority, and manifested an earnest desire for a renewal of friendly relations.

The Patent Office.

During the year ending September 30, 1866, eight thousand seven hundred and sixteen patents were issued, and the balance in the Treasury to the credit of the Patent fund was two hundred and twenty-eight thousand two hundred and ninety-five dollars.

The Mississippi Levees.

As a subject upon which depends an immense amount of the production and commerce of the country, it is recommended that Congress sue legislation as may be necessary for the preservation of the levees of the Mississippi river. It is a matter of national importance that early steps should be taken not only to remove the obstructions of these barriers against destructive inundations, but for the removal of all obstructions to the free and safe navigation of that great channel of trade and commerce.

Representation for the District of Columbia.

The District of Columbia, under existing laws, is not entitled to that representation in the National Councils which, from our earliest history, has been uniformly accorded to each Territory established from time to time within our limits. It maintains peculiar relations to Congress, to whom the Constitution has granted the power of excluding or excluding legislation over the seat of Government. Our fellow citizens residing in the District, whose interests are thus confided to the special guardianship of Congress, are entitled to the representation of several of our Territories, and no just reason is perceived why a delegate of their choice should not be admitted to share with our Representatives. No mode seems so appropriate as that of enabling them to make known their peculiar condition and wants, and of securing the local legislation to their own representatives. We recommend the passage of a law authorizing the electors of the District of Columbia to choose a delegate to Congress, on the same rights and privileges as a delegate representing Territory. The increasing enterprise and rapid progress of improvement in the District are highly gratifying, and it is earnestly recommended that the National metropolis will receive the efficient and generous cooperation of Congress.

Agriculture.

The report of the Commissioner of Agriculture reviews the operations of his department during the past year, and asks the aid of Congress in revising the laws which regulate the collection of duties, and the organization of domestic industry.

Cause for Congratulation.

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shall be agreed upon by the two countries. The suggestion is not deemed unreasonable, but it belongs to Congress to direct the manner in which claims for indemnity by foreigners, as well as by citizens of the United States, arising out of the late civil war, shall be adjudicated and determined. I have no doubt that the suggestion is one which will engage your attention at a convenient and proper time.

The United States and Great Britain.

It is a matter of great regret that no considerable advance has been made towards an adjustment of the differences between the United States and Great Britain, arising out of the late civil war, which has not only injured our national commerce and our interests, but has also injured the national law and treaty obligations. The delay, however, may be believed to have resulted in some degree from the domestic situation of Great Britain. An entire change of ministry occurred in that country during the last session of Parliament. The attention of the new ministry was called to the subject at an early day, and there is some reason to expect that it will now be considered in a becoming and friendly spirit. The importance of an early disposition of the question cannot be overestimated. It is never might be the wishes of the two Governments, it is manifest that good will and friendship should exist between the two countries, established until a reciprocity in the practice of good faith and neutrality, shall be restored between the respective countries. The Fenian Affair of Last Year.

On the 6th of June last, in violation of our Neutrality laws, a military expedition and enterprise against British North America Colonias was undertaken, in violation of international law and treaty obligations. The delay, however, may be believed to have resulted in some degree from the domestic situation of Great Britain. An entire change of ministry occurred in that country during the last session of Parliament. The attention of the new ministry was called to the subject at an early day, and there is some reason to expect that it will now be considered in a becoming and friendly spirit. The importance of an early disposition of the question cannot be overestimated. It is never might be the wishes of the two Governments, it is manifest that good will and friendship should exist between the two countries, established until a reciprocity in the practice of good faith and neutrality, shall be restored between the respective countries. The Fenian Affair of Last Year.

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