ADVERTISEMENTS.

Advertisements will be inserted at the rate of $1.00 per square for first insertion, and fifteen cents for each subsequent insertion. A liberal discount made on yearly Advertisements.

A space equal to one inch of all kinds of type measures a square.

Business Notices set under a head by themselves immediately after the local news, will be charged double ten cents a line for each insertion.

Marriages and deaths announced free of charge.

The publisher reserves the right to change advertisements from one place in the paper to another whenever it is desirable to do so.

Advertisements should be handed in before Monday noon to insure insertion in that week's paper.

Business Cards.

DR. J. R. LOCKHART, Freedom, Beaver county, Pa. All calls promptly attended. 1:42:1y.

Jos. H. Greer, Architect, Mechanician and Engineer of Arts and Manufactures. Office and Residence, Rochester, Pa.

G. L. Eberhart, Civil Engineer and Surveyor, New Brighton, Pa. Surveys, Maps and Profiles made on short notice. jeu'68.

JAS. CAMERON, Attorney at Law, Beaver, Pa. Office in the National Hotel building. Collections, &c., promptly attended, to. sept'66:1y.

Drs. Marquis & Cunningham, Practicing Physicians, Rochester, Pa. Office two doors east of Ankeny's Hotel. Prompt attention given to all calls. apr2'67:1y.

Beaver Seminary and Institute. Fall session opened September 8, 1868. This school so long and successfully conducted by Prof. Taylor and able assistants, offers extensive courses in the Classics, English and Music. For Catalogues address R. T. TAYLOR. 1:27:1f

Law Partnership, J. H. CUNNINGHAM, E. P. KUHN. CUNNINGHAM & KUHN, Attorneys at Law. Office Third street, Beaver, Pa. apr8'67:1y.

P. JEUNET, Watch Maker and Jeweler, Third street, Beaver, Pa. (In room adjoining J. C. Wilson's office.) Gold watches and chronometers repaired and warranted. Engraving done to order. The patronage of the public is solicited, and satisfaction guaranteed. Give us a trial. apr1'68:3m.

DENTISTRY—The undersigned would respectfully inform the citizens of Beaver and vicinity, that he has opened an office in Beaver, Pa., for the practice of Dentistry. He has had considerable experience in the profession, and flatters himself to be able to give general satisfaction in his business. ☞Office in the old "Gormly Hotel" building, Third street, Beaver, Pa. All work warranted for one car. D. S. GOSHORN. 1:17:1y.

DR. W. H. Sutherland: DENTIST, Third Street, Beaver, Pa. (Over the Local Office.) Has just returned from Ohio, where he has been engaged in the practice of his profession, with one of the best dentists in the country. All work executed in style and at prices defying competition. 1:23:6m.

Beaver Ladies' Seminary.—Will open on the 8th of September next. Pupils received at every stage of advancement. In the Primary Department boys and girls received. Young men will be taught by the Principal in his own room, but none taken as boarders.

Our purpose is to establish the reputation of the school on thorough scholarship in every branch studied. It is therefore important that pupils should be present at the opening of the school, and continue regular in their attendance.

Having had over one hundred enrolled during the past year, we hope for a large increase during the coming year. D. H. A. M'LEAN, Principal. aug11'68:tf

G. T. PARKER, HOMEOPATHIC PHYSICIAN AND SURGEON, Tenders his professional services to the citizens of Rochester and surrounding towns. He would say that he pays particular attention to Surgery. His new mode of distinguishing diseases enables him to offer great relief to persons suffering with chronic diseases. He will also add other physicians in surgery at the diagnosis of difficult cases by having timely notice. Office on the Diamond, two doors east of Conway's store and nearly opposite Mr. Johnson's grocery, Rochester, Beaver county, Pa. Dec15.

E. GOLDSMIT, Manufacturer and Wholesale Dealer in CIGARS AND TOBACCO, 312 Liberty, opposite Wayne St., Pittsburgh. ☞Persons purchasing Cigars of him can always be sure of getting the same article, as he manufactures them under his own supervision and can guarantee perfect satisfaction. nov13m

House Furnishing Goods, WHOLESALE and RETAIL. CUTLERY, QUEENSWARE, LOOKING GLASSES and Glassware. Also, Clapp's Tub Wooden and Willow ware, Market and Fancy Baskets, Brushes, Kitchen Setts, Clothes Wringers, &c., &c. Also, FRUIT JARS AND CANS. Country Merchants will find it to their advantage to give us a call and examine our stock before making their purchases. J. & H. BEGGS & CO., No 124 Federal St., Allegheny City, Pa. sept5'68:tf.

Lamps, Glassware and Carbon Oil, J. P. SMITH & CO., Manufacturers and Wholesale Dealers IN Fruit Jars and Fruit Wax in connection with Lamps, Chandeliers, Glassware and Carbon Oil trade, Mason Willoughby's and Newman's Self Sealers Union, O. K. and Cork Glass Jars, Rockingham and Tin of the very best in the Market, wholesale and retail. 300 pounds TX, and XXX Fruit Wax just received, please call before purchasing. J. P. SMITH & CO., 187 Liberty St., Pittsburgh, Pa.

G. PUSEY, Wholesale and Retail Dealer IN Coffees and TEAS, FOREIGN & DOMESTIC FRUIT, Pickles, &c. All kinds of Country Produce sold on commission, and prompt returns made. NO. 49 FEDERAL STREET, Allegheny City, Pa'a. may27:1y:

PALMER & PHILLIPS, AUCTIONEERS AND COMMISSION MERCHANTS, Opera House Auction Room, No 60 Fifth Street, Pittsburgh. Boots, Shoes, Carpets, Dry Goods and Notions ATPRIVATE SALE DAY AND EVENING. apr24'68:1y.

WILBICH & HARTFORD, Have now Opened the Finest Selection of FALL AND WINTER BOOTS & SHOES, Which they are selling at GREAT BARGAINS AND LOW PRICES Call and examine our Stock NO. 100, MARKET STREET, Corner of Fifth, Pittsburgh, Pa. M. WILBICH.....J. M. HARTFORD. dec10.

THE BEAVER ARGUS.

Vol. 50—No. 50. Beaver, Pa., Wednesday, December 16, 1868. Established 1818.

## THE PRESIDENT'S MESSAGE.

The President, in his message to Congress last week, after his usual denunciation of the reconstruction acts of Congress and the civil tenure bill, proceeds as follows:

The condition of finances demands the early and earnest consideration of Congress. Compared with the growth of our population public expenditures have reached an amount unprecedented in our history. The population of the United States in 1790 was nearly four millions of people; increasing each decade about thirty-three per cent, it reached in 1860 thirty-one millions, an increase of seven hundred per cent, on the population in 1790. In 1869, it is estimated it will reach thirty-eight millions, or an increase of eight hundred and sixty-eight per cent in seventy-nine years. The annual expenditures of the Federal Government in 1791 were four millions two hundred thousand dollars. In 1820, eighteen millions two hundred thousand dollars. In 1850, forty one millions. In 1860, sixty-three millions. In 1865, nearly thirteen hundred millions, and in 1869, it is estimated by the Secretary of the Treasury in his last anual report that they will reach three hundred and seventy-two millions.

By comparing the public disbursements of 1869 as estimated with those of 1791, it will be seen that the increase since the begining of our Government has been eight thousand six hundred and eighteen per cent, in which the increase of the population for the same period was only eight hundred and sixty-eight per cent. Again, the expenses of the Government in 1869, the year of peace immediately preceding the war, it is estimated they will be three hundred and seventy millions, an increase of four hundred and eighty nine per centum, while the increase of population was only twenty-one per centum for the same period. These statistics further show, that in 1791 the annual national expenses compared with the population were but little more than one dollar per capita, and in 1860, two dollars per capita, while in 1869 they will reach the extravagant sum of nine dollars and seventy-eight cents per capita. It will be observed that all of these statements referred to, exhibit the disbursements of peace periods. It may therefore be of interest to compare the expenditures of the three war periods, the war with Great Britain, the Mexican war and the war of the rebellion. In 1814, the annual expenses incident to the war of 1812 reached the highest amount, about $31,000,000, while our population slightly exceeded 8,000,000, showing an expenditure of only three dollars and eighty cents per capita.

In 1847 the expenditures growing out of the war with Mexico, reached fifty-five millions and the population about twenty-one millions, giving only two dollars and sixty cents per capita for the war expenses of that year. In 1865 the expenditure called for by the rebellion, reached the vast amount of twelve hundred and ninety millions, which compared with a population of thirty-four millions, gives thirty-eight dollars and twenty-eight cents per capita. From the 4th of March, 1789, to the 30th of June, 1861, the entire expenditures of the Government were seventeen hundred millions of dollars. During that period we were engaged in wars with Great Britian and [illegible] ities with powerful Indian tribes. Louisiana was purchased from France at a cost of fifteen millions of dollars. Florida was ceded to us by Spain for five millions. California was acquired from Mexico, for fifteen millions, and the Territory of New Mexico was obtained from Texas for the sum of ten millions. Early in 1861 the War of the rebellion commenced, and from the first of July of that year, to the 30th of June, 1865, the public expenditures reached the enormous aggregate of thirty-three hundred millions. Three years of peace have intervened, and during that time the disbursements of the government have successively been $520,000,000, $346,000,000, 393,000,000. Adding to these amounts three hundred and seventy-two millions estimated as necessary for the fiscal year ending the 30th of June, 1869, we obtain a total expenditure of sixteen hundred millions of dollars during the four years immediately succeeding the war, or nearly as much as was expended the seventy-two years that preceded the rebellion, and embraced the extraordinary expenditures already named, these startling facts clearly illustrate the necessity of retrenchment in all branches of the nation will not be endured by the people now, that profound peace prevails. The receipts from internal revenues and customs have, during the past three years, gradually diminished, and the continuance of useless and extravagant expenditures will involve us in National Bankruptcy or else make inevitable an increase of taxes already too onerous, and, in many respects, obnoxious on account of their inquisitorial character. One hundred millions annually are expended for the military force, a large portion of which is employed in the execution of laws both unnecessary and unconstitutional. One hundred and fifty millions are required each year to pay the interest on the public debt. An army of tax gatherers impoverishes the nation, and public agents, placed by Congress beyond the control of the Executive, divert from their legitimate purposes large sums of money, which they collect from the people in the name of the Government. Judicious legislation and prudent economy can alone remedy defects, and avert evils, which, if suffered to exist, cannot fail to diminish confidence in the public councils, and weaken the attachment and respect of the people toward their political institutions. Without proper care the small balance which it is estimated will remain in the Treasury at the close of the present fiscal year will not be realized, and additional millions be added to a debt which is now enumerated by billions. It is shown by the able and comprehensive report of the Secretary of the Treasury that the receipts for the fiscal year ending June 30th, 1868, were $105,638,083, and that the expenditures for the same period were $377,310,284. Leaving in the Treasury a surplus of $272,977,098. It is estimated that the receipts during the present fiscal year ending June 30th, 1869, will be $341,392,868, and the expenditures $336,152,470, Showing a small balance of $5,240,398, in favor of the Government for the fiscal year ending June 30th, 1870. It is estimated that the receipts will amount to $327,000,000, and the expenditures to $303,000,000, leaving an estimated surplus of $24,000,000.

It becomes proper in this connection to make a brief reference to our public indebtedness, which has accumulated with such alarming rapidity and assumed such colossal proportions. In 1789, when the Government commenced operations under the Federal Constitution, it was burdened with an indebtedness of seventy-five millions of dollars, created during the war of the Revolution. This amount had been reduced to forty-five millions of dollars, when, in 1812, war was declared against Great Britain. The three years' struggle that followed largely increased the national obligations, and in 1816 they had attained the sum of one hundred and twenty-seven millions. Wise and economical legislation, however, enabled the Government to pay the entire amount within a period of twenty years, and the extinguishment of the national debt filled the land with rejoicing, and was one of the great events of President Jackson's administration. After its redemption, a large fund remained in the Treasury, which was deposited for safe keeping with the several States on condition that it should be returned when required by the public wants. In 1849, the year after the termination of an expensive war with Mexico, we found ourselves involved in a debt of sixty four millions and this was the amount owed by the Government in 1860, just prior to the outbreak of the rebellion. In the spring of 1861 our civil war commenced; each year of its continuance made an enormous addition to the debt, and when, in the spring of 1865, the nation successfully emerged from the conflict, the obligations of the Government had reached the immense sum of $2,873,992,909. The Secretary of the Treasury shows that on the first day of November, 1867, this amount had been reduced to $2,491,604,450, but at the same time his report exhibits an increase during the past year of $35,625,102, for the debt on the first day of November last is stated to have been $2,527,129,552. It is estimated by the Secretary that the returns for the past month will add to our liabilities the further sum of eleven millions, making a total increase during thirteen months of forty-six and a half millions.

In my message to Congress of December 4th, 1865, it was suggested that the policy should be devised, which, without being oppressive to the people, would at once begin to effect a reduction of the debt, and if persisted in, discharge it fully within a definite number of years. The Secretary of the Treasury forcibly recommends legislation of this character, and justly urges that the longer it is deferred the more difficult must become its accomplishment.—We should follow the wise precedent established in 1789 and 1816, and without further delay make provision for the payment of our obligations at as early a period as may be practicable. The fruits of their labors should be enjoyed by our citizens, rather than be used to build up and sustain moneyed monopolies in our own and other lands. Our foreign debt is already computed by the Secretary of the Treasury at $850,000,000. Citizens of foreign countries receive interest upon a large portion of our securities, and American tax-payers are made to contribute large sums for their support. The idea that such a debt is to become permanent, should be at all times discarded, as taxation is too heavy to be borne, and the payment once in every sixteen years at the present rate of interest, of an amount equal to the original sum. This vast debt, if permitted to become permanent and increasing, must eventually be gathered into the hands of a few, and enable them to exert a dangerous and controlling power in the affairs of the Government. The borrowers would become servants to the lenders, the lenders masters of the people. We now pride ourselves upon having given freedom to four millions of the colored race. It will then be our shame that forty millions of people, by their own toleration of usurpation and profligacy, have suffered themselves to become enslaved and mere- [illegible] new relations masters in the shape of bondholders and tax gatherers. Besides, permanent debts pertain to monarchial governments, and tending to monopolies, perpetuities and class legislation are totally irreconcilable with free institutions. Introduced into our Republican system they would gradually but surely sap its foundations and eventually subvert our governmental fabric and erect upon its ruins a moneyed aristocracy. It is our sacred duty to transmit unimpaired to our posterity the blessings of liberty which were bequeathed to us by the founders of the Republic, and by our example teach those who are to follow us carefully to avoid the dangers which threaten a free and independent people.

Various plans have been proposed for the payment of the public debt. However they may have varied as to the time and mode in which it should be redeemed, there seems to be a general concurrence as to the propriety and justness of a reduction in the present rate of interest. The Secretary of the Treasury, in his his report, recommends five per cent.—Congress, in a bill passed prior to adjournment on the 27th of July last, agreed upon four and a half per cent., while by many three per cent., has been held to be an amply sufficient return for the investment. The general impression as to the exorbitancy of the existing rate of interest has led to an inquiry in the public mind respecting the consideration which the Government has actually received for its bonds, and the conclusion is becoming prevalent that the amount which it obtained was in real money, three or four hundred per cent, less than the obligations which it issued in return. It cannot be denied that we are paying an extravagant per-centage for the use of the money borrowed, which was paper currency, greatly depreciated below the value of coin. This fact is made apparent when we consider that bondholders receive from the Treasury, upon each dollar they own in Government securities, six per cent. in gold, which is nearly, or quite, equal to nine per cent. in currency. That the bonds are then converted into capital for the National Banks, upon which those institutions issue their circulation, bearing six per cent interest, and that they are exempt from taxation by the Government and the States, and thereby enhanced two per cent in the hands of the holders. We thus have an aggregate of seventeen per cent, which may be the owners of Government securities. A system that produces such results is justly regarded as favoring a few at the expense of the many, and has led to the further inquiry whether our bondholders, in view of the large profits which they have enjoyed would themselves be averse to a settlement of our indebtedness upon a plan which would yield them a fair remuneration, and at the same time be just to the taxpayers of the nation. Our national credit should be sacredly observed, but in making provision for creditors we should not forget what is due to the masses of the people. It may be assumed that the holders of our securities have already received upon their bonds a larger amount than their original investments, measured by a gold standard. Upon this statement of facts it would become just and equitable that six per cent interest now paid by the Government should be applied to the reduction of the principal in semi-anual installments which in sixteen years and six months would liquidate the entire national debt. Six per cent. in gold would at present rates be equal to nine per cent. in currency, and equivalent to the payment of debt one and a half times in a fraction less than seventeen years.

This in connection with all the other advantages derived from their investment, would afford to the public creditors a fair and liberal compensation for the use of their capital and with this they should be satisfied. The lessons of the past admonish the lender that it is not well to be over anxious in exacting from the borrower rigid compliance with the letter of the bond. If provision be made for the payment of the indebtedness of the Government in the manner suggested, our nation will rapidly resume its wonted prosperity. Its interest require that some measure should be taken to release the large amount of capital invested in the securities of the Government. It is not now merely unproductive, but in taxation annually consumes one hundred and fifty million dollars which would otherwise be used by our enterprising people in adding to the wealth of the Nation. Our commerce, which at one time successfully rivalled that of the great Maritime Powers, has rapidly diminished, and our industrial interests are in a depressed and languishing condition. The development of our inexhaustible resources is checked, and the fertile fields of the South are becoming waste for want of means to till them. With the release of capital, new life would be infused into the paralysed energies of our people, and activity and vigor imparted to every branch of industry our people neen encouragement in their efforts to recover from the effects of the reduction and of injudicious legislation. And it should be the aim of the Government to stimulate them by the prospect of an early release from the burdens which impede their prosperity. If we cannot take the burdes from their shoulders we should at least manifest a willingness to help to bear them. In referring to the condition of the circulating medium, I shall merely reiterate substantially that portion of my last annual message which relates to that subject. The proportion which the currency of any country should bear to the whole value of the annual produce circulated by its means is a question upon which political economists have not agreed, nor can it be controlled by legislation, but must be left to the irrevocable laws which everywhere regulate commerce and trade. The circulating medium will ever irresistibly flow to those poins where it is in greatest demand. The law of demand and supply is as unerring as that which regulates the tides of the ocean; and, indeed, currency, like the tides, has its ebbs and flows throughout the world. At the beginning of the rebellion the bank note circulation of the county amounted to not much more than two hundred millions of dollars. Now the circulation of national bank notes, and those know as legal-tenders, is nearly seven hundred millions, while it is urged by some that this amount should be increased, others contending that a decided reduction is absolutely essential to the best interests of the country. In view of these diverse opinions it may be well to ascertain the real value of our paper issues when compared with a metallic or convertible currency. For this purpose let us inquire how much gold and silver could be purchased by the seven hundred millions of paper currency now in circulation Probably not more than half the amount of the latter, showing that when our paper currency is compared with gold and silver, its commercial utility is compressed into three hundred and fifty millions. This striking fact makes it the obvious duty of the Government, as early as may be consistent with the principles of political economy, [illegible] to convert them without loss into specie or its equivalent. A reduction of our paper circulating medium may not necessarily follow. This however, would depend upon the law of demand and supply; though it should be borne in mind that by making legal-tender and bank notes convertible into coin or its equivalent, their present specie value, in the hands of their holders, would be enhanced one hundred per cent. Legislation for the accomplishment of a result so desirable is demanded by the highest public considerations. The Constitution contemplates that the circulating medium of the country shall be uniform in quality and value. At the time of the formation of that instrument, the country had just emerged from the war of the revolution, and was suffering from the effects of a redundant and worthless paper currency. The sages of that period were anxious to protect their posterity from the evil which they themselves had experienced. In providing a circulating medium, they conferred upon Congress the power to coin money and regulate the value thereof; at the same time prohibiting them from making anything but gold and silver a tender in payment of debts.

The anomalous condition of our currency is in striking contrast with that which was originally designed. Our circulation now embraces, first, notes of the National Banks which are made recivable for all dues to the Government excepting imports, and by all its creditors excepting in payment of interest upon its bonds and the securities themselves; second, legal tender notes, issued by the United States, and which the law requires shall be received as well in payment of all debts between citizens as of all Government dues, excepting imports; and, third, gold and silver coin. By the operation of our present system of finance, however, the metallic currency when collected is reserved only for one class of government creditors, who holding its bonds, semi-annually receive their interest in coin from the National Treasury. There is no reason which will be accepted as satisfactory by the people why those who defend us on the land and protect us on the sea; the pensioner upon the gratitude of the nation; bearing the scars and wounds received while in its service; the public servants in the various departments of the Government; the farmer who supplies the soldiers of the army and the sailors of the navy; the artisan who toils in the work shops, or the mechanics and laborers who build its edifices and construct its forts and vessels of war, and in payment of their just and hard earned dues receive depreciated paper, while another class of their countrymen no more deserving are paid in coin of gold and silver. Equal and exact justice requires that all creditors of the Government should be paid in a currency possessing uniform value. This can only be accomplished by the restoration of currency to the standard established by the Constitution, and by this means we would remove a discrimination which may, if it has not already so, create a prejudice that may become deepened and wide-spread, and imperil the national credit. The feasibility of making our currency correspond with the constitutional standard may be seen by a reference to a few facts derived from our commercial statistics. The agregate products of precious metals in the United States from 1849 to 1867 amounted to $1,174,000,000, while for the same period the net exports of specie were $741,000,000.—This shows an excess of product over net exports of 433,000,000. There are in the treasury $103,407,085 in coin. In circulation, in the States on the Pacific coast $40,000,000, and a few millions in the National and other banks, in all less than one hundred and sixty millions. Taking into consideration the specie in the country prior to 1849 and that produced since 1867, and we have more than three hundred millions [illegible] ed for by exports [illegible] turns of the Treasury [illegible] most probably [illegible] country. These [illegible] and show how [illegible] or currency will [illegible] forcing it from circulation among the masses, causing it to [illegible] as a mere article of trade [illegible] money capital of [illegible]. They show the [illegible] of retiring our paper money that the return of gold and silver to [illegible] of trade may be invited [illegible] demand created which will [illegible] the retention at home of a [illegible] of our rich and inexhaustible gold bearing fields that may be sufficient for purposes of circulation. It is unreasonable to expect a return to a sound currency as long as the Government and banks continue to issue irredeemable notes, and all the channels of circulation with depreciated paper.—Notwithstanding the drainage by our mints since 1849 of [illegible] hundred and seventy-four millions of dollars the people are now strangers to the currency which was designed for their use and benefit, and specimens of precious metals, bearing the national device, are seldom seen, except when produced to satisfy the interest excited by their novelty. If depreciated paper is to be continued as permanent currency of the country, and all our coin is to become a mere article of traffic and speculation to the enhancement of the price of all that is indispensable to the comfort of the people, it will be wise economy to abolish our mints, thus saving the nation the care and expense incident to such establishments, and let all our precious metals be exported in bullion. The time has come, however, when the Government and National Banks should be required to take the most efficient steps and make all necessary arrangements, that specie payments may be earnestly inaugurated by the Government and banks, and the value of the paper circulation would directly approximate a specie standard. Specie payments having been resumed by the Government and banks, all notes or bills of paper issued by either, of less denomination than twenty dollars, should, by law, be excluded from circulation, so that the people may have the benefit and convenience of a gold and silver currency, which, in all their business transactions, will be uniform in value at home and abroad. Every man of property or industry; every man who desires to preserve what he honestly possesses, or to obtain what he can honestly earn, has a direct interest in maintaining a safe circulating medium; such a medium as shall be real and substantial; not liable to vibrate with opinions; not subject to be blown down by the breath of speculation; but to be made stable and secure. A disordered currency is one of the greatest political evils. It undermines the virtues necessary for the support of the social system, and encourages propensities destructive of its happiness. It wars against industry, frugality and economy, and it fosters the evil spirits of extravagance and speculation. It has been asserted by one of our profound and most gifted statesmen that of all the contrivances for cheating the laboring classes of mankind, none has been more effectual than that which deludes them with paper money.—This is the [illegible] ectual of inventions to fetten [illegible] rich man's fields by the [illegible] poor man's brow. [illegible] oppression, ex- [illegible] bear lightly [illegible] e mass of the [illegible] th a fraudulent [illegible] own history has recorded for our instruction enough, and more than enough, of the demoralizing tendency, the injustice, and the intolerable oppression on the virtuous and well disposed, of a degraded paper currency, authorized by law, or any way countenanced by the Government.—It is one of the most successful devices in times of peace or war, of expansions or revulsions, to accomplish the transfer of all the precious metals from the great mass of the people into the hand of the few, where they are hoarded in secret places, or deposited under bolts and bars, while the people are left to endure all the inconveniences, sacrifices and demoralization, resulting from the use of depreciated and worthless paper.

The secretary of the Interior, in his report, gives valuable information in reference to the interests confined to the supervision of his Department, and reviews the operations of the Land Office, Pension Office, Patent Office and the Indian Bureau. During the fiscal year ending June 30th, 1868, six millions six hundred and fifty-five thousand seven hundred acres of public land were disposed of. The entire cash receipts of the General Land Office for the same period were $1,632,745; being greater by $284,883 than the amount realized from the same sources during the previous year. The entries under the Homestead law cover two millions three hundred and twenty-eight thousand nine hundred and twenty-three acres, nearly one fourth of which was taken under the act of June 21st, 1866, which applies only to the States of Alabama, Mississippi, Louisiana, Arkansas, and Florida.—On the 30th of June, 1868, one hundred and sixty-nine thousand, six hundred and forty-three names were born on the pension rolls, and during the year ending on that day, the total amount paid for pensions, including the expenses of disbursements, was $24,010,982, being $3,391,025 greater than that expended for like purposes during the preceding year.—During the year ending the 30th of September last, the expenses of the Patent Office exceeded the receipts by one hundred and seventy-one dollars and including re-issues and designs, fourteen thousand one hundred and fifty-three patents were issued.—Treaties with various Indian tribes have been concluded, and will be submitted to the Senate for its constitutional action. I cordially sanction the stipulations which provide for reserving land for the various tribes, where they may be encouraged to abandon their nomadic life, and engage in agricultural and industrial pursuits. This policy, inaugurated many years since, has met with signal success whenever it has been pursued in good faith and with becoming liberality by the United States.—The necessity for extending it as far as practicable in our relations with the aboriginal population is greater now than at any preceding period.—Whilst we furnish subsistence and instructions to the Indians, and guarantee the undisturbed enjoyment of their treaty rights, we should habitually insist upon the faithful observance of their agreement to remain within their respective reservations. This is the only mode by which these collisions with other tribes and with the whites can be avoided, and the safety of our frontier settlements secured. The companies constructing the railway from Omaha to Sacramento have been most energetically engaged in prosecuting the work, and it is believed that the line will be completed before the expiration of the next fiscal year. The sixs per cent. bonds issued to these companies amounted on the fifth instant to $44,337,000, and additional work had been performed to the extent of $3,200,000. The Secretary of the Interior in August last, invited my attention to the report of a Director of the Union Pacific Railroad Company, who had been specially instructed to examine the location, construction and equipment of their road, and submitted for the opinion of the Attorney. General certain questions in regard to the authority of the Executive, which arose upon this report, and those which had from time to time been presented by the Commissioners appointed to examine this and other lines, and have recently submitted a statement of their investigations, of which the report of the Secretary of the Interior furnishes special information.

The report of the Secretary of War contains information of interest respecting the several Bureaus of the War Department, and the operations of the army. The strength of our military force on the 30th of September last, was 48,000 men, and it is computed that this number will be decreased to 43,000. It is the opinion of the Secretary of War, that within the next year a considerable diminution of the Infantry force may be made without detriment to the interest of the country, and in view of the great expense attending the military establishment and the absolute necessity of retrenchment, wherever it can be applied, it is hoped that Congress will sanction the reduction which his report recommends. While in 1860, sixteen thousand three hundred men cost the nation $16,472,000. The sum of $65,682,000 is estimated as necessary for the support of the Army, during the fiscal year, ending June 30th, 1870. The estimates of War debt, for the last two fiscal years, were for 1867, $53,814,461, and for 1868, $25,205,669. The actual expenditures during the same periods were respectively, 95,224,415 and $123,246,638.—The estimate submitted in December last, for the fiscal year ending June 30th, 1869, was $77,124,707. The expenditures for the first quarter, ending the 30th of September last, were $27,219,117, and the Secretary of the Treasury gives $66,000,000 as the amount which will probably be required during the remaining three quarters, if there should be no reduction of the Army, making its aggregate cost for the year considerably in excess of ninety-three millions.—The difference between the estimates and expenditures, for the three fiscal years which have been named, is thus shown to be $175,545,313 for this single branch of public service.

The report of the Secretary of the Navy exhibits the operations of that department and of the Navy during the year. A considerable reduction of the force has been effected. There are forty-two vessels carrying four hundred and eleven guns in the six squadrons which are established in different parts of the world. Three of these vessels are returning to the United States and are for used as storeships, leaving the actual cruising force thirty-five vessels, carrying three hundred and fifty-six guns.—The total number of vessels in the Navy is two hundred and six mounting seventeen hundred and forty three guns. Eighty one vessels of every description are in use, armed with six hundred and ninety six guns.—The number of enlisted men in the service, including apprentices, has been reduced to eight thousand five hundred. An increase of navy yard facilities is recommended as a measure which will, in the event of war, be promotive of economy and security. A more thorough and systematic survey of the North Pacific Ocean is advised, in view of our recent acquisitions, our expanding commerce, and the increasing intercourse between the Pacific States and Asia. The Naval Pension Fund, which consists of a moiety of the avails of prizes captured during the war, amounts to [illegible] 23d July last, which reduces the interest on the fund loaned to the Government by the Secretary as trustee, to three per cent., instead of six per cent., which was originally stipulated when the investment was made. An amendment of the Pension laws is suggested to remedy omissions and defects in the existing enactments. The expenditures of the department during the last fiscal year were $201,204 94, and the estimates for the coming year amount to $20,993,314. The Postmaster General's report furnishes a full and clear exhibit of the operations and condition of the postal service. The ordinary postal revenue for the fiscal year ending June 30th, 1868, was $15,292,400, and the total expenditures, embracing all the service for which special appropriations have been made by Congress, amounted to $22,730,592, showing an excess of expenditures of $6,437,771, deducting from the expenditures the sum of $1,896,525. The amount of appropriations for ocean, steamship and other special services, the excess of expenditures was $4,541,466. By using an unexpended balance in the Treasury of $3,800,000, the actual sum for which a special appropriation is required to meet the deficiency, is $7,412,66. The causes which produced this large excess of expenditure over revenue, were the restoration of service in the late insurgent States, and the putting into operation of the new service established by acts of Congress, which amounted within the last two years and a half to about forty-eight thousand seven hundred miles, equal to more than one-third of the whole amount of the service at the close of the war. New postal conventions with Great Brittain, North Germany, Belgium, the Netherlands, Switzerland, and Italy, respectively, have been carried into effect under their provisions; important approvals have resulted in the reduced rates of international postage, and the enlarged mail facilities with European countries. The cost of the United States trans-Atlantic Ocean Mail service, since January 1st, 1868, has been largely lessened under the operation of these new conventions; a reduction of over one-half having been affected under the new arrangement for Ocean mail steamship service, which went into effect on that date. The attention of Congress is invited to the practical suggestion and recommendations made in his report, by the Post-master General.

No important question has occurred during the last year in our accustomed cordial and friendly intercourse with Costa Rica, Guatamala, Honduras, San Salvador, France, Austria Belgium, Switzerland, Portugal, The Netherlands, Denmark, Sweden, and Norway, Rome, Greece, Turkey, Persia, Egypt, Liberia, Morocco, Tripoli, Tunis, Muscat, Siam, Borneo, and Madagascar. Cordial relations have also been maintained with the Argentine, and the Oriental Republic.

The expressed wish of Congress that our national good offices might be tendered to those Republics, and also to Brazil and Paraguay, for bringing to an end the contuous war which has so long been raging in the valley of the Laplata, has been assiduously complied with and fully acknowledged by all the belligerents. That important negotiation, however, has thus far been without result.

Charles A. Washburn, late U. S. Minister to Paraguay having resigned and being desirous to return to the United States, the Rear Admiral commanding the South Atlantic Squadron was early directed to send a ship of war to Ascension, the capital of Paraguay, to receive Mr. Washburne and his family, and remove them from a situation which was represented to be endangered by fiction and foreign war. The Brazillian commander of the allied invading forces refused permission to the Wasp to pass through the blokacing forces, and that vessel returned to its accustomed anchorage, remonstrance having been made against the refusal. It was promptly overruled, and the Wasp therefore resumed her errand, received Mr. Washburne and family and conveyed them to a safe and convenient seaport. In the meantime an excited controversy has arisen between the President of Paraguay and the United States Minister, which it is understood grew out of his proceedings in giving asylum in the United States legation to alleged enemies of that Republic. The question to give asylum is one always difficult and often productive of great embarrassment in States well organized and established. Foreign powers refuse either to concede or exercise that right except to persons actually belonging to the Diplomatic service.—On the other hand all such powers insist upon exercising the right of asylum in States where the law of nations is not fully acknowledged, respected and obeyed. The President of Paraguay is understood to be opposed to Mr. Washburne's proceedings, owing to the injurious and very improbable charge of personal complicity in insurrection and treason.—The correspondence, however, has not reached the United States. Mr. Washburne in connection with the controversy, represents that two United States' citizens attached to the legation were arbitrarily seized at his side when leaving the capital of Paraguay, committed to prison, and there subjected to torture for the purpose of procuring confessions of their own criminality, and testimony to support the President's allegations against the United States Minister.

Mr. McMahon, the newly appointed minister to Paraguay, saying that he had reached the La Plata, has been instructed to proceed without delay to Asunscion, there to investigate the whole subject. The Rear Admiral, commanding the United States South Atlantic Squadron, has been directed to attend the new Minister with a proper naval force, and to sustain such just demands as the occasion may require, and to vindicate the rights of the United States citizens referred to, and of any others who may be exposed to danger in the theatre of war. With these exceptions, friendly relations have been maintained between the United States and Brazil and Paraguay. Our relations during the past year with Bolivia, Ecuador, Peru Chili have become especially friendly and cordial. Spain and the Republics of Peru, Bolivia and Ecuador have expressed their willingness to accept the mediatious of the United States for terminating the war upon the South Pacific Coast, Chili has not finally declared upon the question. In the meantime the conflict has practically exhausted itself, since no belligerent or hostile movement has been made by either party during the last two years, and there are no indication of a present purpose to resume hostilities on either side. Great Britain and France have cordially seconded our propositions of mediation and it has not forego the hope that it may soon be accepted by the belligerents, and lead to a secure establishment of peace and friendly relations between the Spanish-American Republics of the Pacific and Spain—a result which would be attended with common benefits to the belligerents, and much advantage to all commercial nations. I communicate for the consideration of Congress a correspondence which shows that the Bolivian Republic has established the extremely liberal principle of receiving into its citizenship any citizen of the United States, or of any other of the American Republics, upon the simple condition of voluntary [illegible] The correspondence herein replete [illegible] and painful, and wretchedness produced by recent earthquakes of unparalleled severity in the Republics of Peru, Ecuador and Bolivia. The diplomatic agency and naval officers of the United States who were present in these countries at the time of these disasters, furnished all the relief in their power to the sufferers, and were promptly rewarded with grateful and touching acknowledgments by the Congress of Peru. An appeal to the charity of our fellow citizens has been answered by much liberality.—In this connection I submit an appeal which has been made by the Swiss Republic, whose government and institutions are kindred to our own, in behalf of its inhabitants, who are suffering extreme destitution, produced by recent inundations. Our relations with Mexico during the year have been marked by an increasing growth of mutual confidence. The Mexican Government has not yet acted upon the treaties celebrated here last summer, for establishing the rights of naturalized citizens upon a liberal and just basis for regulating Consular powers, and for the adjustment of mutual claims. All commercial nations as well as friends of Republican Instutions have occasion to regret the frequent local disturbances which occur in some of the constituent States of Columbia. Nothing has occurred, however, to affect the harmony and cordial friendship which have for several years existed between that youthful and vigorous republic and our own. Negotiations are pending with a view to the survey and construction of a ship canal across the Isthmus of Darien, under the auspices of the United States. I hope to submit the result of that negotiation to the Senate during its present session. The very liberal treaty which was entered into last year by the United States and Nicaragua, has been ratified by the latter Republic. Costa Rica, with the earnestness of a sincere friendly neighbor solicits reciprocity of trade which I commend to the consideration of Congress. The convention created by treaty between the United States and Venezuela, in July 1865, for the mutual adjustment of claims, has been held, and its decisions have been received at the Department of State. The heretofore recognized Government of the United States of Venezuela has been subverted, a Provisional Government having been instituted, under circumstances which promise durability. It has been formally recognized. I have been reluctantly obliged to ask explanation and satisfaction for national injuries committed by the President of Hayti. The political and social condition of the republics of Hayti and St. Domingo are very unsatisfactory and painful. The abolition of slavery, which has been carried into effect throughout the Island of St. Domingo and the entire West Indies, except the Spanish islands of Cuba and Porto Rico, has been followed by a profound popular conviction of the rightfulness of Republican institutions and an intense desire to secure them. The attempt, however, to establish Republics there encounters many obstacles most of which may be supposed to result from long indulged habits of colonial supineness and dependence upon European powers.

While the United have on all occasions professed a decided unwillingness that any part of this continent or of its adjacent islands shall be made a theatre for a new establishment of monarchial power, too little has been done by us on the other hand to attach the communities by which we are surrounded to our own country or to lend even a moral support to the efforts they are so resolutely and so constantly making to secure republican institutions for themselves. It is indeed a question of grave consideration whether our recent and present example is not calculated to check the growth and expansion of free principles, and make those communities distrust if not dread a Government which at will consigns to military dominition States that are integral parts of our Federal Union, and while ready to resist any attempts by other nations to extend to this hemisphere the monarchial institutions of Europe, assumes to establish over a large portion of its people a rule more absolute, harsh and tyrannical than any known to civilized powers. The acquisition of Alaska was made with the view or extending the national jurisdiction and republican principles on the American hemisphere.

Believing that a further step could be taken in the same direction, I last year entered into a treaty with the King of Denmark for the purchase of the Island St. Thomas and St. John, on the best terms then attainable, and with the express consent of the people of those Islands. This treaty still remains under consideration in the Senate. A new convention has been entered into with Denmark, enlarging the time fixed for the final ratification of the original treaty. Comprehensive National policy would seem to sanction the acquisition and incorporation into our Federal Union, of the several adjacent continental and insular communities as speedily as it can be done peacefully, lawf