

# VOLUNTEER.

## SUPPLEMENT.

### ANNUAL MESSAGE

OF HIS EXCELLENCY

## PRESIDENT U. S. GRANT.

Read December 2, 1872.

WASHINGTON, December 2.—The following is the full text of the fourth annual message of President Grant as forwarded to both houses of congress this afternoon:

**TO THE SENATE AND HOUSE OF REPRESENTATIVES:** In transmitting to you this my fourth annual message, it is with thankfulness to the Giver of all good that as a nation we have been blessed for the past year with peace at home, peace abroad, and a general prosperity vouchsafed to but few people. With the exception of the recent devastating fire which has swept over the city of Boston, as it were, millions of accumulated wealth in this city of Boston, there has been no overshadowing calamity within the year to record. It is gratifying to note how, like their fellow citizens of Chicago under similar circumstances, the citizens of Boston have bravely rallied under their misfortunes with a prospect that their energy and perseverance will overcome all obstacles and show the same prosperity soon that they would had no disaster befallen them; otherwise we have been free from pestilence, war and calamities which threaten overtaken nations, and as far as human judgment can penetrate the future, no cause seems to exist to threaten our present peace.

**THE GENEVA ARBITRATION.** When congress adjourned in June last a question had been raised by Great Britain and was then pending which for a time seriously impeded the settlement of the friendly arbitration of the grave differences between this government and that of her Britannic Majesty, which, by the treaty of Washington, had been referred to the tribunal of arbitration which had met in Geneva, in Switzerland. The arbitral award, which was the result of the question which had jeopardized the whole of the treaty and threatened to involve the two nations in most unhappy relations toward each other in a manner entirely satisfactory to the government and in accordance with the views of the people which it had maintained. The tribunal which had convened at Geneva in December concluded its labors on the 14th day of September, on which day having availed itself of the discretionary power given it by the treaty to award a sum in gross to meet its disbursements, it awarded the sum of \$12,500,000 in gold as the indemnity to be paid by Great Britain to the United States for the satisfaction of all the claims referred to its consideration. This decision happily disposes of a long standing difference between the two governments, and in connection with another award made by the German Emperor under a reference to him by the same treaty, leaves these two governments without a shadow upon their friendly relations, which it is my sincere hope may forever remain unbroken.

The report of the agent of the United States appointed to attend the Geneva tribunal, accompanied by the protocols of the proceedings of the arbitrators, the arguments of the counsel of both governments, the award of the tribunal and the opinions given by the several arbitrators, is transmitted herewith. I have caused to be communicated to the heads of the three friendly powers who complied with the requests made to them under the treaty the thanks of this government for the appointment of arbitrators made by them respectively, and also my thanks to the eminent personages named by them, and my approval of the dignity, patriotic impartiality and great ability with which they discharged their arduous and high functions. Her Majesty's government has communicated to me its appreciation by her Majesty of the ability and indefatigable industry displayed by Mr. Adams, the arbitrator named on the part of this government during the protracted inquiries and discussions of the tribunal. I cordially unite with her Majesty in this appreciation.

It is due to the agent of the United States before the tribunal, to record my high appreciation of the marked ability, unwearied patience and the prudence and discretion with which he has conducted the very responsible and delicate duties committed to him, as it is also due to the learned and eminent counsel who attended the tribunal on the part of this government to express my sense of the talent and wisdom which the results so happily reached. It will be the province of congress to provide for the distribution among those who may be entitled to it of their respective shares of the money to be paid, although the sum awarded is not payable until a year from the date of the award, it is deemed advisable that no time be lost in making a proper examination of the several cases in which indemnification may be due. I consequently recommend the creation of a board of commissioners for the purpose.

**THE SAN JUAN BOUNDARY.** By the thirty-fourth article of the treaty of Washington, between the United States and Great Britain in their construction of the treaty of the 24th of June, 1846, defining the boundary line between their respective territories were submitted to the arbitration and award of His Majesty the emperor of Germany to decide which of these claims is most in accordance with the true interpretation of the treaty of 1846. His Majesty the emperor of Germany having been pleased to undertake the arbitration has the earliest thanks of this government and of the people of the United States for the labor pains and care which he has devoted to the consideration of this long pending difference. I have caused an expression of my thanks to be communicated to his Majesty, Mr. Bancroft, the representative of this government at Berlin, conducted the case and prepared the statement on the part of the United States with the addi-

tional exposition to be held during the national exposition in Vienna on a scale of very great magnitude. The tendency of these expositions is in the direction of advanced civilization, and of the elevation of industry and of labor, and of the increase of human happiness as well as of greater industry and good will between nations. As this exposition is to be the first which will have been held in eastern Europe it is believed that American inventors and manufacturers will be ready to avail themselves of the opportunity for the presentation of their productions, if encouraged by proper aid and protection. At the last session of congress authority was given for the appointment of one or more agents to represent this government at the exposition. The authority thus given has been exercised but in the absence of any appointment there is danger that the important benefits which the occasion offers will be in a large degree lost to the citizens of the United States. I recommend the subject strongly to your consideration, and recommend that an adequate appropriation be made for the purpose. To further aid a national exhibition in connection with the exposition I would recommend in addition to an appropriation of money that the secretary of the navy be authorized to fit up two naval vessels to transport between our Atlantic cities and Trieste, or the most convenient point, to Vienna and back their articles for exhibition.

**OUR RELATIONS WITH MEXICO.** Since your last session the President of the Mexican republic, distinguished by his high character and by his services to his country, has died. His temporary successor has been elected with great unanimity by the people; a proof of confidence on their part in his patriotism and wisdom, which it is believed will be confirmed by the results of his administration. It is particularly desirable that nothing should be left undone by the government of either the republics to strengthen their relations as neighbors and friends. It is much to be regretted that many lawless acts continue to disturb the quiet of the settlements on the border between our territory and that of Mexico, that complaints of wrongs to American citizens in various parts of the country are made. The revolutionary condition in which the neighboring republic has so long been involved, has in some degree contributed to these disturbances. It is to be hoped that with a more settled rule of order through the republic which may be expected from the present government, the acts of which just complaint is made will cease. The proceedings of the commission under the convention with Mexico, of the 24th of July, 1868, on subject claims, have unfortunately been checked by an obstacle for the removal of which measures have been taken by the two governments, which, it is believed, will prove successful. The commissioners appointed pursuant to the treaty of 1868, have not yet reported. May I inquire into the reports made on the Texan frontier, have diligently made investigation in that quarter. Their report upon the subject will be communicated to you. Their researches upon the subject were necessarily incomplete, owing to the absence of the appropriation made by congress. Mexico, on the part of that government, has appointed a similar committee to investigate these outrages. It is not announced officially, but the press of that country state that the fullest investigation is being made. The re-occupation of all parties concerned is invited to secure that end. I therefore recommend that a special appropriation be made at the earliest day practicable to enable the commissioners on the part of the United States to return to their labors without delay.

**THE CONDITION OF CUBA.** It is with regret that I have again to announce the continuance of the disturbed condition of the island of Cuba. No advance toward the pacification of the discontented part of the population has been made. While the insurrection has gained no advantages and exhibits no more of elements of success than were exhibited a year ago, Spain, on the other hand, has not succeeded in its repression, and the parties stand apparently in the same relative attitude which they have occupied for a long time past. This contest has lasted now for more than three years, and has kept at a distance from our neighborhood what might be indifferent to its result, although humanly could not be unimpaired by many of its incidents wherever they might occur. It is, however, at our door. I cannot doubt that the present continuance of the insurrection in Cuba is among the strongest inducements to the continuance of this strife. A terrible wrong is the natural cause of a terrible evil. The abolition of slavery and the introduction of other reforms in the administration of the government in Cuba could not fail to advance the restoration of peace and order. It is greatly to be hoped that the present liberal government of Spain will voluntarily adopt this view. The law of emancipation, which was passed more than two years since, has remained unexecuted in the absence of regulation for its enforcement. It was but a feeble step toward emancipation, but it was the recognition of right and was hailed as such, and exhibited Spain in harmony with the sentiments of humanity and of justice, and in sympathy with other powers of the christian and civilized world. Within the first few weeks the regulations for carrying out the law of emancipation have been announced, giving evidence of the sincerity of the present government to carry into effect the law of 1870. I have not failed to urge the consideration of wisdom in the policy and the justice of a more effective system for the abolition of a great evil which oppresses a relic and continues a bloody and destructive contest close to our border, as well as the expediency and the justice of conceding reforms of which the people are not justly questioning. I am deeply impressed with the conviction that the continuance of slavery is one of the most active causes of the continuance of the unhappy condition in Cuba. I regret to believe that citizens of the United States, or those claiming to be such, are large holders in Cuba of what is there claimed as property, but which is forbidden and denounced by the laws of the United States. They are thus, in defiance of the spirit of our own laws, contributing to the continuance of this distressing and sickening contest. My last annual message I referred to this subject, and I again re-

commend such legislation as may be proper to denounce and, at least, prevent, at least to discourage American citizens from holding or dealing in slaves.

**THE SOUTH AMERICAN REPUBLICS.** And it is gratifying to announce that ratifications of the convention concluded under the auspices of this government between Spain on the one part and the allied republics of the Pacific on the other, providing for an armistice, have been exchanged. A copy of the instrument is herewith submitted. It is hoped that this may be followed by permanent peace between the same parties. The differences which at one time threatened the maintenance of peace between Brazil and the Argentine republic is now being adjusted by a satisfactory arrangement. With these connections with the republics of Central and South America, they continue to maintain the most friendly relations. It is with regret, however, I announce that the government of Venezuela has made no further payment of the arrears of principal and interest due on the 25th of April, 1868. That republic is understood to be now almost, if not quite, tranquilized. Its to be hoped therefore that it will lose no time in providing for the unpaid balance of its debts to the United States, which having originated in loans to our citizens by Venezuelan authorities, and having been acknowledged pursuant to a treaty in the most solemn form known among nations, would seem to deserve a preference over debts of different origin and contracted in a different manner. This subject is again recommended to the attention of congress, for such action as may be deemed proper.

**RELATIONS WITH JAPAN AND CHINA.** Our treaty relations with Japan remain unchanged. An imposing embassy from that interesting and progressive nation visited this country during the year that is passing, but being unprovided with powers for the signing of a convention in the event of a treaty, it was not able to do so. It is hoped, however, that interchange of opinions which took place during their stay in this country has led to mutual appreciation of the interest which may be promoted. When the revision of the existing treaty shall be completed, it is desired to follow my recommendation of one year ago, that to give importance and to add to the efficiency of our diplomatic relations with Japan and China, and to further aid in retaining the good opinion of those people and to secure to the United States its share in the commerce and the balance of the commercial world, an appropriation be made to support at least four American youths in each of these countries, to serve as a part of the official family of our ministers there. Our representatives would not be without the representation of Great Britain or of some other powers. As now situated our representatives in Japan and China have to depend for interpreters and translators upon natives of those countries, who know our language imperfectly, and who are not conversant with the business of foreign business houses, or the interpreter to other foreign ministers.

I renew the recommendation made on a previous occasion of the transfer to the department of the interior, to which these affairs are more properly to belong, of all the powers and duties in relation to the territories with which the department of state is now charged by law or by custom. Congress from the beginning of the government has wisely made provision for the settlement of certain classes of foreigners. No similar provision, however, has hitherto been made for the relief of citizens in distress abroad other than seamen. It is understood to be customary with other governments to authorize consuls to extend such relief to their citizens in great numbers. Through the authority and appropriation to carry it into effect are recommended in case of citizens of the United States destitute or sick. Under such circumstances it is well known that such citizens resort to foreign countries in great numbers. Through the authority and appropriation to carry it into effect are recommended in case of citizens of the United States destitute or sick. Under such circumstances it is well known that such citizens resort to foreign countries in great numbers.

**THE TREASURY.** The moneys received and converted into the treasury during the fiscal year ended June 30, 1872, were: From customs, \$216,370,287.77; from sales of public lands, \$2,676,714.14; from internal revenue \$130,642,167.52; from tax on national bank circulation, etc., \$622,539,539; from Pacific railroad companies, \$739,861.87; from customs, fines, etc., \$1,136,432.34; from consular, patent land, etc., \$2,184,055.92; from miscellaneous sources, \$4,412,254.71; total ordinary receipts, \$364,694,229.91; from premium on sales of coin, \$94,412,737.65; total net receipts, \$459,106,967.56; balance in treasury June 30, 1871, \$100,935,705.59, including unavailable; total available cash, \$460,042,673.15. The net expenditures by warrants during the same period were: For civil expenses, \$10,189,059.20; for foreign intercourse, \$1,859,359.14; Indians, \$7,001,728.82; pensions, \$28,533,402.76; military, \$10,000,000.00, including fortifications, river and harbor improvements, and arsenals, \$35,372,157.20; for naval establishments, including vessels and machinery, and improvements at navy yard, \$21,249,899.59; for miscellaneous civil, including public buildings, light houses and collecting the revenue, \$42,558,329.08; interest on the public debt, \$117,353,839.72; total, exclusive of principal and premium on the public debt, \$270,659,695.91; for premium on bonds purchased, \$6,959,208.99; for miscellaneous civil, including public buildings, light houses and collecting the revenue, \$42,558,329.08; interest on the public debt, \$117,353,839.72; total, exclusive of principal and premium on the public debt, \$270,659,695.91; for premium on bonds purchased, \$6,959,208.99; for miscellaneous civil, including public buildings, light houses and collecting the revenue, \$42,558,329.08; interest on the public debt, \$117,353,839.72; total, exclusive of principal and premium on the public debt, \$270,659,695.91.

his reduction is as follows: Not ordinary receipts during the year, \$364,694,229.91; net ordinary expenditures, including interest on the public debt, \$270,659,695.91; total, \$94,034,533.99; add amount received from premium on sales of gold in excess of the premium paid on bonds purchased, \$245,467,080. Add the amount of the reduction of the cash balance at the close of the year, accompanied with same at the commencement of the year, \$3,371,348.65; total, \$99,996,923.34. This statement treats solely of the principal of the public debt. By the monthly statement of the public debt, which adds together the principal, interest due and unpaid, and deducts the cash in the treasury as ascertained on the day of publication. The reduction was \$100,544,891.28. The source of this reduction is as follows: Reduction in principal account, \$69,960,003.54; reduction in unpaid interest account, \$4,330,952.95; total, \$74,290,956.49; reduction in cash on hand, \$25,746,465.22; total, \$100,037,421.71. On the basis of the last table the statements show a reduction of the public debt from the first of March, 1869, to the present time as follows: From March 1, 1869, to March 1, 1870, \$87,194,782.84; from March 1, 1870, to March 1, 1871, \$117,619,630.26; from March 1, 1871, to March 1, 1872, \$94,895,248.94; from March 1, 1872, to November 1, 1872 (eight months), \$61,047,237.84. Total, \$360,756,999.87. As with the great reduction of taxation by the acts of congress last session, the expenditure of the government in collecting the revenue will be much reduced for the next fiscal year. It is very doubtful, however, whether so vexatious a burden upon any people will be predictable for the present at all, even as a measure of justice to the holders of the nation's certificates of indebtedness. I would recommend that no more legislation be had on this subject unless it be to correct errors of omission or commission in the present law and until sufficient time has elapsed to prove that it can be done and shall leave sufficient revenue to meet the current expenses of the government, pay the interest on the public debt and provide for the sinking fund established by law. The preservation of our national credit is of the highest importance. Next in importance to this comes a solemn duty to provide a note currency of fixed unvarying value as compared with gold, and as soon as practicable, having due regard for the interests of the labor class and the vicissitudes of trade and commerce convertible into gold at will.

authority to purchase sites for military posts in Texas; the appointment of necessary sergeants from non-commissioned officers as a measure for securing the better care and protection of supplies; an appropriation for the publication of the catalogue and table of the anatomical section of the army medical museum; reappropriation of the amount for the manufacture of brasses from other arms; should the selection be so delayed by the board of officers as to leave the former appropriation unexpended at the close of the fiscal year, the sale of such armaments east of the Mississippi as can be spared and the proceeds applied to the establishment of one or more arsenals of construction and repair upon the Atlantic coast and the purchase of a suitable site for a proving and experimental ground for heavy ordnance. The abrogation of laws which deprive inventors in the United States service from deriving any benefit from their inventions should the repeal of the law prohibiting promotions in the staff corps; a continuance of the work upon coast defenses; the repeal of the seventh section of the act of July 13, 1866, levying from engineer soldiers the per diem granted to other troops; a limitation of the establishment of one or more war claims for 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 increased 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, which is increased in the numbers and pay of the military academy band.

The attention of congress will be called for the more certain and cheaper transportation of the constantly increasing surplus of western and southern products to the Atlantic seaboard.

The subject is one that will force itself upon the legislative branch of the government sooner or later, and I suggest that immediate steps be taken to gain all available information to insure equable and just legislation.

**THE GREAT SOUTHERN CANAL.** The route to connect the Mississippi valley with the Atlantic ocean at Charleston, South Carolina, and Savannah, Georgia, by water, by the way of the Ohio and Tennessee rivers and canals and slack water to the Savannah and Ocmulgee rivers has been surveyed, and a report made by an accomplished engineer officer of the army. The second and third new routes will be prepared for the consideration of congress, namely, by an extension of the Chesapeake and Ohio canal. I am prepared to recommend government aid to these or other enterprises until it is already shown they are not only of a national interest, but 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 ones for the more bulky articles of commerce to reach the water, and a market will be demanded in the near future is equally demonstrated. I would therefore suggest either a committee or commission be authorized to consider this whole question and to report to congress at some future time for its better guidance in legislation on this important subject. Railroads of the country have been rapidly extended during the last few years to meet the growing demands of production, and reflect much credit upon capitalists and managers engaged. 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 at this session. Looking to the great future growth of commerce and increasing demands of commerce, it might be well while on this subject to only have examined and reported upon the various practicable routes for connecting the Mississippi with tide water on the Atlantic, but the feasibility of an almost continuous land looking 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. It is not alluded to this subject with the view of having any further expenditure of public money at this time than may be necessary to procure and place all the necessary information before congress in an authentic form to enable it hereafter, if deemed practicable and worthy, to legislate on the subject without delay.

**THE NAVY.** The report of the secretary of the navy, herewith accompanying, explains fully the condition of the branch of the public service—its wants and deficiencies, expenses incurred during the past year and appropriations for the same. It also gives a complete history of the services of the navy for the past year, in addition to its regular service. It is evident that unless early steps are taken to preserve our navy that in a very few years the United States will be the weakest nation upon the ocean of all the great powers. With an energetic and 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. I would therefore recommend careful consideration by congress of the recommendations made by the secretary of the navy.

**THE POST OFFICE DEPARTMENT.** The accompanying report of the postmaster general furnishes a full and satisfactory exhibition 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 \$21,918,426.37 and the expenditures to \$26,658,192.31. Compared with the previous fiscal year the increase of revenue was \$1,878,580.95, or 9.37 per cent., and the increase of such expenditures \$2,268,988.29, or 9.29 per cent. Adding to the

the report of the secretary of the war department shows the expenses of that department for the fiscal year ending June 30, 1871, to be \$26,799,991.82, and for the fiscal year ending June 30, 1872, to be \$35,372,157.20, showing a reduction in favor of the last year of \$8,576,165.62. The estimates for military appropriations for the fiscal year ending June 30, 1873, are \$33,801,378.78. The estimate of the chief engineers are submitted separately for fortification, river and harbor improvements, and for public buildings and grounds and the Washington aqueduct.

The affairs of the freedmen's bureau have all been transferred to the war department and regulations have been put into execution for the speedy payment of bounty, pay, etc., due the colored soldiers properly coming under that bureau. All war accounts for money and property prior to 1871 have been examined and transmitted to the treasury for final settlement. During the fiscal year there have been paid for transportation on railroads \$1,340,000, of which \$800,000 were over the Pacific railroad. For transportation by water, \$626,373.62, and by stage \$48,975.84, and for the purchase of transportation animals, wagons, hire of teamsters, etc., \$924,500.64. About \$70,000 have been collected from southern railroads during the year, leaving about \$4,000,000 still due. The quartermaster has examined, and transmitted to the accounting officers for settlement \$307,172.72 of claims by loyal citizens for quartermasters' stores during the war. Subsistence supplies to the amount of \$890,48.12 have been issued to the Indians.

The annual average mean strength of the army up to date is 24,101 white and 2,494 colored soldiers. The total deaths for the year reported were 367 white and 41 colored. The distribution of the medical and surgical history of the war is yet to be ordered by congress. There exists an absolute necessity for a medical corps of great number, established by act of congress of July 28, 1866, there being now fifty-nine vacancies, and the number of successful candidates rarely exceed eight or ten in any one year.

The river and harbor improvements have been carried on with energy and economy through many are only partially completed, and the results have saved to commerce many times the amount expended, the increase of commerce, with greater depths of channels, greater security in navigation, and the saving of time, adds millions 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 the proper site has been determined upon for the bridge at La Crosse. The able and exhaustive report made by the commissioner appointed to investigate the Sutrone tunnel has been transmitted to congress. The observations and reports of the signal office have been continued, and stations have been maintained at each of the principal lake, seaport and river cities. Ten additional stations have been established in the United States and arrangements have been made for an exchange of reports with Canada, and a 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 lieutenants to serve as adjutants and quartermasters. The adoption of a code providing specific penalties for well defined offenses, so that the inequality of sentences adjudged by courts martial may be adjusted. The consolidation of 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 of the site being now perfected. A special act placing the cemetery at the city of Mexico, on the same basis as other national cemeteries;

the report of the secretary of the navy, herewith accompanying, explains fully the condition of the branch of the public service—its wants and deficiencies, expenses incurred during the past year and appropriations for the same. It also gives a complete history of the services of the navy for the past year, in addition to its regular service. It is evident that unless early steps are taken to preserve our navy that in a very few years the United States will be the weakest nation upon the ocean of all the great powers. With an energetic and 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. I would therefore recommend careful consideration by congress of the recommendations made by the secretary of the navy.

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