THE
"CLEARFIELD REPUBLICAN,"
PUBLISHED EVERY WEDNESDAY, BY
GOODLANDER & LEE,
CLEARFIELD, PA.

The largest Circulation of any Newspaper in North Central Pennsylvania.

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G. R. GOODLANDER.
NOEL R. LEE,
Publishers.

CLEARFIELD REPUBLICAN.

GEO. R. GOODLANDER, Proprietor. PRINCIPLES, NOT MEN. TERMS—$2 per annum in Advance.

VOL. 51—WHOLE NO. 2,551. CLEARFIELD, PA., WEDNESDAY, DECEMBER 19, 1877. NEW SERIES—VOL. 18, NO. 50.

Cards.

JOHN D. THOMPSON,
Justice of the Peace and Scrivener,
Curwensville, Pa.
Collections made and money promptly paid over. feb22'71tf

RICHARD HUGHES,
JUSTICE OF THE PEACE
—FOR—
Decatur Township,
Osceola Mills P. O.
All official business entrusted to him will be promptly attended to. mch29 '76.

THOMAS H. FORCEE,
DEALER IN
GENERAL MERCHANDISE.
GRAHAMTON, Pa.
Also, extensive manufacturer and dealer in Square Timber and Sawed Lumber of all kinds.
Orders solicited and all bills promptly filled. [8jy1872

REUBEN HACKMAN,
House and Sign Painter and Paper Hanger,
Clearfield, Penn'a.
Will execute jobs in his line promptly and in a workmanlike manner. apr4,87

G. H. HALL,
PRACTICAL PUMP MAKER.
NEAR CLEARFIELD, PENN'A.
Pumps always on hand and made to order on short notice. Pipes bored on reasonable terms. All work warranted to render satisfaction, and delivered if desired. my23:1ypd

E. A. BIGLER & CO.,
DEALERS IN
SQUARE TIMBER,
and manufacturers of
ALL KINDS OF SAWED LUMBER.
8-772 CLEARFIELD, PENN'A.

JAS. B. GRAHAM,
dealer in
Real Estate, Square Timber, Boards,
SHINGLES, LATH, & PICKETS,
9:1973 Clearfield, Pa.

WARREN THORN,
BOOT AND SHOE MAKER,
Market St., Clearfield, Pa.
In the shop lately occupied by Frank Short, one door west of Allegheny House.

ASHLEY THORN,
ARCHITECT, CONTRACTOR and BUILDER
Plans and Specifications furnished for all kinds of buildings. All work first class. Stair building a specialty.
P. O address, Clearfield, Pa. jan.17-77tf.

R. M. NEIMAN,
SADDLE and HARNESS MAKER,
Rumbarger, Clearfield Co., Pa.
Keeps on hand all kinds of Harness, Saddles, Bridles, and Horse Furnishing Goods. Repairing promptly attended to.
Rumbarger, Jan. 10, 1877-tf.

JAMES MITCHELL,
DEALER IN
Square Timber & Timber Lands,
jel1'73 CLEARFIELD, PA

J. R. M'MURRAY
WILL SUPPLY YOU WITH ANY ARTICLE OF MERCHANDISE AT THE VERY LOWEST PRICE. COME AND SEE.
NEW WASHINGTON.

Livery Stable.
THE undersigned begs leave to inform the public that he is now fully prepared to accommodate all in the way of furnishing Hacks, Buggies, Saddles and Harness, on the shortest notice and on reasonable terms. Residence on Locust street, between Third and Fourth
GEO. W. GEARHART.
Clearfield Feb. 4, 1874

S. I. SNYDER,
PRACTICAL WATCHMAKER
AND DEALER IN
Watches, Clocks and Jewelry,
Graham's Row, Market Street,
CLEARFIELD, PA.
All kinds of repairing in my line promptly attended to. April 23, 1874.

NEW BOOT AND SHOE SHOP.
The undersigned would inform the public that he has removed his Boot and Shoe Shop to the room lately occupied by Jos. Dearing, in Shaw's Row, Market street, where he is prepared to at tend to the wants of all who need anything in his line. All work done by him will be of the best material, and guaranteed to be first-class in every respect. Repairing promptly attended to. All kinds of Leather and Shoe Findings for sale.
JOHN SCHIEFER.
Clearfield, Pa., July 18, 1877.6m.

Clearfield Nursery.
ENCOURAGE HOME INDUSTRY.
THE undersigned, having established a Nursery on the Pike, about half way between Clearfield and Curwensville, is prepared to furnish all kinds of FRUIT TREES, (standard and dwarf.) Evergreens, Shrubbery, Grape Vines, Gooseberry, Lawton Blackberry, Strawberry, and Raspberry Vines. Also, Siberian Crab Trees, Quince, and early scarlet Rhubarb, &c. Orders promptly attended to. Address,
J. D. WRIGHT,
mo20 8*-y Curwensville, Pa.

ANDREW HARWICK,
Market Street, Clearfield, Pa.,
MANUFACTURER AND DEALER IN
HARNESS, SADDLES, BRIDLES, COLLARS,
and all kinds of
HORSE FURNISHING GOODS.
A full stock of Saddlers' Hardware, Brushes, Combs, Blankets, Robes, etc., always on hand and for sale at the lowest cash prices. All kinds of repairing promptly attended to.
All kinds of hides taken in exchange for harness and repairing. All kinds of harness leather kept on hand, and for sale at a small profit.
Clearfield, Jan. 19, 1876

E. WARING'S
LAW BLANKS
For sale at the Clearfield REPUBLICAN office.
The most Complete Series of Law Blanks published.
These Blanks are gotten up in superior style are of uniform size, and furnished at very low figures for cash.
Call at the REPUBLICAN office and examine them. Orders by mail promptly filled
Address, GOODLANDER & LEE,
July 25, 1877 tf. Clearfield Pa

JOHN TROUTMAN,
DEALER IN
FURNITURE,
MATTRESSES,
AND
Improved Spring Beds,
MARKET STREET, NEAR P. O.
The undersigned begs leave to inform the citizens of Clearfield, and the public generally, that he has on hand a fine assortment of Furniture, such as Walnut, Chestnut and Painted Chamber Suites, Parlor Suites, Reclining and Extension Chairs, Ladies' and Gents' Easy Chairs, the Perforated Dining and Parlor Chairs, Cane Seats and Window Chairs, Clothes Bars, Step and Extension Ladders, Hat Racks, Scrubbing Brushes, &c
MOULDING AND PICTURE FRAMES,
nobing Glasses, Cornices, &c., which would suitable for Holiday presents.
dec10'73 JOHN TROUTMAN.

MR. HAYES' MESSAGE.

Fellow Citizens of the Senate and House of Representatives:

With devout gratitude to the bountiful Giver of all good, I congratulate you that, at the beginning of your first regular session, you find our country blessed with health and peace and abundant harvests, and with encouraging prospects of an early return of general prosperity. To complete and make permanent the pacification of the country continues to be, and, until it is accomplished, must remain the most important of all our national interests. The earnest purpose of good citizens generally to unite their efforts in this endeavor, is evident from the decided expression in the resolutions announced in 1876 in the National Conventions of the leading political parties of the country. There was a wide spread apprehension that the momentous results of our progress as a nation, marked by the recent amendments to the Constitution, were in imminent jeopardy; that the good understanding which prompted their adoption in the interest of a loyal devotion to the general welfare might prove a barren truce, and the two sections of the country once engaged in civil strife, might be again as widely severed, and disunited as they were when arrayed in arms against each other.

THE COURSE TO BE PURSUED.

The course to be pursued, which, in my judgment, seemed wisest in the presence of this emergency, was plainly indicated in my inaugural address. It pointed to the time, which all our people desire to see, when a genuine love of our whole country, and of all that concerns its welfare, shall supplant the destructive forces of mutual animosity of races, and sectional hostility. Opinions have differed widely as the measures best calculated to secure this great end. This was to be expected. The measures adopted by the Administration have been subjected to severe and varied criticism. Any course whatever which might have been entered upon would have encountered distrust and opposition. These measures were, in my judgment, such as were most in harmony with the Constitution, and with the genius of our people, and best adapted, under all circumstances to attain the end in view. Beneficent results already apparent prove that these endeavors are not to be regarded as a mere experiment, and should sustain and encourage us. In our efforts already in the brief time which has elapsed, the immediate effectiveness, no less than the justice, of the course pursued is demonstrated, and I have an abiding faith that time will furnish ample vindication in the minds of the great majority of my fellow-citizens.

INTERFERENCE OF THE ARMY.

The discontinuance of the use of the army for the purpose of holding local governments in two States of the Union was no less a constitutional duty and requirement, under the circumstances existing at the time, than it was a much needed measure for the restoration of local self-government, and the promotion of harmony. The withdrawal of the troops from such employment was effected deliberately and with solicitous care for the peace and good order of society and the protection of the property and persons and every right of all classes of citizens. The results that have followed are, indeed, significant and encouraging. All apprehension of danger from remitting those States to local self-government is dispelled, and a most salutary change in the minds of the people has begun and is in progress in every part of that section of the country once the theatre of unhappy civil strife, substituting for suspicion, distrust and aversion, concord, friendship and patriotic attachment to the Union. No unprejudiced mind will deny that the terrible and often fatal collisions, which for several years have been of frequent occurrence, and have agitated and alarmed the public mind, have almost entirely ceased, and that a spirit of mutual forbearance and hearty national interest has succeeded. There has been a general re-establishment of order and of the orderly administration of justice. Instances of remaining lawlessness have become of rare occurance. Political turmoil and turbulence have disappeared, useful industries have been resumed, public credit in the Southern States has been greatly strengthened, and the encouraging benefits of a revival of commerce between the sections of country lately embroiled in civil war are fully enjoyed. Such are some of the results already attained, upon which the country is to be congratulated. They are of such importance that we may, with confidence, patiently await the desired consummation that will surely come with the natural progress of events.

THE COLORED PEOPLE.

It may not be improper here to say that it should be our fixed and unalterable determination to protect, by all available and proper means under the Constitution and laws, the lately emancipated race in the enjoyment of their rights and privileges, and I urge upon those to whom heretofore the colored people have sustained the relation of bondmen, the wisdom and justice of humane and liberal local legislation with respect to their education and general welfare. A firm adherence to the laws, both National and State, as to the civil and political rights of the colored people, now advanced to full and equal citizenship; the immediate repression and sure punishment, by the National and local authorities, within their respective jurisdictions, of every instance of lawlessness and violence toward them, is required for the security, alike, of both races, and is justly demanded by the public opinion of the country and the age. In this way the restoration of harmony and good will, and the complete protection of every citizen in the full enjoyment of every constitutional right, will surely be attained. Whatever authority rests with me to this end I shall not hesitate to put forth. Whatever belongs to the power of Congress and the jurisdiction of the courts of the Union, they may confidently be relied upon to provide and perform. And to the Legislatures, the courts and the executive authorities of the several States, I earnestly appeal to secure, by adequate, appropriate and reasonable means within their borders, those common and uniform rights of a united people which loves liberty, abhors oppression and reveres justice. These objects are very dear to my heart. I shall continue most earnestly to strive for their attainment. The cordial co operation of all classes, of all sections of the country, and of both races, is required for this purpose, and with these blessings assured, and not otherwise, we may safely hope to hand down our free institutions of government unimpaired to the generations that will succeed us.

THE FINANCE QUESTION.

Among the subjects of great and general importance to the people of this country, I cannot be mistaken, I think, in regarding as pre-eminent the policy and measures which are designed to secure the restoration of the currency to that normal and healthful condition in which, by the resumption of specie payments, our internal trade and foreign commerce may be brought into harmony with the system of exchanges which is based upon the precious metals as the intrinsic money of the world. In the public judgment, that this end should be sought and compassed as speedily and securely as the resources of the people and the wisdom of the Government can accomplish, there is a much greater degree of unanimity than is found to concur in the specific measures which will bring the country to this desired end, or the rapidity of the step by which it can be safely reached. Upon a most anxious and deliberate examination, which I have felt it my duty to give to the subject, I am but the more confirmed in the opinion which I expressed in accepting the nomination for the Presidency, and again upon my inauguration, that the policy of resumption should be pursued by every suitable means and that no legislation would be wise that should disparage the importance or retard the attainment of that result. I have no disposition, and certainly no right, to question the sincerity or the intelligence of opposing opinions and would neither conceal nor undervalue the considerable difficulties, and even occasional distress, which may attend the progress of the nation towards this primary condition to its general and permanent prosperity. I must, however, adhere to my most earnest conviction that any wavering in purpose, or in steadiness in methods, so far from avoiding or reducing the inconvenience inseparable from the transition from an irredeemable to a redeemable paper currency, would only tend to increase and prolonged disturbance in values, and unless retrieved, must end in serious disorder, dishonor and disaster in the financial affairs of the Government and the people. The mischiefs which I apprehended and urgently deprecate, are confined to no class of the people, indeed, but seem to me most certainly to threaten the industrious masses, whether their occupations are of skilled or of common labor, so that it seems to me it is of prime importance that their labor should be compensated in money in itself fixed in exchangeable value, by being irrevocably measured by the labor necessary to its production.

This apportionment of the quality of the money of the people is sought for, and can only be gained by the resumption of specie payments. The rich, the speculative, the operating, the money dealing classes, may not always feel the mischiefs, or may find casual profits in a variable currency; but the misfortunes of such a currency to those who are paid salaries, or wages, are incalculable.

THE SILVER DOLLAR.

Closely connected with this general subject of the resumption of specie payments is one of subordinate, but still of grave importance. I mean the readjustment of our coinage system by the renewal of the silver dollar as an element in our specie currency, endowed by legislation with the quality of legal tender to a greater or less extent. As there is no doubt of the power of Congress under the Constitution to coin money and regulate the value thereof, and as this power covers the whole range of authority applicable to the metal, the rated value and the legal tender quality which shall be adopted for the coinage, the considerations which should induce or discourage a particular measure connected with the coinage belonging clearly to the province of the legislative discretion and of public expediency. Without intruding upon the province of legislation in the least, I have yet thought the subject of such critical importance in the actual condition of our affairs as to present an occasion for the exercise of the duty imposed by the Constitution on the President, of recommending to the consideration of Congress such measures as he shall judge necessary and expedient. Holding the opinion, as I do, that neither the interests of the Government nor the people of the United States would be promoted by disparaging silver as one of the two precious metals which furnish the coinage of the world, and that legislation which looks to maintaining the volume of intrinsic money to as full a measure of both metals as their relative commercial values will permit, would be neither unjust nor inexpedient.

I must ask your indulgence to a brief and definite statement of certain essential features in any such legislative measure, which I feel it my duty to recommend. I do not propose to enter the debate represented on both sides by such able disputants in Congress, and before the people, and in the press as to the extent to which the legislation of any one nation can control this question, even within its own borders, against the unwritten laws of trade, or the positive laws of other governments.

The wisdom of Congress in shaping any particular law that may be presented for my approval may wholly supercede the necessity of my entering into these considerations, and I willingly avoid either vague or intricate inquiries. It is only certain plain and practical traits of such legislation that I desire to recommend to your attention. In any legislation providing for a silver coinage, regulating its value and imparting to it the quality of legal tender, it seems to me of great importance that Congress should not lose sight of its action as operating in a two-fold capacity and in two distinct directions. If the United States Government were free from a public debt, its legislative dealing with the question of silver coinage would be purely sovereign and governmental, under no restraints but those of Constitutional power and the public good as affected by the proposed legislation. But in the actual circumstances of the nation, with a vast public debt distributed very widely among our own citizens, and held in great amounts, also abroad, the nature of the silver coinage measure as affecting this relation of the Government to the holders of the public debt becomes an element in any proposed legislation of the highest concern. The obligation of the public faith transcends all questions of profit or public advantage. Otherwise, its unquestionable maintenance is the dictate of the highest expediency, as well of the most necessary duty, and will be ever carefully guarded by Congress and the people alike.

INTEREST ON THE PUBLIC DEBT.

The public debt of the United States, to the amount of $729,000,000, bears interest at the rate of six per cent., and $708,000,000 at the rate of five per cent., and the only way in which the country can be relieved from the payment of these high rates of interest is by advantageously refunding the indebtedness. Whether the debt is ultimately paid in gold or silver coin is of little moment compared with the possible reduction of interest to one-third by refunding it at such reduced rate. If the United States had the unquestioned right to pay its bonds in silver coin, the little benefit from that process would be greatly overbalanced by the injurious effect of such payment, if made or proposed against the honest convictions of the public creditors. All the bonds that have been issued since February, 1873, when the only unlimited legal tender was in the metallic currency of the country, are justly payable in good coin, or in coin of equal value. During the time of these issues, the only dollar that could be, or was received by the Government, in exchange for bonds, was the gold dollar. To require the public creditor to take in repayment any dollar of less commercial value, would be regarded by them as a repudiation of the full obligation assumed. The bonds issued prior to 1873 were issued at a time when the gold dollar was the only coin in circulation or contemplated by either the Government or the holders of the bonds as the coin in which they were to be paid. It is far better to pay these bonds in that coin, than to seem to take advantage of the unforseen fall in silver bullion to pay in a new issue of silver coin thus made so much less valuable. The power of the United States to coin money, to regulate the value thereof, ought never to be exercised for the purpose of enabling the Government to pay its obligations in a coin of less value than that contemplated by the parties when the bonds were issued. Any attempt to pay the national indebtedness in a coinage of less commercial value than the money of the world would involve a violation of the public faith and work irreparable injury to the public credit. It was the great merit of the act of March, 1869, in strengthening the public credit, that it removed all doubt as to the purpose of the United States to pay their bonded debt in coin. That act was accepted as a pledge of public faith.

A REDUCTION OF THE INTEREST RATE.

The Government has derived great benefit from it in the progress thus far made in refunding the public debt at a low rate of interest. As adherence to the wise and just policy of an exact observance of the public faith will enable the Government rapidly to reduce the burden of interest on the national debt to an amount exceeding $20,000,000 per annum, and effect an aggregate saving to the United States of more than $300,000,000 before the bonds can be fully paid. In adopting the new silver coinage to the ordinary uses of currency in the every day transactions of life, and prescribing the quality of legal tender to be assigned to it, a consideration of the first importance should be to so adjust the ratio between the silver and the gold coinage which now constitutes our specie currency, as to accomplish the desired end of maintaining the circulation of the two metallic currencies and keeping up the volume of the two precious metals as our intrinsic money. It is a mixed question for scientific reasoning and historical experience to determine how far and by what methods a practical equilibrium can be maintained which will keep both metals in circulation in their appropriate spheres of common use. An absolute equality of commercial value, free from disturbing fluctuations is hardly attainable, and without it an unlimited legal tender for private transactions assigned to both metals would irresistibly tend to drive out of circulation the dearer coinage, and disappoint the principal object proposed by the legislation in view.

I apprehend, therefore, that the two conditions of a near approach to equality of commercial value between the gold and silver coinage of the same denomination, and of a limitation of the amounts for which the silver coinage is to be legal tender, are essential to maintaining both in circulation. If these conditions can be successfully observed, the issue from the mint of silver dollars would afford material assistance to the community in the transition to redeemable paper money, and would facilitate the resumption of specie payment and its permanent establishment. Without these conditions I fear that only

MISCHIEF AND MISFORTUNE

Would flow from a coinage of silver dollars with the quality of unlimited legal tender. Even in private transactions, any expectation of temporary ease from an issue of silver coinage, to pass as a legal tender at a rate materially above its commercial value, is, I am persuaded, a delusion, nor can I think that there is any substantial distinction between an original issue of silver dollars, at a nominal value materially above their commercial value, and the restoration of the silver dollar at a rate which once was, but has ceased to be, its commercial value. Certainly the issue of our gold coinage reduced in weight materially below its legal tender value, would not be the less a present debasement of the coinage by reason of its equaling or exceeding in weight a gold coinage which, at some past time, had been commercially equal to the legal tender value assigned to the new issue. In recommending that the regulation of any silver coinage which may be authorized by Congress should observe these conditions of commercial value, and limited legal tender, I am governed by the feeling that a barely possible increase should be given to the volume of metallic money, which can be kept in circulation, and thereby every possible aid afforded to the people in the purpose of resuming specie payments. It is because of my firm conviction that a disregard of these conditions would frustrate the good results which are desired from the proposed coinage, and would embarrass with new elements of confusion and uncertainty the business of the country, that I would urge upon your attention these considerations.

I respectfully recommend to Congress that in any legislation providing for a silver coinage and imparting to it the quality of legal tender, there be impressed upon the measure a firm provision exempting the public debt heretofore issued, and now outstanding, from payment either of the principal or interest, in any coinage of less commercial value than the present gold coinage of the country.

THE CIVIL SERVICE.

The organization of the Civil Service of the country, which has, for a number of years, attracted more and more of the public attention, so general has become the opinion that the methods of admission to it and the condition of remaining in it are unsound, that both the great political parties have agreed in the most explicit declarations of the necessity of reform and in the most emphatic demands for it. I have fully believed these declarations and demands to be the expression of a sincere conviction of the intelligent masses of the people upon the subject, and that they should be recognized and followed by earnest and prompt action on the part of the legislative and executive departments of the Government. In pursuance of the purpose indicated, before my accession to office, I endeavored to have my own views distinctly understood, and upon my inauguration my accord with the public opinion was stated in terms believed to be plain and unambiguous. My experience in the Executive chair has strongly confirmed the belief in the great advantage the country would find in observing strictly the plan of the Constition, which imposes on the Executive the sole duty and responsibility of the selection of those Federal officers who, by law, are appointed, not elected, and which in like manner assigns to the Senate the complete right to advise and consent to or reject the nominations so made; whilst the House of Representatives stands as the public censor of the performance of official duties, with the prerogative of investigation and prosecution in all cases of dereliction. The blemishes and imperfections in the Civil Service may, as I think, be traced in most cases to a practical confusion of the duties assigned to the several departments of the Government. My purpose, in this respect, has been to return to the system established by the fundamental law, and to do this with the heartiest co operation and most cordial understanding with the Senate and House of Representatives. The practical difficulties in the selection of numerous officers for posts of widely varying responsibilities and duties, are acknowledged to be very great. No system can be expected to secure absolute freedom from mistakes, and the beginning of any attempted change of custom is quite likely to be more embarrassed in this respect than at any subsequent period. It is here that the Constitution seems to me to prove its claim to the great wisdom accorded to it. It gives to the Executive the assistance of the knowledge and experience of the Senate, which, when acting upon nominations to which they may be disinterested and impartial judges, secures as strong a guaranty of freedom from errors of importance as is perhaps possible in human affairs.

In addition to this, I recognize the public advantage of making all nominations as nearly as possible impersonal in the sense of being free from mere caprice or favor in the selection, and in those offices in which special training is of greatly increased value. I believe such a rule as to the tenure of office should obtain as may induce men of proper qualifications to apply themselves industriously to the task of becoming proficient. Bearing these things in mind, I have endeavored to reduce the number of changes in subordinate places, usually made upon the change of the general administration, and shall most heartily co-operate with Congress in the better systematizing of such methods and rules of admission to the public service, and of the promotion within it, as may promise to be most successful in making thorough competency, efficiency and character the decisive tests in these matters.

THE WORK OF THE CIVIL SERVICE COMMISSION.

I ask the renewed attention of Congress to what has already been done by the Civil Service Commission, appointed in pursuance of an act of Congress, by my predecessor, to prepare and revise Civil Service rules in regard to much of the departmental service, especially at Washington. It may be difficult to organize a better system than that which has thus been provided, and it is now being used to considerable extent under my direction. The Commission has still a legal existence, although for several years no appropriation has been made for defraying its expenses. Believing that this Commission has rendered valuable service, and will be a most useful agency in improving the administration of the Civil Service, I respectfully recommend that a suitable appropriation, to be immediately available, be made to enable it to continue its labors. It is my purpose to transmit to Congress, as early as practicable, a report of the Chairman of the Commission, and to ask your attention to such measures on this subject as, in my opinion, will further promote the improvement of the Civil Service.

OUR FOREIGN RELATIONS.

During the past year the United States has continued to maintain peaceful relations with foreign powers. The outbreak of war between Russia and Turkey, though at one time attended by grave apprehension as to its effect on other European nations, has had no tendency to disturb the amicable relations existing between the two contending powers. An attitude of just and impartial neutrality has been preserved, and I am gratified to state that in the midst of their hostilities both the Russian and the Turkish Governments have shown an earnest disposition to adhere to the obligations of all treaties with the United States, and to give due regard to the rights of American citizens.

By the terms of the treaty defining the rights, immunities and privileges of consuls between Italy and the United States, ratified in 1868, either Government may, after a lapse of ten years, terminate the existence of the treaty by giving twelve months' notice of its intention. The Government of Italy, availing itself of this facility, has now given the required notice, and the treaty will accordingly end on the 17th day of September, 1878. It is understood, however, that the Italian Government wishes to renew it in its general scope, desiring only certain modifications in some of its articles. In this disposition I concur, and shall hope that no serious obstacles may intervene to prevent or delay the negotiation of a satisfactory treaty.

Numerous questions in regard to passports, naturalization and exemption from military service have continued to arise in cases of emigrants from Germany who have returned to their native country. The provisions of the treaty of February 22, 1868, however, have proved to be so ample and judicious, that the legation of the United States at Berlin has been able to adjust all claims arising under it, not only without detriment to the amicable relations existing between the two Governments, but, it is believed, without injury or injustice to any duly naturalized American citizen. It is desirable that the treaty originally made with the North German Union in 1868 should now be extended so as to apply equally to all the States of the Empire of Germany.

THE PARIS EXPOSITION.

The invitation of the Government of France to participate in the Exposition of the products of agriculture, industry and fine arts, to be held at Paris during the coming year, was submitted for your consideration at the extra session. It is not doubted that its acceptance by the United States, and a well selected exhibition of the productions of American industry on that occasion, will tend to stimulate international commerce and emigration, as well as to promote the friendship between the two countries.

EXTRADITION WITH GREAT BRITAIN.

A question arose some time since as to the proper meaning of the extradition articles of the treaty of 1842 between the United States and Great Britain. Both Governments, however, are now in accord in the belief that the question is not one that should be allowed to frustrate the ends of justice, or disturb the friendship between the two nations. No serious difficulty has arisen in accomplishing the extradition of criminals, when necessary. It is probable that all points of disagreement will, in due time, be settled, and, if need be, more explicit declarations be made in a new treaty.

THE FISHERY COMMISSION.

The Fishery Commission, under Articles XVIII. to XXV. of the treaty of Washington, has concluded its session at Halifax. The result of the deliberations of the Commission, as made public by the Commissioners, will be communicated to Congress.

TRADE MARKS

A treaty for the protection of trade marks has been negotiated with Great Britain, which has been submitted to the Senate for its consideration.

AFFAIRS IN MEXICO.

The revolution which recently occurred in Mexico was followed by the accession of the successful party to power, and the installation of its chief general, Porfiro Diaz, in the Presidential office. It has been the custom of the United States, when such changes of Government have heretofore occurred in Mexico, to recognize and enter into official relations with the *de facto* Government, as soon as it should appear to have the approval of the Mexican people, and should manifest a disposition to adhere to the obligations of treaties and international friendship. In the present case, such official recognition has been postponed by the occurrences on the Rio Grande border, the records of which have already been communicated to each house of Congress, in answer to their respective questions of inquiry. Assurances have been received that the authorities at the seat of the Mexican Government have both the disposition and the power to prevent and punish such unlawful invasions and depredations. It is earnestly to be hoped that events may prove these assurances to be well founded. The best interests of both countries require the maintenance of peace upon the border and the development of commerce between the two Republics. It is gratifying to add that this temporary interruption of official relations has not prevented the attention by the representatives of the United States in Mexico to the protection of American citizens, as far as practicable, nor has it interfered with the prompt payment of the amounts due from Mexico to the United States, under the treaty of July 4th, 1868, and the awards of the Joint Commission. While I do not anticipate an interruption of the friendly relations with Mexico, yet I cannot but look with some solicitude upon a continuance of border disorders as are exposing the two countries to imitations of popular feeling and mischances of action which are naturally unfavorable to complete amity. Firmly determined that nothing shall be wanting on my part to promote a good understanding between the two nations, I yet must ask the attention of Congress to the actual occurrences on the border, that the lives and property of our citizens may be adequately protected, and peace preserved.

THE CUBAN QUESTION.

Another year has passed without bringing to a close the protracted contest between the Spanish Government and the insurrection on the Island of Cuba. While the United States have sedulously abstained from any intervention in this contest it is impossible to feel that it is attended with incidents affecting the rights and interests of American citizens. Apart from the effect of the hostilities on trade between the United States and Cuba, their progress is inevitably accompanied by complaints, having more or less foundation, of searches, arrests, embargoes and oppressive taxes upon the property of American residents and of unprovoked interference with American vessels and commerce. It is due to the Government of Spain to say, that during the past year it has promptly disavowed and offered reparation for any unauthorized acts of unduly zealous subordinates whenever such acts have been brought to its attention. Nevertheless, such occurrences cannot but tend to excite feelings of annoyance, suspicion and resentment, which are greatly to be deprecated between the respective subjects and citizens of two friendly powers.

THE VENEZUELAN AWARD.

Much delay, consequent upon the accusation of fraud in some of the awards, has occurred in the distribution of the limited amounts received from Venezuela, under the treaty of April 25, 1868, applicable to the awards of the joint commission, created by that treaty. So long as these matters are pending in Congress, the Executive cannot assume either to pass upon the question presented or to distribute the fund received. It is eminently desirable that definite legislative action should be taken, either affirming the award to be final, or providing some method for re-examination of the claims.

CENTRAL AND SOUTH AMERICA.

Our relations with the Republics of Central and South America and with the Empire of Brazil have continued without serious change further than the temporary interruption of diplomatic intercourse with Venezuela and it is not doubted that all grounds of misunderstanding with Guatemala will speedily be removed.

From all these countries there are favorable indications of a disposition on the part of their Governments and people to reciprocate our efforts in the direction of increased commercial intercourse.

THE SAMOAN ISLANDS.

The Government of the Samoan Islands has sent an envoy in the person of its Secretary of State, to invite the Government of the United States to recognize and protect their independence, to establish commercial relations with their people, and to assist them in their steps towards a regulated and responsible Government. The inhabitants of these islands, having made considerable progress in Christian civilization and the development of trade, are doubtful of their ability of maintaining peace and independence without the aid of some stronger power. The subject is deemed worthy of respectful attention, and the claims upon our assistance by this distant community will be carefully considered.

OUR FOREIGN TRADE.

The long commercial depression in the United States has directed attention to the subject of the possible increase of our foreign trade and the method for its development, not only with Europe, but with other countries, especially with the States and sovereignties of the Western Hemisphere. Instructions from the Department of State were issued to the various Diplomatic and Consular officers of the Government, asking them to devote attention to the question of the methods by which trade between the respective countries of their official residence and the United States could be most judiciously fostered. In obedience to these instructions, examinations and reports upon this subject have been made by many of these officers and transmitted to the Department, and the same are submitted to the consideration of Congress.

REPORT OF THE SECRETARY OF THE TREASURY.

The annual report of the Secretary of the Treasury on the state of the finances presents important questions for the action of Congress, upon some of which I have already remarked. The revenues of the Government during the fiscal year ending June 30, 1877, were $269,000,586 62. The total expenditures for the same period were $238,660,008.93, leaving a surplus revenue of $30,340,577.69. This has substantially supplied the requirements of the sinking fund for that year. The estimated revenues of the current fiscal year are $265,500,000, and the estimated expenditures for the same period are $232,430,643 72. If these estimates prove to be correct, there will be a surplus revenue of $33,069,356 28, an amount nearly sufficient for the sinking fund for that year. The estimated revenues for the next fiscal year are $269,250,000.

It appears, from the report, that during the last fiscal year the revenues of the Government, compared with the previous year, have largely decreased. This decrease, amounting to the sum of $18,481,452 54, was mainly in custom duties, caused partly by a large falling off of the amount of imported dutiable goods, and partly by the general fall of prices in the markets of production of such articles as pay *ad valorem* taxes. While this is felt injuriously in the diminution of the revenue, it has been accompanied with a very large increase of exportations. The total exports during the last fiscal year, including coin, have been $658,637,457, and the imports have been $492,097,549, leaving a balance of trade in favor of the United States amounting to the sum of $166,539,917, the beneficial effects of which extend to all branches of business.

The estimated revenues for the next year will impose upon Congress the duty of strictly limiting appropriations, including the requisite sum for the maintenance of the sinking fund within the aggregate estimated receipts. While the aggregate of taxes should not be increased, amendments might be made to the revenue laws that would, without diminishing the revenue, relieve the people from unnecessary burdens. A tax on tea and coffee is shown by the experience, not only of our own country, but of other countries, to be easily collected without loss by undervaluation or fraud, and largely borne in the country of production. A tax of ten cents a pound on tea and two cents a pound on coffee would produce revenue exceeding $12,000,000, and thus enable Congress to repeal a multitude of annoying taxes yielding a revenue not exceeding that sum. The internal revenue system grew out of the necessities of the war, and most of the legislation imposing a tax on domestic products under this system has been repealed. By the substitution of a tax on tea and coffee all forms of internal taxation may be repealed except that on whisky, spirits, tobacco and beer.

PROTECTION OF THE REVENUE.

Attention is also called to the necessity of enacting more vigorous laws for the protection of the revenue and for the punishment of fraud and smuggling. This can best be done by judicious provisions that will induce the disclosure of attempted fraud, by undervaluation and smuggling. All revenue laws should be simple in their provisions and easily understood. So far as practicable the rates of taxation should be in the form of specific duties, and not *ad valorem*, requiring the judgment of experienced men to ascertain values, and not exposing the revenue to the temptation of fraud. My attention has been called during the recess of Congress to the abuses existing in the collection of the customs, and strenuous efforts have been made for their correction by Executive orders. The recommendation submitted to the Secretary of the Treasury by a commission appointed to examine into the collection of customs duties at the port of New York contain many suggestions for the modification of the customs laws, to which the attention of Congress is invited. It is a matter of congratulation that, notwithstanding the severe difference caused by the war, the public faith with all creditors has been preserved, and that, as the result of this policy, the public credit has continuously advanced, and our public securities are regarded with the highest favor in the markets of the world. I trust that no act of the government will cast a shadow upon its credit.

REFUNDING THE PUBLIC DEBT.

The progress of refunding the public debt has been rapid and satisfactory. Under the contract existing when I entered upon the discharge of the duties of my office, bonds bearing interest at the rate of four and a half per cent. were being rapidly sold, and within three months the aggregate sales of these bonds had reached the sum of $260,000,000. With my sanction, the Secretary of the Treasury entered into a new contract for the sale of four per cent. bonds, and within thirty days after the popular subscription for such bonds was opened, subscriptions were had amounting to $75,496,550, which were paid for within ninety days after the date of subscription. By this process, within but little more than one year, the annual interest on the public debt was reduced in the sum of $3,775,000.

THE SAVINGS OF THE PEOPLE.

I recommend that suitable provision be made to enable the people to easily convert their savings into government securities, as to the best mode in which small savings may be well secured and yield a moderate interest. It is an object of public policy to retain among our own people the securities of the United States. In this way our country is guarded against their sudden return from foreign countries, caused by war or other disturbances beyond our limits.

OUR FOREIGN COMMERCE.

The commerce of the United States with foreign nations, and especially the export of domestic productions, has of late years largely increased, but the greater portion of this trade is conducted in foreign vessels. The importance of enlarging our foreign trade, first of all by the direct and [illegible] this continent, cannot be overestimated, and it is a matter of great moment that our shipping interest should receive, to the utmost practical extent, the benefit of our commerce with other lands. These considerations are forcibly urged by all the large commercial cities of the country, and public attention is generally and wisely attracted to the solution of the problems they present. It is not doubted that Congress will take them up in the broadest spirit of liberality, and respond to the public demand by practical legislation upon this important subject.

THE NEZ PERCES WAR.

The report of the Secretary of War shows that the army has been actively employed during the year, and has rendered very important service in suppressing hostilities in the Indian country, and in preserving peace and protecting life and property in the interior, as well as along the Mexican border. A long and arduous campaign has been prosecuted with final complete success against a portion of the Nez Perces tribe of Indians. A full account of this campaign will be found in the report of the General of the Army. It will be seen that in its course several severe battles were fought, in which a number of gallant officers and men lost their lives. I join with the Secretary of War and General of the Army in awarding to the officers and men employed in the long and toilsome pursuit and the final capture of these Indians, the honor and praise which are so justly their due.

THE LABOR DISTURBANCES.

The very serious riots which occurred in several of the States in July last, rendered necessary the employment of a considerable portion of the army to preserve the peace and maintain order in the States of West Virginia, Maryland, Pennsylvania and Illinois. These disturbances were so formidable as to defy the local and State authorities, and the National Executive was called upon, in the mode provided by the Constitution and laws, to furnish military, and I am gratified to be able to state that the troops sent in response to the calls for aid to the suppression of domestic violence were able, by the influence of their presence in the disturbed regions, to preserve the peace and restore order without the use of force in the discharge of this delicate and important duty. Both officers and men acted with great prudence and courage, and for their services deserve the thanks of the country.

THE RIO GRANDE TROUBLES.

Disturbances along the Rio Grande, in Texas, to which I have already referred, have rendered necessary the constant employment of a military force in that vicinity. A full report of all recent military operations in that quarter has been transmitted to the House of Representatives, in answer to a resolution of that body, and it will, therefore, not be necessary to enter into details. I regret to say that these lawless incursions into our territory, of armed bands from the Mexican side of the line, for the purpose of robbery, have been of frequent occurrence, and in spite of the most vigilant efforts of the commander of our forces, the marauders have generally succeeded in escaping into Mexico with the plunder. In May last I gave orders for the