	THE DAILY EVENI		IIA, TUESDAY, DECEMBER 7,		
To the Senate and House of Representatives: In coming before you for the first time as	will necessarily receive your attention. The evenues of the country are greater than the equirements, and may with safety be required but as the funding of the debtin a four	their departure. No further steps having been taken by the representative of the Peruvian Government to prevent the departure of these vessels, and I not feeling authorized to detain the property of a nation with which we were at peace on a mere	trade: should form in such a measure. Like vitations have been extended to the Cabinets of London, Paris, Florence, Berlin, Brussels. The Hagne. Conenliagen and Stockholm to	for such a system except in placing all the Indians or large reservations as rapidly as can be done, and giving them absolute protection there. As soon as they are fitted for it, they should be induced to take their lands in severalty and to set up territorial government.	receive, its due consideration. There are many subjects not alluded to in this message, which might with propriety be introduced.
with gratitude to the Giver of all good for the many benefits we enjoy. We are blessed with peace at home, and we are without entangling alliances abroad to forbode trouble.	or a four and a half per cent. loan would re- luce the annual current expenses largely, thus, frer funding, justifying a greater reduction of axation, this may be reduced safely from lixty to eighty millions per annum at once, and hay be still further reduced from	Executive order, the matter has been re- ferred to the Courts to decide. The conduct of the war between the allies and the Republic of Paraguay has made the intercourse with that country so difficult	Washington to simultaneously enter into negotiations, and to conclude with the United States conventions identical in form, making uniform regulations as to the construction of the parts of vessels to be de-	for their own protection. For full details on this subject, I call attention to the reports of the Secretary of the Interior and the Commissioner of Iudian Affairs. The report of the Secretary of War	will suggest the topics and the legislation most conductive to the interests of the whole people. On my part, I promise a rigid adherence to the laws and their strict enforce-
tility, of an area equal to the abundant support of five hundred millions of people, and abounding in every variety of secul mineral in quantity sufficient to supply	ear to year as the resources of the ountry are developed. The report of the eccetary of the Treasury shows the receipts of the Government for the fiscal year ending upo 30-1869, to be \$370.943.747, and the	that it has been deemed advisable to withdraw our representative from her. Towards the close of the last Administration a convention was signed at London for the settlement of all outstanding claims between Great	the quantity of food, as to the medical	shows the expenditures of the War Department for the year ending the 30th of June, 1869, to be \$80,644,042, of which \$23,882,310 was disbursed in the payment of debts contracted during the war, and is not chargeable to current army expenses. His estimate of	Report of the Secretary of the Treasury.
tion of every species of earth's riches, and suited to the habits, tastes and requirements of every thing; with a population of 40,000;000 the people all speaking one language with	xpenditures, including interest, bountles, c., to be \$321,490,597. The estimates of the ensuing year are more favorable to the Government, and will, no doubt, show a nuch larger decrease of the public debt. The excepts in the Treasury beyond expenditures	Britain and the United States, which failed to receive the advice and consent of the Senate to its ratification. The time and the circumstances attending the negotiations of that treaty were unfavorable to its acceptance by the people of the United States, and its pro-	families, and providing for the establishment of tribunals in the several countries for en-	\$34,531,031 for the expenses of the army for the next fiscal year is as low as it is believed can be relied on. The estimates of bureau officers have, been carefully sorntinized and reduced wherever	TREASURY DEPARTMENT, December 6, 1869. Thave the honor to submit herewith the annual report of the doings and condition of the Treasury Department. In this report I naturally treas first of matters of administration and then measures of public policy. The officers in charge of the various
eation; with institutions closing to none the avenues of fame or any blessing of fortune that may be coveted; with freedom of the pulpit, by news and the shoot with a revenue flowing. The	ave exceeded the amount necessary to place the credit of the Sinking Fund, as produced by law. To lock up the surplus in the reasury and withheld it from reulation would lead to such	visions were wholly inadequate for the settle- ment of the grave wrongs that had been sus- tained by this Government, as well as by its citizens. The injuries resulting to the United States by reason of the course adopted by Great	regulating the tariff on Russian hemp, and to the question whether to fix the charges on Russian hemp higher than they are fixed upon manilla is not a violation of our treaty with Russian placing her products upon the	it has been practicable. If, however, the condition of the country should be such, by the beginning of the next fiscal year, as to admit of a greater concentration of troops, the appropriation asked for will not be expended.	bureaus and divisions of the Treasury Department have faithfully performed their duties, and I com- mend their several reports to the consideration of Congress. The Treasurer of the United States has prepared an elaborate report, setting forth the present con-
ments of the government, happily, harmony is rapidly being restored within our own borders. Manufactures hitherto unknown in our procuntry are springing up in all sections, procuping a degree of national independence m	contraction of the currency affect the cosperity of the country. Under these circumstances the Secretary of the Treasury and vself heartily concurred in the propriety	Britain during our late civil war; in the increased rates of insurance, in the diminution of exports and imports, and other obstructions to domestic industry and production; in its effect upon the foreign commerce of the	same footing with those of the most favored nations. Our manufactures are increasing with wonderful rapidity under the encouragement which they now receive. With the improvement in machinery already effected and still	The appropriations estimated for river and harbor improvements and for fortifications are submitted separately. Whatever amount Congress may deem proper to appropriate for these purposes will be expended. The recommendation of the General of the Army that	dition of the Treasury, and furnishing a resume of the business of the Treasurer's office from 1801 to the present time. The long and faithful services of the present Treasurer entitle him to the grati- tude of the country. The report of the Commis- sioner of Internal Revenue is respectfully com-
nnequaled by that of any other power. These blessings, and countless others, are entrusted to your care and mine for safetheeping for the brief period of our tenure of office. In a short time we must each of us re-	us reducing the interest bearing indebtedness the country, and of submitting to Congress e question of the disposition to be made of	country; in the decrease and transfer to Great Britain of our commercial marine; in the prolongation of the war, and in the increased cost, both in treasure and in lives of its suppression, could not be adjusted and satisfied as ordinary com-	increasing, causing machinery to take the place of skilled labor to a large extent, our imports of many articles must fall off largely within alvery few years. Fortunately, manufactures are not confined	appropriations be made for the forts at Boston, Portland, New York, Philadelphia, New Orleans and San Francisco, if for no others, is concurred in I also ask your special attention to the recommendation	mended to the attention of Congress. Since the appointment of the present Commissioner the administration of the office has been constantly improving. The increase of receipts for the first five months of the present ilseal year, in the sam of \$14,431,333.01
that to the tanks our honors, and account to the ferred upon us our honors, and account to the ferred upon us our honors, and account to the ferred upon us our leading the ferred upon to the ferred upon upon the ferred upo	the Treasury amount to about \$75,000,000, cluding those belonging to the Sinking and I recommend that the whole be placed the credit of the Sinking Fund. Your at	mercial claims which continually arise be- tween commercial nations; and yet the con- vention treated these simply as such ordinary claims, from which they differ more widely in the gravity of their character than in the mag-	to a few localities as formerly, and it is to be hoped will become more and more diffused, making the interest in them equal in all sections. They give employment and support to hundreds of thousands of people at home, and	of the General commanding the military divi- sion of the Pacific, for the sale of the seal islands of St. George and St. Paul, Alaska Territory, and suggest that it either be com- plied with, or that legislation be had for the	over the amount collected in the first five months or the last fiscal year, is satisfactory testimony to the ability and integrity of the persons employed in that branch of the public service. The amount paid by warrants for collecting the revenue from customs during the fiscal year ending June 39, 1868, was
Emerging from a rebellion of gigantic magni- tude, aided as it was by the sympathies and as- sistance of nations with which we were at peace, eleven States of the Union were four the pears are left without a legal State Government.	r the creation of the office of Com- ssioner of Customs Revenue, for e increase of salary to certain classes of icials and the substitution of increased na-	nitude of their amount. Great even as is that difference, not a word was found in the treaty, and not an inference could be drawn from it, to remove the sense of the unfriendliness of the course of Great Britain in our struggle for	retain with us the means which otherwise would be shipped abroad. The extension of railroads in Europe and the East is bringing into competition with our agricultural products like products of other	protection of the Seal fisheries, from which a revenue should be derived. The report of the Secretary of War con- tains a synopsis of the reports of the heads of bureaux, of the commanders of military divi-	86.378,385.43, and for the year ending June 30, 1860, \$5,376,738,13, showing a decrease of \$1,001,637.30. This decrease in the cost of collecting the revenue has not been attended by any loss of efficiency in the service. On the other hand, it is believed that the means for the detection of smuggling are better
A national debt had been contracted. American commerce was almost driven from the seas; the industry of one-half of the country had been taken from the control of the capicalist and placed, where all labor right-	three per cent. certificates, and most escially to his recommendation for the repeal laws allowing shares of fines, penalties, feitures, &c., to officers of the Government	existence which had so deeply and univer- sally impressed itself upon the people of this country. Believing that a convention thus misconceived in its scope and inadequate in its provisions would not have produced the hearty, cordial settlement of pending ques-	countries. Self-interest, if not self-preserva- tion, therefore, dictates caution against dis- turbing any industrial interest of the country. It teaches us also the necessity of looking to other markets for the sale of our surplus. Our neighbors south of us, and China and	sions, and of the districts of Virginia, Missispipi and Texas, and the report of the General of the Army in full. The recommendations therein contained have been well considered, and are submitted for your action. I, however, call special at-	than ever before, and that the Custom-house service is also constantly improving. It ought to be understood that the chief means of collecting the revenue and entorcing the revenue laws, must be found in the administration of the Appliaisers' Department. The frauds and losses
The work of restoring State govern- ments loyal to the Union, of protecting and fostering free labor and providing means for paying the interest on the public	The office of Commissioner of Internal evenue is one of the most arduous and reposible under the Government. It falls but the, if any, short of a Cabinet position in its	the relations which alone is consistent with the relations which I desire to have established between the United States and Great Britain. I regarded the action of the Senate in rejecting the treaty to	Japan, should receive our special attention. It will be the endeavor of the Administration to cultivate such relations with all these nations as to entitle us to their confidence, and make it their interest as well as ours to	tention to the recommendation of the Chief of Ordnance, for the sales of arsenals and lands no longer of use to the Go- vernment; also, to the recommendation of the Secretary of War that the act of March 3d,	arising from actual snauggling are unimportant when compared with the fosses sustained through incompetent and dishonest examiners and appraisers. Assuming that honest men may be obtained for these important positions at the present salaries, it is yet true that an incompetent appraiser or
gress. Although your efforts have not met with the success in all particulars that might have been desired, yet, on the whole, they are heavy been more astisfactory than could have with	it, therefore, such legislation as in your algment will place the office upon footing of dignity commensurate the its importance and with	have been wisely taken, in the interest of peace, and as a necessary step in the direction of a perfect and cordial friendship between the two countries. A sensitive people conscious of their power, are more at ease under a	establish better commercial relations. Through the agency of a more enlightened policy than that heretofore pursued towards. China, largely due to the sagacity and efforts of one of our own distinguished citizens, the	1869, prohibiting promotions and appointments on the staff corps of the army, be repealed. The extent of country to be garrisoned and the number of military posts to be occupied is the same with a	examiner may daily subject the government to losses far exceeding his annual salary. Under ex- isting laws certain revenue officers and other per- sons appearing as informers, are entitled to shares in lines, penalties and forfeitures. During the fiscal year 1868-69 the Treasury Department dis-
Seven States which passed ordinances of secession have been fully restored to their places in the Union. The eighth (Georgia) held an election, at which she ratified her contesting a grown elected a Gov.	en required to fill it properly. As the United States is the freest of all na- ins, so, too, its people sympathize with all poles struggling for liberty and self-govern- int. But while so sympathizing, it is due to	great wrong wholly unatoned, than under the estraint of a settlement which satisfies neither heir ideas of justice nor their grave sense of the grievance they have sustained. The reection of the treaty was followed by a state of	world is about to commence largely increased relations with that populous and hitherto exclusive nation. As the United States have been the initiators in this new policy, so they should be the	reduced army as with a large one and a large number of staff officers required is more dependent upon the latter than the former condition. The report of the Sec'y, of the Navy accom- panying this shows the condition of the Navy	tributed the sum of \$226,073.61 to such officers and to informers, in the various cases arising under the customs revenue laws, and a large additional sum was also paid through the internal revenue office. The reasons on which the laws granting such allowances are based is that officers of the govern-
ernor, members of Congress, a State Legis- lature and all other offices required. For the Governor was duly installed, and the Legislature met and performed all the acts re- quired of them by the reconstruction acts of	cing our views upon unwilling liting, and from taking an in- ested part, without invitation, in the arrels between different nations or between	oublic feeling on both sides which to thought not favorable to an imme liate attempt at renewed negotiations. I accordingly so instructed the Minister of the United States to Great Britain.	most earnest in showing their good faith in making it a success. In this connection, I advise such legislation as will forever preclude the enslavement of the Chinese upon our soil under the name	the changes made since. Strenuous efforts have been made to place as many vessels in commission, or render them fit for service, if required, as possible, and to	ment are stimulated to greater activity in the dis- covery of frauds and in bringing offenders to punish- ment. There can be no doubt that such is the ef- fect of the policy, but the experience I have had in the Treasury Department has convinced me that the evils attending the system are greater than the ben-
Congress. Subsequently, however, in violation of the constitution they had just ratified, is since decided by the Supreme Court of the State, they unseated the colored members of has the Legislature, and admitted to seats some	ould always be in conformity with strict strice and law, international and local. Such a been the policy of the administration in thing with these questions. For more than	he time may soon arrive when the two Go- cernments can approach the solution of this	of Coolies, and also prevent American vessels from engaging in the transportation of Coolies to any country tolerating the system. I also recommend that the mission to China be raised to one of the first class. On my assuming the responsible duties of	substitute the sail for steam whilst cruising, thus materially reducing the expenses of the navy and adding greatly to its efficiency. Looking to our future, I recommend a liberal, though not extravagant policy, towards this branch of the public service.	its derived from it. It has become a practice for clerks and other persons who have held office in the Treasury Department, to accept employment as agents for attorneys for parties having claims against the Department, and there is reason to believe that in some in-
dauise of the Fourteenth Amendment to the Constitution, one article of which they themselves had contributed to ratify. Under these glir convertences I would submit to you wheth-	ar neighbor of ours, in whom all our people on the feel a deep interest, has been strugging for independence and freedom. The tople and government of the United States	ach, and with the determination not only to emove the causes of complaint in the past, but o lay the foundation of a broad principle of oublic law which will prevent future difficul- ies and lend a firm and continued peace and	Chief Magistrate of the United States, it was with the conviction that three things were essential to its peace, perpetuity and fullest developments. First among these is strict integrity in fulfilling all our obligations.	The report of the Postmaster-General furnishes a clear and comprehensive exhibit of the	stances the information obtained while in the public service has been used in aid of the claimants. Without detailing all the objections to this practice, I respectfully suggest that a law be passed barring persons from practicing before the Treasury De- partment as agents or attorneys in behalf of claims
to talaw authorizing the Governor of Georgia of convene the members originally elected to the Legislature, requiring each member to ake the oath prescribed by the reconstruction latters and none to be admitted who are ineliality.	npathies for the people of Cuba in their finding struggle that they manifested to oughout the previous struggles between find and her former colonies, in behalf of the ter; but the contest has never assumed a	riendship. This is now the only grave ques- ion which the United States have with any oreign nation. The question of renewing a treaty for re- iprocal trade between the United States and	Second, to secure protection to the person and property of the citizen of the United States in each and every portion of our common country, wherever he may choose to move, without reference to ori-	year ending the 30th of June, 1869, amounted to \$18.344,510, and the expenditures to \$23,698,131, showing an excess of expenditures over receipts, \$5,353,620. The excess of expenditures over	that were pending when such persons were officers of the Department. In March last there were employed in the Treasury Department, at Washington, 2,848 clerks, messengers and laborers, at a monthly cost of \$285,921.51. At present the whole number of such employes is 2,441,
consecutive the the third clause of the Four- eenth Amendment. The freedmen, under the protection which hey have received, are making rapid progress in learning, and no complaints are heard of	nse of international law, or which would in the existence of a de facto political anization of the insurgents sufficient to justify a recognition of belligerency.	ot been favorably considered by the Admin- strat'on. The advantages of such a treaty would be wholly in favor of the British pro- inces except possibly a few engaged in the	ginal nationality, religiou, color or politics, demanding of him only obedience to the laws and proper respect for the rights of others. Third—Union of all the States with equal rights, indestructible by any constitutional	\$6,437,992. The increase of revenues for 1869 over those of 1868 was \$2,051,909, and the increase of expenditures was \$967,533. The increased revenue in 1869 exceeded the	and their monthly pay amounts to \$238,289.84, showing a decrease of expenses at the rate of \$571,688.04 per annum. It was found necessary, however, during the period mentioned, to increase the force in the Internal Revenue office and in the office of the First Comptroller. This increase in the aggregate is at
this remuneration for their labor. The means provided for paying the interest f the public debt, with all other expenses of the Government, are more	s nation is its own judge when to accord the his of belligerency, either to a people strug- ng to free themselves from a government y believe to be oppressive, or to inde-	f the United States would be benefited by re- iprocity. Our internal taxation would prove protection to the British producer almost qual to the protection which our manufactu-	means. To secure the first of these, Congress has taken two essential steps—first, in declaring by joint resolution that the public debt should be paid, principal and interest, in coin; and	the increased expenditures in 1869 were	the rate of \$80,440 per annum. This statement does not relate to the force employed in the bureau of engraving and printing. In March last there were sixty-two special agents in the service of the department receiving, in the aggregate, for their services, the sum of \$371.10.per day. Each of these
the only result of the late rebellion which as not received sufficient attention from you. to this subject I call your earnest attention. will not now suggest plans by which this obline will not now suggest plans by which this obline.	ited States have no disposition to interfere a h the existing relations of Spain to her, onial possessions on this continent. They be- te that in due time Spain and the European	rrangement, however, for the regulation of ommercial intercourse between the United states and the Dominion of Canada may be desirable. The commission for ad-	second, by providing the means for paying. Providing the means, however, could not secure the object desired without a proper administration of the laws for the collection of the revenues and an economical disbursement of them. To this subject the	receipts in 1868, was \$2,430,535, the increase of	agents made his reports to the department, and acted under its direct orders. The number at present employed is fitty-four, and their daily pay amounts to \$368.85. The pay of the agents has been increased generally, in the hope that more efficient services might be obtained.
nake it the subject of a special depth essage during the session of Congress. At the March term Congress by a bert of the congress in the States of Virginia to order elections	se relations and establishing their present a sendencies as independent powers, mem- res of the family of nations. These depen- ncies are no longer regarded as subject to ansfer from one European power to another.	nd Fuget's Sound Agricultural Company pon the United States has terminated its abors. The award of \$650,000 has been made, and all the rights and titles of the Company in the territory of the United States have	Administration has most earnestly addressed itself with results, I hope, satisfactory to the country. There has been no hesitation in changing officials in order to secure efficient execution of the laws: sometimes	port of the Postmaster-General. Your attention is respectfully called to the recommendations made by the Postmaster General for authority to change the rule of compensation to the main trunk railroad lines for	Arrangements have been made for the manufacture of paper for the currency, and other obligations of the United States, and for the printing of the same, which increases the security of the government against unlawful issues from the genuine plates. Under the eleventh section of an act ap-
inia, Mississippi and Texas, to submit to hem the Constitutions which each had previously in conventions formed, and submit the constitutions either entire or in separate constitutions to be voted upon at	hen the present relation of the colonies of ses, they are to become independent powares, exercising the right of choice and of selfatrol in the determination of their future and dition and relations with other Powers.	een extinguished. Deeds for the property of the Company have been delivered. An ap- ropriation by Congress to meet this sum is sked. The commissioners for determining the	too, where in a mere party view un- deserved political results were likely to follow; nor any hesitation in sustaining efficient officials against remonstrances wholly political. It may be	services in carrying the mails, for having post- route maps executed, for reorganizing the effi- ciency of the special agency service, for the increase of the mail service on the Pacific, and for establishing mail ser-	proved June 30, 1864, entitled "An act to provide ways and means for the support of the government and for other purposes," a peculiar paper has been designated as the government paper, and by that act it is made a fellony for any person to have or retain in his possession any similar paper, adapted to
Under this authority elections were called. In Virginia the election, took place on the 6th off July, 1869. The Governor and Lieutenant-Governor elected have been installed. The	odshed in Cuba and in the interest of a Idghboring people, proposed their good ces to bring the existing contest to a termilion. The other not being accepted by Spain	Sorthwestern land boundary between the United States and the British possessions, unler the treaty of 1856, have completed their abor and the commission has been dissolved. In conformity with the recommendation of	well to mention, here, the embarrassments possible to arise from leaving on the statute books the so-called tenure of office acts, and to earnestly recommend their total repeal. It could not have been the intention of the	vice under the flag of the Union on the Atlantic. And most especially do I call your attention to his recommendation for the total abolition of the franking privilege. This is an abuse from which no one receives a commensurate advantage. It reduces	the making of any obligation of security of the United States, except under the au- thority, of the Secretary of the Treasury, or some other proper officer of the United States. Arrangements have been made for the manufacture of this paper by Messrs. Wilcov & Co.,
resolution, and by all the reconstruction acts of Congress, and abstained from all doubtful authority. I recommend that her Senators and Representatives, and the State, be fully this	Cuba was withdrawn. It is hoped that the I do diices of the United States may be prove advantageous for the settlement of for unhappy strife. Meanwhile, illegal ex-	British Government to abolish the mixed ourts created under the treaty of April 1,1862, dr the suppression of the slave trade. The	framers of the constitution, when providing that appointments made by the President should receive the consent of the Senata, that the latter should have the power to retain in office persons, placed there by Federal appointment, against the will of the President.	the receipts for postal service from twenty-five to thirty per cent. and largely increases the service to be performed. The report of the Secretary of the Interior	near Philadelphia, and the intils owned by them, which are exclusively devoted to this purpose, have been placed inder the supervision of the officers of the government, and such precautions have been taken for the custody of portions of the machinery as to render it improbable that the paper manufac-
Elections were called in Mississippi and lexas, to commence on the 30th of November, 1869, and to last for two days in Mississippi and four days in Texas. The elections have taken place, but the result is not known.	has been the endeavor of the Administra- n to execute the neutrality laws in good I th, no matter how uppleasant the task, de so by the sufferings we have endured s m lack of like good faith towards us by I	orporate company organized under the British law proposed to land upon the shores of the United States and to operate, there a ub-marine cable under a concession from his dajesty, the Emperor of the French-	The law is inconsistent with a faithful and efficient administration of the government. What faith can the Executive put in officials forced upon him, and those, too, whom he has suspended for reasons? How will such	posed of during the year ending 30th of June, 1869, was 7,656,152 acres, exceeding that of the preceding year by 1,010,400 acres. Of this	tured can be obtained by dishonest means. It is received by an agent of the government stationed at the mills, and upon the requisitions of the Department, it is shipped to the National Bank Note Company, the American Bank Note Company, or to the Printing Bureau of the Treasury, Department, as
t is to be hoped that the acts of the legisla- ures of these States, when they meet, will be such as to receive your approval and thus close the work of reconstruction. Among the evils growing out of the rebellion.	gers taken from it and carried as prisoners a Cuba. Representations of these facts were v	ommunication between the shores of France and the United States, with the very objection-ble feature of subjecting all messages concepted thereby to the scrutiny and control of	officials be likely to serve Andministration which they know does not trust them. For the second requisite to our growth and prosperity, time and a firm but humane administration of existing laws, amended	ment, apportioned to the States as swamp lands, and located with warrants and scrip.	the care may require. Arrangements have also been made with each of the two companies mentioned for preparing one set of plates for every issue of currency or other obligation. The engraving and printing burean at Washington prepares a third set, and each office
ble currency. It is an evil which I hope will consider the eceive your most earnest attention. It is a ling luty, and one of the highest duties of Government, to secure to the citizens a	de to the Spanish Government as soon as a total information of them reached Wash-ton. The two passengers were set at a crty, and the Spanish Government assured to United States that the captain of the fritte in making the capture had acted without is	nd British legations at Washington to be hade acquainted with the probable policy of congress on the subject, as foreshadowed by the bill which passed the Senate	from time to time as they may prove ineffective or prove harsh and unnecessary are, probably all that are required. The third cannot be attained by special legislation but must be regarded as fixed by the Constitution	venr \$2.840:140.	places an imprint upon every obligation of the government. Notice of the transmission of paper from the agent at the mills, and its receipt by each of the several officers of the deliveries there- from to the sealing bureau in the Treasury Dopart- ment, and also of deliveries to the Treasurer of the
nvarying value. This implies return to a specic basis, and no substitute for tean be devised. It should be commenced ish ow, and reached at the earliest practicable and	v; that he had been reprimanded for the gularity of his conduct, and that the Spanauthorities in Cuba would not sanction a y act that could violate the rights or treat could should be successful.	atives of the Company an agreement to ccept as the basis of their operations the pro- isions of that bill, or of such other enactment	tution itself, and gradually acquiesced in by force of public opinion. From the foundation of the government to the present time, the management of the original inhabitants of this continent, the Indians, has been a sub-	amount paid to pensioners, including the compensation of disbursing agents,	United States, is given each day by telegram or by letter, and on the following day the accountants in the Trensury Department prepare a statement showing the disposition of every sheet of paper manufactured. In the month of November, the paper at the
nterests of the debtor class. Immediate re- umption, if practicable, would not be de- inable. It would compel the debtor class o pay beyond their contracts the premium spo	The question of the seizure of the brig Mary well at one of the Bahanna Islands by the sainsh authorities is now the subject of correspondence between this government and those Spain and Great Britain. The Captain-	lso, to use their influence to come from the Errench Government a modification of their concession so as to persoit the landing upon French soil of any cable belonging to any company incorporated by the	ject of embarrassment and expense, and has been attended with continuous robberies, murders and wars. From my own experience upon the frontiers in Indian countries, I do not hold either legislation or the conduct of	ously manifested in its legislation for the soldiers and sailors who suffered in the recent struggle to maintain that unity of government which makes us one people. The additions to the pension	mill, and in each of the several printing establishments was carefully counted, and the result compared with the accounts in the Treasury Department. In an aggregate of about 7,000,000 sheets received by the agent at the mills, discrepancies were found to the extent of sixty sheets of fractional cur-
would to bring bankruptey and ruinto thous- inds. Fluctuation, however, in the proper value of the measure of all values, gold, is letrimental to the interests of trade. It makes the man of business an involuntary gambler;	oclamation authorizing search to be made 8 vessels on the high seas. Immediate re- nstrance was made against this, whereupon a captain General issued a new proclama-	not to oppose the establishment of ny such cable. In consideration of his agreement, I directed the withdrawal	the whites who come most in contact with the Indian blameless for these hostilities. The past, however, cannot be undone, and the question must be met as we now fiind it. I have attempted a new policy towards	the repeated Amendments of the act of the 14th of July, 1862, which extended its provi-	rency paper, and for the money value of which the companies doing the work are responsible. The marine hospital service of the country is, upon the whole, in an unsatisfactory condition. Several hospitals have been erected at points where at present, they are not needed, while the great
nade, both parties speculate as to what will the the value of the currency to be paid and the ecceived. I carnestly recommend to you, evelen such legislation as will insure a gradual always.	United States, so far as authorized under it treaty of 1795. This proclamation, however, was immediately withdrawn. I have large felt that the most intimate relations of	ll opposition by the United States author ties to the landing of the cable and to the working of it until the meeting of Congress. regret to say that there has been no modifiation made in the company's concession, nor o far as I can learn have they at-	these wards of the nation (they cannot be regarded in any other light than wards), with fair results, so far as tried, and which I hope will be attended ultimately with great success. The Society of Friends is well known as having succeeded in living in peace	The large outlay which is thus occasioned is further increased by the more liberal allowance bestowed since that date upon those who, in the line of duty, were wholly or permanently disabled. Public opinion has	commercial cities of New York, Philadelphia, and Baltimore, have no hospital accommodations for sick and disabled seamen. The revenue marine system is an important and expensive branch of the custom revenue service. There are thirty-six vessels belonging to the depart-
diate stop to fluctuations in the yalue of currency. The methods to secure the former of these results are as numerous as are the speculators on political economy. I who	United States and all indepen- tractions on this continent. It y be well worth considering U ether new treaties between the United t	empted to secure one. Their concession excludes the capital and the citizens of the	with the Indians in the early settlement of Pennsylvania, while their white neighbors of other sects in other sections were constantly embroiled. They were also known for their opposition to all strife,	given an emphatic sanction to these measures of Congress, and it will be conceded that no part of our public burden is more cheerfully borne than that which is imposed by this branch of the service. It neces-	ment, of which twelve are salling vessels and twenty-four are steamers. The vessels now in the service have been purchased and built at various times, and, as far as I can ascertain, without special reference to the nature of the duty to be performed, and certainly without any matured plan. I shall, therefore, take the opinion of a board of
paper at a fixed price whenever presented, and to withhold from circulation all currency ject so redeemed until sold again for gold. The the wast resources of the nation, both developed the	endly, commercial or otherwise. The sub- t of an inter-oceanic canal, to connect a Atlantic and Pacific Oceans through Isthmus of Darien, is one in	f monopolies in ocean telegraphic cables.	violence and war, and are generally noted for their strict integrity and fair dealings. These considerations induced me to give the manage- ment of a few reservations of Indians to them, and to throw the burden of the selection of	sitates further, next fiscal year, in addition to the amount justly chargeable to the naval pension fund, an appropriation of thirty millions dollars. During the year enging the 30th of Sept., 1869,	competent officers upon the following points: First. The size and character of vessels required by the nature of the service that they are to perform. Secondly. Whether they should be constructed of iron or wood, or of a combination of these managements.
credit the best on earth. With a less burden of taxation than the citizen has endured for six years past, the entire public debt could be paid in ten years.	structions have been given to our Minister f the Republic of the United States of Col- c	urnished. The unsettled political condition of other countries less fortunate than our own, ometimes induces their citizens to come to be United States for the sole purpose of be-	agentsupon the Society itself. The result has proven most satisfactory. It will be found more fully set forth in the report of the Commissioner of Indian Affairs For Superintendent and Indian Agents not in the reservations, officers of the army were	the recommendation of the Secretary of the Interior, for uniting the duties of supervis-	when the report of the commission shall have been received proposals will be assued for the construction of four vessels as authorized. In addition to the parent mint at Philadelphia, are barrolly in the have been established at various
be forced to pay it in that time, Year by year the ability to pay increases in a rapid rate. But the burden of interest ought to be reduced as rapidly as can be done without the violation of contract. The public debt is represented that	g and a charter for the right of way to id, by private enterprise, such a a pork, if the survey proves it be practicable. In order to comply with a agreement of the United States as to a	hey return to their native country and reside, without disclosing their change of allegiance. They accept official positions of trust or honor which can only be held by citizens of their native land.	where Indian agents are sent, there or near there, troops must be sent also. The agent and the commander of the troops are independent of each other, and are subject	ing the education of freedmen with the other duties devolving upon the Commissioner of Education, If it is the desire of Congress to make the census which must be taken during the year 1870	times in different parts of the country—one at San Francisco, one at New Orleans, one at Charlotte, North Carolina, one at Dahlonega, Georgia, one at Denyer, Colorado, and one at Portland, Oregon. Under on act or Congress, passed, July 23, 1860,
in great part by bonds having from five to mi twenty and from ten to forty years to ruu, bearing interest at the rate of 6 per cent. and a C five per cent respectively. It is optional with the government to may these bonds at any the government.	ent of claims, it became necessary to send commissioner and Secretary to Lima in Australia last. No appropriation having been that hat. No appropriation having been that hat last last last last last last last la	They journey under passports describing them is such citizens, and it is only when civil disjord, after, perhaps, years of quiet, threatens heir persons or their property, or when their lative State drafts them into its military ser-	to 4 orders from different depart- ments of the Government. The army officer holds a position for life; the Agent, at the will of the President. The former is personally interested in living in harmony with the In-	more complete and perfect than heretofore, I would suggest early action upon any plan that may be agreed upon. As Congress at the last session appointed a committee to take into consideration	preparations are making for the sale of the mints at Charlotte, North Carolina, and Dahlonega. The mining and coining of the prectous metals is now so large a national interest that it deserves more attention than it has hitherto received. At present there is no bureau or officer in the Treasury Department at Washington, charged specially with the
mentioned upon their face. The time has functioned upon their face. The time has fall already expired when a great part of them may be taken up, and is rapidly approaching when all may be. It is believed that all A	ked that one be made, covering the past and it in ture expenses of the commission. The good offices of the United States to bring yout a peace between Spain and the South merican republics, with which she is at war.	rice, that the fact of their change of allegiance is made known. They reside permanently away from the United States, and they contribute nothing to its revenues; they avoid the duties of its citi-	dian, and in establishing a permanent peace to the end that some portion of his life may be spent within the limits of civilized society; the latter has no such personal interest. Another reason is an economic one, and	reference to the census, and to report a plan, I desist from saying more. I recommend to your favorable consideration the claims of the agricul ural	nanagement of this great interest. I, therefore, recommend that provision be made for the appointment of a proper officer to be intrusted with this branch of the public business, under the direction of the Secretary of the Treasury.
which are now due may be replaced by ha bonds bearing a rate of interest not exceeding four and one-half per cent., and as rapidly as the remainder become due that they may be replaced in the same way. To accomplish an this it may be necessary to authorize the in-	wing been accepted by Spain, Peru and a spain, congress has been invited to be held in a sahington during the present winter. A sant has been given to Europeans of exclusive right of transit over	zenship, and they only make themselves known by a claim of protection. I have lirected the diplomatic and consular officers of the United States to scrutinize carefully all such claims of protection.	still another, the hold which the government has upon a life-officer to secure a faithful discharge of his duties in carrying out a given policy. The building of railroads, and the access thereby given to all the agricultural and minusel regular for the country is readily.	with a population so largely dependent upon agriculture; the benefits that can be con- ferred by properly fostering this bureau	amount by the fact that in England and r rance and, mint expenses are much less than with us. It would, no doubt, have a tendency to prevent the expert of the precious metals in the form of bullion, as the mint charges were to be reduced or altogether abol-
the money centres of Europe, or by any the money centres of Europe, or by any right Assistant-Treasurer of the United States, at the option of the holders of the bonds. I suggest this subject for the consideration of Congress:	osta faca has given its assent, hich, it is alleged, conflicts with the vested ghts of citizens of the United States. The epartment of State has now this subject ider consideration. The Minister of Paru	affairs I shall not consent to imperilthis	mineral regions of the country is rapidly bringing civilized settlements into contact with all the tribes of Indians. No matter what ought to be the relations between such settlements and the aborigines, the fact is that they do not harmonize well, and one or	call the attention of Congress to the inadequate salaries of a number of the most important officers of the government. In	Ished. During the month of December the department will be prepared to submit a report upon the condition of our commercial marine. That report will show that the navigation interest of the country has not recovered from the losses sustained during the
also, simultaneously with this, the propriety of redeeming our currency, as before suggested, stratts market value, at the time law goes into effect increasing the rate at which currency will the	ate of war between Peru and Spain, and that hain was constructing in and near New York control of the property gunboats which might be used by	fictitious or fraudulent claimants. On the accession of the present Administration it was found that the Minister for North Ger- many made propositions for the negotiation of	the other has to give way in the ond. A system which looks to the extinction of a race is too horrible for a nation to adopt without entailing upon itself the wrath of all Christendord, and engendering in the citizen a disregard for human life and the rights of	Court. No change has been made in their salaries for fifteen years, and within that time the labors of the court have largely increased.	war, and also that efficient measures are necessary for its restoration. I cannot omit to call the atten- tion of Congress to the inadequacy of the salaries paid to officers in the Treasury Department who ex-

		NG BULLETIN—PHILADELI	PHIA, TUESDAY, DECEMBER 7,
and surveyors at all the principal ports of the country. The routine business of the department can be performed in a satisfactory manner by clorks receiving the compensation now provided by law, but men on whose judgment and discretion the	n Europe for speculative purpesss; the sign to put them supon the in action of the specific purpers of the control of the cont	e stimulated also by the desire to place our funds where they can be at all times own- anded. Thus influenced, large, suns are placed deposit with banks in the cities, and espe- ally the city of New York, which is the great cen- or trade and finance for the Atlantic coast. In a ordinary course of trade, the currency of the	Claims for supplies furnished the army during the war, amounting to \$2,809,806.13, have been received, of which \$298,033.87 have been allowed, and \$2,581,064.13 have been rejected. MEDICAL DEPARTMENT. The current expenitures of the Medical Veneral.
ousness or the country, and whose labors are not in Europe, and to ilmited to the ordinary hours of duty, should be unade to feel that they are properly compensated. There are two changes in the organization of the Treasury Department which I consider important. Pressing war, won	a considerable extent by persons, to fitteen under the influences to the red. Such a pante as existed in the opening of the Austrian and up lid be likely to induce the return did be to this country for sale to ems	untry tends in pillly to the cities, and it is "inwise stimulate this tendency by artificial means. But c evil does not end, with the impoverishment, of s country, as the banks in the city may be called on at any moment to respond to the drafts of their positors, they decline to make loans, representing in funds upon commercial paper payable on time, t insist upon making dall loans, as they are termed	ment during the iscal year, ending June 30, 1869, were \$233,561.21; the total expenditure of that department, including "war, debta" and "refundments," was \$708,305.36, and the available balance on hand at the close of the year was \$1,792,050.73. The health of the troops has been good. The total number of cases on the sick-list during the year was
the several auditors and comptrollers, and to whom all appeals shall be made upon questions arising in the accounting officers of, the Tresaury. The ercation of this effice; clothed with the powers indicated, will give uniformity to the accounting system, and, I trust, will be in the power of the officer of speels payments	banks, it is, therefore, in my will it that the larger part of the five-as ithdrawn, and that other bonds heir place, issued upon terms and confill admit of no doubt. In fine, in ion is not merely the resumption in 188 a measure by tradif it a not issue to the configuration.	th government bonds or other obligations pledged collateral security. Morchants will not borrow may in large sums payable on demand. The sequence is that the moneys thus accumulated the city banks, are loaned to persons engaged speculative purposes. The extent of this evil een in the fact that of the bank loans in city, of New York, in October, 1868,	teport was 2,367, or about 5.5 per cent. The number of deaths was 548, of discharges for disability, 1,128, 20. The number of commissioned medical officers for duty on June 30, 1860, was 161, being an average of one medical officer to 204 men. The number of the street was 239, besides described to the contract was 239.
The second change to which I call attention is in any opinion even more important. At present there are eight divisions in the Secretary's office, whose duties are connected exclusively with the customs Ject should tend to	the position can be maintained by tranquility, but also in periods one periods and seems to me, is plain. Every clayerment bearing upon the subappreciate the value of our paper.	,000,000 were upon commorcial paper and \$58,- 000 upon demand, with a pledge of collaterals; in October, 1869, \$99,000,000 were upon commor l paper and \$59,000,000 upon demand. In the mer year 41 per cent, and in the lutter year 37 cent. of the loans made by the New York banks	two of assistant surgeons in the medical corps. Pay Department. The Paymaster-General presents the following summary exhibit: Balance in bands of Paymasters at the beginning of the discal year, fully the
to pass finally, or in any way authorized the freesury be compared to pass finally, or in any way authoritatively, upon fluctions arising in the administration of the customs revenue laws. At the present time the revenue from the excise system. The number of men employed, and the distance in the number of men employed, and the distance in the number of men employed.	ill ultimately be necessary. I faculty suggest that the Secretary of collected with authority to reduce from illions of dollars in any one, the country be brought, gradutive without desayer, into a con-	re upon demand. A further result is seen in the that parties borrowing money upon commer taper for legitimate commercial purposes pay m3 to 6 per cent additional interest per annum compared with persons who borrow money for culative purposes. I, therefore, respectfully commend that a law be passed prohibiting absorby the payapent of interest by banks upon de-	
ministration of the system that arise in the adecise in the sessing to the service. The duties of superintending the collection of the customs revenue are so varied, delicate and important as to justify and require the exclusive attention of the most convertent to exclusive at-	oldable. On the lat of December, to so the public debt of the United sing bonds and cash on hand, 1,286,789.82. Of this amount the che of the pure sented by United States	its, and limiting also their loans upon collaterals in amount not exceeding ten per cent. of their ital. am satisfied also that the practice of certifying cks, even when funds are in the bank to the dit of the drawer of the check, is fraught with and that it ought to be entirely prohibited. he following statement exhibits the roceipts and	Accounted for as follows: Disbursements to the regular army. \$18,678,250.61 Disbursements to the Military Acade. my. 185,258.78 Disbursements to volunteers (back pay and bounties). 19,918,635.43
ent year in the administration of the internal revenue system, and the collection of the excise tax, justifies the opinion that the establishment of the office of Commissioner of Customs Revenue, corresponding in powers and position to that of the office of Commissioner of Internal Research	Illiary revenue of the country of Experiment (Constitution of the country of the fractional currency in 1865,564.68, and there is no occation in reference to this item of 1862, and the country of the c	enditures for the fiscal year ending June 30, 2. Receipts for customs, \$180,948,426.63; inter- revenue, \$158,356,460.86; lands, \$1,020,314.34; set tax, \$765,085.61; miscellaneous sources, \$27, \$29.77; total, exclusive of loans, \$370,943,747.21; conditure—civil service, \$56,474,081.53; pensions Indians, \$35,519,544.84. Wer, Descriptions	Total disbursements. \$38,782,144.82 I Amount refunded to Treasury. 48,948.37 Balance in hands of Paymasters June 30, 1869. 3,633,677.01 V Total. \$42,464,770.20 0
laws much more efficient and harmonious, while the revenue would probably be increased to the amount of many millions of dollars annually, nor is it probable that the expenses would be materially greater. Including interest earned and not paid, and delight of the local probable on precision in amount in the aggregate of the probable of the local pro	entation. These three items ince regate to \$431,861,763.18, and in exc sidered. exc unary 1, 1861, the sum of \$7,022,- and payable on the first of Janu-	501,991.61; Navy Department, \$20,000,757.97; rest on the public debt, \$130,694,242.80; premium on 7 3-10 U. S. Treasury notes, \$300,000; total, tusive of loans, \$321,590,507.75; receipts in exof expenditures, \$49,453,149.40. he following statement exhibits the receipts and enditures for the quarter ending September 30, Receipts—Customs, \$52,598,921.86; internal	The disbursements for reconstruction purposes are \$2,613.293.46, and the balance in hands of paymasters October 2, 1899, are \$110,643.79. The total amount disbursed by the Pay Department for additional bounties, including those settled by the Second Auditor and paid by the department on Treasury certificates, from the beginning to the 30th June last, is \$57,220,150.
on the first of March last was 2.525,463,20.01 dollars, and subject to the same conditions, it was 2.453,-559,735.23 dollars on the first of the present month, showing a decrease of 71,903,504.78 dollars. This apparent decrease of the public debt is less than the actual decrease. Considerable sums have been paid	1873. The bonds, known as ten- ting to \$194,567,300, are not pay- e six per cent, bonds payable in loar 3,667,000. As the bonds known ing en-forties, amounting in the ag- and 000, are not due and cannot be and 4, and 1881, it is unnecessary to \$13,	enue, \$47,926,352.51; lands, \$893,864.08; miscel- cous sources. \$7,412,483.57; total, exclusive of 18,8109,885,162.03. Expenditures, after deduct- the amount of repayments by disbursing officers others—Civil service, \$15,102,202.05; Indians pensions, \$13,547,942.79, War Department, 505,468.05; Navy Department, \$5.782,639 96; In-	The report of the Chief Engineer gives a detailed account of the operations of the Engineer Department, and of the means required to execute the duties devolved upon it. The officers of the Corps of Engineers, aided by details from other arms of the service and a number of civil engineers, have been on the service and a number of civil engineers, have been on the service and a number of civil engineers, have been on the service and a number of civil engineers, have been on the service and a number of civil engineers, have been on the service and a number of civil engineers, have been on the service and a number of civil engineers, have been on the service and a number of civil engineers.
viously ascertained, and, therefore, not included in any debt statement. The account of March 1, from the necessity of the case, included only the juterest accrued and not then payable, but as a matter of fact there were outstanding and overdue interest coupons, and these several millions have since been paid out of the orheld by the government.	cither due or will soon become experies class of the public debt, and hat attention should be directed. as sum of 875,447,890 has been are: interchlast, and the bonds are now ent. Before any measure for miss	st on the public debt, \$37,452,280.74; total, exive of loans, \$85,480,514.59; receipts in excess of enditures, \$23,351,107.43. The estimated rets and expenditures for the three remaining sters of the fiscal year ending June 30, 1870, as follows: Receipts for customs, \$135,000,000; rnal revenue, \$127,000,000; lands, \$4,000,000; sellaneous sources, \$20,000,000; total, \$286,	engaged upon the permanent national defenses, is survey of the lakes, river and harbor improvements, explorations and surveys, command and instruction of engineer troops, and in charge of public buildings, grounds, and works in the District of Columbia. Twenty-two officers of the corps have been doing duty in the several military divisions, departments, and districts, in the light-house establish.
secount has ever been kept with the several loans. Such measures as were found practicable in average since been taken to ascertain the exact remain on the first of the five-twenty be the United States in aid of railways, amounting to ereditors. Of the ere States only the unit neluded in the foregoing statement. During the	enty bonds can be consummated 000,4 ll be able to purchase at least peus dollars more. There will then nen of July next, about \$1,450,006,000 000; onds in the hands of the United ture and the substants are of two tweeters.	900. Expenditures—civil service, \$40,009,009; sions and Indians, \$21,000,000; War Departt, \$40,500,000; Navy Department, \$14,000, interest on the public debt, \$39,750,000; total, \$250,000; estimated receipt in excess of expenditions of the public debt, \$76,750,000; estimated receipts and expenditions of the public state of the public state of the public state of the	ment, and as instructors at the Military Academy. Work has been continued on the permanent defenses to the extent permitted by the small balances a remaining of old appropriations. These have been exhausted for the most part during the year, and the works have consequently been closed up. The battalion of engineers maintains its efficiency in drill and discipline, and in the duties of its speta.
seas of receipts over expenditures, including increst on the public debt of \$49,453,149,46. Of this excess \$12,992,370,03, as nearly as can now be assertained, arose previously to March 1, and the renainder, \$30,460,779,437 between that time and the less than 5250, the season of July. This excess was applied from the livest that the 250, forced to remain, citi	minimates it does not seem to me mine to rize the funding of the whole ones, which, as is now one-tanding on the let of July \$36,000,000 at least should be suf- per for purchase or redemption \$127.	ng June 30, 1871: Receipts—customs, \$185,000,-internal revenue, \$175,000,000; lands, \$5,000,000; ellaneous sources, \$28,000,000; Total, \$333,000,-Expenditures—ivil, Foreign and Miscellane-\$60,000,000; Interior, Indians and Pensions, 000,000; War Department, \$50,000,000; Navy Dement, \$18,000,000; interest on the public debt, 000,000. Total. \$291,000,000. Receipts in ex-	cial arm. The engineer depots, for the collection and storage of pontoon trains and other engineer equipments, have been well advanced toward completion. The fiscal affairs of the Ordnance department during the year ending June 30, 1869, were as foliated.
and the excess of receipts since July 1 has been based in the same manner. These purchases amounted in the aggregate on the 30th day of Nowenber, to \$75,476,800. A large part of the excess of receipts was realized in coin. Sales of gold have been made from time to time, and the proceeds applied to the purchase of bonds.	that entire public debt will be exting the easily redeemed. Between that that for the redemption of the bonds as to use in the year 1881. It may be mate		Dows Amount available from all sources \$18,283,813 Expenditures since June 30, 1868 2,787,325 Turned into surplus fund 1,000,000 In Treasury, not credited to appropriations 701,752 Credit of disbursing officers June 30, 1869 425,529 Officers June 30, 1869 1869
mounts of coin in Chicago, New Orleans, St. Louis and Baltimore, for the payment of duties, the ales of gold, and the purchase of bonds have been nade uniformly through the agency of the Assistant Treasurer at New York, and without any exense to the government, except the comparatively mail amount paid for advertising the proposals.	ut \$670,000,000, or hardly more car. Assuming that the pro- for an amount not exceeding mmend that it be offered in	Secretary of the Treasury.	officers, June 30, 1869
neen 32.8-10 per cent., and the average premium aid for bonds has been 16.98-100 per cent. Upon his basis of the sales of gold and the purchase of onds, the average price paid for bonds in coin has been 85.55-100 per cent. The act of February 25, 862, provided that the coin received for duties upon second. That the	The third class of \$400,000,000 and sty-five years and to be paid in seential conditions of the new be these: Include and interest shall be reported bonds known as five-twenty	WAR DEPARTMENT, \\ WAR DEPARTMENT, \\ November 20, 1869. \\ L. PRESIDENT: I have the honor to submit eport as Secretary of War, together with the sts of the General of the Army, and the differ-bureaus of the Department made since the last	fifty. There are sixty-one officers and fourteen ordnance storekeepers in the department, and of these officers, six are on detached duty. The cavalry have been supplied with Spencer carbines altered to use the musket metallic ammunition. The infantry, heavy artillery and engineers have been armed with the Springield breech-loading rifled musket. All these arms have given great Times of the state of the
part as a sinking fund, to the exter of the bonds. The the signed States. In conformity with this requirement I have purchased bonds to the amount of \$20.7. United States or in I thinking fund. These purchases are as substantial a the loan may desire.	principal be payable in this relie the contact payable either in the Europe, as the subscribers to tend trutt	nal report. ook charge of the office on November 1, 1869, ving the General of the Army, who had, with seed zeal and ability, performed its duties since leath of Secretary John A. Rawlins, on Septer 6, 1869. Of General Rawlins it can with a be said that the virtues of true manhood acterized his life as soldier, citizen, and	Instruction has continued in the several military departments during the year, the purpose being to so diffuse a knowledge of the service and distribute apparatus that every officer may have such information of the duty as may suffice, in case of emergency, to save life in or prevent disaster to his com-
the passage of the act and previous to the com- nencement of the administration. With the ex- ess of means at my command, I have purchased onds in addition to those purchased for the sinking and to the amount of \$5.5,432,000. These are held wise to subject eith	obscribers in Europe shall re- at London, Paris, Berlin, or ay elect. loans, both principal and in- from all taxes, deduction, or ort, unless it shall be thought zens of the United States to	sman, while on the records of the Department ever remain the evidences of his high honor, atriotism, and his sagacious judgment. ring the month of Octeber the General of the y was acting as Secretary of War, and the lal reports, which were by his direction added to the Adjutant-General of the Army.	mand, The signal service has been brought into active use in operations against Indians on the plains. PREEDMEN'S BUREAU. The operations of this bureau have been closed, except the educational and bounty divisions, and two hospitals for freedmen. The number of officers,
dided to the sinking fund, and that any learning purchases that may be made be so dided until the gross amount shall constitute fund equal to that which would have been reated if there had been no delay in the execution of the law. The depreciation of the currency is due to the constitution of the law. The depreciation of the currency is due to be the constitution of the law. The depreciation of the currency is due to be the constitution of the currency is due to be the constitution of the currency is due to be the constitution of the currency is due to be the constitution of the currency is due to be the constitution of the currency is due to be the constitution of the currency is due to be the constitution of the currency is due to be the constitution of the currency is due to be a constitution of the	ws of the United States derived from investments one, and each seems to me to n, why the bonds of the United apt from State and local taxes. The amount of the taxes imposed tes will be added to the interest gives	prior to the date of this report, few recom- lations will be made at length, but the mate- matters of the reports presented will be refer- one concisely as possible. In EMPORT OF THE CENERAL OF THE ARMY. a clear view of the administration of the	agents and clerks, has been reduced from nine hundred and one to one hundred and fifty-eight. No further reduction is practicable so long as the present operations shall continue. The bureau has had under its care, up to June 30, 1869, 584,178 persons. All the hospitals but two have now been closed or transferred to the civil authorities, and one of the remaining two is about
ndly, to the want of faith in the government, and the extent of the influence of the first named cause annot be ascertained until the second is removed abstantially. Whenever our credit shall be so such improved at home and abroad that holders of ur bonds are disposed to retain them, even when the public prind is excited upon thanglal subjects.	nent will be compelled to pro- ed by the local authorities, as the ability to borrow may, ances, be essential to the pre- ernment, the power should not be and prosperity be qualified withe	nt condition and recommendations for its e organization. Its importance is such that a sile cannot justly be given. The recommends of the General of the Army as to its ruture sization are presented for your consideration at abridgment. He refers fully to the re-	being closed. There will then remain but one, which is located in the District of Columbia, and cannot be dispensed with at present. The expenses of the bureau were met the first year with the proceeds of rents, sales of crops, school taxes and tuition and the sale of "Confederate States" property. The amount received from all these miscellaneous sources was \$1,865,645.80, and
the means by which maintained. The rig ansaction of the business of the country cannot be fixed accurately. Since the close of the ar the wants of the States of the South are the wants of the States of the South are increased, and consequently a large amount of artency has been withdrawn from other sections	the National government is ght to use its lawful powers, restriction or claim of another litton of sovereignty, and the the should never surrender or hib particular. In offering the d subjects of other govern- the or	yself as to these will be found embodied in betracts of the reports hereinafter referred to. endorses the recommendation of the Adju-General of the Army for the repeal of so much tion six of the act of March 3, 1869, as project of the appointment or promotions, leaving ganization of the Adjutant-General's Depart.	from appropriations by Congress—since July, 1866, \$11,084,750, making a total of \$12,950,395.80 received from all sources. The expenditures, including the accounts of the "Department of negro affairs," and from June 1, 1865, to August 31, 1869, have been \$11,194,028.10.—In addition—to—this, subsistence, medical supplies, and quartermaster supplies, were expended, amounting in cash to \$2,330,788.72, but
the interest and prince construction the Pacific Railroad is likely to result in the actific Railroad is likely to result in the actific coast. It is probable that the demand for apper for that purpose will not be less than thirty likely of deliver. And consequences a correlation to subscribe allowed t	cipal are to be paid in coin, is of the bonds issued, without that whatsoever. the necessity of employing gotiation of the loan, I are the metal commission of the responsers, and that those who first and responsers.	28, 1866. An increase to the number of Assist- nespectors General is recommended. With re- to the Bureau of Military Justice, the Secre- ays: 3 Judge Advocate-General reports the number sords of military courts received, renewed egistered to be 14,944; number of special re-	whose real value when transferred to the bureau was probably less than one million of dollars. Adding their original cost to the cash expended, the total expenses of the bureau have been \$13,524,—816.82. Attention is called to the recommendation of the report that the hospital in this District be continued, and that the payment of bounties be
antity of coin will be withdrawn from circula- ion, and thus practically the coin will be increased on the Atlantic coast, and the paper in circulation the States east of the Rocky Mountains will be aterially reduced. These changes will tend to di- inish the difference between paper and coin. The allies of the country to resume success pages as	riptions respectfully shall be commend, in connection with at the banks established under national currency," be reliable bonds that may be issued an act for those now deposited In	expenses of the Quartermaster's Department g the fiscal year ending June 30, 1869, were 8,484.08, a reduction of fourteen and a half ins below those of the preceding fiscal year. February, 1869, the number of civilians hired	continued, by thisor some other agency, until all should have a reasonable time to present their claims. The report of the Board of Visitors to the Military Academy for the present year is one of unusual importance and interest. The condition of affairs generally was found to be all that could be desired or
any shall be mark to the condition of its industries and to stimancial relations to other countries. These, of curse, will be more or less dependent upon the meral policy of the government. The war excusted the country of its material wealth, and the states of the South were literally impoverished. A nesse tates of the South were literally impoverished. A continuous condition for the resumption of species of the proposed near the recent reversible of the proposed of the pro	nade for the surrender of its hundrity given for the organization supply the delicions ential condition to the success we loan is the continuance nue system. A chief means to seri	set ine officers have done duty in the Quar- ster's Department, in addition to the officers it establishment, eighty-four in number. report states that the clerical force of this has been reduced so low by late legislation as onsly retard the public business, and to pro-	Academy, but the organization itself, which has remained unchanged since the days when the army was but 10,000 strong, and the nation was very far age below its present size and importance among other nations, is declared to be madequate to meet the attive demands of the country, and a reorganization accordingly recommended: The institution to be
e nation both South and North, and the conse- ent accumulation of the movable products of dustry to such an extent that our exports of the certainty oducts should be equal substantially to our sports. So long as it is necessary to pay for mer- andize imported by the transfer of government and or other evidences of indebtedness, to other allower rate of interest	to surrender them and received in the me, and at a lower rate of infurnished by the magnitude is much us the prepared to offer them of accepting the new bond at tor payment of the principal a year	force is necessary. illiding capable of accommodating all the bu- of the War Department, fire-proof and secure, the needed. The monthly rental of buildings shington and lots occupied by buildings owned it United States, amounted to \$4,264.19, being ly rental of \$50,954.28.	preatly enlarged; the number of cadets greatly in- reased; the standard of admission to be raised; and the cadets to be divided into two classes—one pur- suing an ordinary course of military instruction, and ts members returned to civil life upon graduation, o spread a knowledge of the military art through- but the land, and supply trained officers for the
sume and maintain specie payments. When the oducts of industry exported shall be equal, submitted, there will be no demand for specie for port except what may arise from the circumstreet, the ordinary expenses the ordinary expenses that our bonds held abroad as the ordinary expenses that our bonds held abroad as the ordinary expenses the ordinary exp	d to the amount of \$1,000,000,- the revenues can be reduced the revenues can be reduced the revenues to relate the revenues to reduced the revenues to reduced the revenues to reduce the revenues to reduce the reduced the r	ad material of the Quartermaster's Depart- was sold on credit at the end of the war, in- l a debt originally of \$7,591,406. Interest has sed this amount to \$9,000,000, about one-half ch has been paid; but some railroads being in t, and, showing no disposition to meet their	mergencies of war; the other, selected from the purpose in members of the former class, and equal n number only to the yearly wants of the army, to oursue their studies and practice to the very limits if military science. The estimates for the support of the Academy it which \$212,019.20 is for pay and allowances of in-
occeds exported in coin. When the credit of ecountry shall be fully established in Europe, disposition of the per sposition to meet all our obligations, bonds herefore and now to a large extent, held by merchants d bankers will be transferred to capitalists for rmanent investment. When this change shall upon the work of redu	or the fact that the ability and brong pole of the United States, to But trates in the markets of the be in a condition to enter cing the tax at the commence with a	ht against them. few vessels have been owned by this Depart- during the year. railroads of the country, having declined to so to the war rates of transportation, have been uring the fiscal year upon their general tariffs classification of military supplies settled in	fructors and cadets; MILITARY DIVISION OF THE MISSOURI. This division, commanded by Lieutenant-General hun Sheridan, embraces the Department of Dakota; how Platte and the Missouri, commanded respectively by Major-General W. S. Hancock, Brevetlanjor-General Augur, and Brevet Major-General (32)
on the 30th of June, as a concurring fact, our exports, exclusive of public securities, shall be equal to our imports, specie payments may be resumed without the amount outstanding the country. On the 30th of June, shalling three per centificates was \$71,604,83 the amount outstanding the amount outstanding the country.	t. certificates and compound ble into three per cent. cer- ble into three per cent. cer- ple into three per cent. cerple into three per cent. cert. ce	s. There have been paid for water transporta- luring the year, \$1,424,222.82, and for railroad ortation, \$2,253,304.30. Of this amount \$933,- was paid to the Pacific railroads, one-half paid in cash, and the other half retained in the ary to meet the interest on the bonds guaran- y the United States.	ichofield. These three departments cover a terri- orry of great extent, in which most of the civil- zed, semi-civilized, and wild Indians abide, and nclude the States of Hinois, Iowa, Missouri, Kan- say, Nebraska and Minnesotta, and the Territories of Colorado, New Mexico, Wyoming, Utahi Dakota, dontana and the Indian: The administration of incl hese departments has been ably and occupantially iffty
country in its financial relations with other intries is the development of our commercial frine. The returns show that a very large amount the foreign trade is in English hands. Ve are not only thus dependent upon a rival thus performance of the husiness which their full nominal	on in seventeen months of ee per cent cortificates, to a r United States notes, being has as a portion of their relationstrates, though not to value, they swell the vol-	e Interior, supplies for the Indian service are it cansported by the Quartermaster's Departon routes in the Indian territory—the actual the under the contracts, being refunded to the repartment out of the appropriation of \$2,000,—because the Indians, granted April 10.	onducted, but the number of froops now on duty to in them is deemed insufficient, with the present rejuced strength of companies, to meet the wants of for static trength of companies, to meet the wants of the service. The troops at the different posts throughout this four division are quartered comfortably. The expenses of variable for the past. who
lity to maintain specie payments is materially ainished. If the entire foreign trade of the intry, both of exports and imports, were carried at the currency which would not be it than seventy five-millions of dollars a year. At sent the freights of the foreign trade in Ameriables of the foreign trade in Ameriables of not exceed twenty-eight millions of the redempt the sory measure for the redempt of the currency which respectively.	ion of the three per cent. cerble time, and, as a compulred thus be caused, that authort charters for banks in the king capital is less than the ould be entitled to an amount	les and issues, there still remains a stock r intover \$42,000,000. r private cometeries in which soldiers lio I. The titles of 71 of the national cometeries into the company of the soldiers into the company of the company	epartment of the Missouri accompanies the annual to of eport of General Sheridan, and covers the operasions of troops up to the 15th of October, emracing many combats, in which the number of ndlans killed was ninety-two, number wounded war naknown; number of soldiers killed six, and counded ten: number of civilians—men, women was
Vere the trade exclusively in American hands a ggregate. The reder ge part of this difference of forty-seven millions continued the second the second that a might be so arranged disturbance in the fine goods imported from those countries. Aggregate. The reder disturbance in the second the second disturbance in the fine goods imported from those countries.	nption of the three per cent. ditions to the banking capital as not to produce a serious neces or business of the countanking capital would be support in need of it, and this withat you must be supported by the country of the count	al; 322,697 interments are reported, of which is bave been identified. The expenditure on ork has been nearly \$3,000,000. SUBSISTENCE DEPARTMENT. Stence supplies for the army have been to procured in the large market cities of the y. The average cost of the ration at these tables about 23 cents. Efforts to prouve a reliable heap about 23 cents. Efforts to prouve	the childrenmurdered by the Indians, was the eventy-nine, and nine wounded. MILITARY DIVISION OF THE SOUTH. This division, under the command of Major-Genral Halleck since the 17th June last, is composed that the companies of the Cumberland, of Louisina, of Mississippi, and of the South, commanded hull separatively by Krayet Major-General Cooke, Bres.
Thire I do not anticipate that it will be necessary which resumption until our proper commercial which require remedy ition is regained, I am satisfied that the developint of the navigation and ship building interests in improve the credit and rapidly augment the affect of this practice althout the country. The suggestions that I have the indicate my opinion that it will not be wise to regular mercantile and	n the present banking system by prompt and efficient leg- therest upon deposits. The lathat moneys in the hands otherwise night be loaned for d other business purposes are	cats on the Facilic coast for troops stationed thave met with great success, supplies of ent quality having been obtained at favorable to Tobacco, at an average monthly value of land the Freedmen's Bureau has been supplied to the troops at cost and the Freedmen's Bureau has been supplied to the value of nearly \$250,000.	ot Major-General Mower, Brevet Major-General as names, and Brevet Major-General Terry, and inludes the States of Kentucky, Tennessee, West Irginia, Arkansas, Louisiana, Mississippi. Alaman, Florida, Georgia, and North and South Carolina. The principal occupation of the troops in this or in
prest-hearing debt of the country is represented that if the security is five-twenty bonds and held by European mer- type honders and manufacturers. Questions that if there remote from large	not better, payment can be notice. Country banks, and Treas payment can be remain a country banks, and Treas have a best for which they pay litter-	der is in process of refunding at the erry. The issues to Indians at various points mounted to more than \$150,000, and, at the stof the Interior Department, stores valued c	iyision has been in assisting revenue officers to cau xecute the revenue laws; assisting United States harshals in executing the process of the United states courts; in enforcing the laws relative to the currights of freedmen, and all laws for the procession of life and property.

elies for the proper transaction of the country, and whose labors are not ordinary hours of duty, should that they are properly compensated; we changes in the organization of the partment which I consider importance to which I refer is the creation	not in Europe, and to a considerable extent be who will dispose of them under the ini which I have referred. Such a panic as he Europe in 1866, at the opening of the Aust Prussian war, would be likely to induce the constant of the sufficient results.	snow held country tends is to attinuiste this the evil does not existed in the country, is the raturn depositors, they co	pidly to the cities, and it is 'unwise' to denote by setting in means. But end, with the impovershment of we banks in the city may be called ent to respond to the drafts of their lectine to make loans representing
control the system of accounting tentre and comptrollers, and to whe all be made upon questions arising g officers of the Treasury. The credition of the treasury of the free credition of the treasury.	be barrass business; and in case of resumption by the suspension of banks. It is, therefore in twenty bonds be withdrawn, and that of be substituted in their place, issued upon all-conditions which will admit of no doubt	nt to cause to int insist upon ment for the five- ner bonds torms and to make the city banks	commercial paper payable on time, aking call loans, as they are termed bonds or other obligations pledged rity. Merchants will not borrow ums payable on demand. The at the moneys thus accumulated, are loaned to persons engaged.
ve uniformity to the accounting sy ust, will be in the power of the office simplify the system and material penses of the Department in this pa change to wnich I call attention is	the practical question is not merely the re of specie payments as a measure by itself difficult, but the problem is to resume u circumstances that the position can be m not only in times of tranquility, but also of excitement and peril.	sumption in speculative put it is not its seen in the finder such the city of laintained \$98,000,000 were to periods of 000,000 upon demi and in October, is	rposes. The extent of this evil act that of the bank loans in New York, in October, 1868, pon commercial paper and \$68, and, with a pledge of collaterals; \$89, \$99,000,000 were upon commer
en more important. At present the sistens in the Secretary's office, who neeted exclusively with the custon. There is no person, except the Treasury, who is by law authorize, or in any way authoritatively, up	measure of the government bearing upon its ject should tend to appreciate the value of our currency. It is probable that some decreed volume of paper will ultimately be necessary to the reference of the control of the reference	the sub- our paper per cent of the louse in the wore upon deman ssary. I fact that parties i	19,000,000 upon demand. In the recent, and in the latter year 37 ans made by the New York banks d. A further result is seen in the corrowing money upon commercitimate commercial purposes pay
ing in the administration of the cultaws. At the present time the review is as large as the revenue from. The number of men employed its operations are nearly as great for the Secretary of the Treasury	the dirculation of United States notes in a more exceeding two millions of dollars in d, month. Thus will the country be brough the little of the country be brough the country be brought to difficult when the resumption of species pay.	n amount as compared with any one speculative purp into a con- lutely the paymen	nt: additional interest per annum- persons who borrow money for oses. I, therefore, respectfully law be passed prohibiting abso- tt of interest by banks upon de- ig also their loans upon collaterals
rious questions that arise in the a of the system that attention which service. of superintending the collection of wente are so varied, delicate and in justify and require the exclusive a	d- 18 1869, the principal of the public debt of the States, not deducting bonds and cash of - amounted to \$2,605,286,789.82. Of this and - sum of \$356,113,258.80 is represented by Unit	cecomber, to an amount not capital. I am satisfied al checks, even where the distance of this is evil, and that it or	exceeding ten per cent. of their so that the practice of certifying en funds are in the bank to the ver of the check, is fraught with ight to be entirely prohibited.
most competent person whose so btained. The experience of the pre- sadministration of the internal rev- id the collection of the excise ta- inion that the establishment of the dissioner of Customs Revenue, co.	reinced for circulation, but the amount of second from the ordinary revenue of the ceeff Congress shall consider it expedient to mass, sion for such reduction. The fractional cut circulation was 33,885,561.63, and there is son for any legislation in reference to the	air be re- ountry if expenditures for ke provi- rrency in nal revenue, \$15 in o occa. direct tax, \$765,08 is item of 702,829.77; total, e	atement exhibits the receipts and the fiscal year ending June 30, or customs, \$180,048,426.63; inter- 8,356,460.86; lands, \$1,020,314.34; 5.61; miscellaneous sources, \$27, xelusive of hars, \$370,913,717,71
powers and position to that of that alssioner of Internal Revenue, an ent of a competent Commissione, the execution of the customs revenu- pre efficient and harmonious, while pould probably be increased to the	dd ficates for gold deposited in the Treasu r, amount of \$30,862,940. These certificates te deemable on presentation. These thr de amount in the aggregate to \$431,861,763.1 making provision for the public debt the	8, and in mium on 73-10 U.	l service, \$50,474,081.53; pensions 15,519,544.84; War Department, avy Department, \$20,000,767.97; ubblic debt, \$130,694,242.80; pressure proces, \$300,000; total, \$321,590,597.75; receipts in ex-
ny millions of dollars annually, nor at the expenses would be materiall erest earned and not paid, and do hand the debt of the United State March last was 2,525,463,260.01 dollars the same conditions, it was 2,453,	occessary to be considered. Of the loan of January 1, 1861, the sum o occidence on the first ary, 1871. The loan of 1858, of twenty mi lars, is payable in 1873. The bonds, know forty bonds, amounting to \$194,507,300, are	f \$7,022,* of Janu- illon dol- nas ten- not pay- laneous sources.	atement exhibits the receipts and the quarter ending September 30, Justoms, \$52,598,921.86; internal \$52.51; lands, \$893,864.08; miscel- \$7,412,483.57; total, exclusive of
rs on the first of the present month trease of 11,003,504.78 dollars. The asse of the public debt is less than the Considerable sums have been paint and other old claims not printed, and, therefore, not included it	1881, amount to \$283,667,000. As the bond as eighty-ones and ten-fortics, amounting it gregate to \$76,244,900, are not due and c paid previous to 1874, and 1881, it is unnecedured them in making provision for a paid provision for a paid previous to 1874, and 1881, it is unnecedured.	ayable in loans, \$100,533,102 Is known ing the amount of n the ag- and others—Civil aunot be and pensions, \$ cessary to \$13,505,463.05; Nav law loan, terest on the public	63. Expenditures, after deduct- repayments by disbursing officers service, \$15,102,202.05; Indians 13,547,942.79, War Department, y Department, \$5,782,639 96; In- ic debt. \$37,482,280.74; ratel ex-
ment. of March I, from the necessity of the only the judicest accrued and no out as a matter of fact there were doverdue interest coupons, and thes have since been paid out of the or	to \$1,602,571,100 are either due or will soor due; and it is to this class of the public (to this class alone, that attention should be Of this amount the sum of \$75,417,800 h purchased since March last, and the bonds	lebt, and directed. celus and expenditures, sz celus and expenditures of the figure as follows: R are now internal revenue,	litures for the three remaining scal year ending June 30, 1870, eccipts for customs, \$135,000,000; \$127,000,000: lands, \$4,000,000;
Previous to March I no interest r been kept with the several loans so as were found practicable en taken to ascertain the exac ses accounts. The bonds issued be tes in aid of rallways, amounting to	funding the ive-twenty bonds can be consult the government will be able to purchase seventy-five million dollars more. There we remain on the first of July next, about \$1,45 y of the five-twenty bonds in the hands of the	immated 000,000. Expendition at least pensions and Invited ment, \$40.500,000 000; interest on the public \$209.250,000; estimated	ated receipt in excess of expendi-
ing in the nature of a loan, are no of oregoing statement. During the gray June 30, 1869, there was an executive expenditures, including in blic debt of \$49,453,149.46. Of thi 70.03, as nearly as can now be as	States only the unimportant sum of twent million dollars will be due and payable pre 1814. Under these circumstances it does not see to be wise to authorize the funding of it	tures based upon e evious to ending June 30, 18 000; internal reven in to me miscellaneous sour	estimated receipts and expendi- tisting laws for the fiscal year [11] Receipts—customs, \$185,000,- ne, \$175,000,000; lands, \$5,000,000; res, \$28,000,000. Total, \$333,000,- —ivil, Foreign and Miscellane- nterior, Indians and Pensions,
previously to March 1, and the re 0,779.43, between that time and the r. This excess was applied from the purchase of live-twenty bonds of receipts since July 1 has beer same manner.— These purchases	anticipated, will be ontranding on the ist next; but that \$250,000,000 at least should fered to remain, either for purchase or red previous to 4874. Should the sum of \$250,00 left for that purpose, the entire public deb	t will be estimates of receip	partment, \$50,000,000; Navy De- 00; interest on the public debt, 1. \$291,000,000. Receipts in ex- es, \$102,000;000. The foregoing ts are made upon the assumption
e aggregate on the 30th day of No. 476,800. A large part of the excess realized in coin. Sales of gold haven time to time, and the proceeds apciduse of bonds.	1874 and 1881 the ten-forty bonds could be p provision also made for the redemption of the which will become due in the year 1887. It what to reduce the proposed loan to \$1,000 which would then leave for payment pre	aid, and toms and internal as to materially at mates of the exper poon,000, vious to be made.	ow in force relating to cus- revenue will not be so changed lect the revenue, and the esti- ditures are based upon the ox- xtraordinary appropriations will
oin in Chicago, New Orleans, St. more, for the payment of duties, the dd the purchase of bonds have been through the agency of the Assist- at New York, and without any ex- ternment, except the comparatively	than \$60,600,000 a year. Assuming that posed loan will be for an amount not ex \$1,200,000,000, I recommend that it be of three classes of \$400,000,000 each. The first \$400,000,000 to be payable in fifteen years a	the pro- ceeding fiered in class of nd to be Report of t	Secretary of the Treasury. he Secretary of War.
paid for advertising the proposals, centium on gold since March 1, has cent, and the average premium has been 1698-100 per cent. Upon e sales of gold and the purchase of age price paid for bonds in coin has	000,000 to be payable in twenty years and to in twenty-five years. The third class of \$400 to be payable in twenty-five years and to be thirty years. The essential conditions of loan appear to me to be these:	be paid 0,000,000 paid in the new MR. PRESIDENT my report as Secre	WAR DEPARTMENT, CITY, November 20, 1869. \(\): I have the honor to submit tary of War, together with the
er cent. The act of February 25, nat the coin received for duties upon dis should be numally set inking fund, to the exter of the entire debt on the In conformity with this required.	Second. That the bonds known as five bonds shall be received in exchange for bonds. Third. That the principal be payable country and the interest respile either	ent bureaus of the annual report. I took charge of relieving the General	cral of the Army, and the differ- Department made since the last the office on November 1, 1860, ral of the Army, who had, with bility, performed its duties since
chased bonds to the amount of \$20, ignated them as belonging to the linese purchases are as substantial at the statute from the 4th of March t felt myself authorized or required riston for the time that clapsed for	United States or in Europe, as the subscr the loan may desire. Fourth. That the rate of interest shall no like per cent. per annum. Fifth. That the subscribers in Europe series their interest at London. Peris. Re-	tember 6, 1869. Ot exceed truth be said the characterized his statesman, while o	ary John A. Rawlins, on Sep- Gerieral Rawlins it can with t the virtues of true manhood life as soldier, citizen, and be evidences of the Department to evidences of this high honor.
the act and previous to the com- the administration. With the ex- t my command, I have purchased n to those purchased for the sinking ont of 855,432,000. These are held d subject to the action of Congress,	Frankfort, as they may elect. Sixth. That the loans, both principal terest, shall be free from all taxes, deduc abatements of any sort, unless it shall be wise to subject citizens of the United States.	his patriotism, and During the month tion, or Army was acting thought annual reports, we tates to dressed to the A	his sagacious judgment. of October the General of the as Secretary of War, and the hich were by his direction ad- djutant-General of the Army, own report; transmitted to me.
fully recommend that they be sinking fund, and that any es that may be made be so he gress amount shall constitute to that which would have been had been no delay in the execution	poed by the laws of the United upon incomes derived from inve There are two reasons, and each seems to be a controlling reason, why the bonds of the States should be exempt from State and loce of the states are exempt to a support of the tayes.	stments days prior to the dune to mendations will be United rial matters of the datases.	ate of this report, few recommade at length, but the materreports presented will be refer-
o depreciation of the currency is due rst, the excessive issue; and sec- nt of faith in the government, and influence of the first named cause alned until the second is removed Whenever our credit shall be so	by the local authorities will be added to the the government will be required to pay, at the National government will be compelled vide for taxes imposed by the local auth Secondly—Inasmuch as the ability to borro	interest gives a clear view and thus army, and is very for present condition future organization w may.	of the administration of the auli, both in the statement of its band recommendations for its. Its importance is such that a control of the Army as to its future y
at home and abroad that holders of sposed to retain them, even when is excited upon financial subjects, to judgo more accurately the ex- issue of paper money. It is also antity of currency necessary for the	servation of the government, the power shot even in times of peace and prosperity be q by any concession to the States of the right the means by which the National govern maintained. The right to use its lawful	ualified without abridgmen to tax ports of the heads o ment is by myself as to the powers, the abstracts of the	esented for your consideration is. He refers fully to the re- bureaus. The remarks made the will be found embodied in freports hereinafter referred to. Serecommendation of the Adju-
he business of the country cannot accurately. Since the close of the of the States of the South and consequently a large amount of an withdrawn from other sections mand there created. The amount supports of the South will treatly.	is an essential condition of sovereignty, a National government should never surre qualify its power in this particular. In offer new loan, citizens and subjects of other of ments should receive the strongest assurant the interest and principal are to be paid!	and the inder or of section six of the hibits further appoint the organization of the ment as it was fixed	Army for the ropeal of so much act of March 3, 1869, as profit fitment or promotions, leaving the Adjutant-General's Depart by section ten of the act of crease to the number of Assist.
purposes of the South will steadily iext two years. The construction ailroad is likely to result in the aper for coin by the people of the its probable that the demand for irpose will not be less than thirty s. As a consequence, a very large	according to the terms of the bonds issued, a deduction or abatement whatsoever. In order to avoid the necessity of om agents for the negotiation of the decrepectfully recommend that a liberal combe allowed to subscribers, and that those w	without ant Inspectors Gene gard to the Bureau ploying tary says: The Judge Advoc mission of records of milit	ral is recommended. With re- of Military Justice, the Secre- tate-General reports the number ary courts received, renewed to 14,944; number of special re- tate of the secret received.
will be withdrawn from circula- actically the coin will be increased e coast, and the paper incirculation tof the Rocky Mountains will be ed. These changes will tend to di- erice between paper and coin. The	subscribe be permitted to select the class of in which their subscriptions respectfully a made. I further recommend, in connectio the proposed loan, that the banks established "the act to provide a national currency," quired to substitute the bonds that may be	bonds hall be QUARTERM. In with tunder be re- be re- issued millions below those	ASTER'S DEPARTMENT. DE Quartermaster's Department of ending June 30, 1869, were cition of fourteen and a half of the preceding fiscal year. A
untry to resume specie payments of our special legislation upon the secondition of its industries and to those to other countries. These, of more or less dependent upon the f the government. The war expendent to the countries of the government.	under the proposed loan act for those now de as scenrity for the redemption of their bills. any bank be unwilling to accept the new cor- provision should be made for the surrender charter, and authority given for the or- tion of new banks to supply the det	posited In February, 1803 Should by this department has since been red hundred line officer raniza- ictency of that establishmen	the number of civilians hired exceeded ten thousand, which en uced to four thousand. Five es have done duty in the Quarent, in addition to the officers t, eighty-four in number.
try of its material wealth, and the the were literally impoverished. A four for the resumption of specie e development of the industries of South and North, and the consetton of the movable products of	thus created. An essential condition to the so of the proposed new loan is the contil of the present revenue system. A chief by which the present holders of the five-bunds can be induced to surrender them and a bond upon longer time, and at a lower rate	muance office has been reducted to seriously retard the vide for the settlem of in- of in- A building capable	e of accommodating all the bu- cr
in extent that our experts of those be equal substantially to our gas it is necessary to pay for merd by the transfer of government idences of mdebtedness, to other ng it will be impracticable to	terest is the certainty furnished by the magn of the national revenue that these bonds are be redeemed. We must be prepared to offer the alternative, either of accepting the new halower rate of interest or payment of the pri of the existing bonds. When the five-twenty	soon to is much needed. The them in Washington and I by the United States neipal a yearly rental of \$50 bonds. The railway com	panies, to which the military en
tain specie payments. When the try exported shall be equal, sub- products of other countries im- all be no demand for specie for hat may arise from the circum- transport of the con- bonds held abroad are	shall have been funded to the amount of \$1,00 000 or \$1,2000,000,000, the revenues can be rematerially, and yet sufficient sums be raised to the ordinary expenses of the government, to printerest on the public debt, and also to pay \$5.000 to 50,000,000 of the principal annually, show	educed ment was sold on creo o meet curred a debt origin bay the increased this amount 5,000,- of which has been paralld our default, and, showing	the Quartermaster's Departdit at the end of the war, in- dit at the end of the war, in- ully of \$7,591,406. Interest has to \$9,000,000, about one-half did; but some railroads being in g no disposition to meet their
d in our markets and the ed in coin. When the credit of be fully established in Europe, e no doubt either of our ability or tall our obligations, bonds here a large extent, held by merchants	success in negotiating a new loan be equal to pectations, based upon the fact that the abili disposition of the people of the United Stap pay the public debt are sufficient to justify assuming that the bonds of the United State-Command the highest rates in the markets world. We shall then be in a condition to	ty and brought against then tes, to But few vessels human the during the year es will The railroads of the adhere to the war ra	ve been owned by this Depart- e country, having declined to the soft transportation, have been the
be transferred to capitalists for steen the probability of our securities under the influence of political or unce in Europe will be very slight, mourring fact, our exports, exclu-	upon the work of reducing the tax at the comment of the mext see ion of Cengress. On the 30th of June, 1868, the amount of seanding three per cent certificates and cominterest notes convertible into three per centificates was \$11,604,890. On the 30th of June	mence with a classification conference at a co	l year upon their general tariffs the first supplies settled in Minvention of general freight Scheen paid for water transportation, \$\frac{\psi_1}{222.82}\$, and for railroad is \$\frac{\psi_2}{22.82}\$, and for railroad is \$\frac{\psi_2}{23.304.30}\$. Of this amount \$\frac{\psi_3}{23.304.30}\$ in the Bedies railroad set \$\frac{\psi_2}{23.304.304}\$ in \$\frac{\psi_2}{23.304.304}\$ in \$\frac{\psi_3}{23.304.304}\$ in \$\frac{\psi_2}{23.304.304}\$ in \$\frac{\psi_2}{23.304.304.304}\$ in \$\frac{\psi_2}{23.304.304}\$ in \$\frac{\psi_2}{23.3
urities, shall be equal to our im- ments may be resumed without embarrassment to the business efficient means of strengthening to financial relations with other	the amount outstanding was \$54,991,410, sho reduction of \$16,413,480 in that form of ind ness. On the 1st of December, 1869, the a outstanding was still further reduced to \$49,7 showing a total reduction in seventeen mon \$21,888,740. The three per cent. certificate	wing a being paid in cash, ar obted- Treasury to meet the teed by the United S By arrangement be and the Interior, sup	tween the Departments of War co plies for the Indian service are in
development of our commercial rns show that a very large amount ie is in English hands. ly thus dependent upon a rival erformance of the business which ands of our own people, but our	considerable extent, for United States notes, largely hold by the banks as a portion of the serve, and thus indirectly, though r their full nominal value, they swell the une of currency, I recommend that provisionade for the redemption of the three per cen	being ment on routes in the cost, under the cost to War Department out to 000 for pacification of 1869. Although the	the Quartermaster's Depart- ie Indian territory—the actual intracts, being refunded to the of the appropriation of \$2,000,- f the Indians, granted April 10, amount of clothing and equip- doff the way her bear related.
n specie payments is materially the entire foreign trade of the exports and imports, were carried hips, the earnings would not be five-millions of dollars a year. At its of the foreign trade in Americaced twenty-eight millions of	tificates within reasonable time, and, as a co sory measure for the reduction in the amo currency which would thus be caused, that a ity be given to grant charters for banks States where the banking capital is less th share to which they would be entitled to an a	mpul- unt of valued at over \$42,00 uthor- in the an the mouat the post or private cen buried. The titles of have been approved	mal cemeteries and 313 local bracteries in which soldiers lie In 71 of the national cemeteries in as perfect by the Attorney-live
exceed twenty-eight millions of exclusively in American hands a difference of forty-seven millions e due to citizens of the United able in other countries. This thus added to our ability to pay	pot exceeding thirty-five millions of dollars aggregate. The redemption of the three per certificates and the additions to the banking complete be so arranged as not to produce a sidisturbance in the finances or business of the try, while additional banking capital would be	in the General; 322,607 into cont. 171,946 have been ide this work has been northly arrous sunsisted	erments are reported, of which an artifled. The expenditure on several contractions are reported, and are reported, of which are reported, or which are reported are reported.
d from those countries. Inticipate that it will be necessary on until our proper commercial ed. I am satisfied that the developation and ship building interests	plied to the sections now in need of it, and this out any increase of the volume of circulation. There are two cylis in the present banking a which require remedy by prompt and efficient shatten. The district the presence on their	salt meats on the Pa st there have met wit art of excellent quality hay	citic coast for troops stationed to the great success, supplies of Ar ing been obtained at favorable cit
o credit and rapidly augment the itry. The suggestions that I have opinion that it will not be wise to ments while so large a part of the ebt of the country is represented bits and held by European mer-	banks of allowing interest upon deposits, effect of this practice is that moneys in the of individuals which otherwise might be loan regular mercantile and other business purpose diverted into the custody of banks, upon the that if the security is not better, payment escured at a moment's notice. Country banks	es are piled with stores to most of which has al remainder is in 1 Treasury. The issu	rnished to the troops at cost ba linen's Bureau has been supt the value of nearly \$250,000, ready been paid for, and the exest of Indians at various points makes
d manufacturers. Questions that n regard to the nature of the obli- the government in the issue of undoubtedly deterred many per- ing them as a permanent invest-	others remote from large centres of trade, he received money or deposit for which they pay est, are anxious to transfer such funds to hands from which they will receive an equation.	inter- other at \$37,500, were issu ual or others, to prevent s	or than \$150,000, and, at the or Department, stores valued ed to destitute Osages and tarvation during the winter.

		PHIA, TUESDAY, DECEMB	2000 CONTRACTOR OF THE CONTRAC	HEET.	
esss the nar-man lent on	stimulated also by the desire to place ir funds where they can be at all times com nded. Thus influenced, large sums are place deposit with banks in the cities, and espe-	Claims for supplies furnished the army du war, amounting to \$2,899,806.13, have received, of which \$288.033.87 have been	ring the under the command of Me	ior-General Hancock each are as il Meade was placed in force as the	ed, and may be readily traced; and to signed such proportions of the available extent and circumstances of each may
for tre	lly the city of New York, which is the great cor of trade and finance for the Atlantic coast. I ordinary course of trade, the currency of the entry tends rapidly to the cities, and it is unwit	n- and \$2,881,061,13 have been rejected. MEDICAL DEPARTMENT. The current expenditures of the Medical	up and attached to the Depa the First Military district in Depart—sion, which now embraces	rtment of the East, and The Nor corporated in the divi- the States of Ohio.	o time require. th Atlantic squadron consisted, on the h last, of six (6) vessels, mounting in ali tt (28) guns, the whole under the com-
s to the	timulate this tendency by artificial means. Bi evil does not cud, with the impoverishment a country, as the banks in the city may be calle in at any moment to respond to the drafts of the	it were \$233,561.21; the total expenditure of partment, including "war debta" and ments," was \$708,305,36, and the available		Jersey, Pennsylvania. The Sou ia, and the District of important i	ar-Admiral Hoff. h Atlantic squadron, in charge of our necrests in these waters was, at the date and under the command of Rear-Ad-
urn dep em- sucl use but	ositors, they decline to make loans represently h funds upon commercial paper payable on time insist upon making call loans as they are terme	number of cases on the sick-list during the	reat was of the sea-coast and lake fro	r, the charge and care ntier defenses, and the violate the neutrality	, and consisted of six (d) vessels, mount- ty-six (56) guns. ic station on the date last mentioned was two squadrons, denominated the North
nds mon	n government bonds or other obligations pledge oliateral security. Morchants will not borro- ley in large sums: payable on demand. The sequence is that the moneys thus accumulate	d 1,128, and The number of commissioned medical of	The discipline and condition	courts. respectively n of the troops are re- Admiral To	South Pacific squadrons, commanded by Rear-Admiral Craven and Bear- riner—the North Pacific squadron com- pt (8) vessels, mounting, in all, seventy
not is se uch the	the city banks, are loaned to persons engage peculative purposes. The extent of this ev- ten in the fact that of the bank loans : city, of New York, in October, 1868	il one medical officer to 204 men. The nu posts was 239, besides detachments and of there are now two vacancies of surgeons and of the contract of surgeons are now two vacancies of surgeons are	orage of MILITARY DIVISION of this division, which has untposts. Major-General Thomas sine direction for the departments of the department.	been commanded by eight (78) give the 1st of June last. California Columbia (49) guns	(6) vessels, mounting, in all, forty-nine
ods 000,0 and ery clai	000,000 were upon commorcial paper and \$68,000 upon demand, with a pledge of collaterals in October, 1869, \$99,000,000 were upon commer paper and \$59,000,000 upon demand. In the	Pay Department. The Paymoster-General presents the fee summary exhibit:	98. And of Alaska, commanded a	Major-General Crook Admiral Ea said, of seve	pean squadron, commanded by Rear- diord, and consisting; at the date afore- n. (7) vessels, mounting, in all, eighty- s, represented the naval power of our
the were	ner year 41 per cent, and in the latter year 3 cent, of the loans made by the New York bank e upon demand. A further result is seen in the that parties borrowing money upon commer	beginning of the fiscal year July 1, 25,08 e 1868 25,08 - Received from the Treasury during	General Thomas and the first	livision was made by nations of Wilts of his observations those of North hich is of a character	e coasts and in the ports of all the great estern and Southern Europe, as well as thern Africa. c station was protected by a squadron
uce from	paper for legitimate commercial purposes par no to 6 per cent, additional interest per annual compared with persons who borrow money for plative purposes. If therefore paper fulli-	Received by Paymasters from other sources, exclusive of sums transfer-	the seal islands of Alaska, St. be sold, being based on aubsta	recommendation, that Paul and St. George antial reasons, should, made up, or vessels, mour of Rear-Adr	the date last mentioned, of ten (10) anting sixty (60) guns, under command niral Rowap. INADEQUACY OF FORCE.
on- lutel vill posit	mmend that a law be passed prohibiting abso- by the payment of interest, by banks upon de- ts, and limiting also their loans upon collaterals a amount not exceeding ten per cent. of then	Total to be accounted for	34.770.20 This district comprises the was at the date of the last annu	State of Virginia, and and seaconst introport, commanded	een at a glance that these cruising sta- se within their limits most of the ports of the known world; and that, in thus them, our government has attempted
ted capit id, I a he chec		Disbursements to the regular army \$18,67	the number of troops in this	On the first of October district was one hunger thousand four hunger thousand four hunger to extend its field into whis spired by really to remain the first penalty and the first penalty to the first penalty to be a superior of the first of th	influence and protection over every ch, allured by trade or science, or in- ligion, an American citizen has been rate. But it is also apparent that the
re- The	and that it ought to be entirely prohibited. It following statement exhibits the receipts and moditures for the fiscal year ending June 30. Receipts for customs, \$180,048,426.63; Inter-	pay and bounties)	2,144.82 listed men.	inmand is ninety-nine to be attained in discounty-seven en-	yed were utterly inadequate to the ends l, and that our small fleet on these sta- ing of forty-three (43) vessels, mount- ndred and fifty-six (356) guns, with a
ca. direction of 752,8	revenue, \$158,356,460.86; lands, \$1,020,341.34; ct tax, \$765,685.61; miscellaneous sources, \$27, 629.77; total, exclusive of loans, \$370.943.747.21	Balance in hands of Paymasters June 30, 1869 3,633	only eight hundred and eigh	of February 19, 1869, tons, was too character, fo	orty thousand and fifty-two (40,052) small in number, and too weak in recand condition to perform the server
re- \$18,5 ms inter	enditure—civil service, \$56,474,081.53; pensions Indians, \$35,519,544.84; War Department, 501,991.61; Navy Department, \$20,000,757.97; cest on the public debt, \$130,694,242.80; pre-	The disbursements for reconstruction per \$2,613,293.46, and the balance in hands of	urposes ty-six appeintments to be made tober last, three thousand	le. To the 1st of Oc- and seventy appoint-	by the ideas of the government and ous of our people. Cruising on the dwith duties not more various and exce has over one hundred and fifty (150) dission, of a tonnage of 250,000 tons;
ot excit	m on 7 3-10 U.S: Treasury notes, 8300,000; total, usive of loans, 8321,590,597.75; receipts in ex- of expenditures, \$39,465,149.46. to following statement exhibits the receipts and	The total amount disbursed by the Pay I ment for additional bounties, including the tled by the Second Auditor and paid by the	se set- or have failed to qualify; le	signed, been removed, less than one caving two thousand with a tonnage	d has, crowded in the same area, no hundred and ninety-one (191) ships, ee of 328,000 tons, with her flying squadelinforce her power whenever occasion
ol- 1869: en- rever	nditures for the quarter ending September 30, : Keceipts—Customs, \$52,698,921.86; internal nuc, \$47,922,352.51; lands, \$893,864.08; miscel- ous sources, \$7,412,483.57; total, exclusive of	to the 30th June last, is \$57,220,150. ENGINEER DEFARTMENT. The report of the Chief Engineer gives a d	thousand eight hundred and for the stailed to be compared to a compared to the design of the stailed to be compared to and interest to the stailed to be compared to and interest to the stailed to be compared to the stailed to the s	ourteen vacancies. Indid suitable persons titles of which yielded red with their ordi	AND EFFICIENCY OF SHIPS ON STATIONS. cty-three (43) vessels which composed
wn i ing ti ig- i and	s, \$109,883,162.63. Expenditures, after deduct- he amount of repayments by disbursing officers others—Civil service, \$15,102,202.05; Indians pensions, \$13,547,942.79, War Department, 05,463,05; Navy Department, \$5,782,630 96; In-	ment, and of the means required to execute	Jepart nary business, and embarrass the du- by the social and political pre orps of upon native Virginians who v s of the commended for an office that	ment was occasioned source brought to bear were suggested or redeemed as ur	deets not more than eighteen (18) were or real service; some have been con- seaworthy, and almost all required
ite clusione expe	t on the public debt, \$37,452,289.74; total, ex- ve of loans, \$85,489,514.59; receipts in excess of nditures, \$23,351,107.43. The estimated re-	engaged upon the permanent national de survey of the lakes, river and harbor improve explorations and surveys, command and insti-	re been of taking the oath prescribed 1862. However, with few expenses, organization is so far complete.	by the law of July 2, clent state.	repairs to bring them to their most effi- line efficiency of this small force, more- ch lessenced by the fact that most of camers, without adequates all power.
nd celpti ed. quart en are a	s and expenditures for the three remaining ters of the fiscal year ending June 30, 1870, s follows: Receipts for customs, \$135,000,000; nal rovenue, \$127,000,000: lands, \$1,000,000; ellaneous sources, \$20,000,000; total, \$236,-	of engineer troops, and in charge of public ings, grounds, and works in the District of (bis. Twenty-two officers of the corps hav	build— Colum— In the Fourth Military Disc e been of troops beyond the ordinary lepart— been confined to an expediti	DISTRICT. rict, the employment y routine of duty has on for the purpose of	MONITOR FLEET. oe force was still further reduced by our monitors and iron-clads, laid up had received in the meantime little
ed 000,00 st pension ment	00. Expenditurescivil service, \$40,000,000; ons and Indians, \$21,000,000; War Depart., \$40.500,000; Navy Department, \$14,000	ment, and as instructors at the Military Aca Work has been continued on the permane fenses to the extent permitted by the amull by	ablish arresting lawless characters, idemy. other serious offenses. Support of the largest and outcomes and outling offenses.	guilty of murder or ted by public opinion, law, commit murders a are unequal to the	as directed to them, in a state of rapid
00 000; lic \$209.5 ed ture,	interest on the public debt, \$93,750,000; -total, 250,000; estimated receipt in excess of expendi- \$76,750,000; estimated receipts and expendi- based upon existing laws for the figual year	remaining of old appropriations. These have exhausted for the most part during the yet the works have consequently been closed up.	e been task of bringing them to justice ar, and teeted by their neighbors, their difficult, and the assistance of their control of their difficult.	ce. Guarded and pro- r arrest becomes very f troops is demanded. without cons friends rarely under- and time, a le	ar from the foregoing statements, that were no ships at the yards at home , or which could be made effective iderable expenditure or both money
to endin 000; ir ne misce le 000.	g June 30, 1871: Receipts—customs, \$185,000,- nternal revenue, \$175,000,000; lands, \$5,000,000; llaneous sources, \$28,000,000. 'Total, \$333,000,- Expenditures—livit, Foreign and Miscellane-	in drill and discipline, and in the duties of icial arm. The engineer depots, for the column and storage of pontoon trains and other energy and storage of pontoon trains and other equipments, have been well advanced towar	its spe- take to aid the civil or militar lection so, hesitatingly and secretly.	y authorities, and if tions needed meet these district.	arge proportion of those on foreign sta- extensive repair and alteration. To fliculties, work was renewed vigorously avy-yards; and as fast as possible our
ly \$36,00	860,000,000; Interior, Indians and Pensions, 10,000; War Department, \$50,000,000; Navy Denent, \$18,000,000; interest on the public debt, 100,000. Total. \$221,000,000. Receipts in ex-	ORDNANCE DEPARTMENT.	ting the year have been unu believed commanded in mos men. Heavy damages to the	sually bold, and it is those in com t instances by white cess as fast as citizens in live stock tions. More	ary were out in condition for service. mission have undergone the same prot- they could be spared from their sta- than one-half of the whole Pacific
oe cess o oe estima en that	d expenditures, \$102,000,000. The foregoing ates of receipts are made upon the assumption the laws now in force relating to cusand internal revenue will not be so changed	lows: Amount available from all sources\$18, Expenditures since June 30, 1868 2	i been small, amounting to al	vent Indian raids as the same puri	en, or are being repaired at Mare iy all the vessels of the North Atlan- been sent home from time to time for lose.
ds as to a	materially affect the revenue, and the esti- of the expenditures are based upon the ex- tion that no extraordinary appropriations will the	In Treasury, not credited to appropriations.	defined territory, and protection cannot be afforded with the	ction to the frontier greater econo force in the district. susceptible of out, have bee	ne greatest amount of efficiency, with my at the same time, all the steamers it, which have been repaired or fitted in given full sail power and re-rigged,
re !	GEORGE S. BOUTWELL, Secretary of the Treasury.	officers, June 30, 1869. In Treasury on June 30, 1869. The expenditures of the department durity year included over \$500,000 for war claims, and \$32,000 for cartridges made for the Navy d	425,629 the execution of the reconstring for the cases been authorized and prolabout localities, but in others the	so that without it it is a some to the twinout it is a some pendent of it arrangement has not quired, or it	t interfering with their speed or effec- r steam, they are now entirely inde- and, are able to cruise wherever re-
Rep	ort of the Secretary of War.	ment and not yet paid for. The enlisted force of the department has be duced from fifteen hundred to seven hundred.	en re- l and Rio Grande, which is s devoted chiefly to the raising	between the Neuces out consuming the people of the consuming of cattle, have been considered the	ion of boilers or machinery, and with- g their coal, which is thus reserved necessity or danger. The ship-rig,
w MR.	WAR DEPARTMENT, \ WASHINGTON CITY, November 20, 1869. \ . PRESIDENT: I have the honor to submit the state of the control of th	fifty. There are sixty-one officers and for ordnance storekeepers in the department, a these officers, six are on detached duty. The cavalry have been supplied with Spence bines altered to use the musket metallic am	and of generally come from the so	outh side of the Rio have been or le are conveyed there of those which among their	to forty vessels of this class, which are now being altered. The success th have been completed, including
ent b	port as Secretary of War, together with the us of the General of the Army, and the differ- ureaus of the Department made since the last al report.	tion. The infantry, heavy artillery and eng have been armed with the Springfield breech ing ritled musket. All these arms have given satisfaction.	ineers specified points, but a sufficient l-load- in which to test the efficience great The evil threatens to become	ttime has not clapsed Lancaster and cy of this regulation. of the plan. one of such magni- saving. Sever	ata, Mohican, Nantasket, Resaca, I Swatara, has illustrated the wisdom The result has already been a large al of our most effective cruisers have
I to is reliev to marke	ok charge of the office on November 1, 1869, ing the General of the Army, who had, with ed zeal and ability, performed its duties since	Instruction has continued in the several mi departments during the year, the purpose be	ing to been in operation, aided, when	ry of the State, has not requiring besides its effective forms.	coal since the receipt of the order. It by figures, that this system of giving the general use of full sall power, ct to make sailors of both officers and
tembe d truth chara	eath of Secretary John A. Rawlins, on Sep- er 6, 1869. Of General Rawlins it can with be said that the virtues of true manhood cterized his life as soldier, citizen, and man, while on the records of the Department	apparatus that every officer may have such mation of the duty as may suffice, in case of gency, to save life in or prevent disaster to hi	infor- emer- of juries to punish for must scom- crimes. Military aid has bee	rent in the disposition commission (rent and other high en furnished to civil as consumed	the vessels intended to be kept in calculating that they cruise but two-ime), make in the item of coal alone, under the old system, a saving of
or will e his pa - Dur	ver remain the evidences of his high honor, triotism, and his sagacious judgment. ing the month of Octeber the General of the	mand. The signal service has been brough active use in operations against Indians oplains. PREEDMEN'S BUREAU.	n the infest the State. APPROPRIATIONS, EXPENDITU There was carried to the surp	RES AND ESTIMATES. the bands of trepair. Four	s and iron-clads were also placed in the mechanics and put in thorough of the largest have gone into commis-
o aresse 1- have t	was acting as Secretary of War, and the l reports, which were by his direction ad- d to the Adjutant-General of the Army, been, with his own report, transmitted to me.	The operations of this bureau have been c except the educational and bounty divisions two hospitals for freedmen. The number of of agents and clerks, has been reduced from	ilcers, The actual expenditures for the nine year ending June 30, 1869, we	e fiscal order, so that ref, (in-	or our available cruising force, and sept, at small expense, in complete slie whole fleet can be ready for ser-
o menda d rial m	e duties of the office were assumed but a few prior to the date of this report, few recom- ations will be made at length, but the mate- natures of the reports presented will be refer-	hundred and one to one hundred and fifty. No further reduction is practicable so long a present operations shall continue. The bureau has had under its care, up to 30, 1869, 584,178 persons. All the hospitals bu	s the To which must be added, for debts paid, the sum of	old war out considerab	much work could not be done with- le expenditure of money, but by close a system of strict accountability, the penditure has, up to the present time.
d THI st gives	as concisely as possible. E REPORT OF THE GENERAL OF THE ARMY a clear view of the administration of the and is very full, both in the statement of its	have now been closed or transferred to the authorities, and one of the remaining two is being closed. There will then remain but	about Of the above there was expendence one. reconstruction purposes	\$406,419.18 than eighty (8	penditure has, up to the present time, isiderably below the amount of the e department for the same period of Since the lat of March, 1869, no less 0) yessels of every class have been
synops ations	or condition and recommendations for its organization. Its importance is such that a sits cannot justly be given. The recommend- of the General of the Army as to its future	cannot be dispensed with at present. The expenses of the bureau were met the year with the proceeds of rents, sales of	first year ending June 30, 1870 The estimated deficiencies are.	ne fiscal repaired or air the various nav will show a dec	ered, or put in process of repair at ry-yards, yet the books of the Treasury brease in the expenditures of the de- hat time, as compared with the cor-
el without x portso	zation are presented for your consideration it abridgment. He refers fully to the re- of the heads of bureaus. The remarks made self as to these will be found embodied in	school taxes and tuition and the sale of "Confect States" property. The amount received fro these miscellaneous sources was \$1,865,645.80 from appropriations by Congress, since July,	m all priations for the year ending and 1871, is	June 30. 34,531,031.30 hundred and and twenty-temperature (\$3,521,822.92).	riod of 1868, of three million five twenty-one thousand eight hundred we dollars and ninety-two cents The statement hereto annexed, en-
r He e tant-G r of sect	stracts of the reports hereinafter referred to. endorses the recommendation of the Adju- lencral of the Army for the repeal of so much tion six of the act of March 3, 1869, as pro-	\$11,084,750, making a total of \$12,950,395.80 red from all sources. The expenditures, include accounts of the "Department of negro after from June 1,1865, to August 31, 1869, have	been necessary wants of the departm	printion smaller in repaired, and ld fail to meet the ent.	t of Expenditure," will show the ships the monthly expenditure of the de-
the org t ment a July 28	further appointment or promotions, leaving ganization of the Adjutant-General's Depart- is it was fixed by section ten of the act of 8, 1866. An increase to the number of Assist-	\$11,194,028.10.— In addition to this, subsist medical supplies, and quartermaster supplies, expended, amounting in cash to \$2,330,788.72 whose real value when transferred to the bi	were and are given, for the considera but presented by the Chief of Enginerau For fortifications	ttion of Congress, as leers: S4,196,400.00 The North A Powhatan, Turn Nivsic, Semino	VARIOUS STATIONS. tlantic Squadron now consists of the scarora, Severn, Albany, Nantasket, tle. Swatara, and the tugs Speedwell
gard to tary sa I The	Judge Advocate-General reports the number	was probably less than one million of dollars, ding their original cost to the cash expended total expenses of the bureau have been \$13 816.82. Attention is called to the recommend	the ,524,- ation As to the fortifications, 1 urgs	sthe appropriations and Standish; the Saugus an cluding tugs, a guns. It is con	Ogether with two heavy iron-clads, d Dictator; twelve (12) vessels, in- and mounting in all seventy-six (76) nmanded by Rear-Admiral Charles
t and reg s ports n	ords of military courts received, renewed gistered to be 14,94; number of special renade, 1,352. QUARTERMASTER'S DEPARTMENT. EXPENSES OF the QUARTERMASTER'S DEPARTMENT.	of the report that the hospital in this District continued, and that the payment of bound continued, by this or some other agency, untahould have a reasonable time to present of the continued of the continued to the continued t	ies be the report of the General of the il all land, Boston, New York, Philade	army, to wit: Port- elphia, New Orleans For the reaso partment was i	on the stember last. ons hereinbefore referred to, the de- not able, at first, to show the force in
r during - \$21,968 I million	the fiscal year ending June 30, 1869, were 484.08, a reduction of fourteen and a half is below those of the preceding fiscal year.	MILITARY ACADEMY. The report of the Board of Visitors to the Mil Academy for the present year is one of unusual control of the present year is one of unusual control of the present year.	ings and grounds and Was aqueduct, as estimated by the	shington interests there on American c the island were	n waters which the protection of our seemed to demand. Some outrages litzons by the Spanish authorities of reported, in consequence of which
l by this , has sin ; hundre	ebruary, 1869, the number of civilians hired is department exceeded ten thousand, which tee been reduced to four thousand. Five it dine officers have done duty in the Quarter's Department, in addition to the officers	Academy, but the organization itself, which ha	the The expenditure for the year, duction of the estimates for the	upon which the re- e next fiscal year is of American c	Hoff, then in command, was directed antiago de Cuba to investigate the e measures for the better protection litizens and interests. He executed
of that The office h	report states that the clerical force of this	mained unchanged since the days when the was but 10,000 strong, and the nation was very below its present size and importance among nations, is declared to be madequate to meet	other the William	M. Belknar, Secretary of War. ports have been redress; and s further aggress	promptness and discretion; his re- i made the basis of negotiation for ince this timely show of power no sions are reported. The present
yide for in the f	or the settlement of accounts, some increase lorce is necessary. Illding capable of accommodating all the buff the War Department, fire-proof and secure,	future demands of the country, and a reorganiz is accordingly recommended: The institution greatly enlarged; the number of cadets greatler creased; the standard of admission to be raised	Report of the Secretary	y of the Navy. has been din neutrality be in Cuba, to	the North Atlantic squadron ected, while preserving strict tween the contending powers permit no injustice to citizens
is much in Was by the	h needed. The monthly rental of buildings hington and lots occupied by buildings owned United States, amounted to \$4,264.19, being y rental of \$50,954.28.	the cadets to be divided into two classes—one suing an ordinary course of inilitary instruction its members returned to civil life upon gradua to spread a knowledge of the military art thro	tion, bugh- Sin: Trespectfully submit the	DEPARTMENT, Our commerce, ember 1, 1869. disrespect or vi	itates, to prevent interference with and at once to repel and punish any olation of our flag. Owing to the no yellow fever our vessels have been
The railroad ment w	railway companies, to which the military distribution and material of the Quartermaster's Depart-	out the land, and supply trained officers for emergencies of war; the other, selected from promising members of the former class, and e in number only to the yearly wants of the larm	n the public service under its supervisequal year: NAVAL FORCE IN MAIN	communicate 1	toutside the principal port of Cuba, wous at Key West, whence they can you telegraph both with Havana and timent. Some of the vessels of this
increas of whic default	ed this amount to \$9,000,000, about one-half h has been paid; but some railroads being in , and, showing no disposition to meet their	pursue their studies and practice to the very li of military science. The estimates for the support of the Acad during the coming fiscal year amounts to \$332,21	on the 9th day of March last, the States consisted of two hundred \$1.20, sels of all classes, and in every	and three (203) ves- condition. These has been consta	this been cruising among the West nore particularly in the waters of Domingo. At Aspinwall a vessel ntly kept to look after the persons
brough But f ment d	ew vessels have been owned by this Depart- uring the year.	or which \$212,019.20 is for pay and allowances of structors and cadets: MILITARY DIVISION OF THE MISSOURI. This division, commanded by Lieutenant Ger Sheridan, embraces the Department of Dak	four hundred and forty-two (183, calculated to carry, when in coheral hundred and sixty-six (1,366)	442) tons, and were isthmus. mmission, thirteen The South At guns, exclusive of Lancaster, (flat	our citizens at that point and on the lantic Squadron now consists of the g-ship,), Quinnebaug, Wasp, and ir vessels mounting forty-three (43)
adhere paid du with a	to the war rates of transportation, have been bring the fiscal year upon their general tariffs classification of military supplies settled in	Sheridan, embraces the Department of Dak the Platte and the Missouri, commanded res tively by Major-General W. S. Hancock, Br. Major-General Augur, and Brevet Major-Ger Schofield. These three departments cover a t	pec- one (151) were wooden, and fifty- tyet- clad or monitors. Of the wooder peral (32) were sailing yessels: fifty-thr	two (52) were iron. guns, and unde	ir vessels mounting forty-three (43) r the command of Rear-Admiral It is highly important that this noreased, as there is not at this time ufficient force to guard our citizens
agents. tion di transpo	uring the year, \$1,424,222.82, and for railroad optation, \$2,253,304.30. Of this amount \$933,-	torry of great extent, in which most of the cized, semi-civilized, and wild Indians abide, include the States of Illinois, Iowa, Missouri, Fasa, Nebraska and Minnesota, and the Torrito	and twenty-two (22) were without kind. The iron-clads are all	sail-power of any regions of the L steamers, relying The Pacific	n the coast of Brazil, and in the
teed by By ar	aid in cash, and the other half retained in the ry to meet the interest on the bonds guaran- the United States. trangement between the Departments of War	or Colorado, New Mexico, Wyoming, Utah, Dal Montana and the Indian. The administratio these departments has been ably and economic conducted, but the number of troops now on	kota, Of all these classes only forty n of including store-ships, mounting cally ififty-six (356) guns of every call	y-three (43) vessels, three hundred and bre, were attached m. Six (6) more awanna. tOssip	and Commodore D. McDougal, e respective squadrons, consists now i) vessels, the Kearsargo, Lack- ee. Mohican. Resaca. Cvane.
now tra	o Interior, supplies for the Indian service are insported by the Quartermaster's Departnroutes in the Indian territory—the actual under the contracts, being refunded to the	in them is deemed insufficient, with the present dued strength of companies, to meet the wan the service. The troops at the different posts throughout	tre- ts of for special service; and six (6) or stations as receiving-ships. The this fourteen (14) tugs and small yesse	thers at the various of Onward, and the ese, together with Pensacola as ill els, attached to the dred and twenty	rinaw, Dacotah, Saranao, Nyack, ie Guerriere, (refitting,) with the ag-ship, mounting in all one hun- nine (129) guns. Of these, the ten
War De 000 for 1 1869. A	epartment out of the appropriation of \$2,000,- pacification of the Indians, granted April 10, Although the amount of clothing and equip-	division at the different posts inroughout division are quartered comfortably. The expens the coming year will be much less than for the partial of the military operations in department of the Missouri accompanies the am	es of various navy-yards and station past. whole force of the navy at that til the mediate service. It has since be	s, constituted the (10) last named line effective for importance and all repaired and all repaired and all tions, three (3) of number, is alrea	nave been or are being thoroughly cred in the manner hereinbefore the fleet, though smaller in dy much more effective for the
by sale valued There post or	and issues, there still remains a stock at over \$42,000,000. a are 72 national cometeries and 313 local private cometeries in which soldiers its	report of General Sheridan, and covers the op- tions of troops up to the 15th of October, bracing many combats, in which the number Indians killed was ninety-two, number woun	era- em- service and unsafe to send hom r of (25) more of them have been or ded various navy-yards for repair	mned as unfit for e; and twenty-five dered home to the and alteration, or a properly equip	tation. A ship of war has been
have be	The titles of 71 of the national cemeteries en approved as perfect by the Attorney-1; 322,607 interments are reported, of which	inknown; number of soldiers killed six, wounded ten; number of civilians—men, wo and children—murdered by the Indians, seventy-nine, and nine wounded.	and sale. But one ship, the Juniata men was under repair at the time of	the coming in of e remainder of the dof— Rear-Admiral R	ittional force during the coming Squadron, under command of adford, has been reinforced by the
this wor	rk has been nearly \$3,000,000. SUBSISTENCE DEPARTMENT. tence supplies for the army have been	accenty-nine, and nine wounded. MILITARY DIVISION OF THE SOUTH, This division, under the command of Major-(eral Halleck since the 17th June last, is comp of the departments of the Cumberland, of Lo	First. Forty-six (46) iron-claded every class, laid up at various which could be got ready for	s and monitors of Juniata and Su stations, none of attached to it for service without these vessels, wit	the present; it consists now of h the Richmond and Plymonth.
markets	s has been about 23 cents. Efforts to procure ats on the Pacific coast for troops stationed	ana, of Mississippi, and of the South, comman respectively by Brevet Major-General Cooke, I vet Major-General Mower. Brevet Major-Gen	hulls, turrets, and machinery, re- which have been condemned and eral as not adapted to our service;	ordered to be sold, twenty-six (26) of the Asiatic Sq (tlag-ship), Onei-	in as flag-ship—six (6) vessels, as ndred and six (106) guns. undron consists of the Piscataqua da, Monocacy, Iroquois, Ashueiot, numee; and the Benicia, Colorado.
prices. \$19,000,	nt quality having been obtained at favorable Tobacco, at an average monthly value of has been furnished to the troops at cost	Ames, and Brevet Major-General Terry, and cludes the States of Kentucky, Tennessee, V Viginia, Arkansas, Louisiana, Mississippi, bama, Florida, Georgia, and North and South Cline	Vest Second. Twenty-two (22) vesse Ala- yet on the stocks, and on which v	els of every class and Alaska are	also fitting out for that station; in (10) ships, mounting seventy-two is commanded by Rear-Admiral iii. I regret to say that throe (3).
plied w	der is in process of refunding at the	lina. The principal occupation of the troops in division has been in assisting revenue officer execute the revenue laws; assisting United St marshals in executing the process of the United St.	this a to unfit for active service in the fates cruising stations and duties the cruising stations and duties the cruising station of or	of these ships have sh	re been condemned as entirely un- re been condemned as entirely un- re ponce on Foreign Stations. condition and employment of our
request at \$37,5	oounted to more than \$150,000, and, at the of the Interior Department, stores valued	States courts; in enforcing the laws relative to civil rights of freedmen, and all laws for the tection of life and property.	the pro- stations, known respectively as th Atlantic, the Pacific, the Et	into five cruising at the present at the commence in the advance of	nt time, differing from what it was ment of this administration; only the ships and material on hand
There	has been \$27,621.75 as commutation on	This division formerly consisted of the dep	art-! The extent and limits of these	stations are care- Contin	ated on the Eighth Page,
10.00			eg • e e e e e e e e e e e e e e e e e e	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	10.000 大型 10.000 大型原数层等键

β69.—TRIPLE SHEET.	5
ments of the East, the Lakes, and of Washington, under the command of Major-General Hancock.	fully defined, and may be readily traced; and each are assigned such proportions of the availab
Subsequently Major-General Meade was placed in command, the Department of Washington broke up and attached to the Department of the East, and the First Military district incorporated in the division, which now embraces the States of Chio,	from time to time require. The North Atlantic squadron consisted on the
ston, which now embraces the States of Ohio, Michigan, Indiana and Wisconsin; the New Eng- land States, New York, New Jersey, Pennsylvania, Maryland, Delaware, Virginia, and the District of	9th of March last, of six (6) vessels, mounting in a twenty-eight (28) guns, the whole under the conmand of Hear-Admiral Hoff. The South Atlantic squadron, in charge of or
of Columbia, In the Department of the East and the Lakes the duties have been, principally, the charge and care	important interests in these waters was, at the da- last mentioned, under the command of Rear-As- miral Davis, and consisted of six (6) vessels, moun- ing in all fity-six (56) guns.
of the sea-coast and lake frontier defenses, and the prevention of any attempt to violate the neutrality laws, and, in one instance, in sustaining the United	The Pacific station on the date last mentioned wi divided into two squadrons, denominated the Nort Pacific and South Pacific squadrons, command-
States authorities before the courts. The discipline and condition of the troops are reported by the division commander to be good. MILITALY DIVISION OF THE PACIFIC	respectively by Rear-Admiral Craven and Rear Admiral Turner—the North Pacific equadron consisting of cight (8) vessels, mounting in all second
This division, which has been commanded by Major-General Thomas since the 1st of June last comprises the departments of California, Columbia and of Alaska, commanded respectively by Breyet	eight (78) guns; and the South Pacific squadron, consisting of six (6) vessels; mounting, in all forty-nin (49) guns. The European squadron, commanded by Real
And Brevet Major-General Crook and Brevet Major-General Davis. A personal inspection of the greater part of the	Admiral Radford, and consisting, at the date afort said, of seven (7) vessels, mounting, in all, eighty five (85) guns, represented the naval power of ou country on the coasts and in the ports of all the gres
territory embraced in his division was made by General Thomas, and the fruits of his observations are embodied in his report, which is of a character so interesting and valuable as to make an abstract	nations of Western and Southern Europe, as well a those of Northern Africa. The Asiatic station was protected by a squadro made up, on the date last mentioned, of ten (16
of it here undesirable. His recommendation, that the seal islands of Alaska, St. Paul and St. George be sold, being based on aubstantial reasons, should,	made up, on the date last mentioned, of ten (10 vessels, mounting sixty (60) guns, under comman of Rear-Admiral Rowap. INADEQUACY OF FORCE.
in my opinion, be carried out. PIRST MILITARY DISTRICT. This district comprises the State of Virginia, and was at the date of the last annual report, commanded	It will be seen at a glance that these cruising stations comprise within their limits most of the port and seacoasts of the known world; and that, in thu
by General Stoneman; who was succeeded by Bre- vet Major-General Canby. On the first of October the number of troops in this district was one hun-	establishing them, our government has attempted to extend its influence and protection over ever field into which, allured by trade or science, or in spired by religion, an American citizen has been
dred and five officers and one thousand four hun- dred and seventy-eight enlisted men; the present effective strength of the command is ninety-nine officers and one thousand and seventy-seven en-	spired by religion, an American citizen has been able to renetrate. But it is also apparent that the means employed were utterly inadequate to the end to be attained, and that our small fleet on these sta
The total number of civil officers in the State af- fected by the joint resolution of February 19, 1869,	tions, consisting of forty-three (43) vessels, mounting three hundred and fifty-six (356) guns, with itonnage of forty thousand and fifty-two (40,052 tons, was too small in number, and too weak in
was six thousand and sixty-one, and of this number only eight hundred and eighty-five were found in office who could qualify under the law of July 2, 1862, leaving five thousand one hundred and seven-	vice required by the ideas of the government and the expectations of our people. Cruising on the
ty-six appointments to be made. To the 1st of October last, three thousand and seventy appointments have been made, and of these seven hundred	same seas and with duties not more various and ex- tended, France has over one hundred and fifty (150 ships in commission, of a tonnage of 250,000 tons while England has, crowded in the same area, no
and eight have declined, resigned, been removed, or have failed to qualify leaving two thousand three hundred and sixty-two now in office, and two thousand eight hundred and fourteen vacancies.	less than one hundred and ninety-one (191) ships with a tonnage of 328,000 tons, with her flying squadron ready to reinforce her power whenever occasion
It has been found difficult to find sultable persons willing to accept offices the duties of which yielded no compensation, and interfered with their ordi-	CONDITION AND EFFICIENCY OF SHIPS ON STA- TIONS. Of the forty-three (43) vessels which composed
nary business, and embarrassment was occasioned by the social and political pressure brought to bear upon native Virginians who were suggested or re- commended for an office that involved the necessity	these several fleets not more than eighteen (18) were incondition for real service; some have been con- demned as unseaworthy, and almost all required considerable repairs to bring them to their most effi-
of taking the oath prescribed by the law of July 2, 1862. However, with few exceptions, the county organization is so far completed as to be in working	clent state. The efficiency of this small force more over, was much lessened by the fact that most of them were steamers, without adequates all power.
In the Fourth Military District, the employment of troops beyond the ordinary routine of duty has	MONITOR FLEET. Our effective force was still further reduced by the fact that our monitors and fron-clads, laid up since the war, had received in the meantime little
been confined to an expedition for the purpose of arresting lawless characters, guilty of murder or other serious offenses. Supported by public opinion,	care. They were found, when the attention of the department was directed to them, in a state of rapid deterioration.
a few men, in defiance of the law, commit murders and outrages, and civil officers are unequal to the task of bringing them to justice. Guarded and pro- tested by their neighbors, their arrest becomes very	WHAT HAS SINCE BEEN DONE. It will appear from the foregoing statements, that while there were no ships at the yards at home ready for sea, or which could be made effective
The parties injured or their friends rarely under- take to aid the civil or military authorities, and if	and time, a large proportion of those on foreign sta- tions needed extensive repair and alteration. To
so, hesitatingly and secretly. FIFTH MILITARY DISTRICT. In the Fifth Military District, Indian raids during the year have been unusually bold, and it is	meet these difficulties, work was renewed vigorously at all the Navy-yards; and as fast as possible our ships in ordinary were put in condition for service. Those in commission have undergone the same pro-
believed commanded in most instances by white men. Heavy damages to the citizens in live stock and property have resulted, but the loss of life has been small, amounting to about twenty-six per-	cess as fast as they could be spared from their sta- tions. More than one-half of the whole Pacific fleet have been, or are being repaired at Mare Island. Nearly all the vessels of the North Atlan-
It will be impossible to prevent Indian raids as long as there are wild Indians not assigned to any	island. Nearly all the vessels of the North Atlan- tic fleet have been sent home from time to time for the same purpose. To secure the greatest amount of efficiency, with
defined territory, and protection to the frontier cannot be afforded with the force in the district. owing to the numerous demands made upon it in the execution of the reconstruction laws. Volun-	greater economy at the same time, all the steamers susceptible of it, which have been repaired or fitted out, have been given full sail power and re-rigged.
tary county organizations of citizens have in some cases been authorized and proved offective in some localities, but in others the arrangement has not	so that without interfering with their speed or effec- tiveness under steam, they are now entirely inde- pendent of it, and, are able to cruise wherever re- quired, or, if need be, to go round the world with-
Depredations in the country between the Neaces	out deterioration of boilers or machinery, and with- out consuming their coal, which is thus reserved for times of necessity or danger. The ship-rig, considered the most efficient for cruisers, has been
numerous. The offenders, Indians and Mexicans, generally come from the south side of the Rio Grande, and the stolen cattle are conveyed there	already given to forty vessels of this class, which have been or are now being altered. The success of those which have been completed including
recting that the crossing of cattle shall be limited to specified points, but a sufficient time has not elapsed	among their number, as marked instances, the Severn, Juniata, Mohican, Nantasket, Resaca, Lancaster and Swatara, has illustrated the wisdom of the plan. The result has already been a large
The evil threatens to become one of such magnitude as to demand a reference to the government of Mexico.	consumed no coal since the receipt of the order. It can be shown by figures, that this system of giving
practicable, by the military force of the United	and requiring the general use of full sall power, besides its effect to make sailors of both officers and men, will, on the vessels intended to be kept in commission (calculating that they cruise but two-
of juries to punish for murder and other high crimes. Military aid has been furnished to civil	thirds of the time), make in the item of coal alone, as consumed under the old system, a saving of more than two millions of dollars per annum.
APPROPRIATIONS, EXPENDITURES AND ESTIMATES. There was carried to the surplus fund June 30, 1869, the sum of	Our monitors and iron-clads were also placed in the hands of the mechanics and put in thorough repair. Four of the largest have gone into commis- sion, as part of our available cruising force, and
The actual expenditures for the fiscal year ending June 30, 1869, were, (including the Freedmen's Bureau)\$56.761.732.16	the rest are kept, at small expense, in complete order, so that the whole fleet can be ready for ser- vice in a week's time. Of course so much work could not be done with-
To which must be added, for old war debts paid, the sum of	out considerable expenditure of money, but by close economy, and a system of strict accountability, the sum of this expenditure has, up to the present time.
Of the above there was expended for reconstruction purposes. \$406,419.18	keen kept considerably below the amount of the expenses of the department for the same period of the last year. Since the lat of March, 1869, no less than eighty (20) yessels of granty close have
There was appropriated for the service of the War Department for the fiscal year ending June 30, 1870	repaired or altered, or put in process of repair at the various navy-yards, yet the booksof the Treasury will show a decrease in the expenditures of the de-
The total estimate of military appropriations for the year ending June 30, 1871, is	partment for that time, as compared with the cor- esponding period of 1868, of three million five nundred and twenty-one thousand eight hundred and twenty-two dollars and ninety-two cents
presented by the heads of bureaus, have been ma- erially reduced, and any appropriation smaller in amount than they asked for would fell to meet the	\$3,021.822.92). The statement hereto annexed, en- itled "Exhibit of Expenditure," will show the ships epaired, and the monthly expenditure of the de-
necessary wants of the department. The following estimates are submitted separately, and are given, for the consideration of Congress, as	artment. THE PRESENT FORCE AND ITS EMPLOYMENT ON THE VARIOUS STATIONS. The North Atlantic Squadron now consists of the
Dr. 101 101 101 101 101 101 101 101 100 10	Vipsic, Seminole, Swatara, and the tuge Speedirely
	and Standish, together with two heavy iron-clads, the Saugus and Dictator; twelve (12) vessels, including tugs, and mounting in all seventy-six (76) tuns. It is commanded by Rear-Admiral Charles I. Poor, who relieved Rear-Admiral Hoff on the
and, Boston, New York, Philadelphia, New Orleans and San Francisco.	For the reasons hereinbefore referred to, the de- artment was not able, at first, to show the force in
ings and grounds and Washington aqueduct, as estimated by the officer in charge, is	he West Indian waters which the protection of our naterests there seemed to demand. Some outrages n American citizons by the Spanish authorities of he island were reported, in consequence of which
presented herewith, to. 498,970.00 the expenditure for the year, upon which the re-	tenr-Admiral Hoff, then in command, was directed to proceed to Santiago de Cuba to investigate the natter and take measures for the better protection
gement of the Department.	f American citizens and interests. He executed is altry with promptness and discretion; his records have been made the basis of negotiation for edress; and since this timely show of power no
Report of the Secretary of the Navy	edress; and since this timely show of power no urther aggressions are reported. The present ommander of the North Atlantic squadron as been directed, while preserving strict cutrality between the contending powers
NAVY DEPARTMENT, ()	t the United States, to prevent interference with ur commerce, and at once to repel and punish any
Sin: I respectfully submit the following report pi f the Navy Department, and the branch of the ublic service under its supervision, during the last bi	isrespect or violation of our flag. Owing to the revalence of the yellow fever our vessels have been eccessarily kept outside the principal port of Cuba, out they rendezvous at Key West, whence they can
MAVAL FORCE IN MARCH, 1869. th When my immediate predecessor came into office, sq	ommunicate by telegraph both with Havana and lee Navy Department. Some of the vessels of this quadron have also been cruising among the West
datase consisted of two hundred and three (203) ves- ds of all classes, and in every condition. These	ndia Islands, more particularly in the waters of anyti and San Domingo. At Aspinwall a vessel is been constantly kept to look after the persons and property of our citizens at that point and on the
our hundred and forty-two (183,442) tons, and were alculated to carry, when in commission, thirteen undred and sixty-six (1,366) guns, exclusive of Lt.	thmus. The South Atlantic Squadron now consists of the ancaster, (flag-ship,), Quinnebaug, Wasp, and
2) were sailing vessels; fifty-three (53) were steam- if the	ort-mouth, four vessels mounting forty-three (43) ms, and under the command of Rear-Admiral seep Lamman. It is highly important that this set should be increased, as there is not at this time
rs, with some auxilliary sail-power; forty-four (41) on ere steamers, without any efficient sail-power; and an eventy-two (22) were without sail-power of any re	that station sufficient force to guard our citizens ad commerce on the coast of Brazil, and in the gions of the La Plata.
holly on steam, under all circumstances. Of all these classes only forty-three (43) vessels, Regulating store-ships, mounting three hundred and concentrations.	The Pacific Fleet, under command of Rear- lamiral Turner, with Commodore William odgers Taylor, and Commodore D. McDougal, mmanding the respective squadrons, consists now
fty-six (356) guns of every calibre, were attached of of selects or returning therefrom. Six (6) more an ounting thirty-six (36), guns, were in commission.	fourteen (14) vessels, the Kearsargo, Lack- ranna, tossipee, Mohican, Resaca, Cyane, mestown, Saginaw, Dacotah, Saranao, Nyack, nward, and the Guerriere, (refitting,) with the
actions as receiving-sinps. These, together with a reporteen (14) tugs and small vessels, attached to the drivious navy-vards and stations, constituted the	ed and twenty-nine (129) guns. Of these, the ten
hole force of the navy at that time effective for im- ediate service. It has since been found necessary offer for sale, on foreign stations, three (3) of nu	paired and altered in the manner hereinbefore entioned, and the fleet, though smaller in unber, is already much more effective for the
rvice and unsafe to send nome; and twenty-nye state of them have been ordered home to the urious navy-yards for resair and alteration. or	ties of that station. A ship of war has been atloned on the coast of Alaska since that country as ceded to us; and the sloop of war Cyane, with properly equipped steam launch, has also been
le. Butone ship, the Juniata, at Philadelphia, ser ns under repair at the time of the coming in of wi ne present administration. The remainder of the	nt there as additional force during the coming nter. The European Squadron, under command of ar-Admiral Radford, has been reinforced by the
First Forty-six (46) iron-clads and monitors of Ju	niata and Supply, and the Sabine has been