## President's Message.

1 To the Senate and House of Representatives ! A year of peace and general prosperity to this nation has passed since the last as-sembling of Congress. We have through Providence been blessed with abundant, crops, and have been spared from complications and war with foreign nations, while in our midst comparativ

harmouv has been restored.

It is to be regretted, however, that a free exercise of the elective franchise has by violence and intimidation been denied to citizens in exceptional cases in several of the States lately in rebellion, and the verdict of the people has thereby been reversed. The states of Virginia, Mississippi, and Texas have been restored to representation in our national counsels. Georgia, now the only State now without a representation, may confidently be expected to take her place there at the opening of the new year; and then, let us hope, will be completed the work of reconstruction. With an acquiescace on the part of the whole people in the na-tional obligation to pay the public debt created as the price of our Union, the pensions to our soldiers and sailors and their widows and orphans, and in the changes to the Constitution which have been made necessary by a great rebellion, there is no reason why we should not advance in material prosperity and happiness as no other nation did after so protracted and devastating à war.

## THE WAR IN EUROPE.

Soon after the existing war broke out minister in Paris was invoked in favor of the North Germans domiciled on French grant the protection. This has been followed by an extension of American protection to citizens of Savana H. tection to citizens of Saxony, Hesse, and Uruguay, the Dominican Cepublic, Edua-dor, Chile, Paraguay and Venezuela, in ject. Paris. The charge was an onorous one requiring constant and severe labor, as well as the exercise of patience, prudence, and good judgment. It has been performed to the entire satisfaction of the government as I am officially informed. equally so the government of North Ger-

## THE TRENCH REPUBLIC.

States was directed by telegraph to recognize it, and tender my congratulations and those of the people of the United

The reestablishment of a government in France disconnected with the dynastraditions of Europe appeared to be subject of still further satisfaction to our, could be adopted towards compassing its

While we make no effects to impose our institutions upon the inhabitants of othcannot be indifferent to the spread of American political ideas in a great and highly civilized country like France.

We were asked by the new government to use our good offices jointly with the Answer was made that the established policy and true interests of the United States forbade them to interfere in European questions jointly with European

I ascertained informally and unofficially that the government of North Germamy was not then disposed to such represcutations from any powers, and though earneatly wishing to see peace restored t the belligerants, with all of which the U S are on terms of friendship, I declined on the part of this government to take a step which would only result in injury to eur true interests without advancing the object for which our intervention was inroked. Should the time come when the action of the U.S. can hasten the return of peace by a single hour, that action will heartily taken.

I deemed it prudent, in view of the number of persons of both German and French birth living in the U. S. to issue, soon after official notice of a state of war had been received from both belligerants, a proclamation defining the duties of the United States as a neutral. obligations of persons residing within the territory to observe their laws and the laws of nations. This proclamation was followed by others as circumstances seemed to call for them. The people, thus acquainted in advance of their

THE INSURRECTION IN CUBA. It is not understood that the condition ly changed since the close of the last ses-Congress. In an early stage of to with the insurgents, and of summary bargo of their properties and secues.

men me supermane of matring resulting to the cliffeness of the United States, by reason of such the United States, by reas

It is to be hoped that this moderate de-Saxa-Coburg-Gotha, Columbia, Portugal, duty to communicate that fact to Cou-

THE SPANISH-AMERICAN PEACE CONFER-

The long delayed peace conference between Spain and the allied South Amercan republics has been inaugurated in Washington, under the auspices of the U. S. Pursuant to the recommendation contained in the resolution of the House of Representatives of the 17th of Decemsoon as I learned that a Republic ber, 1866, the executive department of had been proclaimed at Paris, and that the government offered its friendly offices the people of France had acquiesced in for the promotion of peace and harmony the change, the minister of the United between Spain and the allied republics, Hesitations and obstacles occurred to the acceptance of the offer. Ultimately, however, a conference was arranged, and was opened in this city on the 29th of Octo-per last, at which I authorized the Scereary of State to preside. It was attended in France disconnected with the dynasis traditions of Europe appeared to be any of State to preside. It was attended to the federations of Europe appeared to be any the ministers of Spain, Peru, Chile, and Europe subject for the federations of and Ecuador. In consequence of the about the present struggle issue of a representative from Bolivia the authorized to appoint a commission to negotiate a treaty with the authorized to appoint a commission to negotiate a treaty with the authorized to appoint a commission to negotiate a treaty with the authorized to appoint a commission to negotiate a treaty with the authorized to appoint a commission to negotiate a treaty with the authorized to appoint a commission to negotiate a treaty with the authorized to the authorized to appoint a commission to negotiate a treaty with the authorized to the authorized to appoint a commission to negotiate a treaty with the authorized to the authorized to appoint a commission to negotiate a treaty with the authorized to the authorized to appoint a commission to negotiate a treaty with the authorized to the authorized to appoint a commission to negotiate a treaty with the authorized to the authorized to appoint a commission to negotiate a treaty with the authorized to the authorized to appoint a commission to negotiate a treaty with the authorized to the authorized to appoint a commission to negotiate a treaty with the authorized to the authorized to appoint a commission to negotiate a treaty with the authorized to appoint a commission to negotiate a treaty with the authorized to appoint a commission to negotiate a treaty with the authorized to appoint a commission to negotiate a treaty with the authorized to appoint a commission to negotiate a treaty with the authorized to appoint a commission to negotiate a treaty with the authorized to appoint a commission to negotiate a treaty with the authorized to appoint a commission to negotiate a treaty with the authorized to appoint a commission to negotiate a treaty with the authorized to app

objects OUR SOUTH AMERICAN POLICY. institutions upon the inhabitants of other countries, and while we adhere to our ish origin on this confinent may see in traditional neutrality in civil contests, we this fact a near proof of our sincere inter
this fact a near proof of our sincere inter
ities, to flow from nor-acquisition, that I est in their welfare, of our desire to see believe the subject has only to be investithem blessed with good governments call gated to be approved. pable of maintaining order and of preerving their respective territorial integrity, and of our sincere wish to extend our own commercial and social relations with

them. when in the natural course of events the European political connection with this contry will cease. Our policy should be shaped in view of this probability, so as to ally the interests of the Spanish American States more closely to our own, and thus give the United States the pre-eminence and all the advantages which Mr. Monroe, Mr. Adams, and Mr. Clay contemplated when they proposed to join in the Congress of Panana

THE SAN DOMINGO TREATY. During the last session of Congress a treaty for the annexation of the republic of Sant Domingo to the United States failed to receive the requisite two-thirds vote of the Senate. I was thoroughly convinced then that the best interests of this country commercially and materially demanded its ratification. Time has only confirmed me in this view. I now firmly believe that the moment it is known that the United States have entirely abandon ed the project of accepting as a part of its territory the Island of San Domingo, a free port will be negotiated for by European nations. In the Bay of Samana large commercial city will spring up, to which we will be tributary, without receiving corresponding benefits, and then will be seen the folly of rejecting so great

THE MASSACRES IN CHINA.

duties and obligations, have assisted in prize. The government of San Domin-preventing violations of the neutrality of go has voluntarily sought this annexation the United States. go has voluntarily sought this annexation. It is a weak power, numbering probably less than one hundred and twenty thousand souls, and yet possessing one of the of the insurrection in Cuba has material-richest bestlitien under the sant capable to exterminate foreigners in the Chinese the contest the authorities of Spain inau-Doming are not capable of maintaining gurated a system of arbitrary arrests, close themselves in their present condition, and confinement, and of military trial and gramust look for outside support. They contion of persons suspected at complete years for the protection of our free institutions and laws; our progress and civiltration of their revenue to executive war- quisition of San Domingo is desirable, berant. Buch proceedings, so far as they cause of its geographical position. It affected the persons of property of citi-zens of the United States, were in viola-tion of the provisions of die treaty of It possesses the richest soil, best and most Spain. Spain. Capacious harbors, most salubrious climate, and power, and that the time was coming atte, and the most valuable products of the when the superstitions, mass might expel several persons, claiming to be cilizens of fudia Island. Its possession by the United States, by gason of such to lations, were made to the Spanish to t

posed of in this way.

The claim of the Colonel Lloyd Aspinwall for the illegal seizure and detention wall for the illegal seizure and detention farms and manufactories. The cheap rate at which her citizens can be furnishof that vessel has been referred to arbi- rate at which her citizens can be furnish tration by mutual consent, and has resul-ted in an award to the United States for make it necessary that contiguous islands he owners the sum of \$19,702.50 in gold. should have the same advantages in or-Another and long impending claim of der to compete in the production of su-like nature, that of the whale ship Cana-da, has been disposed of by friendly arbit—This will open to us a wider market for rament during the present year. It was our products. The production of our referred by the joint consent of Brazil own supplies of these articles will cut off and the United States to Sir Edward more than one hundred millions of our did consent that the British occupation it if not of the letter of the treaty, for Thornton, her Brittanic Majesty's minister at Washington, who kindly undertook ing our exports. With such a picture it the laborious task of examining a voluminous mass of cerrespondence and evidence submitted by the two governments, balance of trade against us, including inand awarded to the United States the sum terest of bonds held by foreigners and of \$100,740.09 in gold, which has since been paid by the imperial government. These recent events show that the yield of precious metals in this country, ling in foreign lands equal to the entire yield of precious metals in this country, an appropriation for the United States, and recommend operation of the laws sutherizing the mode which the United States have pro- it is not so easy to see how this result is posed to Spain for adjusting claims is to be otherwise accomplished. The ac-Soon after the existing war broke out just and feasible, and that it may be quisition of San Domingo is an adherence in Europe, the protection of the U.S. agreed to by either nation without distorbed to the Monroe doctrine—is a measure of national protection. It is asserting our just claims to a controlling influence over the great commercial traffic soon to flow further delay. Should the present nego-tiations unfortunately and unexpectedly be without result, it will then become my unrine; it is to furnish new markets for the products of our farms, shops, and manufactories; it is to make slavery in-supportable in Cuba and Porto Rico at once, and ultimately so in Brazil; it is to settle the unhappy condition of Cuba and end an exterminatory conflict; it is to provide honest means of paying our honest debts without over-taxing the people;

> id stride towards that greatness which the intelligence, industry, and enterprise of the citizens of the United States entitle this country to assume among notions. In view of the importance of flus question, I earnestly urge upon Congress carly action expressive of its view as to the best means of acquiring Nan Domingo.
>
> My suggestions is that, by joint resolution of the two Houses of Congress, the Exceutive be authorized to appoint a commisof unnexation, as in the case of the acquisition of Texas. So convinced am I of the advantage to flow from the acquisi-

it is to furnish our citizens with the nec-

essaries of every day life at cheaper rates than ever before; and it is, in fine, a rap-

States, of the policy of the Mexican govborders have not only been fruitless, but that it is even proposed in that country to extend the limits in which the privilege adverted to has hitherto been enjoy-The expediency of taking into your ly of foreign nations, to provide against immunity to those who may have come seized without notice or warning, in violamitted high crimes within their borders tion of the custom previously prevailing.

OUR VENEZUELAN CLAIMS. The sense of Congress is desired as early as may be convienient upon the pro-ceedings of the commission on claims against Venezuela, as communicated in my messages of March 4. 1860, March 1,

The masscre of French and Russian residents at Tien-Tsin, under circumstances of great barbarity, were supposed by some to have been premeditated, and to indicate a purpose among the populace of supporting a population of ten million Empire. The evidence fails to establish of people in luxury. The people of San suppositions, but shows a compilcity by the local authorties with the mob The government at Pekin, however, seems to have been disposed to fulfill its treaty obligations so far as it was able to do so. Unfortunatel, the news of the war befation. Shall we refuse them? The ac- tween the German States and Franco reached China soon after the massacre. It would appear that the popular mind became possessed of the idea that this contest, extending to. Chinese waters, would neutralize the Christian influence and power, and that the time was coming

seven hundred feet south of the trne position of the forty-ninth paralled, and that the line when run on what is now supposed to be the true position of that parallel. If, however, it be said that this claim-is would leave the fort of the Hudson's Bay founded on provincial or colonial statistics, Company at Pembins within the territory and not upon the convention, this governof the United States. This information ment cannot but regard them as unernment, I was requested to consent, and it if not of the letter of the treaty, for did consent, that the British occupation the execution of which the Imperial govof the fort of Hudson's Bay Company canment is alone responsible: Anticipatshould continue for the present, I deem ing that an attempt may possibly be made it important, however, that this part of by the Canadian authorities in the comthe boundary should be definitely fixed ing season to repeat their naneighborly by a joint cummission of the two many by a joint commission of the two gov- acts toward our fishermen; I recommend ernments and I submit herewith estimates you to confer upon the Executive the an appropriation for that purpose. The transit of goods, wares, and merchandise land boundary has already been fixed and in bond across the territory of the United marked from the summit of the Rocky States to Canada; and further, should land boundary has already been fixed and Mountains to the Georgian Bay. It such an extreme measure become neces-

from the Lake of the Woods to the sum-

mit of the Rocy Mountains. THE ALABAMA CLAIMS. at during the rebellion. The Cabinet of clude the citizens of the United States of concede that her Majesty's government. This river constitutes a natural outlet of concede that her Majesty's government of a discharge into it. The foreign commerce of the United State has just cause of compensation of the waters which plant. I therefore recommend to Congress to authorize the appointment of a of our portage of the State has just cause of compensation of the waters which plant. I therefore recommend to Congress in the course of the buildings to accommadate the various buriants of the department. I recommend an appropriation for a hew War for the nation. The report of the Secretary of War shows a very satisfactory reduction in the eight state has just cause of compensation of the waters which plant. I therefore recommend to Congress in the course of the secretary of war shows a very satisfactory reduction in the eight state has just cause of compensation of the waters which plant. I therefore recommend to Congress to authorize the appointment of a of our portage.

be necessary to protect the rights of the decree declared the Amazon to be open citizens of the United States. It has to the frontier of Brazil to the merchant been claimed by her Majesty's officials ships of all nations. The greatest diving short years, the national tax gatherer fixing of the tenure of office of olerks and that the fisling vessels of the United British authority on this subject, while states have no right to enter the open asserting the abstract right of the British ports of the British ports of the British possessions in North claim, says:

The seems difficult to deny that Great appointments complete. I would have any not disappear from the door of the suppointments complete. I would have any not disappear from the purpose of shelter and ramights of the purpose of shelter. The seems difficult to deny that Great postmasters in every vicinity, a tax months. come my duty to take such steps as may 1806, the Lonperor of Brazili by imperial and repairing damages; for purchasing Britain may ground her reliast thom wood and obtaining water; that they

In the negotiations thus opened and pending there, the United States only countries to get by from Georgia to their cliticens by treaty should be respected in Cuba, and that as to the past spinit tribunal should be existed in the United States with full jurisdiction over all such claims. Before severy mental such claims. Befores every mental tribunal cach claimant would be required to prove his case.

On the other hand Spain would be at liberty to traverse every material fact, and thus adone the adjacent islands and seek the bessing of freedom and its sequence, cach inhabitant receiving the reward of the own latery to traverse every material fact, and thus complete equity would be done. A case which at one time seriously threatened to affect the relations between a means of 'transportation to abandon the adjacent islands and seek the blessing of freedom and its sequence, cach inhabitant receiving the reward of the own latery of the configuration of the post of the configuration of the provide and the provide in the configuration of the provide in the provide interest in provide interest in the provide interest in the provide interest In April last, white engaged in locating a military reservation near Pembina, a fiscated, with her cargo." This proposition near of engineers discovered that the commonly received boundary line between the United States and the British convention, was emphatically regretted by possessions at that place is about forty.

In April last, white engaged in locating lation may be seized, condemed, and control of the intervention may be seized, condemed, and control of the intervention may be seized, condemed, and control of the intervention may be seized, condemed, and control of the intervention may be seized, condemed, and control of the intervention may be seized, condemed, and control of the intervention may be seized, condemed, and control of the intervention may be seized, condemed, and control of the intervention may be seized, condemed, and control of the intervention may be seized, condemed, and control of the intervention may be seized, with her cargo."

This proposition near Pembina, a fiscated, with her cargo."

Which her cargo." This proposition of the intervention near Pembina, a fiscated, with her cargo."

Which her cargo." This proposition of the intervention near Pembina, a fiscated, with her cargo."

Which her cargo." This proposition of the construction near proposition near proposi

should now be in like manner marked sary, to suspend the operation of any laws whereby the vessels of the Dominion of Canada are permitted to enter the waters

of the United States.
THE NAVIGATION OF THE ST. LAWRENCE.
A like unfriendly disposition has been

shall have the ownership of the private claims as well as the responsible control consistent with the bonor and dignity of both nations.

The course pursued by the Canadian

Tag I shall can distribute the many of the many other constitution, and of the many other claims as the claims an access to outputs the possible control which is designed to the send a supply of water in the heighborhood the corresponding months a description of a supply of water in the heighborhood the corresponding months of last year.

The course possible control which is designed to a supply of water in the heighborhood the corresponding months of last year.

The course possible control which description is contents in case of the corresponding months a setting that the account is setting to a supply of water in the heighborhood the corresponding months a setting that the correspondi The course pursued by the Canadian authorities towards the fishermen of the United States during the past season has not been marked by a friendly feeling. By the first article of the convention of the pursuant that the invariant archives since the adoption of the many other waluable records and papers left with that department when it was the principal department when it was the pri gated to be approved.

THE ZONA LIBEA.

It is to be regard to the injurious effects, the right of taking fish in certain in regard to the injurious effects, especially upon the revenue of the United States should does not exclude the coopinal right of the habitants of the United States should does not exclude the coopinal right of the habitants of the United States should does not exclude the coopinal right of the propriety of referring to the Department to your reconsideration in does not exclude the coopinal right of the propriety of referring to the Department to which they seem that one regulations relative to the more appropriately to belong, all powers this waters therein defind. In the waters therein defind in the limits named in a wignation as may be reasonably necession of the United States should does not exclude the coopinal right of the propriety of referring to the Department of the Interior, to which they seem must obtain a proportiately to belong, all powers and appropriately to belong, all powers and our current expenses are must of the Interior, to which the propriety of referring to the propriety of the propriety of referring to the propriety of referring the convention—within three mines of sary; but those regulations should be parts of the British coat—it has been framed in a liberal spirit of comify, and the custom for twenty years to give to inshould not impose needless burdens upon the futuring fishermen of the United States a reasonable warning of their violation of transit. It has been found in practice the technical rights of Great Britain more advantageous to arrange these refused for twenty years to give to inshould not impose needless burdens upon the future of beautiful to the future of the futu the technical rights of Great Britain. The imperial government is understood to have delegated the whole or a share of its jurisdiction or control of these in-shore fishing grounds to the colonial authority of the St. Lawrence which may be suggested by Great Britain. If the delegations of the St. Lawrence which may be suggested by Great Britain. If the delegations of the St. Lawrence which may be suggested by Great Britain. serious consideration proper measures for fishing grounds to the celonial authority of the St. Lawrence which may be sugserious consideration proper measures for fishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which may be sugfishing grounds to the celonial authority of the St. Lawrence which was presented by Great Britain. If the claim
fishing g in an unfriendly way. Vessels have been the shores of the great Lakes was \$18,244,346,01 less than for the current seized without notice or warning, in violationly 3,400,000, it now derives greater force and equity from the increased population, wealth, production and tonuage of 911,127,56. For this purpose extradition treaties have ports, their voyages broken up, and the States on the Canadian frontier, is included \$22,348.278,37 for public been concluded with several of the Cenvessels condemned. There is reason to babally and others are stated to be a state of the Cenvessels condemned. tral American republics, and others are believe that this unfriendly and vexations behalf of our right, the principle for sional provisions, and of which only so behalf of our right, the principle for sional provisions, and of which only so in progress.

treatment was designed to bear harshy and of which only so which he contended has been frequently much is asked as Congress may choose to and the vertical provisions and of which only so which he contended has been frequently much is asked as Congress may choose to upon the hardy fishermen of the United and by various nations been recognized give. The appropriation for the same master-General shows a most substance with a view to political effect upon by law or by treaty, and has been ex- works for the present fiscal year was \$11,- working of that department. this government. The statutes of the tended to other great rivers. By the 984,518.08.

Dominion of Canada assume a still broad-treaty concluded at Mayence in 1831, the s er, more untenable jurisdection over the vessels of the United States. They authorize office of the United States. They authorize office of the United States. 1870, and March 31, 1870. It has not been deemed advisable to distribute any hovering within three natine miles of Portugal, concluded in 1835, the nating any of the coasts, bays, creeks, or harbors tion of the Douro. throughout its whole of Canada into port to search the cargo, extent was made free for subjects of both to examine the master on oath touching crowns. In 1853 the Argentine Confedthe cargo and voyage, and to inflict upon him a heavy pecuniary penalty if true answers are not given; and if such a vessel is found "preparing to fish" with three marine miles of any such coasts, boys creaker as barkorresistant ellicage. bays, creeks, or harbors without a license, of the Dannbe. In 1858 Bolivia, or expiration of the period named in the by treaty, declared that it relast license granted to it, they provide garded the Rivers Amazon and LaPlata that the vessel, with her tackles, &c., shalf in according with fixed principles of beforfelted. Hers not known that any condemnations have been made under condemnations have been made under this statute. Should the authorities of all nations. In. 1859 the Parignay was condemnations to have been made free by nature for the commerce of would place our currency on a par with canada attempt to enforce it, it will be-Canada attempt to enforce it, it will be- made free hystrenty, and in December,

OUR DEPRESSED COMMERCE. is a subject to which I called your special attention at the last session, and suggested that we will in the future have to look more to the contract of the future have to look more to the contract of the future have to look more to the contract of the future have to look more to the contract of the future have to look more to the contract of the country compel of the cou is a subject to which I called your special conrage trade between the United States and the countries to which they are accredited. But the fact exists that the tariff, so far as it acts as an encouragecarrying is almost entirely in foreign bottoms; and while this state of affairs exists, we cannot control our due share of commerce of the world. That between commerce of the world. That between the Pasific States and China and Jupan is sources.

about all the carrying trade now conducted in American vessels 1912 11 9 I would recommend a liberal policy to—
I would recommend a liberal policy to—
wards that line of American steamers—
one that will insure its success; and even increased usefulness. The cost of build—
January, 1871, the numbers of commissioned officers cloud tren will not exceed ing iron vessels—the only ones that can ioned officers and men will not exceed compete with foreign ships in the carry, ing trade—is so much greater in the United Statesuhan in foreign countries, that structure, not fire-proof, and entirely in-

without assistance from the government adequate in dimensions to our present they cannot be successfully built here wants. Many thousands of dollars are

plant. I therefore recommend to compression to take prof. of the amounts of a commission to take prof. of the chims on notice of it is done in British bottoms. If the building now commission to take prof. of the chims on notice of it is done in British bottoms. If the building now commission to take prof. of the chims on notice of it is done in British bottoms. If the building now commission to take prof. of the chims on notice of it is done in British bottoms. If the building now commission to take prof. of the chims on notice of it is done in British bottoms. If the building now commission to take prof. of the chims on notice of it is done in British bottoms. If the building now commission to take prof. of the chims on notice of it is done in British bottoms. If the building now commission to take prof. of the chims on notice of it is done in British bottoms. If the building now commission to take prof. of the commission to take prof. of the commission to take prof. of the chims on notice of it is done in British bottoms. If the building now commission to take prof. of the prof. of the prof. of the prof. of the commission to take prof. of the prof. of t

payment of naval pensions be transferred over five thousand miles of sea-cost line to one of the bureaus of the Navy De- on both oceans, exclusive of Aluska, and FINANCIAL ESTIMATES.

The estimates of the expenses of the iscal year are year, but exceed the appropriations for the present year for the same items \$8,-In this estimate, however,

en months of 1879 the same relative val-

ue has been 115.

The appreach to a specie basis has been very gratifying, but the fact cannot be denied that the instability of the value of our currency is prejudicial to our pros-perity, and tends to keep up prices to the etriment of trade.
The evils of a depreciated and fluctua-

ling currency are so great that now, when the premium on gold has falleniso much, would seem that the time has arrived

gold at no distant day. I respectfully call your attention to one "The tax collected from the people has abuse of long standing which I would been reduced more than \$80,000,000 per like to see remedled by this Congress. It

a regus bad

A true revenue reform cannot be made in a day, but must be the work of na-tional legislation and of time. As soon

REDUCTION OF THE ARMY! I Under the act of Congress of the 15th

containing forty millions of progressive | people with relations of every nature with nlmost every foreign country, to rest with such inadequate means of enforcing any foreign policy either of protection or reduces. Separated by the ocean from the nations of the eastern continent, our navy is our only means of direct protection to our citizens abroad, or for the enforcment of any foreign policy.

POSTAL.

The accompanying report of the Postmaster-General shows a most satisfactory adoption of the recommendations con-SPECIE PAYMENTS.

The average value of gold, as compared with national currency, for the whole of the year 1860 was about 184; and for south months of 1870 the same relative value. n further reduction of the rate of postage be attained. I recommend authorization by Congress to the Postmaster-General and Attorney-General to issue all commis-sions to officials appointed, through their respective departments. At present these commissions, where appointments are Presidential, are issued by the State Department. The law in all the departments of government except those of the Post-office and of Justice, authorizes each to issue its own commissions.

REFORM IN THE CIVIL BERVICE. Always favoring practical reforms, I With the revenue stamp dispensed by appointments complete. I would have postmasters in every vicinity, a tax upon it govern not the tenure, but the manuer of making all appointments. There is no duty which so much embarrasces the Externit, which will put a good liveness with