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E. P. HINES, M. D.

Graduate of the University of Michigan, Ann Arbor, Mich. Has returned to Friendsville, where he has attended to all the business connected with his office. Residence in Jennie Howard's house. Office at the same place. Friendsville, Pa., April 20th, 1874.—6m.

EDGAR A. TURRELL.

Courtseller at Law. No. 170 Broadway, New York City. Attends to all kinds of Attorney Business, and conducts cases in all the Courts of both the State and the United States. Feb. 1, 1874.—1y.

DR. D. W. SMITH.

Physician, Rooms at his dwelling, next door north of Dr. Hawley's, on Old Foundry street, where he would be happy to see all kinds of patients. He is a general practitioner, and also a specialist in all the diseases of the human body. Office at his residence, Montrose, Pa., Feb. 1, 1874.—1y.

FALLEN HOUSE.

Great Barn, Pa. Situated near the Erie Railway Depot. In a large and commodious house, has undergone thorough repair. Newly furnished rooms and sleeping apartments, splendid tables and all the appointments of a first class hotel. HENRY ACKERT, Proprietor. Sept. 10th, 1873.—4f.

B. T. & H. CASE.

WAREHOUSES, OAK HARNESS, LIGHT and heavy, at lowest cash prices. Also, Blankets, Broad Brim hats, Hats, Caps, and everything pertaining to the line, cheaper than elsewhere. Repairing done promptly and in good style. HENRY ACKERT, Proprietor. Montrose, Pa., Oct. 20, 1873.

THE PEOPLE'S MARKET.

PHILLIP HARRIS, Proprietor. Fresh and Salted Meats, Hams, Pork, Bologna Sausages, etc., of the best quality, constantly on hand, at prices to suit. Montrose, Pa., Jan. 10, 1873.—1y.

BILLINGS-STROUD.

INSURE AND LIFE ASSURANCE AGENT. All business attended to promptly, on fair terms. Office at first door west of the bank, Wm. H. Cousins' building. Public Avenue, Montrose, Pa. (Aug. 1, 1869, July 17, 1873.) BILLINGS-STROUD.

CHARLEY MORRIS.

THE HATTI BARBER, has moved his shop to the building occupied by the late H. Cousins, where he is prepared to do all kinds of work in his line, such as making haircuts, shaving, etc. All work done on short notice and at low prices. Please call and see us. MONTROSE, Pa., Dec. 15, 1873.—1y.

LITTLE & BLAKESLEE.

ATTORNEYS AT LAW, have removed to their new office, opposite the Turrell House. G. P. LITTLE, G. P. BLAKESLEE. Montrose, Oct. 15, 1873.

W. B. DEANS.

DEALER in Books, Stationery, Wall Paper, News papers, Pockets, Cutlery, Stereoscopic Views, Yankee Notions, etc. Also, doctor to the Post Office, Montrose, Pa., Sept. 10, 1873.

EXCHANGE HOTEL.

M. J. HARRINGTON wishes to inform the public that his new building, next door to the Public Avenue, is now prepared to accommodate the traveling public in first class style. Montrose, Aug. 25, 1873.

H. BURRITI.

Dealer in Staple and Fancy Dry Goods, Crochet, Hardware, Iron, Stoves, Drags, Oils, and Paints, Boots, Shoes, Hats and Caps, Buffalo Robes, Groceries, Fruit, etc. New-England, N. Y., Nov. 6, '73.—1y.

DR. D. A. LATHROP.

Attending Physician, Treadwell, Barren, & the Foot of Chestnut street, and has removed to 13 and 15 Chronic disease. Montrose, Jan. 17, '73.—203-4f.

DR. S. W. DAYTON.

PHYSICIAN & SURGEON, tends his services to the citizens of Montrose and vicinity. Office at the residence of Barron House, 71, Bend village, Sept. 11, 1873.—1y.

LEWIS KNOLL.

SHAVING AND HAIR DRESSING. Shop in the new Postoffice building, where he will be found ready to attend to all the shaving and hair dressing in his line. Montrose, Pa., Oct. 13, 1869.

CHARLES N. STODDARD.

DEALER in Hats and Shoes, Boots and Caps, Leather and Findings, Main Street, just door below Boyd's Store. Work made to order, and repairing done neatly. Montrose, Jan. 1, 1870.

DR. W. J. RICHARDSON.

PHYSICIAN & SURGEON, tends his professional services to the citizens of Montrose and vicinity. Office at his residence, on the corner of BARRY & HOS. Foundry. (Aug. 1, 1869.)

SCOVILL & DEWITT.

Attorneys at Law, Office at the Court House, Office No. 45 Court Street, over City National Bank, Building, N. Y. June 18th, 1873.

ABEL TURRELL.

DEALER in Drugs, Medicines, Chemicals, Paints, Oils, Dye-stuffs, Tea, Spices, Fancy Goods, Jewelry, Perfumery, &c., Brick Block, Montrose, Pa., Established 1846.

LAW OFFICE.

FITCH & WATSON, Attorneys at Law, at the old office of Bentley & Fitch, Montrose, Pa. L. F. FITCH. Jan. 11, 74. W. W. WATSON.

A. O. WARREN.

TROBNEY A. LAW, Bonds, Back Pay, Pension and Excise on Claims attended to. Office at door below Boyd's Store, Montrose, Pa. (Jan. 5, 1870.)

W. A. CROSSMAN.

Attorney at Law, Office at the Court House, in the Commissioners' Office. W. A. CROSSMAN. Montrose, Sept. 1871.—1y.

J. C. WEAZON.

CIVIL ENGINEER AND LAND SURVEYOR. P. O. address, Franklin Forks, Pa. Disinched March, 1874.

GROVES & YOCOG.

HONORABLE TAILORS, Montrose, Pa. Shopover Chandler's Store. All orders filled in first-class style. Attention on short notice, and warranted to fit.

W. W. SMITH.

CABINET AND CHAIR MANUFACTURERS.—Foot of Main Street, Montrose, Pa. (Aug. 1, 1869.)

M. C. SUTTON.

ACTIONEER, AND INSURANCE AGENT, 101 6th St. Friendsville, Pa.

D. W. SEARLE.

ATTORNEY AT LAW, office over the Store of M. Messager, in the Brick Block, Montrose, Pa. (Jan. 10, 1874.)

J. B. & A. H. McCOLLUM.

ATTORNEYS AT LAW, Office over the Bank, Montrose, Pa. (Montrose, May 19, 1871.)

AMI ELY.

ACTIONEER. Address, Brooklyn, Pa. June 1, 1874.

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JOB PRINTING

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PRESIDENT'S MESSAGE.

To the Senate and House of Representatives: Since the convening of Congress one year ago, the nation has undergone a prostration in business and industry such as has not been witnessed with for many years. Speculation as to the causes for this prostration might be indulged in without profit, because as many theories would be advanced as there would be independent writers who expressed their own views, without borrowing upon the subject. Without indulging in theories as to the cause of this prostration, therefore, I will call your attention only to the fact and to some plain questions as to which it would seem there should be no disagreement: During this prostration two essential elements of prosperity have been most abundant—labor and capital. Both have been largely unemployed. Where security has been undoubted capital has been attainable at very moderate rates compared with the amount of necessities and comforts of life to be purchased with the wages demanded. Two great elements of prosperity, therefore, have not been denied us. A third might be added—our soil, unequalled within the limits of any continental territory under one nation for its variety of produce to feed and clothe a people and in the amount of surplus to spare to feed less favored people.

Therefore, with these facts in view it seems that wise statesmanship at this session of Congress would dictate legislation ignoring the past and directing into proper channels these great elements of prosperity to our people. The debt abroad is the only element that car, with always a sound currency, enter into our affairs to cause any continued depression in the industries and prosperity of our people. A great contest for national existence is made necessary for temporary purposes by the issuing of large sums of money from whatever source attainable. It made it necessary in the wisdom of Congress—and I do not doubt their wisdom in the premises regarding the necessity of the times—to devise a system of national currency which it proved to be impossible to keep on a par with the recognized currency of the civilized world. This has led to a spirit of speculation, extravagance and luxury, not required for the happiness or prosperity of a people and involving both directly and indirectly, foreign indebtedness. The currency being of fluctuating value, and therefore, unsafe to hold for legitimate transactions requiring money, but a subject of speculation in itself. These causes of depression, have involved us in a foreign indebtedness, contracted in good faith by borrower and lender, which should be paid in coin; and according to the bond agreed upon when the debt was contracted, gold or its equivalent. The good faith of the government cannot be violated towards creditors without national disgrace, but our commerce should be encouraged. American shipbuilding and carrying capacity increased, foreign markets sought for the products of the soil and of manufactures to the end that we may be able to pay these debts. Where a new market can be created for the sale of our products, either of the soil, the mine or the manufactory, a new means is discovered of utilizing our idle capital and labor, to the advantage of the whole people. But in my judgment the first step towards the accomplishment of this object is to secure a currency, good wherever civilization reigns, one which becomes superabundant with one people will find a market with some other—a currency which has as its basis the labor necessary to produce it, which will give to its value. Gold and silver are now the recognized mediums of exchange of the civilized world, and to this we should return with the least possible delay.

In view of the pledges of the American Congress when our present legal tender system was adopted, there should be no delay, certainly no unnecessary delay, in fixing by legislation a method by which we will return to specie. To the accomplishment of this end I invite your special attention. I believe firmly that there can be no prosperous and permanent revival of business and industries until a policy is adopted, with legislation to carry it out, looking to a return to specie basis. It is easy to conceive that the debtor and speculative classes may think it of value to them to make so called money abundant, until they can throw a portion of their burdens on others. But even these I believe would be disappointed in the result if a course should be pursued which will keep in doubt the value of the legal tender medium of exchange. A revival of productive industry is needed by all classes, by none more than holders of property of whatever sort, with debts to liquidate for realization upon its sale.—But admitting that these two classes of citizens are to be benefited by expansion would it be honest to give it? Would not the general loss be too great to justify such relief? Would it not be just as honest and prudent to authorize each debtor to issue his own legal tenders to the extent of his liabilities? Then to do this would it not be safer, for fear of over issues by unscrupulous creditors, to say that all debts and obligations are obliterated in the United States, and now we commence anew, each possessing all he has at the time free from incumbrance?

These positions are too absurd to be entertained for a moment by thinking or honest people. Yet every delay in the preparation for the final resumption partakes of this dishonesty and is only lessened by the hope that a convenient time will at last arrive for the good work of redeeming our pledges to commerce. It will never come in my opinion, except by positive action by Congress or by national disaster, which will destroy for a time, at least, the credit of the individual and the state at large. A sound currency might be reached by total bankruptcy and discredit of the integrity of the nation, and of individuals. I believe it is the duty of Congress at this session to devise such legislation as will renew confidence, revive industries, start us on a career of prosperity, to last for many years and give the credit of the nation and of the people. Steps towards the return to a specie basis are great requisites and devoutly to be sought for as an end. There are others which I may touch upon hereafter.

A nation dealing in a currency below that of specie in value labors under two great disadvantages: First, having no use for the work which is produced by the exchange of gold and silver, which are driven out of the country because there is no demand for their use; second, the medium of exchange in use being of fluctuating value for after all it is only worth just what it will purchase of gold and silver metal, having an intrinsic value just in proportion to the honest labor it takes to produce them. A larger margin must be allowed for profit by the manufacturer and producer. It is months from the date of production to the date of realization. Interest upon capital must be charged, and risk of fluctuation in the value of that which is to be received in payment added, hence high prices, acting as a protection to the foreign producer who refuses to exchange for the products of his skill and labor, except a currency good at a stable value the world over.

It seems to me that nothing is clearer than that the greater part of the burden of an existing prostration for the want of a sound financial system falls on the working man, who must after all produce the wealth, and the salaried man, who superintends and conducts business. The burden falls upon them in two ways by the deprivation of employment and by the decreased purchasing power of their salaries. It is the duty of Congress to devise the method of correcting the evils which are acknowledged to exist and not mine, but will venture to suggest two or three things which would be absolutely necessary to a return to specie payment, the first grand requisite in a return to prosperity.

The legal tender clause to the law authorizing the issue of currency by the national government should be repealed to take effect as to all contracts entered into after a day fixed in the repealing act, not to apply however to the payment of salaries by the government, or for other expenditures now provided for by law to be paid in currency in the interval pending between repeal and final resumption. Provision should be made by which the secretary of the treasury may obtain gold as it may become necessary from time to time, from the date when specie resumption commences. To this might and should be added a reserve of gold to meet in excess of expenses to insure an accumulation of gold, in the treasury to sustain redemption.

I commend the subject to your careful consideration, believing that a favorable solution is attainable and that if reached by this Congress that the present and future generations will ever gratefully remember and prize the wisdom and the beneficence of your measure. With respect, Sir, your obedient servant, U. S. DEAN.

During the past year nothing has occurred to disturb the general friendship and cordial relations of the United States with other powers. The correspondence submitted herewith between the government and its diplomatic representatives, as also with the representatives of other countries, shows a satisfactory condition of all questions between the United States and the most of these countries, and with few exceptions to which reference is hereafter made, the absence of any points of difference to be adjusted. The notice directed by the resolution of Congress of June 17, 1874, to be given to terminate the convention of July 17th, 1858, between the United States and Belgium has been given, and the treaty will accordingly terminate on the last day of July, 1875. This convention secured to certain Belgian vessels entering the ports of the United States, exceptional privileges, which are not accorded to other vessels. Other features of the convention have proved satisfactory, and have tended to the cultivation of mutual friendship, commercial intercourse and friendly relations between the two countries. Our relations with China continue to be friendly. During the past year the Japan growing out of the landing of an armed force upon the island of Formosa by the latter had occasioned uneasiness. It is earnestly hoped, however, that the difficulties arising from this cause will be adjusted, and that the advance of civilization in these empires may not be retarded by a state of war. In consequence of the part taken by certain citizens of the United States in this expedition, our representatives in those countries have been instructed to impress upon the government of China and Japan the firm intention of this country to maintain strict neutrality in the events of hostilities, and to carefully prevent any infraction of law on the part of our country in connection with this subject. I call the attention of Congress to a generally conceded fact, that the great proportion of the Chinese immigrants who have come to our shores do not come voluntarily to make their homes with us and

their labor productive of general prosperity but come under contract with head men who own them almost absolutely. In a worse form does this apply to Chinese women; hardly a percentage perform any honorable labor; but they are brought for shameful purposes to the disgrace of the communities where they are settled, and to the great demoralization of the youth of those localities. If this evil practice can be legislated against it will be my pleasure, as well as my duty, to force any regulation to secure so desirable an end.

It is hoped that negotiations between the government of Japan and the treaty powers looking to the further opening of the empire, and to the removal of various restrictions upon trade and travel may soon produce the result desired, which cannot fail to ensure to the benefit of all the parties. Having on previous occasions submitted to the consideration of Congress the propriety of the release of the Japanese government from the future payment of the indemnity under the convention of October 20, 1864, and as no action has been taken thereon, it became my duty to regard the obligations of the convention as in force, and as the other powers interested had received their proportion of the indemnity in full the minister of the United States in Japan has, in behalf of this government, received the remainder of the amount due to the United States under the convention of Simonsaki.

I submit the propriety of applying the income of a part, if not of the whole of this fund to the education in the Japanese language of a number of young men to be under obligations to serve the government for a specified time as interpreters between the legation and the consulates in Japan. I submit that the Japanese youth admitted at the same time be educated in our own vernacular and mutual benefits would result to both governments. The importance of having our own citizens competent and familiar with the language of Japan and act as interpreters and in other capacities connect with the legation and the consulates in that country cannot be overestimated. The amount awarded to the Government of Great Britain by the mixed commission organized under the provisions of the treaty of Washington in settlement of claims of British subjects arising from acts committed between April 13, 1861 and April 9, 1865, became payable under the terms of the treaty within the past year and was paid upon the 21st day of September 1874. In this connection I renew my recommendation made at the opening of the last session of Congress, that a special court be created to hear and determine all claims of aliens against the United States, arising from acts committed against their persons or property during the insurrection. It appears that the insurrection of Cuba has been offered to citizens of other states to settle their claims, as well as those of the British subjects whose claims were not admissible under the late commission, to the final decision of some competent tribunal. To reach this end I recommend the necessary legislation to organize a court to dispose of all claims of aliens of the nature referred to in an equitable and satisfactory manner and to relieve Congress and the departments from the consideration of these questions.

The legislation necessary to extend to the colony of New Foundland, certain articles of the treaty of Washington of the 8th day of July 1854, having been the subject of a bill introduced in behalf of the United States, and signed by the President on the 28th day of May last, and was July proclaimed on the day following. A copy of the proclamation submitted herewith. A copy of the report of the commissioner appointed under the act of March 19, 1872, for surveying and marking the boundary between the United States and the British possessions from the Lake of the Woods to the summit of the Rocky Mountains has been run and marked on the face of the earth. It is believed that the amount remaining unexpended of the appropriation made at last session of Congress will be sufficient to complete the office work. I recommend that the authority of Congress be given to the unexpended balance of the appropriation in the completion of the work of the commission in making and preparing the necessary maps.

The court known as the court of commissioners of Alabama claims created by an act of Congress of the last session has organized and commenced its work and it is to be hoped that the claims admissible under the provisions of the act may be speedily ascertained and paid. It has been deemed advisable to exercise the authority conferred upon the Secretary at the last session by accepting the conditions required by the government of Turkey for the privilege of allowing citizens of the United States to hold real estate in the former country, and by assenting to a certain charge of jurisdiction of the court in question. A copy of the proclamation on these subjects is herewith communicated.

There has been no material change in our relations with the independent states of this hemisphere which were formerly under the dominion of Spain. Marauding frequently takes place, despite the vigilance of the civil and military authorities in that quarter. The difficulty of checking such trespasses along the course of a river of such length as the Rio Grande, and so often forcible, is obvious. It is hoped that the efforts of the government will be seconded by those of Mexico to the effectual suppression of the acts of wrong.

From a report upon the condition of business between the American and Mexican joint claims commission, made by the agent on the part of the United States and dated October 28, 1874, it appears that of the one thousand and seven hundred claims filed on the part of the citizens of the United States 483 had been finally decided and seventy five were in the hands of the umpire leaving 492 to be disposed of; and of the 998 claims filed against the United States 726 were finally decided, one was before the umpire and 271 remained to be disposed of. Since the date of such report other claims have been disposed of reducing somewhat

the number still pending and others have been passed upon by the arbitrators. It has become apparent in view of these figures and of the fact that the work devolving upon the umpire is particularly laborious that the commission would be unable to dispose of the entire number of claims pending prior to the 1st of February, 1875, the date fixed for its expiration. Negotiations are pending looking to the securing of the results to a further extension of the commission for a limited time which it is confidently hoped will suffice to bring all the business now before it to a final close.

The strife in the Argentine republic is to be deplored both on account of the parties thereto and from the probable effects on the interests of those engaged in the United States are among the principal. As yet so far as I am aware there has been no violation of our neutrality rights which as well as our duties in that respect, it shall be my endeavor to maintain and observe. It is with regret I announce that no further payment has been received from the government of Venezuela on account of the awards in favor of the citizens of the United States and hopes have been entertained that if that republic could escape both foreign and civil war for a few years, its great natural resources would enable it to honor its obligations. Though it is not understood to be at peace with other countries, a serious insurrection is reported to be in progress in an important region of that republic and this may be taken advantage of another reason to delay the payment of the losses of our citizens.

The deplorable strife in Cuba continues without any marked change in the situation of the contending forces. The insurrection continues but Spain has gained no superiority. Six years of strife, which cannot be denied; its duration and the tenacity of its advantage together with the absence of a manifested power of suppression on the part of Spain cannot be contradicted and may make some position on the part of other powers a matter of necessity.

I had confidently hoped at this time to be able to announce the arrangement of some of the important questions between this government and that of Spain but the negotiations have been protracted and the unhappy intestine dissensions of Spain command my profound sympathy and must be accepted, as perhaps a casualty of some day. An early settlement in part at least of the questions between the governments is hoped. In the meantime, awaiting the results of immediately pending negotiations I defer a future and further communication on the subject of the relations of this country and Spain.

I have again to call the attention of Congress to the importance of the existing laws with reference to expatriation and the election of nationality. Formerly amid conflicting opinions and decisions it was difficult to exactly determine how far the doctrine of perpetual allegiance applicable to the citizens of the United States. Congress, by the act of the 27th of July, 1868, asserted the abstract right of expatriation as a fundamental principle of this government notwithstanding such assertion and the necessity of formal application of the principle, no legislation has been had defining what acts or formalities shall work expatriation or when a citizen shall be deemed to have renounced or to have lost his citizenship. The importance of such definition is obvious. The representatives of the United States in foreign countries are continually called upon to lend their aid and the protection of the United States to persons concerning the good faith or the reality of whose citizenship there is at least a question. In some cases the provisions of the treaties for which the United States are bound, seem to require that the representative of the United States should be called upon to determine the citizenship of a person claiming the benefit of citizenship while living in a foreign country, contributing in no manner to the performance of the duties of a citizen of the United States and without intention at any time to return and undertake those duties, to use the claims of citizenship of the United States simply as a shield from the performance of the obligations of a citizen elsewhere. The status of children born of American parents residing in a foreign country of American women who have been married to aliens, where such questions are not regulated by treaty, are all questions of frequent difficulty and discussion. Legislation on these and similar questions, and particularly defining when and under what circumstances expatriation can be accomplished it is to be presumed is especially needed in this connection.

I earnestly call the attention of Congress to the difficulties arising from fraudulent naturalization. The United States wisely, freely and liberally offers its citizenship to all who may come in good faith to reside within its limits, and their complying with certain prescribed reasonable and simple formalities and conditions. Among the highest duties of the government is that to afford uniform, efficient and equal protection to all its citizens, whether native born or naturalized. Care should be taken that a right carrying with it such support from the government should not be fraudulently obtained, and should be bestowed only upon full proof of a compliance with the law; and yet frequent instances occur of illegal and fraudulent naturalization and of the unauthorized use of certificates thus improperly obtained. In some cases the fraudulent character of the naturalization has appeared upon the face of the certificate itself, in others examination discloses that the holder has not complied with the law, and in other certificates have been obtained where the parties holding them not only were entitled to be naturalized, but had not even been within the United States at the time of the pretended naturalization. Instances of each of these classes of fraud are discovered at our legations where the certificates of naturalization are presented, either for obtaining passports or for demanding the protection of the legation. When the fraud is apparent, it is the duty of such certificates they are taken up by the representatives of

the government and forwarded to the department of state, but even when the record of the court in which the fraudulent naturalization occurred remains, and duplicate certificates are readily obtainable. Upon the presentation of these for the issue of passports or in demanding the protection of the government, the fraud sometimes escapes notice and such certificates are not infrequently used in the transaction of business to the deception and injury of innocent parties. Without placing any additional obstruction on the obtaining of citizenship by the worthy and well intentioned foreigner who comes in good faith to cast his lot with ours, I earnestly recommend further legislation to punish fraudulent naturalization and to secure the ready cancellation of the record of every naturalization made in fraud.

Since my last annual message the exchange has been made of the ratification of treaties of extradition with Belgium, Ecuador, Peru and San Salvador; also of a treaty of commerce and navigation with Peru, and one of commerce with Salvador. I should like to have been able to proclaim, as also a declaration with Russia, with reference to trade marks.

The report of the secretary of the treasury, which is made directly to Congress and forms no part of this message, will show the receipts and expenditures of the government for the last fiscal year of the amount received from such sources of revenue as are a part of the permanent fund of the departments of the government. It will be observed from this report that the amount of receipts over expenditures has been \$2,344,882 for the fiscal year ending June 30, 1875, and that for the current fiscal year he estimates that the receipts over the expenditures will not much exceed \$9,000,000. In view of the large amount of the permanent fund, the amount to add one per cent on the amount of the sinking fund, a sum amounting to now over \$30,000,000 per annum, I submit whether revenues should not be increased or expenditures diminished to reach this amount of surplus. Not to provide for the sinking fund is a partial failure to comply with the contracts and obligations of the government. At the last session of Congress a very considerable reduction was made in rates of taxation and in the number of articles subjected to taxation. The question may well be asked whether or not in some instances this was unwise. In connection with this subject I am of the opinion that the means of collecting the revenue, especially from imports, have been so embarrassed by legislative enactments as to make it questionable whether or not large amounts are not lost by failures to collect, to the direct loss of the treasury and to the prejudice of the interests of honest importers and tax payers. The secretary of the treasury in his report favors legislation to form a part of the manufacturing products expressed in this message. He also recommends economy in appropriations, calls attention to the loss of revenue from repeal of the tax on tea and coffee without benefit to the consumer, recommends an increase of ten cents a gallon on whisky, and further, that no modification be made in the banking and currency bill pending at the last session of Congress unless modification should become necessary by reason of the adoption of measures for returning to specie payments. In these recommendations I cordially join.

I would suggest to Congress the propriety of readjusting the tariff so as to increase the revenue and at the same time to decrease the number of articles upon which duties are levied, because articles which, in our manufactures are not produced at home, it seems to me should be treated free. These articles of manufacture which we produce a constituent part of, but do not produce the whole, that part which we do not produce should be treated free also. It will instance fine wool, dyes, etc. These articles must be imported to form a part of the manufacture of the higher grades of woollen goods, chemicals used as dyes, compounded in medicines, and used in various ways in manufactures come under this class. The introduction, free of duty, of such wools as we do not produce should stimulate the manufacture of goods requiring the use of a citizen elsewhere. The status of children born of American parents residing in a foreign country of American women who have been married to aliens, where such questions are not regulated by treaty, are all questions of frequent difficulty and discussion. Legislation on these and similar questions, and particularly defining when and under what circumstances expatriation can be accomplished it is to be presumed is especially needed in this connection.

I earnestly call the attention of Congress to the difficulties arising from fraudulent naturalization. The United States wisely, freely and liberally offers its citizenship to all who may come in good faith to reside within its limits, and their complying with certain prescribed reasonable and simple formalities and conditions. Among the highest duties of the government is that to afford uniform, efficient and equal protection to all its citizens, whether native born or naturalized. Care should be taken that a right carrying with it such support from the government should not be fraudulently obtained, and should be bestowed only upon full proof of a compliance with the law; and yet frequent instances occur of illegal and fraudulent naturalization and of the unauthorized use of certificates thus improperly obtained. In some cases the fraudulent character of the naturalization has appeared upon the face of the certificate itself, in others examination discloses that the holder has not complied with the law, and in other certificates have been obtained where the parties holding them not only were entitled to be naturalized, but had not even been within the United States at the time of the pretended naturalization. Instances of each of these classes of fraud are discovered at our legations where the certificates of naturalization are presented, either for obtaining passports or for demanding the protection of the legation. When the fraud is apparent, it is the duty of such certificates they are taken up by the representatives of

the report attached. I also recommend that the status of staff corps of the army be fixed, where this has not already been done, so that promotions may be made and vacancies filled as they occur in each grade, when reduced below the number to be fixed by law. The necessity for such legislation is specially felt now in the pay Department. The number of officers in that department, is below the number authorized by law, the performance of the duties required of them by law.

The efficiency of the navy has been largely increased during the last year under the impulse of the foreign complications which threatened us at the commencement of the last session of Congress. Most of our efficient wooden ships were put in condition for immediate service, the repairs of our iron clad fleet were pushed forward, the amount of the result is that most of these are now in an effective state, and need only to be manned and put in commission to go at once into service. Some of the new ships authorized by Congress are already in commission and most of the remainder are launched and only wait the completion of their machinery to enable them to take their place as part of our effective force. Two iron torpedo ships have been completed during the last year and four of our large double turreted iron clads are now undergoing repair. When these are finished everything that is useful of our navy, as now authorized, will be in condition for service, and with the advance in the science of torpedo warfare the American navy, comparatively small as it is, will be found at any time sufficiently powerful for the purpose of a peaceful nation. Much has also been accomplished during the year in aid of science, and to increase the sum of general knowledge, and further the interest of commerce and civilization. Extensive and much needed explorations have been made for hydrographic purposes, and to fix the proper routes of ocean telegraphs. Further surveys of the great isthmus route have been undertaken and completed, and two vessels of the navy are now employed in conjunction with those of England, France, Germany and Russia in observations connected with the transit of Venus, a matter interesting to the scientific world. The estimates for this branch of the public service do not differ materially from those of last year, those for the general support of the service being somewhat less, and those for permanent improvements at the various stations rather larger than the corresponding estimate made last year. Regular maintenance and a steady increase in the efficiency of this most important arm, in proportion to the growth of our maritime intercourse and interests, is recommended to the attention of Congress. The use of the navy in time of peace might be further utilized by a direct authorization of the employment of naval vessels in explorations and surveys of the supposed navigable waters of our continent, especially on this continent, especially the tributaries of the two great rivers of South America, the Orinoco and the Amazon. Nothing prevents, under existing laws, such exploration except that expenditures must be made in such expeditions beyond those usually provided for in the appropriations. The field designated is unquestionably one of great interest, and large development of commercial interests, advantageous to the peoples reached and to those who may establish relations with them.

Education of the people entitled to exercise the right of franchise is regarded as essential to general prosperity everywhere, and especially so in republics, where both education and the franchise do not enter into account giving the right of suffrage. Next to the public school, the postoffice is the great agent of education. Over our vast territory the rapidity with which new sections are being settled, thus increasing the carrying of mails in a more rapid ratio than the increase of receipts, is not alarming. The report of the postmaster general, herewith attached, shows that there is an increase of revenue in his department of 1875 over the previous year of \$1,574,411, and an increase of cost in carrying the mails and paying employees of \$3,042,487.91. The report of the postmaster general gives interesting statistics of his department and comparing them with the corresponding statistics of a year ago shows a growth in every branch, and a large development of commercial interests, advantageous to the peoples reached and to those who may establish relations with them.

Your attention will be drawn to the unsettled condition of affairs in some of the southern states. On the 14th of September last the governor of Louisiana called upon me, as provided by the constitution and laws of the United States, to aid in suppressing domestic violence in that state. This call was made in view of a proclamation issued on that day by D. B. Penn, claiming that he was elected lieutenant governor in 1873, and calling upon the militia of the state to arm and assemble and drive from power the usurpers, as he designated the officers of the state government on the next day I issued my proclamation commanding the insurgents to disperse