

# PRESIDENT'S MESSAGE---SUPPLEMENT.

## THE PRESIDENT'S MESSAGE.

To the Senate and House of Representatives of the United States:

An appalling calamity has befallen the American people since their chosen representatives last met in the halls of where you are now assembled. We might also recall with unalloyed content the rare prosperity which throughout the year the nation has been blessed. Its harvests have been plentiful, its varied industries have thriven, the health of its people has been preserved, it has maintained with foreign governments the undisturbed relations of amity and peace. For these manifestations of His favor we owe to Him who holds our destiny in His hands, the tribute of our grateful devotion. To that mysterious exercise of His will which has taken from us the loved and illustrious citizen who was but lately the head of the nation, we bow in sorrow and submission. The memory of his exalted character, of his noble achievements and of his patriotic life, will be treasured forever as a sacred possession of the whole people. The announcement of his death drew from foreign governments and peoples tributes of sympathy and sorrow which history will record as signal tokens of the kinship of nations and the federation of mankind.

### OUR RELATIONS WITH GREAT BRITAIN.

The feeling of good-will between our own government and that of Great Britain was never more marked than at present. In recognition of this pleasing fact I directed, on the occasion of the late centennial celebration at Yorktown, that a salute be given to the British flag. Save for the correspondence to which I shall refer hereafter in relation to the proposed canal across the Isthmus of Panama, little has occurred worthy of mention in the diplomatic relations of the two countries. Early in the year the Fortune bay claims were satisfactorily settled by the British government paying in full the sum of \$15,000, most of which has been already distributed. As the terms of the settlement included compensation for injuries suffered by our fishermen at Aspee bay, there has been retained from the gross award a sum which is deemed adequate for those claims.

The participation of Americans in the exhibitions at Melbourne and Sydney will be approvingly mentioned in the reports of the two exhibitions soon to be presented to Congress. They will disclose the readiness of our countrymen to make successful competition in distant fields of enterprise. Negotiations for an international copyright convention are in hopeful progress. The surrender of Sitting Bull and his forces upon the Canadian frontier has allayed apprehension, although bodies of British Indians still cross the border in quest of sustenance. Upon this subject a correspondence has been opened which promises an adequate understanding. Our troops have orders to avoid meanwhile all collisions with alien Indians.

### THE YORKTOWN CELEBRATION.

The presence at the Yorktown celebration of representatives of republicans, descendants of Lafayette and of his gallant compatriots, who were our allies in the Revolution, have served to strengthen the spirit of good-will which has always existed between the two nations.

### THE SILVER CONFERENCE.

You will be furnished with the proceedings of the bi-metallic conference held during the summer at the city of Paris. No accord was reached, but a valuable interchange of views was had, and the conference will next year be renewed.

At the electrical exhibition and congress also held at Paris this country was credibly represented by eminent specialists who, in the absence of an appropriation, generously lent their efficient aid at the instance of the state department. While our exhibitors in this almost distinctly American field of achievement have won several valuable awards, I recommend that Congress provide for the repayment of the personal expenses incurred in the public interest by the honorary commissioners and delegates.

### FOREIGN TOPICS.

No new question respecting the status of our naturalized citizens in Germany have arisen during the year and causes of complaint, especially in Alsace and Lorraine have practically ceased through the liberal action of the imperial government in accepting our often expressed views on the subject. The application of the treaty of 1868 to the lately acquired Rhenish provinces has received very earnest attention. A definite and lasting agreement on this point is confidently expected. The participation of the descendants of Baron Von Stouben in the Yorktown festivities and their subsequent reception by their American kinsmen strikingly evinced the ties of good-will which unite the German people and our own.

Our intercourse with Spain has been friendly. An agreement concluded in February last fixes a term for the labors of the Spanish and American claims commission. The Spanish government has been requested to pay the late awards of that commission, and will, it is believed, accede to the request as promptly and courteously as on former occasions. By recent legislation onerous fines have been imposed on American shipping in Spanish and colonial ports for slight irregularities in manifests. One case of hardship is especially worthy of attention. The bark Masonic, bound for Japan, entered Manila in distress, and is there sought to be confiscated under Spanish revenue laws for an alleged shortage in her transhipped cargo. Though efforts for her relief have thus far proved unavailing it is expected that the whole matter will be adjusted in a friendly spirit.

The Senate resolutions of condolence on the assassination of Czar Alexander II, were appropriately communicated to the Russian government, which in turn has expressed its sympathy in our late national bereavement. It is desirable that our cordial relations with Russia should be strengthened by proper engagements, assuring to peaceful Americans who visit the empire the consideration which is due to them as citizens of a friendly state. This is

tion with the native Hebrews has evoked energetic remonstrances from the government.

A supplementary consular agreement with Italy has been sanctioned and proclaimed, which puts at rest conflicts of jurisdiction in the case of crimes on shipboard.

Several important international conferences have been held in Italy during the year. At the Geographical Congress of Milan, the Benedictine Congress of Milan, and the Hygienic Congress of Turin, this country was represented by delegates from branches of the public service, or by private citizens duly accredited in an honorary capacity. It is hoped that Congress will give such prominence to the results of their participation as they may seem to deserve.

The abolition of all discriminating duties against such colonial productions of the Dutch East Indies as are imported hither from Holland has been already considered by Congress. I trust that at the present session the matter may be favorably concluded.

The insecurity of life and property in many parts of Turkey has given rise to correspondence with the Porte, looking particularly to the better protection of American missionaries in the empire. The condemned murderer of the eminent missionary, Dr. Justin W. Parsons, has not yet been executed, although this government has repeatedly demanded that exemplary justice be done.

Again the Swiss government has solicited the good offices of our diplomatic and consular agents for the protection of its citizens in countries where it is not itself represented. This request has, within proper limits, been granted. Our agents in Switzerland have been instructed to protest against the conduct of the authorities of certain communes in permitting the emigration to this country of criminals and other objectionable persons. Several such persons, through the co-operation of the commissioners of emigration at New York, have been sent back by the steamers which brought them. A continuance of this course may prove a more effectual remedy than diplomatic remonstrance.

Treaties of commerce and navigation, and for the regulation of consular privileges, have been concluded with Roumania and Serbia since their admission into the family of European states. As is natural with contiguous States having like institutions and like aims of advancement and development, the friendship of the United States and Mexico has been constantly maintained. This government has lost no occasion of encouraging the Mexican government to a beneficial realization of the mutual advantages which will result from more intimate commercial intercourse, and from the opening of the rich interior of Mexico to railway enterprise. I deem it important that means be provided to restrain the lawlessness unfortunately so common on the frontier, and to suppress the forays of the reservation Indians on either side of the Rio Grande.

The neighboring states of Central America have preserved internal peace, and their outward relations toward us has been those of intimate friendship. There are encouraging signs of their growing disposition to subordinate their local interests to those which are common to them by reason of their geographical relations. The boundary dispute between Guatemala and Mexico has afforded this government an opportunity to exercise its good offices for preventing a rupture between those states and for procuring a peaceable solution of the question. I cherish a strong hope that in view of our relations of amity with both countries our friendly counsels may prevail. A special envoy of Guatemala has brought to me the condolences of his government and people on the death of President Garfield.

The Costa Rican government lately framed an engagement with Colombia settling by arbitration the boundary question between those countries, providing that the post of arbitrator should be offered successively to the king of the Belgians, the king of Spain, and the president of the Argentine Confederation. The king of the Belgians has declined to act, but I am not as yet advised of the action of the king of Spain. As we have certain interests in the disputed territory which are protected by our treaty engagements with one of the parties, it is important that the arbitration should not, without our consent, affect our rights, and this government has accordingly thought proper to make its views known to the parties to the agreement, as well as to intimate them to the Belgian and Spanish governments.

### THE PANAMA CANAL.

The questions growing out of the proposed interoceanic waterway across the Isthmus of Panama are of grave national importance. This government has not been unmindful of the solemn obligations imposed upon it by its compact of 1846 with Colombia, as the independent and sovereign mistress of the territory crossed by the canal, and has sought to render them effective by fresh engagements with the Colombian republic looking to their practical execution. The negotiations to this end, after they have reached what appeared to be a mutually satisfactory solution here, were met in Colombia by a disavowal of the powers which its envoy had assumed, and by a proposal for renewed negotiation on a modified basis. Meanwhile this government learned that Colombia had proposed to the European powers to join in a guarantee of neutrality of the proposed Panama canal, a guarantee which would be in direct contravention of our obligation as the sole guarantor of the integrity of Colombian territory, and of the neutrality of the canal itself. My lamented predecessor felt it his duty to place before the European powers the reasons which make the prior guarantee of the United States indispensable and for which the interjection of any foreign guarantee might be regarded as a superfluous and unfriendly act. Foreseeing the probable reliance of the British government on the provisions of the Clayton-Bulwer treaty of 1850, as affording room for a share in the guarantee which the United States covenanted with Colombia four years before, I have not hesitated to supplement the action of my predecessor by proposing to her majesty's government the modification of that instrument and the abrogation of such clauses thereof as do not com-

States toward Colombia, or with the vital needs of the two friendly parties to the compact.

This government sees with great concern the continuance of the hostile relations between Chile, Bolivia and Peru. An early peace between these republics is much to be desired, not only that they themselves be spared further misery and bloodshed, but because their continued antagonism threatens consequences which are, in my judgment, dangerous to the interest of republican government on this continent, and calculated to destroy the best elements of our free and peaceful civilization.

As in the present excited condition of popular feeling in these countries there has been serious misapprehension of the position of the United States and as separate diplomatic intercourse with each through independent ministers is sometimes subject owing to the want of prompt reciprocal communication to temporary misunderstanding, I have deemed it judicious at the present time to send a special envoy, accredited to all and each of them, and furnished with general instructions, which will, I trust, enable him to bring these powers into friendly relations.

### OTHER FOREIGN TOPICS.

The government of Venezuela maintains its attitude of warm friendship, and continues with great regularity its payment of the monthly quota of the diplomatic debt. Without suggesting the direction in which Congress should act, I ask its attention to the pending questions affecting the distribution of the sums thus far received.

The relations between Venezuela and France, growing out of the same debt, have been for some time past in an unsatisfactory state, and this government, as the neighbor and one of the largest creditors of Venezuela, has interposed itself with the French government, with the view of producing a friendly and honorable adjustment.

I regret that the commercial interests between the United States and Brazil, from which great advantages were hoped a year ago, have suffered from the withdrawal of the American lines of communication between the Brazilian ports and our own. Through the efforts of our minister resident at Buenos Ayres and the United States minister at Santiago, a treaty has been concluded between the Argentine Republic and Chile, disposing of the long-pending Patagonian boundary question. It is a matter of congratulation that our government has been afforded the opportunity of successfully exerting its good influence for the prevention of disagreements between these republics of the American continent.

I am glad to inform you that the treaties lately negotiated with China have been duly ratified on both sides and the exchange made at Peking. Legislation is necessary to carry the provision into effect. The prompt and friendly spirit with which the Chinese government, at the request of the United States, conceded the modification of existing treaties should secure careful regard for the interests and susceptibilities of the government in the enactment of any laws relating to Chinese emigration.

Those clauses of the treaties which forbid the participation of citizens or vessels of the United States in the opium trade will doubtless receive your approval. They will attest the sincere interest which our people and government feel in the commendable effort of the Chinese government to put a stop to this demoralizing and destructive traffic.

In relation both to China and Japan some changes are desirable in our present system of consular jurisdiction. I hope at some future time to lay before you a scheme for its improvement in the entire East.

The intimacy between our country and Japan, the most advanced of the Eastern nations, continues to be cordial. I am advised that the emperor contemplates the establishment of full constitutional government, and that he has already summoned a parliamentary congress for the purpose of effecting the change. Such a remarkable step toward complete assimilation with the Western system cannot fail to bring Japan into closer and more beneficial relationship with ourselves as the chief pacific power.

A question has arisen in relation to the exercise in that country of the judicial functions conferred upon our ministers and consuls. The indictment, trial and conviction in the consular court at Yokohama of John Ross, a merchant seaman on board an American vessel, have made it necessary for the government to institute a careful examination into the nature and methods of this jurisdiction. It appears that Ross was regularly shipped under the flag of the United States, but by birth a British subject. My predecessor felt it his duty to maintain the position, that during his service as a regularly-shipped seaman on board an American merchant vessel, Ross was subject to the laws of that service, and to the jurisdiction of the United States consular authorities.

I renew the recommendation which has been heretofore urged by the Executive upon the attention of Congress, that after the reduction of such amount as may be found due to American citizens the balance of the indemnity funds heretofore obtained from China and Japan and which are now in the hands of the state department, be returned to the governments of those countries.

The king of Hawaii in the course of his homeward return after a journey around the world has lately visited this country. While our relations with that kingdom are friendly this government has viewed with concern the efforts to seek replenishment of the diminishing population of the islands from outward sources to a degree which may impair the native sovereignty and independence in which the United States was among the first to testify a lively interest.

Relations of unimpaired amity have been maintained throughout the year with the respective governments of Austria-Hungary, Belgium, Denmark, Hayti, Paraguay and Uruguay, Portugal, Sweden, and Norway. This may also be said of Greece and Ecuador, although our relations with those states have for some years been severed by the withdrawal of appropriations for diplomatic representative at Athens and Quito. It seems expedient to restore these missions, even on a reduced scale, and I decidedly recommend such

an important part among the nations of the Southern Pacific.

### INTERNATIONAL AGREEMENTS.

At its last extra session the Senate called for the text of the Geneva convention for the relief of the wounded in war. I trust that this action foreshadowed such interest in the subject as will result in the adhesion of the United States to that humane and commendable engagement.

I invite your attention to the propriety of adopting the new code of international rules for the prevention of collisions on the high seas and of conforming the domestic legislation of the United States thereto, so that no confusion may arise from the application of conflicting rules in the case of vessels of different nationalities meeting in tidal waters. These international rules differ but slightly from our own. They have been adopted by the navy department for the governance of the war ships of the United States on the high seas and in foreign waters, and through the action of the state department in disseminating the rules and in acquainting shipmasters with the option of conforming to them without the jurisdiction of the waters of the United States, they are now very generally known and obeyed.

### TRADE REPORTS.

The state department still continues to publish to the country the trade and manufacturing reports received from its officers abroad. The success of this course warrants its continuance, and such appropriation as may be required to meet the rapidly increasing demand for these publications—with special reference to the Atlanta Cotton Exposition. The October number of the reports was devoted to a valuable collection of papers on the cotton goods trade of the world.

### SANITARY CONFERENCE.

The international sanitary conference for which in 1879 Congress made provision assembled in this city early in January last, and its sessions were prolonged until March. Although it reached no specific conclusion affecting the future action of the participant powers, the interchange of views proved to be most valuable. The full protocols of the sessions have been already presented to the Senate.

As pertinent to this general subject I call your attention to the operations of the national board of health, established by act of Congress. Its sphere of duty was enlarged by the act of June 2, in the same year. By the last named act the board was required to institute such measures as might be deemed necessary for preventing the introduction of contagious or infectious diseases from foreign countries into the United States, or from one state to another. The execution of the rules and regulations prepared by the board and approved by my predecessor has done much to arrest the progress of epidemic disease, and has thus rendered substantial service to the nation.

The international sanitary conference, to which I have referred, adopted a form of a bill of health to be used by all vessels seeking to enter the ports of the countries whose representatives participated in its deliberations. This form has since been prescribed by the national board of health and incorporated with its rules and regulations which have been approved by me in pursuance of law. The health of the people is of supreme importance. All measures looking to their protection against the spread of contagious diseases and to the increase of our sanitary knowledge for such purposes deserve the attention of Congress.

### THE FINANCES.

The report of the secretary of the treasury represents in detail a highly satisfactory exhibit of the state of the finances and the condition of the various branches of the public service administered by that department. The ordinary revenues from all sources for the fiscal year ending June 30, 1881, were: From customs, \$198,159,676.02; from internal revenue, \$135,264,383.51; from public lands, \$2,201,863.17; from tax on circulation and deposits of national banks, \$5,116,115.72; from repayment of interest by Pacific railway companies, \$810,835.80; from sinking fund for Pacific railway companies, \$805,180.54; from customs, fees, fines, penalties, etc., \$1,225,514.86; from fees, consular, letters patent and lands, \$2,244,983.99; from the proceeds of sales of government property, \$26,217,400; from profits on coinage, \$3,468,485.61; from revenues of the District of Columbia, \$2,016,199.23; from miscellaneous sources, \$6,206,880.13. Total ordinary receipts, \$360,782,292.57. The ordinary expenditures for the same period were: For civil expenses, \$17,941,177.19; for foreign intercourse, \$1,003,954.92; for Indians, \$6,514,101.00; for pensions, \$50,059,279.62; for the military establishment, including river and harbor improvements and arsenals, \$40,466,460.55; for the naval establishment, including vessels, machinery, improvements at navy yards, \$15,686,671.66; for miscellaneous expenditures, including public buildings, lighthouses and collecting the revenue, \$41,837,280.57; for expenditures on account of the District of Columbia, \$3,543,912.03; for interest on the public debt, \$82,508,741.18; for premium on bonds purchased, \$1,061,248.78. Total ordinary expenditures, \$260,712,887.59, leaving a surplus of revenue of \$100,069,404.98, which was applied as follows: To the redemption of bonds, the sinking fund, \$74,371,200; fractional currency for the sinking fund, \$109,001.05; loan of February, 1861, \$7,418,000; ten-forties of 1864, \$2,016,150; five-twenties of 1862, \$18,300,000; five-twenties of 1864, \$3,400,000; five-twenties of 1865, \$37,300,000; consols of 1865, \$143,150; consols of 1867, \$950,150; consols of 1868, \$337,400; Texan indemnity stock, \$100,000; old demand compound interest and other notes, \$1,830,000; and to the increase of cash in the treasury, \$14,637,023.93; total, \$100,069,404.98. The requirements of the sinking fund for the year amounted to \$90,786,004.02, which sum included a balance of \$49,817,123.78 not provided for during the present fiscal year. The sum of \$74,480,201.95 was applied to this fund, which left a deficit of \$16,305,873.47. The increase of the revenues for 1881 over those of the previous year was \$29,352,901.10. It is estimated that the receipts during the present fiscal year

\$130,000,000, applicable to the sinking fund and the redemption of the public debt.

### THE RETIREMENT OF SILVER CERTIFICATES.

I approve the recommendation of the secretary of the treasury, that provision be made for the early retirement of silver certificates and that the act requiring their issue be repealed. They were issued in pursuance of the policy of the government to maintain silver at or near the gold standard, and were accordingly made receivable for all customs, taxes and public dues. About \$66,000,000 of them are now outstanding. They form an unnecessary addition to the paper currency, a sufficient amount of which may be readily supplied by the national banks.

### THE COINAGE OF SILVER DOLLARS.

In accordance with the act of February 28, 1878, the treasury department has monthly caused at least \$2,000,000 in value of silver bullion to be coined into standard silver dollars. \$10,000,000 of these dollars have been already coined, while only about \$3,000,000 are in circulation. For the reasons which he specifies, I concur in the secretary's recommendation that the provision for coinage of a fixed amount each month be repealed, and that hereafter only so much be coined as shall be necessary to supply the demand. The secretary advises that the issue of gold certificates should not for the present be resumed, and suggests that the national banks may properly be forbidden by law to retire their currency, except upon reasonable notice of their intention so to do. Such legislation would seem to be justified by the recent action of certain banks on the occasion referred to in the secretary's report. Of the \$15,000,000 of fractional currency still outstanding, only about \$80,000 has been redeemed the past year. The suggestion that this amount may properly be dropped from future statements of the public debt seems worthy of approval. So also does the suggestion of the secretary as to the advisability of relieving the calendar of the United States courts in the southern district of New York, by the transfer to another tribunal of the numerous suits there pending against collectors.

### THE CUSTOMS REVENUE.

The revenue from customs for the past fiscal year was \$198,159,676.02, an increase of \$11,637,611.42 over that of the year preceding. \$138,098,562.39 of this amount was collected at the port of New York, leaving \$50,251,113.63 as the amount collected at all the other ports of the country. Of this sum \$47,977,137.63 was collected on sugar, melada and molasses; \$27,285,624.78 on wool and its manufactures; \$21,462,534.34 on iron and steel, and manufactures thereof; \$19,038,665.81 on manufactures of silk; \$10,825,115.21 on manufactures of cotton; \$6,469,643.04 on wines and spirits, making a total revenue from these sources of \$133,059,720. The expenses for collection during the past year were \$6,419,345.20, an increase over the preceding year of \$387,410.04. Notwithstanding the increase in the revenue from customs over the preceding year the gross value of the imports, including free goods, decreased over \$25,000,000. The most marked decrease was in the value of unmanufactured wool, \$114,023,682, and that of scrap and pig-iron, \$12,810,671. The value of imported sugar on the other hand showed an increase of \$7,457,474, of steel rails \$4,345,521, of barley \$2,154,204, of steel in bars, ingots, etc., \$1,620,046. Contrasted with the imports during the last fiscal year the exports were as follows: Domestic merchandise, \$883,925,947; foreign merchandise, \$1,451,399; total, \$902,377,346; imports of merchandise, \$642,664,028; excess of exports over imports of merchandise, \$259,712,718; aggregate of exports and imports, \$1,545,041,974. Compared with the previous year there was an increase of \$66,738,688 in the value of exports of merchandise, and a decrease of \$25,290,118 in the value of imports. The annual average of the imports of merchandise over exports thereof for ten years previous to June 30, 1873, was \$104,806,922, but for the last six years there has been an excess of exports over imports of merchandise amounting to \$1,180,668,103, an annual average of \$196,778,017. The special value of the exports of domestic merchandise was \$376,616,474 in 1870 and \$883,925,947 in 1881, an increase of \$507,309,374, or 135 per cent. The value of imports was \$435,958,408 in 1870 and \$642,664,628 in 1881, an increase of \$206,706,220, or forty-seven per cent. During each year, from 1862 to 1879 inclusive, the exports of specie exceeded the imports. The largest excess of such exports over imports was reached during the year 1864, when it amounted to \$92,280,929; but during the year ended June 30, 1880, the imports of coin and bullion exceeded the exports by \$75,891,391, and during the last fiscal year the excess of imports over exports was \$91,168,650.

### THE LIQUOR TAX.

It is, perhaps, doubtful whether the immediate reduction of the rate of taxation upon liquors and tobacco is advisable, especially in view of the drain upon the treasury which must attend the payment of arrears of pensions. A comparison, however, of the amount of taxes collected under the varying rates of taxation which have at different times prevailed suggests the intimation that some reduction may soon be made without material diminution of the revenue.

### REVISION OF TARIFF.

The tariff laws also need revision; but that a due regard may be paid to the conflicting interests of our citizens, important changes should be made with caution. If a careful revision cannot be made at this session, a commission such as was lately approved by the Senate, and is now recommended by the secretary of the treasury, would doubtless lighten the labors of Congress whenever this subject shall be brought to its consideration.

### WAR DEPARTMENT.

The accompanying report of the secretary of war will make known the operations of that department for the past year. He suggests measures for promoting the efficiency of the army without adding to the number of its officers, and recommends the legislation necessary to increase the number of enlisted men to 30,000, the minimum

ever shifting frontier; to preserve peace and suppress disorder and marauding in new settlements; to protect settlers and their property against Indians and Indians against the encroachments of intruders; and to enable peaceable immigrants to establish homes in the most remote parts of our country.

The army is now necessarily scattered over such a vast extent of territory that whenever an outbreak occurs reinforcements must be hurried from many quarters over great distances, and always at heavy cost for transportation of men, horses, wagons, and supplies. I concur in the recommendations of the secretary for increasing the army to the strength of thirty thousand enlisted men. It appears by the secretary's report that, in the absence of disturbances on the frontier, the troops have been actively employed in collecting the Indians hitherto hostile and locating them on their proper reservations; that Sitting Bull and his adherents are now prisoners at Fort Randall; that the Utes have been moved to their new reservation in Utah; that during the recent outbreak of Apaches it was necessary to reinforce garrisons in Arizona by troops withdrawn from New Mexico, and that some of the Apaches are now held prisoners for trial, while some have escaped and the majority of the tribe are now on their reservation. There is need of legislation to prevent intrusion upon the lands set apart for the Indians. A large military force, at great expense, is now required to patrol the boundary line between Kansas and the Indian Territory. The only punishment that can at present be inflicted, is the forcible removal of the intruder and the imposition of a pecuniary fine, which, in most cases, it is impossible to compel. There should be a penalty by imprisonment in such cases.

### THE SIGNAL-SERVICE.

The separate organization of the signal-service is urged by the secretary of war, and a full statement of the advantages of such permanent organization is presented in the report of the chief signal officer. A detailed account of the useful work performed by the signal corps and the weather bureau is also given in that report.

### THE INDIAN BUREAU.

I ask attention to the statements of the secretary of war regarding the requisitions frequently made by the Indian bureau upon the subsistence department of the army for the casual support of bands and tribes of Indians whose appropriations are exhausted. The war department should not be left, by reason of inadequate provision for the Indian bureau, to contribute for the maintenance of Indians.

### RIVER AND HARBOR IMPROVEMENT.

The report of the chief of engineers furnishes a detailed account of the operations for the improvement of rivers and harbors. I commend to your attention the suggestions contained in this report in regard to the condition of our fortifications, especially our coast defenses, and recommend an increase of the strength of the engineer battalion, by which the efficiency of our torpedo system would be improved. I also call your attention to the remarks upon the improvement of the South Pass of the Mississippi river, the proposed free bridge over the Potomac river at Georgetown, the importance of completing at an early day the north wing of the department building, and other recommendations of the secretary of war which appear in his report. The actual expenditures of this department for the fiscal year ending June 30, 1881, were \$42,122,201.39. The appropriations for the year 1882 were \$44,880,725.42. The estimates for 1883 are \$44,541,276.91.

The report of the secretary of the navy exhibits the condition of that branch of the service, and presents valuable suggestions for its improvement. I call your special attention also to the appended report of the advisory board which he convened to devise suitable measures for increasing the efficiency of the navy, and particularly to report as to the character and number of vessels necessary to place it upon a footing commensurate with the necessities of the government. I cannot too strongly urge upon my conviction that every consideration of national safety, economy and honor imperatively demands a thorough rehabilitation of our navy. With a full appreciation of the fact that the compliance with the suggestions of the head of that department and of the advisory board must involve a large expenditure of the public moneys, I earnestly recommend such appropriations as will accomplish an end which seems to me so desirable.

Nothing can be more inconsistent with true public economy than withholding the means necessary to accomplish the objects intended by the constitution to the national legislature. One of these objects, and one which is of paramount importance, is declared by our fundamental law to be the provision for the "common defense." Surely nothing is more essential to the defense of the union state and of all our people that the efficiency of our navy. We have for many years maintained with foreign governments the relations of honorable peace, and that such relations may be permanent is desired by every patriotic citizen of the republic. But if we read the teachings of history we shall not forget that in the life of every nation emergencies may arise when a resort to arms can alone save it from dishonor. No danger from abroad now threatens this people, nor have we any cause to distrust the friendly professions of other governments. But for avoiding, as well as for repelling, dangers that may threaten us in the future, we must be prepared to enforce any policy which we think wise to adopt. We must be ready to defend our harbors against aggression; to protect, by the disposition of our ships-of-war over the highways of commerce, the varied interests of our foreign trade, and the persons and property of our citizens abroad; to maintain everywhere the honor of our flag, and the distinguished position which we rightfully claim among the nations of the world.

### POSTAL AFFAIRS.

The report of the postmaster general is a gratifying exhibit of the great efficiency of the postal service, and the economy in postage and other sources during the past fiscal year. The receipt