

in case of a foreign war. Nature has provided the greater part of this route, and the obstacles to be overcome are easily within the skill of the engineer. I have not alluded to this subject with a view of having any further expenditure of public money at this time than may be necessary to procure and place all necessary information before Congress in an authentic form, to enable it hereafter, if deemed practicable and worthy, to legislate on the subject without delay.

The Navy.

The report of the Secretary of the Navy, herewith accompanying, explains fully the condition of that branch of the public service, its wants and deficiencies, the expenses incurred during the past year, and the appropriations for the same. It also gives a complete history of the services of the navy for the past year, in addition to its regular services. It is evident that unless steps are taken to preserve our navy, in a very few years the United States will be the weakest nation, upon the ocean, of all the great powers. With an energetic progressive business people like ours, penetrating and forming business relations with every part of the known world, a navy strong enough to command the respect of our flag abroad is necessary for the full protection of our rights.

Postal Matters.

I recommend for careful consideration by Congress the recommendations made by the Secretary in the accompanying report of the Postmaster General, which furnishes a full and satisfactory exhibit of the operations of the Post office department during the year. The ordinary revenues of the department for the fiscal year ending June 30th, 1872, amounted to \$21,915,426 37, and the expenditures to \$26,658,192.21. Compared with the previous fiscal year the increase of revenue was \$1,878,380 95, and the increase of expenditures \$2,268,079.23, adding to the ordinary revenues the annual appropriation of \$700,000 for free matter and the amounts paid to subsidies on most of the steamship lines from special appropriations. The deficiency paid out of the general treasury was \$3,317,765.94, an excess of \$389,707 28 over the deficiency for the year 1871. Other interesting statistical matter relating to our rapidly extending postal service is furnished in this report. The total length of railroad mail routes on the 30th of June, 1872, was 57,911 miles, 8,077 additional miles of such service having been put into operation during the year, eight new lines of railway post offices having been established, with an aggregate length of 2,909 miles. The number of letters exchanged in mails with foreign countries was 24,362,500, an increase of 4,066,502, or twenty-five per cent over the number in 1871, and the postage thereon amounts to \$1,871,257.25. The total weight of mails exchanged with European countries exceeded 820 tons. The cost of the United States trans-Atlantic mail steamship service was \$220,301.70. The total cost of the United States ocean steamships, including amounts paid to subsidized lines of mail steamers, was \$1,027,020.97. The following are the only steamship lines now receiving subsidies for mail service under special acts of Congress—The Pacific Mail S. S. Co. receives \$500,000 per annum for carrying a monthly mail between San Francisco, Japan and China, which will be increased to \$1,000,000 per annum, and a semi-monthly mail on and after October 1st, 1873. The U. S. and Brazil Mail S. S. Co receive \$150,000 per annum, for carrying a monthly mail between New York and Rio de Janeiro. The Brazil and California, Oregon and Mexico Steamship Company received \$75,000 per annum for carrying a monthly mail between San Francisco and Honolulu, Hawaiian Islands, making a total amount of mails and subsidies, at present, \$725,000 per annum. Our postal communications with all parts of the civilized world have been placed upon a most advantageous footing by improved post conventions and arrangements recently concluded with the leading commercial countries of Europe and America, and the gratifying statement is made that with the conclusion of a satisfactory convention with France, the details of which have been definitely agreed to by the French postal department, subject to the approval of the minister of finance, little remains to be accomplished by treaty for some time to come, in respect to the reduction of the rate or improved postal facilities. Your favorable consideration is respectfully invited to the recommendations of the postmaster-general for an increase of service from a monthly to a semi-monthly trip of the mail steamship route to Brazil; for a subsidy in aid of the establishment of an American line of steamers between San Francisco, New Zealand and Australia; for the establishment of post office savings banks; and for an increase of the salaries of the heads of bureaus.

Franking Privilege.

I have heretofore commended the abolition of the franking privilege, and I see no reason now for changing my views on that subject. It not having been favorably regarded by Congress, however, I now suggest a modification of the privilege to correct its glaring and costly abuses.

Postal Telegraph.

I would recommend also the appointment of a committee or commission to take into consideration the best method, equitable to a private corporation who have in-

vested their time and capital in the establishment of telegraph lines, of acquiring a title to the telegraph lines now in operation, and of connecting this service with the postal service of the nation. It is not probable that this subject could receive proper consideration during the limits of a short session of Congress, but it may be initiated, so that further action may be fair to the government and to private parties concerned.

American Shipping Trade.

There are but three lines of ocean steamers, viz., the Pacific Mail Steam Ship Co., between San Francisco, China and Japan, with a provision made for semi-monthly service after Oct. 1st, 1873; the United States and Brazil line, monthly; and the California, New Zealand, and Australian, monthly, plying between the United States and foreign ports, and owned and operated under our flag. I earnestly recommend that such liberal contracts for carrying the mails be authorized with those lines as will insure their continuance. If the expediency of extending aid of the Government to lines of steamers which hitherto have not received it should be deemed worthy of the consideration of Congress, political and commercial objects make it advisable to bestow such aid on the lines under our flag between Panama and the western South American ports. By this means much trade now diverted to other countries might be brought to us, to the mutual advantage of this country and those lying in that quarter of the continent of America. The report of the Secretary of the Treasury will show an alarming falling off in our carrying trade for the last 10 or 12 years and even for the past year. I do not believe that the public treasure can be better expended in the interest of the whole people than in trying to recover this trade. An expenditure of five millions of dollars per annum for the next five years, if it would restore to us our proportion of the carrying trade of the world, would be profitably expended. The price of labor in Europe has so much enhanced within the last few years that the cost of building and operating ocean steamers in the United States is not so much greater than in Europe, so that I believe the time has arrived for Congress to take this subject into serious consideration.

The Judiciary.

The detailed statements of the disbursements of the department of justice will be furnished by the report of the Attorney General, and though these have been somewhat increased by the recent acts of Congress to enforce the rights of citizens of the United States to vote in the several States of the Union, and to enforce the provisions of the fourteenth amendment to the Constitution of the United States, and the amendments thereto, I cannot question the necessity and salutary effect of these enactments. Reckless and lawless men, I regret to say, have associated themselves together in some localities, to deprive others of the rights guaranteed them by the Constitution of the United States, and, to that end, have committed deeds of violence, but the detection and punishment of many of these persons has tended greatly to the repression of such disorders. I do not doubt that the great majority of the people in all parts of the country favor the full enjoyment, by all classes of persons, of these rights to which they are entitled under the Constitution and laws, and to invoke the aid and influence of all good citizens to prevent organizations whose objects are, by unlawful means, to interfere with those rights. I look with confidence to the time, not far distant, when the obvious advantages of good order and peace will induce the abandonment of all combinations prohibited by the acts referred to, and when it will be unnecessary to carry on prosecutions or inflict punishments to protect citizens from the lawless doings of such combinations. Applications have been made to me to pardon persons convicted of violations of said acts upon the ground that clemency in such cases would tend to tranquilize the public mind, and to test the virtue of that policy I am disposed, as far as my sense of justice will permit, to give to these applications favorable consideration, but any action thereon is not to be construed as indicating any ceasing in my determination to enforce with vigor such acts so long as the conspiracies and combinations therein named disturb the peace of the country. It is much to be regretted, and is regretted by no one more than myself, that the necessity has ever existed to execute the enforcement act. No one can desire more than I that the necessity of applying it may never again be demanded.

Department of the Interior.

The Secretary of the Interior reports a satisfactory improvement and progression in each of the several bureaus under the control of the interior department. They are all in excellent condition. The work which in some of them for some years has been in arrears, has been brought down to a recent date, and in all, the current business has been promptly despatched.

The Management of Indians.

The policy which was adopted at the beginning of the administration with regard to the management of the Indians has been as successful as its most ardent friends anticipated within so short time. It has reduced the expenses of their management,

decreased their forages upon white settlements, tended to give the largest opportunity for the extension of the great railways through the public domain and the pushing of settlements into many districts of the country and at the same time improved the condition of the Indians. The policy will be maintained without change, excepting such as further experience may show to be necessary to render it more efficient. The subject of converting the so-called Indian territory south of Kansas into a home for the Indians, and erecting thereon a territorial form of government, is one of great importance, as a complement of the existing Indian policy. The question of their removal to this territory has, within the past year, been presented to many tribes resident upon other and less desirable portions of the public domain, and has generally been received by them with favor. As a preliminary step to the organization of such a territory, it will be necessary to confine the Indians now resident there, into farms of proper size, which should be secured to them in fee residue, to be used for the settlement of other friendly Indians. Efforts will be made, in the immediate future, to induce the removal of as many peaceably disposed Indians only to the Indian territory as can be settled properly, without disturbing the harmony of those already there. There is no other location now available where a people who are endeavoring to acquire a knowledge of pastoral and agricultural pursuits can be as well accommodated as upon the unoccupied lands in Indian Territory. A Territorial government should, however, prevent the Indians from inroads of the whites for a term of years, until they become sufficiently advanced in the arts of civilization to guard their own rights. From the sale of lands held by them, from the same period during the last fiscal year, there were disposed of, out of the public lands, 11,864,975 acres, a quantity greater by 1,099,270 acres than was disposed of the previous year. Of this amount 1,370,320 acres were sold for cash, 389,460 acres located with military warrants, 4,671,332 acres taken for homesteads, 693,613 acres located with college scrip, 3,554,887 acres granted to railroads, 465,347 acres granted to wagon roads, 714,255 acres given to the States as swamp land, 5760 acres located by Indian scrip. The cash receipts, from all sources, in the land office, amounted to \$3,218,100. During the same period 22,016,608 acres of public lands were surveyed, which, added to the quantity before surveyed, amounts to 583,364,780 acres, leaving 1,257,633,628 acres of public lands still unsurveyed.

Public Lands.

Reports from the subordinates of the land office contain interesting information with regard to their respective districts. They uniformly mention the fruitfulness of the soil during the past season, and the increased yield of all kinds of produce, evincing that in these states and territories where mining is the principal business, agricultural products have exceeded the local demand, and liberal shipments have been made to distant points. During the year ending Sept. 30th, 1872, there were issued from the patent office, 13,626 patents, 23 extensions and 556 certificates and registers of trade marks. During the same time, 19,587 applications for patents, including re-issues and designs, have been received, and 3,100 caveats, files and fees, were received during the same period, which amounted to \$700,959.86, and the total expenditures were \$623,553.90, making the net receipts over expenditures \$77,405.96. Since 1836 two million applications for patents have been filed, and about 134,000 patents issued, the office being considered under the same laws and general organization as adopted at the original inauguration, when only from one to 500 applications were made per annum. The commission shows that the office has outgrown the original plan, and that new organizations have become necessary. This subject was presented to Congress, in a special communication, in February last, in which my approval and the approval of the Secretary of the Interior, and the suggestion contained in said communication were embraced in a bill that was reported to the House by the committee on patents at the last session. The subject of the re-organization of the patent office, as contemplated by the bill referred to, is of such importance to the industrial interests of the country that I commend it to the attention of Congress. The commission also treats on the subject of the separation of the patent office from the Department of the Interior. This subject is also embraced in the bill heretofore referred to. The commissioner complains of a want of room for the model gallery and for the working force and the necessary files of the officers. It is impossible to transact business in an office properly without more room, in which to arrange files and drawings that must be consulted hourly in the transaction of business. The whole of the patent office building will soon be needed, if it is not already, for the accommodation of the business of the patent office.

Pensioners.

The amount paid for pensions the last fiscal year was \$30,169,340, an amount larger by \$3,708,438 than was paid during the preceding year. Of this amount \$2,313,409 was paid under the act of Congress of February 17th, 1871, to survivors of the war of 1812. The annual increase of pensioners by the legislation of Congress has

more than kept pace with the natural yearly losses from the rolls, the act of Congress of June 8th 1872, had added an estimated amount of \$750,000 per annum to the rolls without increasing the number of pensioners. We can not therefore look for any substantial decrease in the expenditures of this debt for some time to come, or as long as Congress continues the changes of the dates of pension. The whole number of soldiers enlisted in the war of the rebellion was 2,688,523 the total number of claims for invalids is 176,500, being but 6 per cent of the whole number of enlisted men. The total number of claims on hand at the beginning of the year was 916,691 the number received during the year, 265,741, the number disposed of, 35,178, making a net gain of 1,264. The number of claims now on file is 79,085. On the 30th of June, 1872 there were on the rolls the names of 9,545 invalid military pensioners, 113,518 widows, orphans and dependent relatives, making an aggregate of 208,923 farming pensions. At the same time there were on the rolls the names of 1,449 navy pensioners, 1,730 widows, orphans and dependent relatives, making the whole number of naval pensioners 3179. There have been received since the passage of the act to provide pensions for the survivors of the war of 1812, 36,551 applications prior to June 30, 1872; of these there were allowed, during the last fiscal year, 20,126 claims, 4,845 were rejected during the year, leaving 11,680 claims pending at that date. The number of pensions, of all classes, granted during the last fiscal year, was 33,838. During that period there were dropped from rolls, for various causes, 914 names, leaving a grand total of 232,229 pensions on the rolls, on the 30th of June, 1872. It is thought the claims for pensions on account of the war of 1812 will all be disposed of on the first of May 1873. It is estimated that \$30,480,000 will be required for the pension service during the next fiscal year.

The Census.

The 9th census is about completed. Its completion is a subject of congratulation, inasmuch as the use to be made of the statistics therein contained depends very greatly on the promptitude of the publication. The secretary of the interior recommends that a census be taken in 1875, which recommendation should receive the ready attention of Congress. The interval at present established between the federal census is so long that the information obtained at the proceeds of the material conditions, wants and resources of the nations is of little practical value after the expiration of the first half of that period. It would probably obviate the constitutional provision regarding the decimal census, if a census were taken in 1875. It should be divested of all political character and no apportionment of congressional representation should be made under it. Such a census coming as it would, in the last year of the first century of our national existence, would furnish a noble monument of the progress of the U. S. during that century.

Education.

The rapidly increasing interest of education is the most encouraging feature in such a history of the country, and it is no doubt true that this is due, in great measure, to the efforts of the bureau of education. That office is continually receiving evidences which abundantly prove its efficiency, from various institutions of learning and education of all kinds throughout the country. The report of the commissioner contains a vast amount of educational details. There is great interest in the bill now pending in Congress providing for the appropriation of part of the proceeds of the sale of public lands for educational purposes, to aid the States in the general education of their rising generation. It is a measure of such great importance to our real progress, and is so unanimously approved by the leading friends of education that I commend it to the favorable attention of Congress.

Territorial Affairs.

Affairs in the Territories are generally satisfactory. The capacity of the pioneers who are settling up the vast domains not yet incorporated into States are keeping pace in internal improvements and civil government with older communities. In but one of them (Utah) is the condition of affairs unsatisfactory, except so far as the quiet of citizens may be disturbed by real or imaginary danger of Indian hostilities. It has seemed to be the policy of the legislature of Utah to evade all responsibility to the government of the United States and even to hold a position in hostility to it. I recommend a careful revision of the present laws of that Territory by Congress and the enactment of such a law as the one proposed in Congress at its last session, for instance, or something similar to it, as will secure peace, the equality of all citizens before the law, and the ultimate extinguishment of polygamy.

Since the establishment of a territorial government for the district of Columbia the improvement of the condition of the city of Washington and surroundings, the increased prosperity of the citizens is observable to the most casual visitor. The nation being a larger owner of property in this city, should bear with the citizens of the district its just share of the expense of these improvements. I recommend therefore an appropriation to reimburse the citizens of the district for the work done by them along