

States of Columbia has paid the award in the case of the steamer *Montijo*, seized by the authorities of that government, some years since, and the amount has been transferred to the claimants.

#### Mexican Claims Commission.

It is with satisfaction that I am able to announce that the joint commission for the adjustment of claims between the United States and Mexico under the convention of 1863, the duration of which has several times been extended, has brought its labors to a close. From the report of the United States, which accompanies the papers transmitted herewith, it will be seen that within the time limited by the commission, one thousand and seventeen claims on the part of citizens of the United States against Mexico were referred to the commissioners. Of these claims eight hundred and thirty-one were dismissed or disallowed, and in one hundred and eighty-six cases awards were made in favor of the claimants against the Mexican Republic, amounting in the aggregate to four million one hundred and twenty-five thousand six hundred and twenty-two dollars and twenty cents. Within the same period nine hundred and ninety-eight claims on the part of citizens of the Mexican Republic against the United States were referred to the commissioner of claims, eight hundred and thirty-one were dismissed and disallowed, and in one hundred and fifty-seven cases awards were made in favor of the claimants against the United States, amounting in the aggregate to \$15,049,841. By the terms of the convention the amount of these awards is to be deducted from the amount awarded in favor of our citizens against Mexico, and the balance only to be paid by Mexico to the United States, leaving the United States to make provisions for their proportion of the awards in favor of its own citizens. I invite your attention to the legislation which will be necessary to provide for the payment.

#### Sir Edward Thornton.

In this connection I am pleased to be able to express the acknowledgments due to Sir Edward Thornton, the umpire of the commission, who has given to the consideration of the large number of claims submitted to him much time, unwearied patience, and that fairness and intelligence which are well known to belong to the accomplished representative of Great Britain, and which are likewise recognized by the representative in the country of the republic of Mexico.

#### Venezuelan Claims.

Monthly payments of a very small part of the amount due by the government of Venezuela to citizens of the United States, on account of claims of the latter against that government, continue to be made with reasonable punctuality. That government has proposed to change the system which it has hitherto pursued in this respect by issuing bonds for part of the amount of the several claims. The proposition, however, could not, it is supposed, properly be accepted, at least without the consent of the holders of certificates of the indebtedness of Venezuela. These are so much depressed that it would be difficult, if not impossible, to ascertain the disposition on the subject.

#### Fraudulent Naturalization—Expatriation, Etc.

In former messages I have called the attention of Congress to the necessity of legislation with regard to fraudulent naturalization, and to the subject of expatriation and the election of nationality. The numbers of persons of foreign birth seeking a home in the United States, the ease and facility with which the honest emigrant may, after the lapse of a reasonable time, become possessed of all the privileges of citizenship of the United States, and the frequent occasion with which such adopted citizens are induced to return to the country of their birth, render the subject of naturalization and the safeguards which experience has proved necessary for the protection of the honest naturalized citizens of paramount importance. The very simplicity in the requirements of law on this question afford opportunity for fraud, and the want of uniformity in the proceedings and records of the various courts, and in the forms of the certificates of naturalization issued, afford a constant

source of difficulty. I suggest no additional requirements to the acquisition of citizenship beyond those now existing, but I invite the earnest attention of Congress to the necessity and wisdom of some provision regarding uniformity in the records and certificates, and providing against the frauds which frequently take place, and for the vacating of a record of naturalization obtained in fraud. These provisions are needed in aid and for the protection of the honest citizen of foreign birth, and for want of this he is made to suffer not unfrequently.

The United States has insisted upon the right of expatriation, and has obtained, after a long struggle, an admission of the principle contended for by the acquiescence therein on the part of many foreign powers and by the conclusion of treaties on that subject. It is, however, but justice to the government to which such naturalized citizens have formerly owed allegiance, as well as to the United States, that certain fixed and definite rules should be adopted governing such cases, providing how expatriation may be accomplished. While emigrants in large numbers become citizens of the United States, it is also true that persons, both native born and naturalized, once citizens of the United States, either by formal acts or as the effect of a series of facts and circumstances, abandon their citizenship and cease to be entitled to the protection of the United States, but continue on convenient occasions to assert a claim to protection. In the absence of provisions on these questions and in this connection I again invite your attention to the necessity of legislation concerning the marriages of American citizens contracted abroad, and concerning the status of American women who may be foreigners, and of children born of American parents in a foreign country. The delicate and complicated questions continually occurring with reference to naturalization, expatriation and the status of such persons as I have above referred to, induce me to earnestly direct your attention again to these subjects.

#### Claims of Aliens.

In like manner I repeat my recommendation that some means be provided for the hearing and determination of the just and subsisting claims of aliens upon the government of the United States, within a reasonable limitation, and of such as may hereafter arise. While by the existing provisions of law the Court of Claims may be, in certain cases, resorted to by an alien claimant, the absence of any general provisions governing all such cases and the want of tribunals skilled in the disposition of such cases upon recognized, fixed and settled principles, either provide no remedy in many deserving cases, or compel a consideration of such claims by Congress or the executive departments of the government. It is believed that other governments are in advance of the United States upon this question, and that the practice now adopted is entirely unsatisfactory.

#### Colorado.

Congress, by an act approved on the 3d of March, 1875, authorized the inhabitants of the Territory of Colorado to form a State government, with the name of the State of Colorado, and therein provided for the admission of said State, when formed, into the Union, upon an equal footing with the original States. A constitution having been adopted and ratified by the people of that State, and an acting governor having certified to me the facts as provided by said act, together with a copy of such constitution and ordinances as provided for in the said act, and the provisions of said act of Congress having been duly complied with, I issued a proclamation upon the 1st of August, 1876, a copy of which is hereto annexed.

#### War Department.

The report of the Secretary of War shows that the army has been actively employed during the year in subduing, at the request of the Indian Bureau, certain wild bands of the Sioux Indian nation, and in preserving peace at the South during the election.

The commission constituted under the act of January 24th, 1876, to consider and report the whole subject of reform and the organization of the whole army in August last, has called a large mass of statistics and opinions bearing on

the subject before it. These are now under consideration, and that report is progressing. I am advised though, by the President of the Commission, that it will be impracticable to comply with the clause of the act requiring the report to be presented through me to Congress on the first day of this session. As there has not yet been time for that mature deliberation which the importance of the subject demands, therefore I ask that the time of making the report be extended to the 29th day of January, 1877. In accordance with the resolution of August 15, 1876, the army regulations prepared under the act of March 1, 1875, have not been promulgated, but are held until after the report of the above mentioned Commission shall have been received and acted upon.

By an act of August 15th, 1876, the cavalry force of the army was increased by 2,500 men, with the proviso that they should be discharged on the expiration of the hostilities. On this authority the cavalry regiments have been strengthened, and a portion of them are now in the field pursuing the remnants of the Indians with whom they have been engaged during the summer.

The estimates of the War Department are made upon the basis of the number of men authorized by law, and their requirements as shown by years of experience, and also with the purpose of a part of the bureau officers to provide for all contingencies that may arise during the time for which the estimates are made, exclusive of the engineer's estimates, presented in accordance with the act of Congress calling for surveys and estimates for improvements at various localities. The estimates now presented are about six millions in excess of the appropriations for the years 1874-75 and 1875-76. This increase is asked in order to provide for the increased cavalry force should their services be necessary, to prosecute economically the work upon important public buildings, to provide for the armament of fortifications and the manufacture of small arms, and to replenish the working stock in the supply department. The appropriations for these last named have, for the past ten years, been so limited that the accumulations in store will be entirely exhausted during the present year, and it will be necessary to at once begin to replenish them.

I invite your special attention to the following recommendation of the Secretary of War—

First. That the claims under the act of the 4th of July, 1864, for supplies taken by the army during the war, be removed from the offices of the quartermaster and commissary-generals and transferred to the Southern Claims Commission. These claimants are of a precisely similar nature to those now before the Southern Claims Commission, and the war debt bureaus have not the clerical force for their examination, nor the proper machinery for investigating the loyalty of the claimants.

Second. That Congress sanction the scheme of an annuity fund for the benefit of the families of deceased officers, and that it also provide for the permanent organization of the regular service, both of which were recommended in my last annual message.

Third. That the manufacturing operations of the Ordnance Department be concentrated at three arsenals and an armory, and that the remaining arsenals be sold and the proceeds applied to this object by the Ordnance Department.

#### River and Harbor Improvements.

The appropriations for river and harbor improvements for the current year were \$5,015,000. With my approval, the Secretary of War directed that of this amount \$2,000,000 should be expended, and no new works should be begun and none prosecuted, which were not of national importance. Subsequently this amount was increased to \$2,237,600, and the works are now progressing. On this basis the improvement of the South Pass of the Mississippi River, under James B. Eads and his associates, is progressing favorably. At the present time there is a channel of 20 3-10th feet in depth between the jetties at the mouth of the passes, and eighteen and one-half feet at the head of the pass. Neither channel, however, has the width required before payments can be made by the United States. A commissioner, and

engineer officers are now examining these works and their reports will be presented as soon as received.

#### Naval Department.

The report of the Secretary of the Navy shows that branch of the service to be in a condition as effective as it is possible to keep it with the means the appropriations give the department. It is not, of course, possible to rival the costly and progressive establishments of the great European powers, with the old material of our navy, to which no increase has been authorized since the war, except the eight small cruisers built to supply the place of others which had gone to decay, yet the most has been done that was possible with the means at command, and by substantially rebuilding some of our old ships with durable material, and completing the repairing and refitting of our Monitor fleet, the navy has been gradually so brought up, that though it does not maintain its relative position among the progressive navies of the world, it is now in a condition more powerful and effective than it ever has been in time of peace. The complete repairs of our five heavy iron-clads are only delayed on account of the inadequacy of the appropriations made last year for working the business of the department, which were actually less in amount than those made before the war. Notwithstanding the greatly enhanced price of labor and materials, and the increase of the cost of the naval service, growing out of the universal use and the great expense, steam, machinery necessary for these repairs should be provided at once, that they may be completed without further unnecessary delay and expense. When this is done, all the strength that there is in the navy will be developed, and useful to its full capacity, and all will be powerful for the purpose of defense and also for offensive action, should necessity for that arise within a reasonable distance from our shores. The fact that our navy is not more modern and powerful than it is, has been made a cause of complaint against the Secretary of the Navy by persons who, at the same time, criticize and complain of his endeavors to bring the navy that we have to its best and most efficient condition, but the good sense of the country will understand that it is really to his practical action that we have at this time any effective naval force at command.

#### Postal Department.

The report of the Postmaster General shows the excess of expenditures, excluding expenditures on account of the previous year, over the receipts for the fiscal year ending June 30, 1876, to be \$4,151,988.66; estimated expenditures for the fiscal year ending June 30, 1878, are \$36,723,432.43; estimated revenue for the same period is \$30,645,165.00, leaving an estimated excess of expenditure to be appropriated as a deficiency of \$6,078,267.43.

The Postmaster General, like his predecessor, is convinced that a change in the basis of adjusting the salaries of postmasters of the fourth class is necessary for the good of the service, as well as for the interests of the Government, and urgently recommends that the compensation of the class of postmasters above mentioned be based upon the business of their respective offices as ascertained from the sworn returns to the auditor of stamps canceled.

A few postmasters in the Southern States have expressed great apprehension of their personal safety on account of their connection with the postal service, and have specially requested that their reports of apprehended danger should not be made public lest it should result in the loss of their lives, but no positive testimony of interference has been submitted, except in the case of a mail messenger at Spartanburg, in South Carolina, who reported that he had been violently driven away while in charge of the mails on account of his political affiliations. The assistant superintendent of the Railway Mail service investigated this case, and reported that the messenger had disappeared from his post, leaving his work to be performed by a substitute. The Postmaster General thinks this case is sufficiently suggestive to justify him in recommending that a more severe punishment should be provided for the offense of assaulting any person in charge of the mails, or of retarding or otherwise obstructing them by threats of personal injury.

A very gratifying result is presented in the fact that the deficiency of this debt during the last fiscal year was reduced to \$4,081,790.18, as against \$6,169,938.85 of the preceding years. The difference can be traced to the large increase of its ordinary receipts, which greatly exceed the estimates therefor, and a slight decrease in its expenditures. The ordinary receipts of the post office department for the seven past fiscal years have increased at an average rate of over eight per cent. per annum, while the increase of expenditure for the same period has been about fifty-five per cent. per annum, and the decrease of the deficiency in the revenues has been at the rate of nearly two per cent. per annum.

#### Department of Agriculture.

The report of the Commissioner of Agriculture, accompanying this message, will be found one of great interest, marking, as it does, the great progress in the last century in the variety of products of the soil; the increased knowledge and skill in the labor of producing, saving and manufacturing the same, to prepare them for the use of man; in the improvements of machinery to aid the agriculturist in his labors, and in the knowledge of scientific subjects necessary to a thorough system in economy in agricultural production, namely, chemistry, botany, etymology, etc. A study of this report by those interested in agriculture and deriving their support from it, will find it of value in pointing out those articles which are raised in greater quantity than the needs of the world require, and must sell, therefore, for less than the cost of production, and those which command a profit over the cost of production because there is not an over production.

I call special attention to the recommendation of the department for a new gallery for the reception of the exhibits returned from the Centennial Exhibition, including exhibits donated by very many foreign nations, and to the recommendations of the Commissioner of Agriculture generally.

#### District of Columbia.

The reports of the district commissioners and the board of health are just received, too late to read them and to make recommendations thereon, and are herewith submitted.

#### The Centennial Exhibition.

The International Exhibition held in Philadelphia this year, in commemoration of the hundredth anniversary of American independence, has proven a great success, and will, no doubt, be of enduring advantage to the country. It has shown the great progress in the arts, sciences and mechanical skill made in a single century, and demonstrated that we are but little behind the older nations in any one branch, while in some we scarcely have a rival. It has served to not only bring people and products of skill and labor from all parts of the world together, but in bringing together people from all sections of our own country, which must prove a great benefit in the information imparted and pride of the country engendered.

#### Government Exhibits.

It has been suggested by scientists interested in and connected with the Smithsonian Institute, in a communication herewith sent, that the Government exhibit be removed to the Capitol, and a suitable building erected or purchased for its accommodation as a prominent exhibit. I earnestly recommend this, and believing that Congress would second this view, I directed that all the Government exhibits at the Centennial Exhibition should remain where they are, except such as might be injured by remaining in a building not intended as a protection from inclement weather, or such as may be wanted by the department furnishing them, until the question of a permanent exhibition is acted upon.

Although the moneys appropriated by Congress to enable the participation of the several executive departments in the International Exhibition of 1876 were not sufficient to carry out the undertaking to the full extent at first contemplated, it gives me pleasure to refer to the very efficient and creditable manner in which these several departments to provide an exhibition on the part of the government have discharged their duties, with the funds placed at