postpones the whole matter until the assembling of a new Congress and inevitably increases all the troublesome features of the situation, and could not but be regarded as a signal failure to solve a problem which has persistently been before the present Congress ever since its organization.

NATIONAL FINANCES.

Eight years ago, in my annual message, I urged upon Congress as strongly as I could, the needless and evil situation of the money, for the most General of United States purposes. A similar focus accumulation has been made from time to time since, and a few years ago a law was passed providing for the selection of sites for these institutions. No appropriation has, however, been made to carry the act into effect, and the evil and undesirable condition still exists. It is not my purpose at this time to repeat the considerations which make an impregnable case in favor of the ownership and management by the government of the post institutions to which Federal patronage are confined. I simply come to again urge the utmost recommendation on the subject, and to particularly call attention of the Congress to that part of the report of the secretary of war in which he states that the military prison at Fort Leavenworth, Kansas, can be turned over to the government as a prison for Federal convicts without the least difficulty and with an actual saving of money from every point of view. Favoring the proposed reform, I hope that by the adoption of the suggestion of the secretary of war, the easy step may be taken in the direction of the proper care of its convicts by the government of the United States.

POSTAL AFFAIRS.

The report of the postmaster general presents a comprehensive statement of the operations of the post office department for the last fiscal year, the receipts of the department during the year amounted to $75,000,878 and the expenditure to $84,654,814.18. The transactions of the postal service indicate with tremendous certainty the increasing activity in the business of the country. Immediate, therefore, as receipts and expenditures continued to vast throughout the last year to an unprecedented extent, it is not surprising that there should be a deficiency of revenue to meet the expenditures of the post office department, which it was estimated would exceed eight million dollars. The ascertained revenue of the last year, which were the basis of estimation for the current year, being less than estimated, the deficiency for the current year will be correspondingly greater, though the postmaster general states that the latest indications are so favorable that he confidently predicts an increase of at least 5 per cent in the revenues of the current year over those of the last year. The expenditures have increased very nearly in accordance with the growth and needs of the country, so that the deficiency is greater or less in any year, depending upon the volume of receipts. The postmaster general states that this deficiency is unnecessary and might be obviated at once if the law regulating rates upon mail matter of the second class was modified. The rate received for the transmission of this second class matter is one cent per pound, while the cost of such transmission to the government is eight times that amount. In the general terms of the law this rate covers newspapers and periodicals. The extensions of the meaning of the terms from time to time have admitted to the privileges intended for legitimate newspapers and periodicals a surprising range of publications and created enormous the cost of which amount in the aggregate to the total deficiency of the post office department. Pretended newspapers are started by business houses for the mere purpose of advertising goods, complying with the law in form only and disentitling the publications as soon as the period of advertising is over. "Sample copies" of pretended newspapers are issued in great numbers for a like purpose only. The result is a great loss of revenue to the government, besides increasing the work so signally in carrying on the scheme of a business house to advertise its goods by means of a brick upon each its dried house and the regular and legitimate newspapers, paper-covered literature, containing nearly or nearly the same matter, the carriage of many thousands of tons, is sent through the mails at 1 cent per pound, while the publishers of second works are required to pay eight times that amount in sending their publications. Another abuse possible in the free privilege through the mails of remarks of loose seed and grain recently distributed through the department of agriculture. The postmaster general points that if the law be so amended as to exclude these abuses, and only will the postoffice department skew no deficiency, but he believes that in the near future all legitimate newspapers and periodical magazines will be properly transmitted through the mails to their subscribers free of cost. I invite your prompt consideration of this subject, and fully indorse the views of the postmaster general.

The total number of postoffices in the United States on the 30th day of June, 1894, was 69,903, an increase of 1,462 over the preceding year. Of these 3,424 were presidential, no less than 1,000 of 69 over the preceding year. Six hundred and ten cities and towns are provided with free delivery; ninety-three more cities and towns are eligible to the service under the law, these will be added on account of insufficient funds. The expense of free delivery for the current fiscal year will be more than $12,000,000, and under existing legislation this item of expenditure is subject to constant increase. The estimated cost of rural free delivery greatly is so very large that it ought not to be considered in the present condition of affairs. During the year, 830 additional domestic money order offices were established. The total number of such offices in the close of the year was 15,208. There were 14,016,[illegible] money orders issued during the year, being an increase of [illegible] over the preceding year. The value of these orders issued is $[illegible], an increase of $11,211,[illegible]. The total number of postal notes issued during the year was [illegible], an increase of [illegible]. During the year 400 international money order offices were added to those already established, making a total of 2,[illegible] offices in operation. The number of orders issued in the international money order service during the year was [illegible], a decrease in amount of $[illegible]. The number of orders paid during the year was [illegible], a decrease in amount of $[illegible]. The balance in favor of foreign countries was $[illegible], a decrease in amount of $[illegible]. The number of postal cards issued during the year was [illegible], an increase over the preceding year of [illegible], and their value was $[illegible], an increase of $[illegible]. The number of stamped envelopes issued during the year was [illegible], and their value was $[illegible], an increase of $[illegible]. The number of postal cards issued during the year was [illegible], an increase of [illegible]