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in suitable cases, will, at a proper time, be submitted to Congress.

#### THE PUBLIC FINANCES.

The attention of Congress is called to the annual report of the Secretary of the Treasury on the condition of the public finances. The ordinary revenues from all sources for the fiscal year ended June 30, 1879, were \$273,827,184.46; the ordinary expenditures for the same period were \$266,947,083.53, leaving a surplus revenue for the year of \$6,879,390.93. The receipts for the present fiscal year, ending June 30, 1880, actual and estimated are as follows: Actual receipts for the first quarter, commencing July 1, 1879, \$79,843,663.61; estimated receipts for the remaining three-quarters of the year, \$208,156,336.39; total receipts for the current fiscal year, actual and estimated, \$288,000,000. The expenditures for the same period will be, actual and estimated as follows: For the quarter commencing July 1, 1879, actual expenditures, \$91,683,385.10, and for the remaining three-quarters of the year, the expenditures are estimated at \$172,316,614.90, making the total expenditure \$264,000,000 and leaving an estimated surplus revenue for the year ending June 30, 1880 of \$24,000,000. The total receipts during the next fiscal year, ending June 30, 1881, estimated according to existing laws will be \$288,000,000 and the estimated ordinary expenditures for the same period will be \$278,097,364.39 for that year. The large amount expended for arrears of pensions during the last and the present fiscal year, amounting to \$21,747,249.60 has prevented the application of the full amount required by law to the sinking fund for the current year, but these arrears having been substantially paid, it is believed that the sinking fund can hereafter be maintained without any change of existing laws.

#### THE ARMY AND NAVY.

The Secretary of War reports that the War Department estimates for the fiscal year ending June 30, 1881, are \$40,380,428.93, the same being for a less sum of money than the annual estimate rendered to Congress from that department during a period of 12 years. He concurs with the General of the army in recommending such legislation as will authorize the enlistment of the full number of 25,000 men for the line of the army, exclusive of the 3,460 men required for detached duty and therefore not available for services in the field. He also recommends that Congress be asked to provide by law for the disposition of a large number of abandoned military posts and reservations which though very valuable in themselves, have been rendered useless for military purposes by the advance of civilization and settlements. He unites with the Quartermaster General in recommending that an appropriation be made for the construction of a cheap and perfectly fireproof building for the safe stowage of a vast amount of money, accounts, vouchers, claims and other valuable records now in the Quartermaster General's office, and exposed to great risk of total destruction by fire. He also recommends, in conformity with the views of the Judge Advocate General, some declaratory legislation in reference to the military statute of limitation as applied to the crime of desertion. In these several recommendations I concur. The Secretary of War further reports that the work for the improvement of the south pass of the Mississippi River, under contract with Mr. J. B. Eads, made in pursuance of an act of Congress, has been prosecuted during the past year, with a greater measure of success in the attainment of results than during any previous year. The channel through the South Pass, which at the beginning of June, 1875, had a depth of only 7 1/2 feet of water, had, on the 8th July, 1879, a minimum depth of 26 feet, having a width of not less than 200 feet and a central depth of 30 feet. Payments have been made in accordance with the statute as the work progressed, amounting in the aggregate to \$4,250,000, and further payments will become due as provided by the statute in the event of success in maintaining the channel now secured. The reports of the General of the Army and his subordinates present a full and detailed account of the military operations for the repression of hostilities among the Indians of the Ute and Apache tribes, and praise

is justly awarded to the officers and troops engaged, for the promptness, skill and courage displayed. The past year has been one of almost unbroken peace and quiet on the Mexican frontier. There is reason to believe that the efforts of this government and of Mexico, to maintain order in the region, will prove permanently successful. This department was enabled, during the past year, to find temporary though crowded accommodations and a safe depository for a portion of its records in the completed east wing of the building designed for the State, War and Navy Departments. The construction of the north wing of the building, a part of the structure intended for the use of the War Department, is being carried forward with all possible dispatch, and the work should receive from Congress such liberal appropriations as will secure its speedy completion.

The report of the Secretary of the Navy shows continued improvement in that branch of the service during the last fiscal year. Extensive repairs have been made upon vessels, and two new ships have been completed and made ready for sea. The total expenditure of the year ended June 30, 1879, including specific appropriations not estimated for by the department, were \$13,555,710.09. The expenses chargeable to the year, after deducting the amount of these specific appropriations, were \$13,343,317.79, but this is subject to a reduction of \$283,725.99, that amount having been drawn upon warrants, but not paid out during the year. The amount of appropriations applicable to the last fiscal year was \$14,538,646.17. There was, therefore, a balance of \$1,479,054.37 remaining unexpended and to the credit of the department on June 30th, 1879. The estimates for the fiscal year ending June 30, 1881, are \$14,864,147.95 which exceeds the appropriations for the present fiscal year \$361,897.28. The reason for this increase is explained in the Secretary's report. The appropriations available for the present fiscal year are \$14,502,250.67, which will, in opinion of the Secretary, answer all the ordinary demands of the service. The amount drawn from the Treasury from July 1, to Nov. 1, 1879, was \$5,770,404.12, of which \$1,095,440.34 has been refunded, leaving as the expenditure for that period \$4,674,963.79. If the expenditures of the remaining two-thirds of the year do not exceed the proportion for these four months there will remain unexpended at the end of the year, \$477,359.30 of the current appropriations. The report of the Secretary shows the gratifying fact that among all the disbursing officers of the pay corps of the navy, there is not one who is a defaulter to the extent of a single dollar. I unite with him in recommending the removal of the observatory to a more healthful location. That institution reflects credit upon the nation and has obtained the approbation of scientific men in all parts of the world.

#### MARSHAL'S FEES.

The appropriation for judicial expenses, which has heretofore been made for the Department of Justice in gross, was subdivided at the last session of Congress, and no appropriation whatever was made for payment of the fees of marshals and their deputies, either in the service of process or for the discharge of other duties, and since June 30 these officers have continued the performance of their duties without compensation from the Government, taking upon themselves the necessary incidental outlays, as well as rendering their own services. In only a few unavoidable instances has the proper execution of the processes of the United States failed by reason of the absence of the requisite appropriation. This course of official conduct on the part of these officers, highly creditable to their fidelity, was advised by the Attorney General, who informed them, however, that they would necessarily have to rely for their compensation upon the prospect of future legislation of Congress. I therefore, especially recommend that immediate appropriation be made by Congress for this purpose. The act making the principal appropriation for the Department of Justice at previous sessions has uniformly contained the following clause: "And for defraying the expenses which may be incurred in the enforcement of the act approved Feb. 28, 1870, entitled, An act to amend an act approved May

30, 1870, entitled, An act to enforce the right of citizens of the United States, and for other purposes, or any acts amendatory thereof or supplementary thereto." No appropriation was made for this purpose for the current year, as no general election of members of Congress occurred. The omission was a matter of little practical importance. Such election will, however, take place during the ensuing year, and the appropriation made for the pay of marshals and deputies should be sufficient to embrace compensation for the services they may be required to perform at such election.

#### MORE JUDGES.

The business of the Supreme Court is at present largely in arrears. It cannot be expected that more causes can be decided than are now disposed of in its annual session, or that by any assiduity the distinguished magistrates who compose the court can accomplish more than is now done. In the courts of many of the circuits also the business has increased to such an extent that the delay of justice will call the attention of Congress to an appropriate remedy. It is believed that all is done in each circuit which can fairly be expected from its judicial force. The evils arising from delay are less heavily felt by the United States than by private suitors, as its causes are advanced by the courts when it is seen they involve the discussion of questions of a public character. The remedy suggested by the Attorney-General is the appointment of additional circuit Judges, and the creation of an intermediate court of errors and appeals, which shall relieve the supreme court of a part of its jurisdiction, while a larger force is also obtained for the performance of circuit duties. I commend this suggestion to the consideration of Congress. It would seem to afford a complete remedy and would involve, if ten additional judges are appointed, an expenditure at the present rate of salaries of not more than \$6,000 a year, which would certainly be small in comparison with the objects to be attained.

#### POST OFFICE MATTERS.

The report of the Postmaster-General bears testimony to the general revival of business throughout the country. The receipts of the Post Office Department for the year ending June 30, 1879, were \$30,081,982.86, being \$764,465.91 more than the revenues of the preceding year. The amount realized from the sale of postage stamps, stamped envelopes, and postal cards, was \$764,465.91 more than in the preceding year, and \$2,387,559.23 more than in 1877. The expenses of the department were \$33,449,899.45, of which the sum of \$376,461.63 was paid on liabilities incurred in the preceding year. The expenditures during the year were \$301,209.71 less than on the preceding year. This reduction is to be attributed mainly to the operation of the laws passed June 17, 1878, changing the compensation of postmasters from a commission on the value of the stamps sold to a commission on the stamps cancelled. The amount drawn from the treasury on appropriations, in addition to the revenues of the departments, was \$3,031,454.94, being \$2,276,197.86 less than in the preceding year. The expenditures for the fiscal year ending June 30, 1881, are estimated at \$39,920,900, and the receipts from all sources at \$32,210,000, leaving a deficiency to be appropriated of \$7,710,900. The relations of the department with railroad companies have been harmonized, notwithstanding the general reduction by Congress of their compensation. By the appropriation for special facilities, the railway post office lines have been greatly extended, especially in the Southern States. The interests of the railway mail service and of the public would be greatly promoted and the expenditures could be more readily controlled by the classification of the employees of the railway mail service as recommended by the Postmaster General. The appropriation for salaries, with respect to which the maximum limit as already fixed by law, to be made in gross, the Postmaster General recommends an amendment of the law now regulating the increase of compensation for increased service and increased speed in star routes, so as to enable him to advertise for proposals for such increased service and speed. He also suggests the advantages to accrue to the com-

merce of the country from the enactment of a general law authorizing contracts with American built steamers, carrying the American flag, for transporting the mails between ports of the United States and ports of the West Indies and South America at a fixed maximum price per mile, the amount to be expended being regulated by the annual appropriations in like manner with the amount paid for the domestic star service. The arrangement made by the Postmaster General and the Secretary of the Treasury for the collection of duty upon books received in the mail from foreign countries has proved satisfactory in its practical operation, and the recommendation is now made that Congress shall extend the provisions of the Act of March 3, 1879 under which this arrangement was made, so as to apply to all other dutiable articles received in the mails from foreign countries.

#### THE INDIAN WARDS.

The reports of the Secretary of the Interior and of the commissioner of Indian affairs, setting forth the present state of our relations with the Indian tribes on our territory, the measures taken to advance their civilization and prosperity, and the progress already achieved by them will be found of more than ordinary interest. The general conduct of our Indian population has been so satisfactory that the occurrence of two disturbances which resulted in bloodshed and destruction of property is all the more to be lamented. The history of the outbreak on the White River Ute reservation in Western Colorado, has become so familiar by elaborate reports in the public press, that its remarkable incidents need not be stated here in detail. It is expected that the settlement of this difficulty will lead to such arrangements as will prevent further hostile contact between the Indians and the border settlements of Western Colorado. The other disturbance occurred at the Mesacero agency in New Mexico, where Victoria, the head of a small band of marauders, after committing many atrocities and being vigorously chased by a military force, made his way across the Mexican border and is now on foreign soil. While these occurrences, in which a comparatively small number of Indians were engaged, are most deplorable, a vast majority of our Indian population have fully justified the expectations of those who believed that by humane and peaceful influences the Indians can be led to abandon the habits of savage life and to develop a capacity for useful and civilized occupations. What they have already accomplished in the pursuit of agricultural and mechanical work, the remarkable success which has attained the experiment of employing as freighters a class of Indians hitherto counted among the wildest and most untractable, and the general and urgent desire expressed by them for the education of their children, may be taken as sufficient proof that they will be found capable of accomplishing much more if they continue to be wisely, fairly guided. The Indian policy sketched in the report of the Secretary of the Interior, the object of which is to make liberal provision for the education of Indian youth, to settle the Indians upon farm lots in severalty, to give them title in fee to their farms, inalienable for a certain number of years, and when their wants are thus provided for, to dispose, by sale, of the lands on their reservations not occupied and used by them, a fund to be formed out of the proceeds for the benefit of the Indians, which will gradually relieve the government of the expenses now provided for by annual appropriation, must commend itself as just and beneficial to the Indians and as also calculated to remove those obstructions which the existence of a large reservation presents to the settlement and development of the country. I therefore earnestly recommend the enactment of a law enabling the government to give Indians a title in fee inalienable for 25 years, to the farm lands assigned to them by allotment and also repeat the recommendation made in my first annual message that a law be passed admitting Indians who can give satisfactory proof of having by their own labor supported their families for a number of years, and who are willing to detach themselves from their tribal relations, to the benefit of the homestead act,

and to grant them patents containing the same provision of inalienability for a certain period. The experiment of sending a number of Indian children of both sexes to the Hampton Normal and Agricultural Institute in Virginia, to receive an elementary English education and practical instruction in farming and other useful industries, has led to results so promising that it was thought expedient to turn over the cavalry barracks at Carlisle, in Penn., to the interior department for the establishment of an Indian school on a larger scale. This school has now 158 pupils, selected from various tribes and is in full operation. Arrangements are also made for the education of a number of Indian boys and girls belonging to tribes on the Pacific Slope in a similar manner, at Forest Grove, in Oregon. These institutions will commend themselves to the liberality of Congress and to the philanthropic munificence of the American people. Last spring information was received of the organization of an extensive movement in the Western States, the object of which was the occupation, by unauthorized persons, of certain lands in the Indian Territory, ceded by the Cherokees to the government for the purpose of settlement by other Indian tribes. On the 29th of April I issued a proclamation warning all persons against participation in such an attempt, and, by the co-operation of a military force, the invasion was promptly checked. It is my purpose to protect the rights of the Indians in that Territory to the full extent of the Executive power, but it would be unwise to ignore the fact that a Territory so large and so fertile with a population so sparse, and so great a wealth of unused resources, will be found more exposed to the repetition of such attempts as happened this year, when the surrounding States are more densely settled and the westward movement of our population looks still more eagerly for fresh lands to occupy. Under such circumstances the difficulty of maintaining the Indian Territory in its present state, will greatly increase, and the Indian tribes inhabiting it would do well to prepare for such a contingency. I therefore fully approve of the advice given to them by the Secretary of the Interior on a recent occasion, to divide among themselves in severalty as large a quantity of their lands as they can cultivate, to acquire individual titles in fee, instead of their present tribal ownership in common, and to consider in what manner the balance of these lands may be disposed of by the government for their benefit. By adopting such a policy they would more readily secure for themselves the value of their possessions and at the same time promote their progress in civilization and prosperity than by endeavoring to perpetuate the present state of things in the territory.

The question whether a change in the control of the Indian service should be made, was, in the forty-fifth Congress, referred to a joint committee of both houses for inquiry and report. In my last annual message I expressed the hope that the decision of that question, then in prospect, would arrest further agitation on this subject, such agitation being apt to produce a disturbing effect upon the service as well as the Indians themselves. Since then, the committee having reported, the question has been decided in the negative by a vote in the House of Representatives for reasons here stated, and in view of the fact that further uncertainty on this point will be calculated to obstruct other much needed legislation, to weaken the discipline of the service, and to unsettle the salutary measures now in progress for the government and improvement of the Indians, I respectfully recommend that the decision arrived at by Congress at its last session be permitted to stand.

#### TIMBER DEPREDACTIONS.

Efforts made by the Department of the Interior to arrest the depredations on the timber lands of the United States have been continued and have met with considerable success. A large number of cases of trespass have been prosecuted in the Courts of the United States, others have been settled, the trespassers offering to make payment to the government for the value of the timber taken by them. The proceeds of these prosecutions and settlements, turned into the Treasury, far exceed in amount the