

war department, the pension bureau, so far as it regulates the payment of soldiers' pensions.

I would further recommend that the payment of naval pensions be transferred to one of the bureaus of the navy department.

Estimates.

The estimates for the expenses of the Government for the fiscal year are \$182,443,460. They exceed the appropriations for the present year, for the same items, by \$8,972,127.56. In this estimate, however, is included \$22,338,278.37 for public works, heretofore begun under Congressional provision, and of which only so much is asked as Congress may choose to give. The appropriation for the same work for the present fiscal year was \$11,984,518.08.

Specie Basis.

The average value of gold, as compared with national currency, for the year 1869 was about 134, and for eleven months of 1870 the same relative value has been about 115. The approach to a specie basis is very gratifying, but the fact cannot be denied that the instability of the value of our currency is prejudicial to our prosperity, and tends to keep up prices to the detriment of trade. The evils of a depreciated and fluctuating currency are so great, that now when the premium on gold has fallen so much, it would seem that the time has arrived when by prudent legislation Congress should look to a policy which would place our currency at par with gold at no distant day.

Revenue Reform.

The tax collected from the people has been reduced more than eighty million dollars per annum. By steadiness in our present course, there is no reason why, in a few short years, the national tax-gatherer may not disappear from the door of the citizens almost entirely, with the revenue stamp dispensed by postmasters in every community.

By a tax upon liquors of all sorts, and tobacco in all its forms, and by a wise adjustment of the tariff, which will put a duty only upon those articles which we could dispense with, known as luxuries, and on those which we use more of than we produce, revenue enough may be raised, after a few years of peace and consequent reduction of indebtedness, to fulfil all our obligations. A further reduction of expenses, in addition to a reduction of the interest account, may be relied on to make this practicable.

Revenue reform, if it means this, has my hearty support. If it implies a collection of all the revenue for the support of the government, for the payment of principal and interest of the public debt, pensions, etc., by direct taxation of the people, then I am against revenue reform, and confidently believe the people are with me. If it means a failure to provide the necessary means to defray all expenses of the government, and thereby repudiation of the public debt and pensions, then I am still more opposed to such kind of revenue reform. Revenue reform has not been defined by any of its advocates, to my knowledge; but seems to be accepted as something which is to supply every man's wants, without any cost or effort on his part. A true revenue reform cannot be made in a day, but must be the work of national legislation and of time. As soon as the revenue can be dispensed with, all duty should be removed from coffee, tea and other articles of universal use not produced by ourselves. The necessities of the country compel us to collect revenue from our imports. An army of assessors and collectors is not a pleasant sight to the citizen; but that, or a tariff for revenue, is necessary; such a tariff, acts as an encouragement to home products and affords employment to labor at living wages, in contrast to the pauper labor of the old world; and also in the development of home resources.

The Army.

Under the act of Congress of the 15th day July, 1870, the army has gradually been reduced, so that on the first of January, 1871, the number of commissioned officers and men will not exceed the number contemplated by that law.

The report of the Secretary of War shows a very satisfactory reduction in the expenses of the army for the last fiscal year. For details you are referred to his accompanying report.

Naval.

The expenses of the navy for the whole of the last year, from December 1st, 1869, the date of the last report, are less than \$19,000,000, or about one million less than they were the previous year. The expenses since the commencement of this fiscal year, since July 1st, show, for the five months, a decrease of over \$2,400,000 from those of the corresponding months of last year. The estimates for the current year were \$28,205,678.05; those for next year are \$20,682,317.00, with \$959,100.00 additional for necessary permanent improvements. These estimates are made closely for the maintenance of the naval establishment, as it now is, without much in the nature of permanent improvements. The appropriations made for the last and current years were evidently intended by Congress, and are sufficient only, to keep the navy on its present footing. By the repairing and refitting of our old ships, this policy must, of course, gradually but surely destroy the navy, and is in itself far from

economical, as each year that it is pursued the necessity for mere repairs in ships and navy yards becomes more imperative and more costly, and our current expenses are annually increased for the mere repair of ships, many of which must soon become unsafe and useless.

I hope during the present session of Congress, to be able to submit to it a plan by which naval vessels can be built and repairs made with great saving upon the present cost. It can hardly be wise statesmanship in a government which represents a country with over five thousand miles of coast line in both oceans, exclusive of Alaska, and containing forty millions of progressive people, to be with such inadequate means of enforcing any foreign policy either of protection or redress. Separated by the ocean from the nations of the eastern continent, our navy is our only means of direct protection to our citizens abroad, or for the enforcement of any foreign policy.

Department Building.

The department building is an old structure, not fire proof, and entirely inadequate in dimension to our present wants. Many thousands of dollars are now paid annually for rent of private buildings, to accommodate the various bureaus of the departments. I recommend an appropriation for a new War Department building, suited to the present growing wants of the nation.

Postal Affairs.

The accompanying report of the Postmaster General shows a most satisfactory working of the department. With the adoption of the recommendations contained therein, particularly those relating to a reform in the franking privilege, and the adoption of correspondence cards, a self-sustaining postal system may speedily be looked for, and at no distant day a further reduction of postage attained. I recommend the authorization by Congress, of the Postmaster General and Attorney General, to issue all commissions to officials appointed through their respective departments. At present these commissions, where appointments are Presidential, are issued by the State department. The law in all the departments of government, except these of the post office and of justice, authorizes each to issue its own commission.

Civil Service Reform.

Always favoring practical reforms, I respectfully call your attention to one of an evil of long standing, which I would like to see remedied by this Congress. It is a reform in the civil service of the country. I would have it go beyond the mere fixing of the tenure of office of clerks and employes, which does not require the advice and consent of the Senate to make their appointments complete. I would have it govern not the tenure, but the manner of making the appointments. There is no duty which so much embarrasses the Executive and heads of departments as that of making appointments; nor is there any such arduous and thankless labor imposed on Senators and Representatives as that of finding places for their constituents. The present system does not secure the best, and often not even fit men for public places. The elevation and purification of the civil service of the government will be hailed with approval by the whole people of the United States.

Indian Reform.

Reform in the management of Indian affairs has received the special attention of the Administration, from its inauguration to the present day. The experiment of making it a missionary work was tried with a few agencies, given to the denomination of Friends, and has been found to work most admirably. All agencies and superintendencies not so disposed of, were given to officers of the army. The act of Congress regulating the army, renders army officers ineligible for civil offices. Indian agencies being civil offices, I determined to give all the agencies to such religious denominations as had heretofore established missions among the Indians, and perhaps to some other denomination who would undertake the task as missionary work. The societies selected are allowed to name their own agents, subject to the approval of the Executive, and are expected to instruct them, and aid them as missionaries to christianize and civilize the Indians, and to train them in the arts of peace. The government watches over the official acts of these agents, and requires of them as strict an accountability as if they were appointed in any other manner. I entertain the confident hope that the policy now pursued will, in a few years, bring all the Indians upon reservations, where they will live in houses, have school-houses and churches, will be pursuing peaceful and self-sustaining avocations, and where they may be visited by the law-abiding white man, with the same impunity that he now visits the civilized white settlements.

I call your special attention to the report of the Commissioner of Indian Affairs for full information on this subject.

Public Lands.

During the last fiscal year, 8,095,414 acres of public land were disposed of. Of this quantity 3,698,910.05 acres were taken under the homestead law, and 2,159,515.81 acres sold for cash. The remainder was located with military warrants, college or Indian scrip, or applied in satisfaction of

grants to railroads, or for other public uses. The entries under the homestead law during the last year, covered 961,543 acres more than those during the preceding year. Surveys have been vigorously prosecuted to the full extent of the means applicable to the purpose. The quantity of land in market will scarcely supply the present demand. The claim of the settlers under the homestead or pre-emption law, is not, however, limited to lands subject to sale at private entry. Any properly surveyed public land may, to a limited amount, be acquired under the former laws, if the party entitled to enter under them will comply with the requirements they prescribe in regard to residence and cultivation. To the actual settler, the right of purchase even extends to lands which were unsurveyed at the time of his settlement. This right was formerly confined within much narrower limits, and at one period of our history was conferred only by special statutes, which were enacted from time to time to legalize what was then regarded as an unauthorized intrusion upon the national domain. The opinion that the public lands should be regarded chiefly as a source of revenue is no longer maintained. The rapid settlement and successful cultivation of them is now justly considered of more importance to our well being, than is the fund which the sale of them would produce. The remarkable growth and prosperity of our States and Territories attest the wisdom of the legislation which invites the tiller of the soil to secure a permanent home on terms within the reach of all. The pioneer who incurs the dangers and privations of a frontier life, in laying the foundation of a new commonwealth, renders a signal service to his country, and is entitled to its special favor and protection. The laws secure that object, and largely promote the general welfare. They should, therefore, be cherished as a permanent feature of our land system. Good faith requires the U. S. to give full effect to existing grants. The time-honored and beneficent policy of setting apart certain sections of the public land for educational purposes, in the new States, should be continued. When ample provision shall have been made for these objects, I submit, as a question worthy of serious consideration, whether the residue of our national domain shall not be wholly disposed of under the provisions of the homestead and pre-emption laws, in addition to the swamp and overflowed lands granted to the States in which they are situated, the lands taken under the agricultural college acts, and for internal improvement purposes, under the act of September, 1841, and the act supplemental thereto. There had been conveyed, up to the close of the last fiscal year, by patent or other equivalents, evidence of title, to States and corporations, 278,362,571 acres.

It is estimated that an additional quantity of 174,735,523 acres is still due. The policy of thus aiding the States in building works of internal improvement, was inaugurated more than forty years since, in the grants to Indiana and Illinois, to aid those States in opening canals to connect the waters of the Wabash with those of Lake Erie, and the waters of Illinois with those of Lake Michigan. It was followed, with some modifications, in the grant to Illinois of alternate sections of the public land, within certain limits of the Illinois Central railroad. Fourteen States and sundry corporations have received similar subsidies, in connection with railways completed or in process of construction. As the reserved sections are rated at the double minimum, the sale of them at the enhanced price has thus, in many instances, indemnified the treasury for the granted lands. The construction of some of these thoroughfares has undoubtedly given a vigorous impulse to the development of our resources and the settlement of the more distant portions of the country. It may, however, be understood that much of our legislation in this regard has been indiscriminate and profuse. The United States should not loan their credit in aid of any enterprise undertaken by States or corporations, nor grant lands in any instance, unless the projected work is of acknowledged national importance. I am strongly inclined to the opinion that it is inexpedient and unnecessary to bestow further subsidies of either description; but should Congress determine otherwise, I earnestly recommend that the right of settlers and of the public be more effectually secured and protected by appropriate legislation.

Patent Office.

During the year ending Sept. 30th, 1870, there were filed in the patent office 19,411 applications for patents, 3,374 caveats, and 160 applications for the extension of patents. 13,622 patents, including reissues and designs, were issued. 110 extended, and 1089 allowed but not issued, by reason of the non-payment of the final fees. The receipts of the office, during the fiscal year, were \$136,304.79 in excess of its expenditures.

The Census.

The work of the census bureau has been energetically prosecuted. The preliminary report, containing much information of special value and interest, will be ready for delivery during the present session. The remaining reports will be completed with all the dispatch consistent with perfect accuracy in arranging and classifying the returns. We shall thus at no distant day be furnished with an au-

thentic record of our condition and resources. It will I doubt not, attest the growing prosperity of the country, although during the decade which has just closed, it was so severely tried by the great war waged to maintain its integrity, and to secure and perpetuate our free institutions.

Pensions.

During the last fiscal year, the sum paid to pensioners, including the cost of disbursement, was \$27,780,811.11; and 1,758 bounty warrants issued. At its close 198,686 names were off the pension rolls. The labors of the pension office have been directed to the severe scrutiny of the evidence submitted in favor of new claims, and to the discovery of fictitious claims, which have been heretofore allowed. The appropriation for the employment of special agents for the investigation of frauds has been judiciously used, and the results of it have been of unquestionable benefit to the service.

Education and Agriculture.

The subject of education and agriculture are of great interest to the success of our Republican institutions, and the happiness and grandeur of the nation. In the interests of one a bureau has been established in the Interior Department—the Bureau of Education; and in the interest of the other a separate department—that of Agriculture. I believe great good is to flow from the operations of both bureaus, if properly fostered. I cannot commend to your careful consideration too highly the reports of the Commissioners of Education and of Agriculture; nor urge too strongly such liberal legislation as will secure their efficiency.

Conclusion.

In conclusion, I would sum up the policy of the Administration to be a thorough enforcement of every law; a faithful collection of the tax provided for; economy in the disbursement of the same; a prompt payment of the debt of the nation; a reduction of taxes as rapidly as the requirements of the country will admit; reduction of taxation and tariff to be so arranged as to afford the greatest number of honest and fair dealing with all other people, to the end that war with all its blighting consequences may be avoided, but without surrendering any right or obligation due to us; a reform in the treatment of the Indians, and in the whole civil service of the country and, finally, in the securing a pure and untrammelled ballot, when every man entitled; to cast a vote may do so just once at each election, without fear of molestation or proscription, on account of his political faith, nationality, or color.

U. S. GRANT,

Executive Mansion, Dec. 5th, 1870.

THE BALLOON POST.

THE ballooning mail system, adopted by the present French government, will be likely to give a great impetus to this branch of art, and, if continued, may lead to the invention of some apparatus by which the problem of aerial navigation will be solved and rendered easy. An eastern contemporary in reviewing the history of ballooning furnishes some interesting facts, from which it appears that the practical "invasion of the skies" commenced with Professor Black, of Edinburgh, in 1767, who asserted that a vessel filled with hydrogen gas would rise naturally, of itself, into the air, and proved it by inflating a bladder and liberating it, when it rose and remained close to the ceiling. Subsequent experiments were made with soap bubbles filled with the same gas, their voyage aloft being watched until out of sight.

The first balloon ascent took place in June, 1783, the aeronauts being two Frenchmen, the brothers Gondolier. These upward flights soon became very common, and several of them terminated fatally to the voyagers. Among the most daring and famous aeronauts was an Englishman named Green, who died not very long since.

The idea of turning balloons to account during war has not originated during the present Franco-Prussian contest, but was formerly turned to good account by both French and Austrians; recourse was occasionally had to the same method of obtaining information during the late civil war between the Union and Southern Confederacy.

The balloon post is of great service in France at the present time, as thousands of letters are sent, and information imparted by its means, which it would be otherwise impossible to convey or obtain.

"The rule of the road," in this mode of traveling, when the current is drifting the machine in a direction not desired, is to throw out ballast and rise until a more favorable current is reached. The highest altitude ever attained by aeronauts was 37,000 feet, a little over seven miles, above the earth, a feat which was accomplished in England, Sept. 5; 1852; but owing to the extreme