

a statement of the action needed to improve the same as should challenge the earnest attention of Congress. The present navy of the United States aside from the ships in course of construction, consists of, first, fourteen single turreted monitors, none of which are in commission nor at the present time serviceable. The batteries of these ships are obsolete and they can only be relied upon as auxiliary ships in harbor defense and then after such an expenditure upon them as might be deemed justifiable. Second, five fourth-rate vessels of small tonnage, only one of which was assigned as a war vessel, and all of which are auxiliary merely. Third, twenty-seven cruising ships, three of which are built of iron, of small tonnage, and twenty-four of wood. Of these wooden vessels it is estimated by the chief constructor of the navy, that only three will be serviceable beyond a period of six years, at which time it may be said that of the present naval force nothing worthy the name will remain. All the vessels heretofore authorized are under contract or in course of construction, except the armored ships, the torpedo and dynamite boats and one cruiser. As to the last of these, the bids were in excess of the limit fixed by Congress. The production in the United States of armor and gun steel is a question which it seems necessary to settle at an early day, if the armored war vessels are to be completed with these materials of home manufacture. This has been the subject of investigation by two boards and by two special committees of Congress within the last three years. The report of the gun foundry board in 1884, of the board on fortifications made in January last, and the reports of the select committee of the two houses made at the last session of Congress have entirely exhausted the subject so far as preliminary investigation is involved, and in their recommendations they are substantially agreed. In the event that present invitation of the department for bids to furnish such of this material as is now authorized shall fail to induce domestic manufacturers to undertake the large expenditures required to prepare for this new manufacture, and no other steps are taken by Congress at its coming session, the Secretary contemplates with dissatisfaction the necessity of obtaining abroad the armors and the gun-steel for the authorized ships. It would seem desirable that the wants of the army and navy in this regard should be reasonably met, and that by uniting the contracts such inducement might be offered as would result in securing the domestication of these important interests.

THE POSTAL SERVICE.

The affairs of the postal service show marked and gratifying improvement during the past year. A particular account of its transactions and condition is given in the report of the Postmaster General, which will be laid before you. The reduction of the rate of letter postage in 1883, rendering the postal revenue inadequate to sustain the expenditures, and business depression also contributing, resulted in excess of cost for the fiscal year ended June 30, 1885, of eight and one-third millions of dollars. An additional check upon receipts by doubling the measure of weight in rating sealed correspondence and diminishing one-half the charge for newspaper carriage, was imposed by legislation, which took effect with the beginning of the past fiscal year, while the constant demand of our territorial development and growing population for the extension and increase of mail facilities and machinery necessitate a steady annual advance in outlay; and the careful estimate of a year ago upon the rates of expenditure there existing contemplated the unavoidable augmentation of the deficiency in the last fiscal year by nearly two millions of dollars. The anticipated revenue for the last year failed of realization by about \$64,000, but proper measures of economy have so satisfactorily limited the growth of expenditure that the total deficiency in fact fell below that of 1885, and at this time the increase of revenue is in gaining ratio over the increase of cost, demonstrating the sufficiency of the present rates of postage ultimately to sustain the service. This is the more pleasing because our people enjoy now both cheaper postage, proportionately to distances, and a waster and more costly service than any other on the globe. Retrenchment has been effected in the cost of supplies, some expenditures unwarranted by law have ceased, and the outlays for mail carriage have been subjected to beneficial scrutiny. At the close of the last fiscal year the expense of transportation on star routes stood at an annual rate of cost less by over \$500,000 than at the close of the previous year, and steamboat and mail-senger service at nearly \$200,000 less. The service has been in the meantime enlarged and extended by the establishment of new offices, increase of rates of carriage, expansion of carrier delivery, conveniences and additions to the railway mail facilities in accordance with the growing exigencies of the country and the long established policy of the government. The Postmaster-General calls attention to the existing law for compensating railroads and expressed the opinion that a method may be devised which will prove more just to the carriers and beneficial to the government, and the subject appears worthy of your early consideration. The differences which arose during the year with certain of

the steamship companies have terminated by the acquiescence of all in the policy of the government, as provided by Congress in the postal appropriation, at its last session, and the Department now enjoys the utmost service afforded by all vessels which sail from our ports upon either ocean—a service generally adequate to the needs of our intercourse. Petitions have, however, been presented to the department by numerous merchants and manufacturers for the establishment of a direct service to the Argentine Republic, and for semi-monthly dispatches to the empire of Brazil, and the subjects commended to your consideration. It is an obvious duty to provide the means of postal communication which our commerce requires and with a prudent forecast of results. The wise extension of it may lead to stimulating intercourse and become the harbinger of a profitable traffic, which will open new avenues for the disposition of the products of our country. The circumstances of the countries at the far south of our continent, are such as to invite our enterprise and afford the promise of sufficient advantage to justify an unusual effort to bring about the closer relations which greater freedom of communication would establish. I suggest that, as distinguished from a grant or subsidy for the mere benefit of any line of trade or travel, whatever outlay may be required to secure additional postal service necessary and proper and not otherwise attainable, should be regarded as within the limit of legitimate compensation for such service. The extension of the free delivery service as suggested by the Postmaster General, has heretofore received my sanction and it is to be hoped a suitable enactment will soon be enacted upon. The request for an appropriation sufficient to enable the general inspection of fourth class officers has my approbation. I renew my approval of the recommendation of the Postmaster General, that another assistant be provided for the postoffice department; and I invite your attention to the several other recommendations in his report.

DEPARTMENT OF JUSTICE.

The conduct of the Department of Justice for the last fiscal year is fully detailed in the report of the Attorney General, and I invite the earnest attention of Congress to the same and due consideration of the recommendations therein contained. In the report submitted by this officer to the last session of Congress, he strongly recommended the erection of a penitentiary for the confinement of prisoners convicted and sentenced in the United States courts, and he repeats his recommendation in his report for the last year. This is a matter of very great importance and should at once receive congressional action. United States prisoners are now confined in more than thirty different State prisons and penitentiaries situated in every part of the country. They are subjected to nearly as many different modes of treatment and discipline and are far too much removed from the control and regulation of the government. So far as they are entitled to humane treatment and opportunity for improvement and reformation, the government is responsible to them and society that these are forthcoming; but this duty can scarcely be discharged without more absolute control and discretion than are possible under the present system. Many of our good citizens have interested themselves with the most beneficial results on the question of prison reform. The General government should be, in a situation, since there must be U. S. prisoners, to furnish important aid in this movement, and should be able to illustrate what may be practically done in the direction of this reform and to present an example in the treatment and improvement of its prisoners worthy of imitation. With the prisons under its own control the Government could deal with the somewhat vexed question of convict labor, so far as its convicts are concerned, according to a plan of its own at its option and with a due regard to the rights and interests of our laboring citizens, instead of sometimes aiding in the operation of a system which causes among them irritation and discontent. Upon consideration of this subject it might be thought wise to erect more than one of these institutions, located in such places as would best observe the purposes of convenience and economy in transportation. The considerable cost of maintaining these convicts as at present in States institutions would be saved by the adoption of the plan proposed, and by employing them in the manufacture of such articles as were needed for use by the government, quite a large pecuniary benefit would be realized in partial return for our outlay.

THE COURTS.

I again seek a change in the federal judicial system to meet the wants of the people and obviate the delay necessarily attending the present condition of affairs in our courts. All are agreed that something should be done and much favor is shown by those well able to advise, to the plan suggested by the Attorney General at the last session of the Congress and recommended in my last annual message. This recommendation is here renewed, together with another made at the same time, touching a change in the manner of compensating District Attorneys and Marshals, and

the latter subject is commended to Congress for its action in the interest of economy to the government, and humanity, fairness and justice to our people.

THE INTERIOR DEPARTMENT.

The report of the Secretary of the Interior presents a comprehensive summary of the work of the various branches of the public service connected with his Department, and the suggestions and recommendations which it contains for the improvement of the service should receive your careful consideration. The exhibit made of the condition of our Indian population and the progress of the work of their enlightenment, notwithstanding the many embarrassments which hinder the better administration of this important branch of the service is a gratifying and hopeful one. The funds appropriated for the Indian service for the fiscal year just passed, with the available income from Indian land and trust moneys amounting in all to \$7,550,775.15 were ample for the service under the conditions and restrictions of laws regulating their expenditure. There remained a balance on hand on June 30, 1886, of \$1,800,023.30, of which \$1,337,763.21 are permanent funds for fulfillment of treaties and other like purposes, and the remainder \$462,260.09 is subject to be carried to the surplus fund as required by law. The estimates as presented for appropriations for the ensuing fiscal year amount to \$5,008,873.04, or \$442,336.20 less than those laid before Congress last year. The present system of agencies, while absolutely necessary and well adapted for the management of our Indian affairs and for the ends in view, when it was adopted, is in the present stage of Indian management inadequate. Standing alone for the accomplishment of an object which has become pressing in its importance—the mere rapid transition from tribal organizations to citizenship of such portions of the Indians as are incapable of civilized life. When the existing system was adopted the Indian race was outside the limits of organized States and Territories, and beyond the immediate reach and operation of civilization, and all efforts were mainly directed to the maintenance of friendly relations and the preservation of peace and quiet on the frontier. All this is now changed. There is no such thing as the Indian frontier. Civilization, with the busy hum of industry and the influence of Christianity, surrounds these people at every point. None of the tribes are outside of the bounds of organized government and society, except that the Territorial system has not been extended over that portion of the country known as the Indian Territory. As a race the Indians are no longer hostile, but may be considered as submissive to the control of the government, as few of them are troublesome. Except the fragment of several bands all are now gathered upon reservations. It is no longer possible for them to subsist by the chase and the spontaneous productions of earth. With an abundance of land, if furnished with the means and implements for profitable husbandry, their life of entire dependence upon the Government rations from day to day is no longer defensible. Their inclinations, long fostered by a defective system of control, is to cling to the habits and customs of their ancestors, and struggle with persistence against the change of life which their altered circumstances press upon them; but barbarism and civilization cannot live together. It is impossible that such incongruous conditions should co-exist on the same soil. They are a portion of our people, are under the authority of our government, and have a peculiar claim upon and are entitled to the fostering care and protection of the nation. The government cannot relieve itself of this responsibility until they are so far trained and civilized as to be able wholly to manage and care for themselves. The path in which they should walk must be clearly marked out for them, and they must be led or guided until they are familiar with the way and competent to assume the duties and responsibilities of citizens. The progress of this great work will continue and at the present slow pace and great expense, unless the system and methods of management are improved to meet the changed conditions and urgent demands of the service the officials having general charge and supervision in many cases of more than 5,000 Indians scattered over large reservations and burdened with the details of accountability for funds and requiring more time to look after the industrial training and improvement of a few Indians only, the many are neglected and remain ignorant and dependent, conditions not favorable for progress in civilization. The compensation allowed these agents and the conditions of the service are not calculated to secure for the work men who are fitted by ability and skill to properly plan and intelligently devise the methods best adapted to produce the most speedy results, and permanent benefits; hence the necessity for a supplemental agency or system, directed to the end of promoting the general and more rapid transition of tribes from habits and customs of barbarity to the ways of civilization with an anxious desire to devise some plan of operation by which to secure the welfare of the Indians and to relieve the Treasury so far as possible from the support of an idle and dependent population. I recommended in my previous annual

message the passage of a law authorizing the appointment of a commission as an instrumentality auxiliary to those already established for the care of the Indians. It was designed that this committee or commission should be composed of six intelligent and capable persons, three to be detailed from the army, having practical ideas upon the subject of the treatment of Indians and interested in their welfare, and that it should be charged, under the direction of the Secretary of the Interior, with the management of such matters of detail as cannot, with the present organization, be properly and successfully conducted, and which present different phases, as the Indians themselves differ in their progress, disposition and capacity for improvement or immediate self-support. By the aid of such commission, much unwise and useless expenditure of money, waste of materials and unavailing efforts might be avoided, and it is hoped this or some measure which the wisdom of Congress may better devise to supply the deficiency of the present system, may receive your consideration and the appropriate legislation be provided. The time is ripe for the work of such an agency. There is less opposition to the education and training of the Indian youth, as shown by the increase attendance upon the schools, and there is a yielding tendency for the individual holding of lands. Developments and advancement in these directions are essential, and should have every encouragement. As the rising generation are taught the language of civilization and trained in the habits of industry, they should assume the duties and responsibilities of citizenship. No obstacles should hinder the location and settlement of any Indian willing to take land in severalty; on the contrary, the inclination to do so should be stimulated at all times when proper; but there is no authority of law for making allotments on some of the reservations, and on others the allotments provided for are so small that Indians, though ready and desiring to settle down, are not willing to accept such small areas when their reservations contain ample lands to afford them homesteads of sufficient size to meet their present and future needs. These inequalities of the existing special laws and and treaties could be corrected, some general regulation on that subject should be provided so that the more progressive among the Indian tribes may be located, and, by their example teach others to follow, breaking away from tribal customs and substituting among the race, the love of home, the interest in the family; but they are not easily led while brooding over unadjudged wrongs. Matters arising from the construction and operation of railroads across some of the reservations, and claims of title and right of occupancy set up by white persons to some of the best land within other reservations, require legislation for their final adjustment. The settlement of these matters will remove many embarrassments to progress in the work of leading the Indians to the adoption of our institutions and bringing them under the operation of the influence and the protection of the universal laws of our country.

LANDS AND TIMBER.

The recommendations of the Secretary of the Interior and the Commissioner of the General Land Office, looking to the better protection of public lands and of the public surveys, the preservation of national forests, the adjudication of grants to locators and corporations of the public service are commended to the attention of Congress. To secure the wisest distribution of public land in limited quantities among settlers of residence and cultivation and thus make the greatest number of individual homes, was the primary object of the public land legislation in the early days of the Republic. This system was a simple one; it commenced with an admirable scheme of public surveys, by which the humblest citizen could identify the tract upon which he wished to establish his home. The price of lands was placed within the reach of all the enterprising, industrious and honest pioneer citizens of the country. It was soon, however, found that the object of the laws was perverted under the system of cash sales from a distribution of land among the people to an accumulation of land capital by wealthy and speculative persons. To check this tendency a preference right of purchase was given to settlers on the land, a plan which culminated in the general pre-emption act of 1841. The foundation of this system was actual residence and cultivation; 20 years later the homestead laws were devised to more securely place actual homes in the actual possession of actual cultivators of the soil. The land was given without price, the sole conditions being residence, improvement and cultivation; other laws have followed, each designed to encourage the acquirement and use of land in limited individual quantities, but in later years these laws, through the vicious administration of methods and under the changed conditions of communication and transportation, have been so evaded and violated that their beneficent purpose is threatened with entire defeat. The methods of such evasions and violations are set forth in detail in the reports of the Secretary of the Interior and Commissioner of the General Land Office. The rapid appropriation of our public lands without bona fide settlement or

cultivation, and not only without intention of residence but for the purpose of their aggregation in large holdings, in many cases in the hands of foreigners, invites the serious and immediate attention of Congress. The energies of the Land Department have been devoted during the present administration to remedy the defects and correct the abuses in the public land service. The results of these efforts are so largely in the nature of reforms in the process and methods of our land system as to prevent adequate estimates, but it appears by a compilation from the reports of the Commissioner of the General Land Office, that the immediate effect in leading cases which have come to a final termination has been the restoration to the mass of public lands of 2,750,000 acres; that 2,375,000 acres are embraced in the investigations now pending for the department in the courts, and that the action of Congress has been asked to effect the restoration of two million seven hundred and ninety thousand acres additional; besides which four million acres have been withheld from reservation and the rights of entry thereon maintained. I recommend the repeal of the pre-emption and timber culture acts, and that the homestead laws be so amended as to better secure compliance with and cultivation for the period of five years from the date of entry without commutation or provision for speculative relinquishment. I also recommend the repeal of the desert land laws unless it shall be the pleasure of Congress to so amend these laws as to render them less liable to abuse. As the chief motive for the evasion of the laws and the principal cause of this result in land distribution is the facility with which transfers are made of the right intended to be secured to settlers, it may be deemed advisable to provide by legislation some guards and checks upon the alienation of vested rights and lands covered thereby until patents issue. Last year an executive proclamation was issued directing the removal of fences which inclosed the public domain. Many of these have been removed in obedience to such order but much of the public land still remains within the lines of these unlawful fences. The ingenious methods resorted to in order to contrive these trespasses, and the hardness of the pretenses by which, in some cases, such inclosures are justified, are fully detailed in the report of the Secretary of the Interior. The removal of the fences still remaining, which inclose public lands, will be enforced with all the authority and means with which the executive branch of the government is or shall be invested by Congress for that purpose.

PENSIONS.

The report of the Commissioner of Pensions gives a detailed and most satisfactory exhibit of the operations of the pension bureau. During the last fiscal year the amount of work done was the largest in any year during the organization of the bureau; and it has been done at less cost than during the previous year in every division. On the 30th day of May, 1886, there were 3,057,063 pensions on the rolls of the bureau. Since 1861 there have been 1,018,735 applications for pensions filed, of which \$834 were based upon service in the war of 1812. There were 621,754 of these applications allowed, including \$60,170 to the soldiers of 1812 and their widows. The total amount paid for pensions since the war of 1812 is \$308,624,811.57. The number of new pensions allowed during the year ended June 30th, 1886, is 40,867, a larger number than has been allowed in any year but one. Since 1861 the names of 3,220 pensioners which had previously been dropped from the rolls were restored during the year, and for various causes an increase remains for the year of 20,038 names. From January 1, 1861, to December 1, 1885, 1,903 private pensions had been granted. It seems to me no one can examine our pension establishment and its operations, without being convinced that through its instrumentality justice can be very nearly done to all who are entitled under the present laws to the pension bounty of the government. But it is undeniable that cases exist, well entitled to relief, in which the pension bureau is powerless to relieve. The really worthy cases of this class are such as only lack by misfortune the kind or quantity of proof which the law and regulations of the bureau require or which, though their merit is apparent, for some other reason cannot be justly dealt with through general laws. These conditions fully justify application to Congress for special enactments. But to report to Congress for a special pension act to overrule the deliberate and careful determination of the pension bureau on the merits or to secure favorable action when it could not be expected under the most liberal execution of general laws, it must be admitted, opens the door to allowance of questionable claims, and presents to the legislative and executive branches of the government applications concededly not within the law and plainly devoid of merit, but so surrounded by sentiment and patriotic feeling that they are hard to resist. I suppose it will not be denied that many claims for pensions are made without merit, and that many have been allowed on fraudulent representations. This has been declared from the Pension Bureau not only in this but in prior administrations. The usefulness and the justice of any system for the distribution of pensions depends on the equality and