

be not confirmed, the nomination will be made at the discretion of the President. Vacancies occurring in such positions in the customs service in the said districts as are included in the subjoined classification will be filled in accordance with the rules. Appointments to all other positions in the customs service in said districts may be, until otherwise ordered, excepted from the operation of the rules.

7. When a vacancy occurs in the office of collector, appraiser, surveyor, or other chief officer in any customs district not specified in the preceding regulation, applications in writing from any subordinate or subordinates in the customs service of the district, or from other person or persons residing within the said district, may be addressed to the Secretary of the Treasury, inclosing proper certificates of character, responsibility, and capacity; and if any of the subordinates so applying shall be found suitable and qualified, the name or names, not exceeding three, of the best qualified shall be certified by the board of examiners to the Secretary, and from this list the nomination or appointment will be made; but if no such subordinate be found qualified, the said board shall certify to the Secretary the name or names, not exceeding three, of the best qualified among the other applicants, and from this list the nomination or appointment will be made. If, however, no applicants under this regulation shall be found suitable and qualified, the vacancy will be filled at discretion. Appointments to all other positions in the customs service in said districts may be, until otherwise ordered, excepted from the operation of the rules.

8. When a vacancy occurs in the office of postmaster in cities having, according to the census of 1870, a population of 20,000 or more, the Postmaster-General shall ascertain if any of the subordinates in such office are suitable persons qualified to discharge efficiently the duties of postmaster, and if such are found he shall certify to the President the name or names of those subordinates, not exceeding three in number, who in his judgment are best qualified for the position, from which list the President will make the nomination to fill the vacancy; but if no such subordinate be found so qualified, or if the nomination be not confirmed by the Senate, the nomination will be made at the discretion of the President. Vacancies occurring in such positions in the said post-office as are included in the subjoined classification will be filled in accordance with the rules. Appointments to all other positions in the said post-offices may be, until otherwise ordered, excepted from the operation of the rules.

9. When a vacancy occurs in the office of postmaster of a class not otherwise provided for, applications for the position from any subordinate or subordinates in the office, or from other persons residing within the delivery of the office, may be addressed to the Postmaster-General, inclosing proper certificates of character, responsibility, and capacity; and if any of the subordinates so applying shall be found suitable and qualified, the name or names of the best qualified, not exceeding three, shall be certified by the board of examiners to the Postmaster-General, and from them the nomination or appointment shall be made; but if no subordinate be found qualified, the said board shall certify to the Postmaster-General the name or names, not exceeding three, of the best qualified among the other applicants, and from them the nomination or appointment shall be made. If, however, no applicants under this regulation shall be found suitable and qualified, the vacancy will be filled at discretion. Appointments to all other positions in the said post-offices may be, until otherwise ordered, excepted from the operation of the rules.

10. Special agents of the Post-Office Department shall be appointed by the Postmaster-General at discretion from persons already in the postal service, and who shall have served therein for a period of not less than one year immediately preceding the appointment; but if no person within the service shall, in the judgment of the Postmaster-General, be suitable and qualified, the appointment shall be made from all applicants under the rules.

11. Mail-route messengers shall be appointed in the manner provided for the appointment of postmasters whose annual salary is less than \$200.

12. When a vacancy occurs in the office of register or receiver of the land office, or of pension agent, applications in writing from residents in the district in which the

vacancy occurs may be addressed to the Secretary of the Interior, inclosing proper certificates of character, responsibility, and capacity; and if any of the applicants shall be found suitable and qualified, the name or names, not exceeding three, of the best qualified shall be certified by the board of examiners to the Secretary, and from this list the nomination will be made. If, however, no applicants under this regulation shall be found suitable and qualified, the nomination will be made at discretion.

13. When a vacancy occurs in the office of United States marshal, applications in writing from residents in the district in which the vacancy occurs may be addressed to the Attorney-General of the United States, inclosing proper certificates of character, responsibility, and capacity; and if any of the applicants shall be found suitable and qualified, the name or names, not exceeding three, of the best qualified shall be certified by the board of examiners to the Attorney-General, and from this list the nomination will be made. If, however, no applicants under this regulation shall be found suitable and qualified, the nomination will be made at discretion.

14. Appointments to fill vacancies occurring in offices in the several Territories, excepting those of judges of the United States courts, Indian agents, and superintendents, will be made from suitable and qualified persons domiciled in the Territory in which the vacancy occurs, if any such are found.

15. It shall be the duty of the examining board in each of the Departments to report to the Advisory Board such modifications in the rules and regulations as in the judgment of such examining board are required for appointments to certain positions to which, by reason of distance, or of difficult access, or of other sufficient cause, the rules and regulations can not be applied with advantage; and if the reason for such modifications shall be satisfactory to the Advisory Board, said board will recommend them for approval.

16. Nothing in these rules and regulations shall prevent the reappointment at discretion of the incumbents of any office the term of which is fixed by law, and when such reappointment is made no vacancy within the meaning of the rules shall be deemed to have occurred.

17. Appointments to all positions in the civil service not included in the subjoined classification, nor otherwise specially provided for by the rules and regulations, may, until otherwise ordered, be excepted from the operation of the rules.

EXECUTIVE MANSION,
Washington, D. C., May 27, 1872.

SIR:* The President directs me to say that the several Departments of the Government will be closed on the 30th instant, in order to enable the employees of the Government to participate, in connection with the Grand Army of the Republic, in the decoration of the graves of the soldiers who fell during the rebellion.

I am, sir, your obedient servant,

HORACE PORTER, *Secretary.*

DEPARTMENT OF STATE,
Washington, October 11, 1872.

The undersigned is charged by the President with the painful duty of announcing to the people of the United States the death of an illustrious citizen.

William Henry Seward, distinguished for faithful and eminent service in varied public trusts during a long series of years, died at Auburn, in the

* Addressed to the heads of the Executive Departments, etc.

State of New York, yesterday, October 10. Charged with the administration of the Department of State at a most critical period in the history of the nation, Mr. Seward brought to the duties of that office exalted patriotism, unwearied industry, and consummate ability. A grateful nation will cherish his name, his fame, and his memory.

The several Executive Departments will cause appropriate honors to be rendered to the memory of the deceased statesman at home and abroad.

HAMILTON FISH,
Secretary of State.

FOURTH ANNUAL MESSAGE.

EXECUTIVE MANSION, *December 2, 1872.*

To the Senate and House of Representatives:

In transmitting to you this my fourth annual message it is with thankfulness to the Giver of All Good that as a nation we have been blessed for the past year with peace at home, peace abroad, and a general prosperity vouchsafed to but few peoples.

With the exception of the recent devastating fire which swept from the earth with a breath, as it were, millions of accumulated wealth in the city of Boston, there has been no overshadowing calamity within the year to record. It is gratifying to note how, like their fellow-citizens of the city of Chicago under similar circumstances a year earlier, the citizens of Boston are rallying under their misfortunes, and the prospect that their energy and perseverance will overcome all obstacles and show the same prosperity soon that they would had no disaster befallen them. Otherwise we have been free from pestilence, war, and calamities, which often overtake nations; and, as far as human judgment can penetrate the future, no cause seems to exist to threaten our present peace.

When Congress adjourned in June last, a question had been raised by Great Britain, and was then pending, which for a time seriously imperiled the settlement by friendly arbitration of the grave differences between this Government and that of Her Britannic Majesty, which by the treaty of Washington had been referred to the tribunal of arbitration which had met at Geneva, in Switzerland.

The arbitrators, however, disposed of the question which had jeopardized the whole of the treaty and threatened to involve the two nations in most unhappy relations toward each other in a manner entirely satisfactory to this Government and in accordance with the views and the policy which it had maintained.

The tribunal, which had convened at Geneva in December, concluded its laborious session on the 14th day of September last, on which day,

having availed itself of the discretionary power given to it by the treaty to award a sum in gross, it made its decision, whereby it awarded the sum of \$15,500,000 in gold as the indemnity to be paid by Great Britain to the United States for the satisfaction of all the claims referred to its consideration.

This decision happily disposes of a long-standing difference between the two Governments, and, in connection with another award, made by the German Emperor under a reference to him by the same treaty, leaves these two Governments without a shadow upon the friendly relations which it is my sincere hope may forever remain equally unclouded.

The report of the agent of the United States appointed to attend the Geneva tribunal, accompanied by the protocols of the proceedings of the arbitrators, the arguments of the counsel of both Governments, the award of the tribunal, and the opinions given by the several arbitrators, is transmitted herewith.

I have caused to be communicated to the heads of the three friendly powers who complied with the joint request made to them under the treaty the thanks of this Government for the appointment of arbitrators made by them respectively, and also my thanks to the eminent personages named by them, and my appreciation of the dignity, patience, impartiality, and great ability with which they discharged their arduous and high functions.

Her Majesty's Government has communicated to me the appreciation by Her Majesty of the ability and indefatigable industry displayed by Mr. Adams, the arbitrator named on the part of this Government during the protracted inquiries and discussions of the tribunal. I cordially unite with Her Majesty in this appreciation.

It is due to the agent of the United States before the tribunal to record my high appreciation of the marked ability, unwearied patience, and the prudence and discretion with which he has conducted the very responsible and delicate duties committed to him, as it is also due to the learned and eminent counsel who attended the tribunal on the part of this Government to express my sense of the talents and wisdom which they brought to bear in the attainment of the result so happily reached.

It will be the province of Congress to provide for the distribution among those who may be entitled to it of their respective shares of the money to be paid. Although the sum awarded is not payable until a year from the date of the award, it is deemed advisable that no time be lost in making a proper examination of the several cases in which indemnification may be due. I consequently recommend the creation of a board of commissioners for the purpose.

By the thirty-fourth article of the treaty of Washington the respective claims of the United States and of Great Britain in their construction of the treaty of the 15th of June, 1846, defining the boundary line between their respective territories, were submitted to the arbitration and award

of His Majesty the Emperor of Germany, to decide which of those claims is most in accordance with the true interpretation of the treaty of 1846.

His Majesty the Emperor of Germany, having been pleased to undertake the arbitration, has the earnest thanks of this Government and of the people of the United States for the labor, pains, and care which he has devoted to the consideration of this long-pending difference. I have caused an expression of my thanks to be communicated to His Majesty. Mr. Bancroft, the representative of this Government at Berlin, conducted the case and prepared the statement on the part of the United States with the ability that his past services justified the public in expecting at his hands. As a member of the Cabinet at the date of the treaty which has given rise to the discussion between the two Governments, as the minister to Great Britain when the construction now pronounced unfounded was first advanced, and as the agent and representative of the Government to present the case and to receive the award, he has been associated with the question in all of its phases, and in every stage has manifested a patriotic zeal and earnestness in maintenance of the claim of the United States. He is entitled to much credit for the success which has attended the submission.

After a patient investigation of the case and of the statements of each party, His Majesty the Emperor, on the 21st day of October last, signed his award in writing, decreeing that the claim of the Government of the United States, that the boundary line between the territories of Her Britannic Majesty and the United States should be drawn through the Haro Channel, is most in accordance with the true interpretation of the treaty concluded on the 15th of June, 1846, between the Governments of Her Britannic Majesty and of the United States.

Copies of the "case" presented on behalf of each Government, and of the "statement in reply" of each, and a translation of the award, are transmitted herewith.

This award confirms the United States in their claim to the important archipelago of islands lying between the continent and Vancouver's Island, which for more than twenty-six years (ever since the ratification of the treaty) Great Britain has contested, and leaves us, for the first time in the history of the United States as a nation, without a question of disputed boundary between our territory and the possessions of Great Britain on this continent.

It is my grateful duty to acknowledge the prompt, spontaneous action of Her Majesty's Government in giving effect to the award. In anticipation of any request from this Government, and before the reception in the United States of the award signed by the Emperor, Her Majesty had given instructions for the removal of her troops which had been stationed there and for the cessation of all exercise or claim of jurisdiction, so as to leave the United States in the exclusive possession of the lately disputed territory. I am gratified to be able to announce that the orders for

the removal of the troops have been executed, and that the military joint occupation of San Juan has ceased. The islands are now in the exclusive possession of the United States.

It now becomes necessary to complete the survey and determination of that portion of the boundary line (through the Haro Channel) upon which the commission which determined the remaining part of the line were unable to agree. I recommend the appointment of a commission to act jointly with one which may be named by Her Majesty for that purpose.

Experience of the difficulties attending the determination of our admitted line of boundary, after the occupation of the territory and its settlement by those owing allegiance to the respective Governments, points to the importance of establishing, by natural objects or other monuments, the actual line between the territory acquired by purchase from Russia and the adjoining possessions of Her Britannic Majesty. The region is now so sparsely occupied that no conflicting interests of individuals or of jurisdiction are likely to interfere to the delay or embarrassment of the actual location of the line. If deferred until population shall enter and occupy the territory, some trivial contest of neighbors may again array the two Governments in antagonism. I therefore recommend the appointment of a commission, to act jointly with one that may be appointed on the part of Great Britain, to determine the line between our Territory of Alaska and the conterminous possessions of Great Britain.

In my last annual message I recommended the legislation necessary on the part of the United States to bring into operation the articles of the treaty of Washington of May 8, 1871, relating to the fisheries and to other matters touching the relations of the United States toward the British North American possessions, to become operative so soon as the proper legislation should be had on the part of Great Britain and its possessions.

That legislation on the part of Great Britain and its possessions had not then been had, and during the session of Congress a question was raised which for the time raised a doubt whether any action by Congress in the direction indicated would become important. This question has since been disposed of, and I have received notice that the Imperial Parliament and the legislatures of the provincial governments have passed laws to carry the provisions of the treaty on the matters referred to into operation. I therefore recommend your early adoption of the legislation in the same direction necessary on the part of this Government.

The joint commission for determining the boundary line between the United States and the British possessions between the Lake of the Woods and the Rocky Mountains has organized and entered upon its work. It is desirable that the force be increased, in order that the completion of the survey and determination of the line may be the sooner attained. To this end I recommend that a sufficient appropriation be made.

With France, our earliest ally; Russia, the constant and steady friend of the United States; Germany, with whose Government and people we have so many causes of friendship and so many common sympathies, and the other powers of Europe, our relations are maintained on the most friendly terms.

Since my last annual message the exchange has been made of the ratifications of a treaty with the Austro-Hungarian Empire relating to naturalization; also of a treaty with the German Empire respecting consuls and trade-marks; also of a treaty with Sweden and Norway relating to naturalization; all of which treaties have been duly proclaimed.

Congress at its last session having made an appropriation to defray the expense of commissioners on the part of the United States to the International Statistical Congress at St. Petersburg, the persons appointed in that character proceeded to their destination and attended the sessions of the congress. Their report shall in due season be laid before you. This congress meets at intervals of about three years, and has held its sessions in several of the countries of Europe. I submit to your consideration the propriety of extending an invitation to the congress to hold its next meeting in the United States. The Centennial Celebration to be held in 1876 would afford an appropriate occasion for such meeting.

Preparations are making for the international exposition to be held during the next year in Vienna, on a scale of very great magnitude. The tendency of these expositions is in the direction of advanced civilization, and of the elevation of industry and of labor, and of the increase of human happiness, as well as of greater intercourse and good will between nations. As this exposition is to be the first which will have been held in eastern Europe, it is believed that American inventors and manufacturers will be ready to avail themselves of the opportunity for the presentation of their productions if encouraged by proper aid and protection.

At the last session of Congress authority was given for the appointment of one or more agents to represent this Government at the exposition. The authority thus given has been exercised, but, in the absence of any appropriation, there is danger that the important benefits which the occasion offers will in a large degree be lost to citizens of the United States. I commend the subject strongly to your consideration, and recommend that an adequate appropriation be made for the purpose.

To further aid American exhibitors at the Vienna Exposition, I would recommend, in addition to an appropriation of money, that the Secretary of the Navy be authorized to fit up two naval vessels to transport between our Atlantic cities and Trieste, or the most convenient port to Vienna, and back, their articles for exhibition.

Since your last session the President of the Mexican Republic, distinguished by his high character and by his services to his country, has died. His temporary successor has now been elected with great unanimity by

the people—a proof of confidence on their part in his patriotism and wisdom which it is believed will be confirmed by the results of his administration. It is particularly desirable that nothing should be left undone by the Government of either Republic to strengthen their relations as neighbors and friends.

It is much to be regretted that many lawless acts continue to disturb the quiet of the settlements on the border between our territory and that of Mexico, and that complaints of wrongs to American citizens in various parts of the country are made. The revolutionary condition in which the neighboring Republic has so long been involved has in some degree contributed to this disturbance. It is to be hoped that with a more settled rule of order through the Republic, which may be expected from the present Government, the acts of which just complaint is made will cease.

The proceedings of the commission under the convention with Mexico of the 4th of July, 1868, on the subject of claims, have, unfortunately, been checked by an obstacle, for the removal of which measures have been taken by the two Governments which it is believed will prove successful.

The commissioners appointed, pursuant to the joint resolution of Congress of the 7th of May last, to inquire into depredations on the Texan frontier have diligently made investigations in that quarter. Their report upon the subject will be communicated to you. Their researches were necessarily incomplete, partly on account of the limited appropriation made by Congress. Mexico, on the part of that Government, has appointed a similar commission to investigate these outrages. It is not announced officially, but the press of that country states that the fullest investigation is desired, and that the cooperation of all parties concerned is invited to secure that end. I therefore recommend that a special appropriation be made at the earliest day practicable, to enable the commissioners on the part of the United States to return to their labors without delay.

It is with regret that I have again to announce a continuance of the disturbed condition of the island of Cuba. No advance toward the pacification of the discontented part of the population has been made. While the insurrection has gained no advantages and exhibits no more of the elements of power or of the prospects of ultimate success than were exhibited a year ago, Spain, on the other hand, has not succeeded in its repression, and the parties stand apparently in the same relative attitude which they have occupied for a long time past.

This contest has lasted now for more than four years. Were its scene at a distance from our neighborhood, we might be indifferent to its result, although humanity could not be unmoved by many of its incidents wherever they might occur. It is, however, at our door.

I can not doubt that the continued maintenance of slavery in Cuba is among the strongest inducements to the continuance of this strife. A terrible wrong is the natural cause of a terrible evil. The abolition of

slavery and the introduction of other reforms in the administration of government in Cuba could not fail to advance the restoration of peace and order. It is greatly to be hoped that the present liberal Government of Spain will voluntarily adopt this view.

The law of emancipation, which was passed more than two years since, has remained unexecuted in the absence of regulations for its enforcement. It was but a feeble step toward emancipation, but it was the recognition of right, and was hailed as such, and exhibited Spain in harmony with sentiments of humanity and of justice and in sympathy with the other powers of the Christian and civilized world.

Within the past few weeks the regulations for carrying out the law of emancipation have been announced, giving evidence of the sincerity of intention of the present Government to carry into effect the law of 1870. I have not failed to urge the consideration of the wisdom, the policy, and the justice of a more effective system for the abolition of the great evil which oppresses a race and continues a bloody and destructive contest close to our border, as well as the expediency and the justice of conceding reforms of which the propriety is not questioned.

Deeply impressed with the conviction that the continuance of slavery is one of the most active causes of the continuance of the unhappy condition in Cuba, I regret to believe that citizens of the United States, or those claiming to be such, are large holders in Cuba of what is there claimed as property, but which is forbidden and denounced by the laws of the United States. They are thus, in defiance of the spirit of our own laws, contributing to the continuance of this distressing and sickening contest. In my last annual message I referred to this subject, and I again recommend such legislation as may be proper to denounce, and, if not prevent, at least to discourage American citizens from holding or dealing in slaves.

It is gratifying to announce that the ratifications of the convention concluded under the auspices of this Government between Spain on the one part and the allied Republics of the Pacific on the other, providing for an armistice, have been exchanged. A copy of the instrument is herewith submitted. It is hoped that this may be followed by a permanent peace between the same parties.

The differences which at one time threatened the maintenance of peace between Brazil and the Argentine Republic it is hoped are in the way of satisfactory adjustment.

With these States, as with the Republics of Central and of South America, we continue to maintain the most friendly relations.

It is with regret, however, I announce that the Government of Venezuela has made no further payments on account of the awards under the convention of the 25th of April, 1866. That Republic is understood to be now almost, if not quite, tranquilized. It is hoped, therefore, that it will lose no time in providing for the unpaid balance of its debt to the

United States, which, having originated in injuries to our citizens by Venezuelan authorities, and having been acknowledged, pursuant to a treaty, in the most solemn form known among nations, would seem to deserve a preference over debts of a different origin and contracted in a different manner. This subject is again recommended to the attention of Congress for such action as may be deemed proper.

Our treaty relations with Japan remain unchanged. An imposing embassy from that interesting and progressive nation visited this country during the year that is passing, but, being unprovided with powers for the signing of a convention in this country, no conclusion in that direction was reached. It is hoped, however, that the interchange of opinions which took place during their stay in this country has led to a mutual appreciation of the interests which may be promoted when the revision of the existing treaty shall be undertaken.

In this connection I renew my recommendation of one year ago, that—

To give importance to and to add to the efficiency of our diplomatic relations with Japan and China, and to further aid in retaining the good opinion of those peoples, and to secure to the United States its share of the commerce destined to flow between those nations and the balance of the commercial world, an appropriation be made to support at least four American youths in each of those countries, to serve as a part of the official family of our ministers there. Our representatives would not even then be placed upon an equality with the representatives of Great Britain and of some other powers. As now situated, our representatives in Japan and China have to depend for interpreters and translators upon natives of those countries, who know our language imperfectly, or procure for the occasion the services of employees in foreign business houses or the interpreters to other foreign ministers.

I renew the recommendation made on a previous occasion, of the transfer to the Department of the Interior, to which they seem more appropriately to belong, of all the powers and duties in relation to the Territories with which the Department of State is now charged by law or by custom.

Congress from the beginning of the Government has wisely made provision for the relief of distressed seamen in foreign countries. No similar provision, however, has hitherto been made for the relief of citizens in distress abroad other than seamen. It is understood to be customary with other governments to authorize consuls to extend such relief to their citizens or subjects in certain cases. A similar authority and an appropriation to carry it into effect are recommended in the case of citizens of the United States destitute or sick under such circumstances. It is well known that such citizens resort to foreign countries in great numbers. Though most of them are able to bear the expenses incident to locomotion, there are some who, through accident or otherwise, become penniless, and have no friends at home able to succor them. Persons in this situation must either perish, cast themselves upon the charity of foreigners, or be relieved at the private charge of our own officers, who usually, even with the most benevolent dispositions, have nothing to spare for such purposes.

Should the authority and appropriation asked for be granted, care will be taken so to carry the beneficence of Congress into effect that it shall not be unnecessarily or unworthily bestowed.

TREASURY.

The moneys received and covered into the Treasury during the fiscal year ended June 30, 1872, were:

From customs	\$216,370.286.77
From sales of public lands	2,575,714.19
From internal revenue	130,642,177.72
From tax on national-bank circulation, etc.	6,523,396.39
From Pacific railway companies	749,861.87
From customs fines, etc.	1,136,442.34
From fees—consular, patent, land, etc.	2,284,095.92
From miscellaneous sources	4,412,254.71
Total ordinary receipts	364,694,229.91
From premium on sales of coin	9,412,637.65
Total net receipts	374,106,867.56
Balance in Treasury June 30, 1871 (including \$18,228.35 received from "unavailable")	109,935,705.59
Total available cash	484,042,573.15

The net expenditures by warrants during the same period were:

For civil expenses	\$16,187,059.20
For foreign intercourse	1,839,369.14
For Indians	7,061,728.82
For pensions	28,533,402.76
For military establishment, including fortifications, river and harbor improvements, and arsenals	35,372,157.20
For naval establishment, including vessels and machinery and improvements at navy-yards	21,249,809.99
For miscellaneous civil, including public buildings, light-houses, and collecting the revenue	42,958,329.08
For interest on the public debt	117,357,839.72
Total, exclusive of principal and premium on the public debt	270,559,695.91
For premium on bonds purchased	\$6,958,266.76
For redemption of the public debt	99,960,253.54
Total net disbursements	106,918,520.30
Balance in Treasury June 30, 1872	377,478,216.21
Total	106,564,356.94
Total	484,042,573.15

From the foregoing statement it appears that the net reduction of the principal of the debt during the fiscal year ending June 30, 1872, was \$99,960,253.54.

The source of this reduction is as follows:

Net ordinary receipts during the year	\$364,694,229.91
Net ordinary expenditures, including interest on the public debt	270,559,695.91
Leaving surplus revenue	94,134,534.00
Add amount received from premium on sales of gold, in excess of the premium paid on bonds purchased	2,454,370.89
Add the amount of the reduction of the cash balance at the close of the year, accompanied with same at commencement of the year	3,371,348.65
Total	99,960,253.54

This statement treats solely of the principal of the public debt.

By the monthly statement of the public debt, which adds together the principal, interest due and unpaid, and interest accrued to date, not due, and deducts the cash in the Treasury as ascertained on the day of publication, the reduction was \$100,544,491.28.

The source of this reduction is as follows:

Reduction in principal account	\$99,960,003.54
Reduction in unpaid-interest account	3,330,952.96
Reduction in cash on hand	103,290,956.50
Total	2,746,465.22
Total	100,544,491.28

On the basis of the last table the statements show a reduction of the public debt from the 1st of March, 1869, to the present time as follows:

From March 1, 1869, to March 1, 1870	\$87,134,782.84
From March 1, 1870, to March 1, 1871	117,619,630.25
From March 1, 1871, to March 1, 1872	94,895,348.94
From March 1, 1872, to November 1, 1872 (eight months)	64,047,237.84
Total	363,696,999.87

With the great reduction of taxation by the acts of Congress at its last session, the expenditure of the Government in collecting the revenue will be much reduced for the next fiscal year. It is very doubtful, however, whether any further reduction of so vexatious a burden upon any people will be practicable for the present. At all events, as a measure of justice to the holders of the nation's certificates of indebtedness, I would recommend that no more legislation be had on this subject, unless it be to correct errors of omission or commission in the present laws, until sufficient time has elapsed to prove that it can be done and still leave sufficient revenue to meet current expenses of Government, pay interest on the public debt, and provide for the sinking fund established by law. The preservation of our national credit is of the highest importance; next in importance to this comes a solemn duty to provide a national currency of fixed, unvarying value as compared with gold, and as soon as practicable, having due regard for the interests of the debtor class and the vicissitudes of trade and commerce, convertible into gold at par.

WAR DEPARTMENT.

The report of the Secretary of War shows the expenditures of the War Department for the fiscal year ending June 30, 1871, to be \$35,799,991.82, and for the fiscal year ending June 30, 1872, to be \$35,372,157.20, showing a reduction in favor of the last fiscal year of \$427,834.62.

The estimates for military appropriations for the next fiscal year, ending June 30, 1874, are \$33,801,378.78.

The estimates of the Chief of Engineers are submitted separately for fortifications, river and harbor improvements, and for public buildings and grounds and the Washington Aqueduct.

The affairs of the Freedmen's Bureau have all been transferred to the War Department, and regulations have been put into execution for the