

The medal department of the mint is in successful operation. A large number of national and other medals have been manufactured during the year. The productions of this department are duly appreciated by the public and approved by the government.

Valuable additions have been made to the cabinet of coins and medals during the year by gift and purchase. It is a place of great resort, and multitudes from every section of our country are daily visitants. The collection of coins is large and valuable. The annual appropriation for the purchase of coins, &c., should be increased. It is now only three hundred dollars.

Very respectfully, your obedient servant,
JAMES POLLOCK, *Director of the Mint.*

Hon. H. McCulloch,
Secretary of the Treasury, Washington, D. C.

REPORT OF THE SECRETARY OF THE INTERIOR.

DEPARTMENT OF THE INTERIOR,
December 4, 1865.

SIR: I have the honor to submit the following summary of the operations of the Department of the Interior during the past year, and of the present condition of the diversified and important public interests under its direction.

LANDS.

It appears from the report of the Commissioner of the General Land Office that during the fiscal year ending June 30, 1865, public lands were disposed of as follows:

Acres sold for cash.....	557, 212. 53
Acres located with military warrants.....	348, 660. 00
Acres located with agricultural scrip.....	460, 130. 27
Acres selected under agricultural college grant.....	808, 358. 11
Acres approved to the States as swamp lands.....	571, 429. 24
Acres approved to the States for railroads.....	607, 415. 39
Acres taken under the homestead law.....	1, 160, 532. 92
	4, 513, 738. 46
During the quarter ending September 30, 1865, the aggregate quantity taken for the same purposes was.....	880, 591. 13
Making, during five quarters, the total number of acres..	5, 394, 329. 59

The cash receipts from sales, homestead and location fees, for the same five quarters, ending September 30, 1865, were \$1,038,400 78.

The cash sales for the year ending June 30, 1865, amounted to \$748,427 25, an excess of \$70,420 04 over the sum received from the same source the previous year.

During the fiscal year ending June 30, 1865, 4,161,778 acres of public lands were surveyed. The aggregate quantity of surveyed public lands undisposed of September 30, 1865, was 132,285,035 acres.

Owing to the failure of the appropriation for that purpose at the last session of Congress, no contracts have been made for surveys during the current fiscal

year, except where there were unexpended balances from previous years, or where the expense of survey was defrayed by private parties.

The act of September 4, 1841, and the supplemental act of March 3, 1843, confer upon actual settlers, upon certain specified conditions, the right to acquire by pre-emption surveyed public lands. Since that time the right has been, by various acts, extended to unsurveyed lands, but the period within which the claim must be preferred after settlement differs in the several States and Territories, although proof and payment must be made in all before the day prescribed by proclamation of the President for the sale of the body of lands within which the pre-emption claimant has settled. In some the claim of settlement must be filed within three months after the return of the approved plat or survey to the local land offices; in others within six months thereafter; in others within three months after the survey has been made in the field; and in some of the newer Territories there is no specific provision on this subject, but all laws of the United States, which are not locally inapplicable, are declared to be in force. The act of June 6, 1862, "establishing a land office in Colorado, and for other purposes," provides that when unsurveyed lands are claimed by pre-emption, notice of the specified tract claimed shall be filed within six months after the survey has been made in the field, and that on failure to file such notice, or to pay for the tract claimed within twelve months from the filing of such notice, the parties claiming such land shall forfeit all their right therein. This act has been interpreted in some of the local offices as having exclusive application to the Territory of Colorado. This department has not, upon appeal involving any contested right of pre-emption, decided whether the terms of the act are not sufficiently broad to make it applicable to all unsurveyed lands to which the pre-emption settler claims a right. Further legislation is, however, recommended to remove ambiguity and secure harmony in the enforcement of this beneficent policy in all the land States and Territories. No reason is perceived for various and somewhat conflicting laws on this subject in different localities. A few general provisions in regard to unsurveyed lands would suffice; the acts of 1841 and 1843 need no amendment. They regulate the right of pre-emption to such public lands as have been surveyed prior to the date of settlement.

The homestead law has been in operation since the 1st day of January, 1863. Large bodies of lands have been entered under its provisions. Five years continued residence is necessary to the perfection of the title of a homestead settler, unless he prefers to purchase the lands at the minimum price, and obtain a patent. It is estimated that from forty to fifty per cent. of persons who have so claimed the privilege of the homestead law will prefer to make payment, and thus secure title before the expiration of the period when it would otherwise vest. The nominal sum paid by the homestead settler, and the fee which he pays to the local officers, are sufficient to cover the expense incident to the survey and the disposal of the land.

In the enactment of this law Congress was doubtless influenced by the conviction that the settlement and cultivation of the public lands were objects of greater importance to the nation than the increased revenue that might be de-

rived from their sale; and future experience will, it is not doubted, attest the wisdom as well as the beneficence of this legislation.

I approve of the suggestion of the Commissioner of the General Land Office, that the law should prescribe a time within which an appeal should be taken from the decision of the local officers to the General Land Office, and from the latter to the department.

It is a matter of the utmost importance to the settlers in Arizona and New Mexico that early provision should be made by law for the adjustment of Spanish and Mexican titles arising under existing treaties with the Republic of Mexico. As the determination of disputed titles involves questions essentially judicial in their character, it seems to be proper that the tribunals of the United States should be charged with the performance of this duty, in conformity with legislative precedents in regard to claims in Louisiana and other States. A period should be prescribed for prosecuting a claim of title, and the decree of the court should determine not only the validity of the title, but also all incidental questions relating to the limits of the land claimed, which could not be properly determined by the Commissioner of the General Land Office in its survey and location on the earth's surface. In regard to cases heretofore confirmed, the claimant should be required to have surveys made at his own expense, under the Surveyor General, subject to the supervision of the Commissioner of the General Land Office, and the ultimate control of this department; and where such claims are of loose and undefined extent, some limitation as to quantity should be imposed by law.

The Commissioner of the General Land Office has held that the United States, as the successor of Mexico, has the exclusive and paramount right to all such sites as may be indispensable for forts or other public uses, and this right will be enforced unless Congress shall otherwise order.

The organization of a Bureau of Mining was recommended in the last annual report of this department, and the attention of Congress is again invited to the subject. All lands denominated mineral, which do not bear the precious metals, should be brought into market, and thus placed under the guardianship of private owners. In no other mode, it is believed, can the great forests of timber, the growth of centuries, and of vast value to the nation, be effectually preserved from waste. Individual proprietorship, it is conceded, would stimulate the development of coal fields, petroleum, deposits of iron, lead, and of other gross metals and mineral formations. There can, therefore, be no sufficient reason for withholding such mineral lands from market. Congress has not legislated with a view to securing an income from the product of the precious metals from the public domain. It is estimated that two or three hundred thousand able-bodied men are engaged in such mining operations on the public lands without authority of law, who pay nothing to the government for the privilege, or for the permanent possession of property worth, in many instances, millions to the claimant.

The existing financial condition of the nation obviously requires that all our national resources, and the product of every industrial pursuit should contribute to the payment of the national debt. The wisdom of Congress must decide whether the public interest would be better promoted by a sale in fee of those

mineral lands, or by raising a revenue from their annual product. The impolicy of suffering them to remain in their present condition, without any species of legislation regulating or defining the rights of the parties in interest, must be apparent to all.

There are other questions of interest connected with the public lands, upon which I cannot dwell, without extending this paper beyond allowable limits. For further details I refer to the excellent report of the Commissioner of the General Land Office. It contains interesting statistics and maps, and also presents practical views which merit favorable consideration.

PENSIONS.

The act of February 27, 1865, made an annual allowance of three hundred dollars for life to each of the five survivors of the army of the revolution. Four of these aged and venerable men lived to receive this token of the nation's gratitude. Two of them have since died. William Hutchings, of Penobscot, Hancock county, Maine, aged one hundred and one years, and Samuel Cook, of Clarendon, Orleans county, New York, aged ninety-nine years, are the only persons among the living known to the department, who participated in the heroic struggle which achieved our national independence.

The names of one thousand one hundred and fifteen widows of revolutionary soldiers are inscribed on the pension rolls.

The right to a pension was confined, by the act of July 4, 1836, to those whose marriage with the deceased soldier took place before the close of his military service. It was subsequently extended, by the act of February 21, 1848, to those whose marriage took place prior to January 1, 1794, and by the act of July 29, 1848, to such as were married prior, and by the act of February 3, 1853, to those who were married subsequent, to January 1, 1800. Under the first named law, there are four surviving claimants, under the second, one hundred and eight; under the third, seventy; and under the fourth, eight hundred and eighty, to five of whom pensions were allowed during the last fiscal year. The remaining widows of revolutionary soldiers receive their pension under special acts of Congress.

During the fiscal year ending June 30, 1865, the names of fourteen thousand nine hundred and sixty-two army invalid pensioners were, on original application, added to the roll, and the number, to whom the pension theretofore awarded was increased, amounted to three hundred and sixty-six. The whole number admitted was fifteen thousand three hundred and twenty-eight, requiring an annual payment of one million two hundred and twenty thousand seven hundred and eighty-five dollars and ninety cents, (\$1,220,785 90.)

The aggregate number of claims of widows, or other dependent relatives of soldiers of the army, (except Revolutionary,) allowed during the same period, was twenty-four thousand six hundred and ninety-three; and the number of pensions of this class which were increased during the same period was fourteen, making a total of twenty-four thousand seven hundred and seven, and constituting an annual charge of two million five hundred and seventy four thousand one hundred and seventy-nine dollars, (\$2,574,179.)

There was paid during the same year to army invalids, Revolutionary soldiers, widows and other dependent relatives, including arrearages of pensions and expenses properly chargeable to the appropriation for Revolutionary pensions, the sum of eight million three hundred and nineteen thousand six hundred and seventy-two dollars and forty-nine cents, (\$8,319,672 49.) The total number of army pensioners on the rolls at the close of the year ending June 30, 1865, was eighty-four thousand one hundred and thirty, requiring for the payment thereof, exclusive of expenses, an annual appropriation of seven million seven hundred and ninety-two thousand seven hundred and seventy-two dollars and fifty one cents (\$7,792,772 51.)

The number of navy invalid pensions allowed on original applications during that fiscal year was two hundred and fifty, and there were seven navy invalids whose pensions were increased. Two hundred and sixty-six navy pensions were awarded to widows or other dependent relatives of deceased officers, seamen, or marines. The aggregate amount paid to naval pensioners of all classes was two hundred and five thousand four hundred and eighty dollars and sixty-two cents, (\$205,480 62.) At the close of the fiscal year there were on the navy pension rolls eight hundred and thirty-nine invalids, the amount of whose pensions was sixty-one thousand eight-hundred and fifty-four dollars and ninety-two cents, (\$61,854 92,) and one thousand and seventeen widows and other dependent relatives, requiring the sum of one hundred and sixty-eight thousand eight hundred and eighteen dollars, (\$168,818.) The total number of navy pensioners at that date was eighteen hundred and fifty-six, whose annual stipends amount to two hundred and thirty thousand six hundred and seventy-two dollars, and ninety-two cents, (\$230,672 92.) The total amount, therefore, required for the payment of pensions of all classes adjudicated and allowed up to the close of the last fiscal year, or conferred by special acts of Congress, is, exclusive of expenses, eight million twenty-three thousand four hundred and forty-five dollars and forty-three cents, (\$8,023,445 43.)

The navy pension fund, which had accumulated under the act of April 22, 1800, was exhausted many years since; and Congress, by the act of July 17, 1862, declared that all moneys accruing, or which had already accrued, to the United States from the sale of prizes should be, and remain forever, a fund for the payment of pensions to the officers, seamen, and marines, who might be entitled to receive the same. If the fund should be insufficient for this purpose, the public faith was thereby pledged to make up the deficiency; if it should be more than sufficient, the surplus was to be applied for the making of further provision for the comfort of the officers, seamen, and marines. The act of July 1, 1864, provides for the investment in the registered securities of the United States of so much of the fund as is not required for the payment of naval pensions, that is, such pensions as by law are chargeable thereto. When the interest payable in coin upon such securities is collected, it is made the duty of the Secretary of the Navy to exchange the amount of such interest for so much of the legal currency of the United States, as may be obtained therefor at the current rate of premium on gold. The interest, so converted, is to be deposited in the treasury to the credit of the fund. The latter is made applicable, by the

act of 1862, to the payment of the pensions of disabled officers, seamen, and marines, but not of the widows and other dependent relatives of such as have died of wounds received, or of disease contracted, in the service. The fund invested in gold-bearing registered bonds of the United States amounts to nine million dollars, and there is on hand, subject to investment, or use if required, the sum of one million three hundred and ninety-five thousand one hundred and fourteen dollars and twenty-one cents, (1,395,114 21.) The annual interest upon the invested fund, if payable in paper currency, exceeds by one hundred per cent. the amount required for the payment of all naval pensions authorized by existing laws. No necessity exists, nor is any likely ever to occur, for the large and constantly increasing accumulation of this fund; but further legislative action is necessary to subject it to the payment of all classes of navy pensions.

Pension agencies were suspended in those parts of the country where the national authority was resisted and loyal State governments subverted during the rebellion. Pursuant to your orders such agencies are being resumed whenever required for the accommodation of restored pensioners, or of such as have been recently added to the rolls. Agents have been appointed at Richmond, Va., Nashville and Knoxville, Tenn., Little Rock, Ark., and New Orleans, La. The act of February 4, 1862, prohibited the payment of a pension to any one who had taken or might thereafter take arms against the government of the United States, "or who had in any manner encouraged the rebels or manifested a sympathy with their cause." Most of the acts, making appropriations for pensions within the last four years, contain a proviso that no portion of the money shall be paid to a disloyal person. The names of all pensioners residing during the rebellion in the parts of the country to which I have adverted, as well as a large number of disloyal pensioners residing in other portions of the Union, have been dropped from the rolls. All those of the former class forfeited their pension from the date of the proclamation declaring the State in which they respectively resided to be in rebellion. Such of them as claim the benefit of the pension laws and a restoration to the rolls are required to make application, supported by due proof, in accordance with forms and instructions adopted for the adjudication of these special cases, and to take and subscribe the oath prescribed in your amnesty proclamation. The right to a pension inures and takes effect from the date of the completion of the proof establishing the right to such restoration.

The regulations governing the production of proofs, and the decision of cases in the Pension Bureau, were prepared by the Commissioner and approved by this department. The rigid enforcement of them has been the subject of occasional complaint; but whilst it may work hardship in a few exceptional cases, it is, in my judgment, indispensable to the prevention of abuses and the rejection of unfounded and fraudulent demands. Every facility is extended for the presentation and establishment of claims, and they are determined with all the promptitude consistent with a due investigation of their merits.

The increasing number of pension applications requires that the appropriation for the next should largely exceed that made for the current fiscal year. Without regard to the amount they involve, our engagements to our gallant army and navy must be performed with scrupulous fidelity. Their sacrifices for an

imperiled country have been blessed in the preservation of its unity, the maintenance of the just authority of the national government, and the vindication of the principles of civil liberty, which the fathers of the republic bequeathed to their children.

For further information relating to this branch of the service, I respectfully refer to the able and elaborate report of the Commissioner of Pensions.

INDIAN AFFAIRS.

The number of Indians residing within the jurisdiction of the United States does not probably exceed 350,000, a large majority of whom maintained during the past year peaceful relations. Some of them have made gratifying progress in civilization and manifested, during the late war, a steadfast loyalty to our flag worthy of emphatic commendation. Civilized and powerful tribes, however, residing within the Indian territory, united early in the year 1861 with the Indians of the prairies immediately west and north, for hostile operations against the United States. In flagrant violation of treaties which had been observed by us with scrupulous good faith, and in the absence of any just ground of complaint, these confederated Indians entered into an alliance with the rebel authorities and raised regiments in support of their cause. Their organized troops fought side by side with rebel soldiers, and detached bands made frequent assaults on the neighboring white settlements, which were without adequate means of defence, and on the Indians, who maintained friendly relations with this government. This state of things continued until the surrender of the rebel forces west of the Mississippi. Hostilities were then suspended, and, at the request of the Indians, commissioners were sent to negotiate a treaty of peace. Such preliminary arrangements were made as, it is believed, will result in the abolition of slavery among them, the cession within the Indian territory of lands for the settlement of the civilized Indians now residing on reservations elsewhere, and the ultimate establishment of civil government, subject to the supervision of the United States.

The perfidious conduct of the Indians in making unprovoked war upon us has been visited with the severest retribution. The country within the Indian territory has been laid waste, vast amounts of property destroyed, and the inhabitants reduced from a prosperous condition to such extreme destitution, that thousands of them must inevitably perish during the present winter, unless timely provision be made by this government for their relief.

Hostile relations, such as have existed for several generations, continue between many of the most fierce and warlike tribes of New Mexico and Arizona and the white inhabitants. A considerable military force is necessary for the protection of the latter and the maintenance of public order.

The Indians of the plains, who subsist chiefly on buffalo, follow them on their migration toward the north in the early part of the summer, and return in autumn, spreading over the western part of the State of Kansas and the Territories of Nebraska, Dakota, Montana, and Colorado. Influenced by the unfriendly Indians of the southwest, and probably incited by rebel emissaries, they maintained active and vigorous hostilities. Our defenceless frontier set-

tlements were harassed; the communication between the Mississippi valley and our possessions on the Pacific seriously interrupted; emigrant and government trains assailed; property of great value destroyed, and men, women, and children barbarously murdered. It became the imperative duty of the government to send military expeditions against these savages, which checked the commission of further outrages, and induced them to sue for peace. On the recommendation of the generals in command of our forces, a commission, composed of officers of the army and civilians, was sent to the Upper Arkansas and the Upper Missouri. Satisfactory treaties have been negotiated with a large number of these tribes. Some of them could not be reached on account of the lateness of the season, but it is believed that similar arrangements can be made with them during the early part of the approaching spring.

It is difficult to maintain peaceful relations with the Indians in Minnesota. The terrible massacre of the white inhabitants in the year 1862 is fresh in the memory of the country. The intense exasperation which followed led in that State to a policy, which has also prevailed to some extent in several of our organized Territories, inducing a personal predatory warfare between the frontier citizens, emigrants, and miners, and isolated bands of Indians belonging, in many instances, to tribes at peace with the government. This awakens a spirit of retaliation, inciting atrocious acts of violence, which, oft repeated, result in irreparable disasters to both races.

The policy of the total destruction of the Indians has been openly advocated by gentlemen of high position, intelligence, and personal character; but no enlightened nation can adopt or sanction it without a forfeiture of its self-respect and the respect of the civilized nations of the earth.

Financial considerations forbid the inauguration of such a policy. The attempted destruction of three hundred thousand of these people, accustomed to a nomadic life, subsisting upon the spontaneous productions of the earth, and familiar with the fastnesses of the mountains and the swamps of the plains, would involve an appalling sacrifice of the lives of our soldiers and frontier settlers, and the expenditure of untold treasure. It is estimated that the maintenance of each regiment of troops engaged against the Indians of the plains costs the government two million dollars per annum. All the military operations of last summer have not occasioned the immediate destruction of more than a few hundred Indian warriors. Such a policy is manifestly as impracticable as it is in violation of every dictate of humanity and Christian duty.

It is therefore recommended that stringent legislation be adopted for the punishment of violations of the rights of persons and property of members of Indian tribes who are at peace with the government.

Sufficient appropriations should be made to supply the pressing wants of these wards of the government, resulting from the encroaching settlements springing up in every organized territory. The occupation of their hunting grounds and fisheries by agriculturists, and even of their mountain fastnesses by miners, has necessarily deprived the Indians of their accustomed means of support and reduced them to extreme want. If the deficiency so occasioned

should not be supplied, it is not to be expected that a savage people can be restrained from seeking, by violence, redress of what they conceive to be a grievous wrong.

That their growing wants thus caused may not become a perpetual burden, every reasonable effort should be made to induce the Indians to adopt agricultural and pastoral pursuits. It is recommended that Congress provide a civilization and educational fund, to be disbursed in such mode as to secure the co-operation and assistance of benevolent organizations, affording an opportunity for private citizens to dispense their charities to these impoverished children of the forest through the usual channels. It is believed that all the Christian churches would gladly occupy this missionary field, supplying a large per cent. of the means necessary for their instruction, and thus bring into contact with the Indian tribes a class of men and women whose lives conform to a higher standard of morals than that which is recognized as obligatory by too many of the present employes of the government.

On taking charge of this department on the 15th day of May last, the relations of officers respectively engaged in the military and civil departments in the Indian country were in an unsatisfactory condition. A supposed conflict of jurisdiction and a want of confidence in each other led to mutual criminations, whereby the success of military operations against hostile tribes and the execution of the policy of this department were seriously impeded. Upon conferring with the War Department, it was informally agreed that the agents and officers under the control of the Secretary of the Interior should hold no intercourse, except through the military authorities, with tribes of Indians against whom hostile measures were in progress; and that the military authorities should refrain from interference with such agents and officers in their relations with all other tribes, except to afford the necessary aid for the enforcement of the regulations of this department. This informal arrangement has been executed in good faith, producing, it is believed, a salutary effect on the bearing of the hostile tribes, and securing the desired harmony and efficient co-operation of those charged with this branch of the public service.

It is earnestly recommended that the superintendents, and also agents of a suitable grade, be empowered to act as civil magistrates within the limits of reservations where the tribal relations are maintained, and also on the plains remote from the jurisdiction of the civil authorities. The want of an acceptable and efficient provision for the administration of justice has been sensibly felt in cases arising between members of the tribes, or between Indians and the white men who have been permitted to reside among them. The extent of the jurisdiction and the mode of its exercise should be clearly defined by congressional enactment.

The Secretary of the Treasury holds certain stocks in trust for the Chickasaw national fund, which amount, as appears by his report of the 6th of December last, to the sum of one million three hundred and sixteen thousand two hundred and eighty-one dollars and thirty-one cents (\$1,316,281 31.) Public securities and certificates of stock of the par value of three million, fifty-three thousand five hundred and ninety-two dollars and fifteen cents, (\$3,053,592 15.)

constituting the trust fund of other Indian tribes, are deposited with the Secretary of the Interior. I am not aware of any good reason for a divided custody of these funds. It is suggested that Congress designate a depository for all the securities held by the United States in trust for the Indians.

Copious details in regard to each branch of the Indian service are furnished in the voluminous and well considered report of the Commissioner of Indian Affairs. I respectfully refer to it for further information, and commend the various suggestions it contains to the favorable consideration of Congress.

PATENTS.

During the year ending September 30, 1865, there were received at the Patent Office eleven thousand eight hundred and sixty applications for patents, and seventy applications for an extension of patents. Six thousand two hundred and ninety-two patents (including re-issues and designs) were issued, and sixty-one extensions granted. One thousand five hundred and thirty-eight caveats were filed. Seven hundred and forty-one applications allowed, but no patents issued thereon by reason of the non-payment of the final fee.

On the first day of October, 1864, there was a balance to the credit of the fund of fifty-six thousand one hundred and seventeen dollars and thirty-nine cents, (\$56,117 39.) The fees received for the succeeding twelve months amounted to three hundred and sixteen thousand nine hundred and eighty-seven dollars and twenty-seven cents, (\$316,987 27.) The expenditures during the same period were two hundred and sixty-two thousand four hundred and forty-five dollars and forty-seven cents, (262,445 47.) Leaving a balance on the first day of October, 1865, of one hundred and ten thousand six hundred and fifty-nine dollars and nineteen cents, (\$110,659 19.)

The law provides that in interference cases, or where letters patent have been refused, an appeal lies from the decision of the primary examiner to the examiners in chief, and from their decision to the Commissioner of Patents. According to a judicial construction of existing laws, an appeal may be taken from the decision of the Commissioner to the chief justice, or one of the associate judges of the supreme court of this District. This procedure is unnecessarily circuitous and protracted, and should be abridged by an amendment of the law so as to allow an appeal from the decision of the primary examiner or the examiners in chief directly to the supreme court of the District of Columbia, if the party against whom it is rendered so elects.

The Commissioner of Patents is clothed with unrestrained discretionary power in all cases of application for the extension of patents. His decision, whether favorable or unfavorable, is final, and frequently involves private and public interests of enormous value. It is submitted for the consideration of Congress whether it is wise to lodge so large a power with a subordinate officer, without subjecting its exercise to the supervisory control of the head of the department.

CENSUS.

Immediately after entering on the discharge of my official duties, my attention was directed to the condition of the work relating to the returns of the eighth census. Two quarto volumes had been published; one in March, 1864, entitled "Population," the other in March, 1865, entitled "Agriculture;" and materials had been compiled for a portion of the third volume. A preliminary report, purporting to present "a synopsis of the results" established by the census, had also been transmitted to Congress on the twenty-first day of May, 1862.

The entire appropriation of one million six hundred and forty-two thousand dollars was exhausted, and liabilities, amounting to a considerable sum, had not been discharged. The liberal appropriation justified the general expectation that an authentic and faithful record of our population, condition and resources, at the commencement of the decade, would be published at an early period after the completion of the census returns. The value of statistical matter derived from such records is materially impaired for practical uses by procrastinating its publication. This is especially true in a country rapidly increasing in the elements of material wealth, where all industrial pursuits are prosecuted with unexampled vigor and success.

The work on the census of 1860 had been unreasonably delayed, and the department deemed the immediate and energetic prosecution of it of vital importance; but there was no fund specifically applicable to the purpose. The diminished business of the General Land Office, resulting from the condition of affairs in the southern States, had not required the appointment of the full number of clerks authorized by law; and some of those engaged upon the census were, with your approbation, transferred to that bureau. This placed them under the supervision of its efficient head, and rendered the services of the former superintending clerk of the census no longer necessary. I expressed to the Commissioner an anxious desire that the remaining volumes should be prepared for the press with all the promptitude consistent with a scrupulous regard to accuracy, and I am happy to say that it has been fully realized. The returns have been arranged and classified in the most careful and thorough manner, and the work has been advanced with a despatch in striking contrast with its former tardy progress. The third volume, entitled "Manufactures," has been completed and printed. The fourth and last volume, embracing mortuary, educational, and miscellaneous statistics, has been prepared for the public printer, and will be ready for distribution at an early day. The clerks were transferred to positions inferior in grade and remuneration to those they had previously held, as there were no other vacancies. I submit to Congress the propriety of making their pay equivalent to that which they formerly received, and of providing additional compensation for the Commissioner and the chief clerk of the General Land Office, in consideration of the increased duties and responsibilities which devolved upon them.

The expediency of providing means to enable this department to lay before

Congress annually a report on population, and the manufacturing and other material interests of the United States, is, in my opinion, worthy of the consideration of Congress.

UNION PACIFIC RAILROAD.

The act approved July 1, 1862, to aid in the construction of a railroad from the Missouri river to the navigable waters of the Pacific, and subsequent legislation on this subject, with its hearty approval by the people, furnish a striking proof of the unconquerable determination of the nation and an unflinching faith in its ability to preserve its territorial integrity. Had it been deemed possible that our country could fall a prey to rebellion, and its dismembered parts become subjected to the control of separate and alien governments, the construction of such a work would never have been undertaken and its execution would have been impracticable. Although, at the date of the enactment of these several laws, the resources of the nation were severely taxed, measures were adopted deemed adequate to induce capitalists to engage in the construction of this great thoroughfare, in the conviction that it would forever remain the property of a united people. The energy displayed in its prosecution for two or three years did not, however, equal public expectation and the wishes of the government. But during the past year, as will be seen from the report of Lieutenant Colonel Simpson, of the engineer corps of the army, detailed by your order to serve, under the instructions of the Secretary of the Interior, in supervising this and other kindred works, it has been progressing in a satisfactory manner, from Omaha, Kansas city, and Atchison, westward, and from Sacramento, California, eastward.

The amount of private capital already invested, the high personal character of the gentlemen connected with its prosecution, and the munificent subsidy of the government, combine to give assurance that the whole will be completed within the period fixed by law, thus furnishing a continuous line of railway from the Atlantic to the Pacific.

Its effects, in promoting immigration, opening vast and rich regions of the continent to settlement, developing our inexhaustible national resources, and perpetuating the unity of the American people, will be more and more appreciated as it approaches completion.

The Union Pacific Railroad Company, incorporated under the congressional act above cited, reports, by its president, under date of the 5th ultimo, that on the 19th of October last sixteen miles of track had been laid west from Omaha, and that arrangements had been made to prosecute the work at the rate of one half mile per day. The company has five locomotives and seventy cars on the road. Machine-shops and station-buildings of the most permanent character are in progress of construction, and will be finished in the course of the present month. The grading of the first hundred miles was, at that date, nearly ready for the superstructure, and that of the second hundred miles had been commenced. The first sixty miles of the track will be ready by the end of next month, and no doubt is entertained that the first hundred miles will be in operation by the first day of July next, in compliance with the requirements of law.

The directors express the belief that an additional hundred miles will be in operation by the first day of July, 1867, and they are not without hope that they will, at that date, have constructed two hundred and fifty miles of road, and reached the one hundredth meridian, where the line of the eastern division, commonly called the Kansas branch, is to unite with it.

Several parties of engineers have been actively engaged; one in surveying the Spanish fork and the country west from Salt lake to the valley of the Humboldt; another up the Cache de la Poudre to the Laramie river, and a third from the one hundredth meridian west. A fourth has been occupied in locating the second hundred miles of the road. Strenuous efforts have been made by the directors to press on the work with a despatch commensurate with its acknowledged importance. The expenditures already amount to three and a half million dollars, wholly derived from private contributions.

In this connexion it may not be amiss to state that on the 12th of May last the company made application to substitute a new line for that adopted between Omaha and the crossing of the Elkhorn. It was deemed advisable, before determining which line offered the most "direct and practicable route," to order a thorough personal examination of both by a competent engineer, who was instructed to report on their relative advantages. The officer detailed by the Secretary of War at my request, as above mentioned, discharged this duty with fidelity and success. His report embraces the instructions of the department, as well as the result of his careful examination, and the correspondence to which it gave rise.

The contemplated new location received your approval. Some time was in this way unavoidably consumed, and the company deemed it expedient to suspend active operations on that part of the road, until the result of your final action upon the application was officially communicated.

The Union Pacific Railroad Company, eastern division, has completed forty miles of the railway and telegraph line, extending from the mouth of the Kansas river to a point near Lawrence; and it had in October last four locomotives on the road, and was then expecting the arrival of another at Wyandotte. There were on the track three first-class passenger, forty-four freight, twenty-one box, one baggage, twelve hand-cars, and two iron truck-cars. The company has also contracted for four additional first-class passenger, two express and mail, and ten box freight-cars, all to be delivered within a short period. The company reported on the 11th ultimo that an additional section of twenty miles had been completed, which is now in process of examination by commissioners, in the mode required by law. Surveys have been extended to the one hundredth meridian, a distance of about three hundred and eighty-one miles. There is also a party in the field making surveys of the Smoky Hill route, who are to extend their surveys to Denver city, about five hundred and eighty-one miles from the eastern terminus of the road.

The president of the Atchison branch of the Union Pacific Railroad submitted a report bearing date the 15th ultimo. It represents that the bridges and masonry on the first section of twenty miles of the road are all completed, cross-ties prepared, the track being laid, and that this portion of the road is

under contract, and will be finished by the first day of January next. It further represents that the bridges are constructed of the best materials, and that the buildings now in process of erection are of stone, roofed with corrugated iron; that the second section of twenty miles is also under contract, and will be completed on the first day of May next.

The commissioners appointed by your predecessor, under date September 8, 1864, reported upon thirty-one miles of the railway and telegraph line constructed by the Central Pacific Railroad Company of California. This part of the road, extending eastward from Sacramento city to a point near Newcastle, in Placer county, California, is completed and in daily use. Under date of the 17th July last, twelve additional miles of the road were reported to be in running order. On the 16th day of September last, the president of the company filed in the office of the surveyor general of California his affidavit, setting forth that the company had completed the grading and all the work required to prepare the railroad for the superstructure on the section of twenty miles lying next eastward of the town of Newcastle, at an expense of one million and ninety-eight thousand dollars. Five thousand laborers, it is alleged, are employed, and the company manifest the greatest vigor and activity in carrying on their operations.

On the 24th day of December last, the Sioux City and Pacific Railroad Company, a corporation organized under the laws of Iowa, was designated by the President of the United States for the purpose of constructing and operating a line of railroad and telegraph from Sioux City to such point on, and so as to connect with, the Iowa branch of the Union Pacific Railroad, from Omaha, or the Union Pacific railroad, as the company might select. The president of the company, on the 15th of June last, submitted a map designating the general route of said road, but the department is not advised that its construction has been commenced.

I cordially concur in the views expressed by my predecessor in his last annual report, as to the propriety of securing, if practicable, the appointment of government directors in each of the companies engaged in the construction of a branch or any part of the main line of this road. Such directors are now appointed for the company organized under the act of Congress, and with evident advantage to the public interests. The concurrent action of the States from which the companies derive their corporate power, and the consent of the latter, may be necessary to accomplish the object; but Congress might with propriety initiate the requisite legislation on the part of the general government.

The patents for land and the bonds provided for in the fourth and fifth sections of the original act are not to be issued on the completion of a section of the road, until the fact of its construction and equipment as a first class railroad shall have been ascertained and declared in the mode prescribed. The words "*first class railroad*" are, perhaps, as precise and definite as any other; but some difficulty may arise in the practical enforcement of the provision in which they occur. With a view to obviate the difficulty, and secure uniformity, I have invited the directors, on the part of the government, and the several boards of commissioners to meet in this city on the 10th proximo, for the purpose of

establishing a standard of excellence, to which the companies in the construction and equipment of their respective roads shall be required to conform.

The Northern Pacific Railroad Company, on the 11th of December, 1864, filed their acceptance of the provisions of the act of Congress entitled "An act granting lands to aid in the construction of a railroad and telegraph line from Lake Superior to Puget Sound, on the Pacific coast, by the northern route;" and under date of the 6th March last submitted their map designating the general direction of their road from a point on Lake Superior, in the State of Wisconsin, to a point on Puget Sound, in Washington Territory. The records of the department do not, however, show any further action by the company in the premises.

WAGON ROADS.

By an act approved March 3, 1865, Congress made appropriations for the construction of certain wagon-roads in Montana, Dakota, Idaho, and Nebraska. I refer you to the report of Colonel Simpson for information as to the manner in which the appropriations have been expended, and the progress made in the construction of these highways.

WASHINGTON AQUEDUCT

Congress at its last session made no provision for the Washington Aqueduct. As the appropriation for the last fiscal year was nearly exhausted, I dispensed with the services of such of the employes as were not indispensable, and reserved the small balance for such repairs as might be required for the preservation of the work until the meeting of Congress. The engineer in charge is of opinion that the dam of solid stone masonry already commenced across the Maryland channel of the Potomac river, at the head of the conduit, is absolutely necessary to secure "an abundant and needful supply of good and wholesome water" during certain seasons of the year, and that it should be completed with the least possible delay. The temporary dams erected from time to time have repeatedly been carried away. Nothing, in his opinion, will effectually serve the purpose but a dam of the character indicated, and he urges its construction upon the grounds of economy as well as of necessity. He reports in favor of the completion of the connecting conduit at the receiving reservoir, the further excavation and deepening of the distributing reservoir, and also the construction of a sloped rubble wall, to prevent the washing of its interior slopes or water faces.

His suggestions are respectfully submitted for the consideration of Congress.

Lieutenant Colonel Simpson has been permanently assigned to duty in this department. His services have been advantageously employed on the work connected with the construction of the Union Pacific railroad and branches, the Northern Pacific railroad, land grant railroads, wagon roads, the aqueduct and Capitol extension; all of which require the supervision of a competent and practical engineer. His report embraces a connected history of the inception and progress of the Union Pacific railroad, compiled from public records and other authentic sources, and other valuable matter, with practical suggestions proper for the consideration of Congress.