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MESSAGE

FROM THE

PRESIDENT OF THE UNITED STATES

TO THE

TWO HOUSES OF CONGRESS,

AT

THE COMMENCEMENT OF THE FIRST SESSION

OF THE

THIRTY-NINTH CONGRESS,

WITH THE

REPORTS OF THE HEADS OF DEPARTMENTS,

AND

SELECTIONS FROM ACCOMPANYING DOCUMENTS.

EDITED BY
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Prepared in accordance with the following provisions of "An act to expedite and regulate the printing of public documents, and for other purposes," approved June 25, 1834:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That hereafter, instead of furnishing manuscript copies of the documents usually accompanying their annual reports to each house of Congress, the heads of the several departments of government shall transmit them, on or before the first day of November in each year, to the Superintendent of Public Printing, who shall cause to be printed the usual number, and, in addition thereto, one thousand copies for the use of the Senate and two thousand copies for the use of the House of Representatives. And that it shall be the duty of the Joint Committee on Printing to appoint some competent person, who shall edit and select such portions of the documents so placed in their hands as shall, in the judgment of the committee, be desirable for popular distribution, and to prepare an alphabetical index to the same.

SEC. 3. *And be it further enacted,* That it shall be the duty of the heads of the several departments of government to furnish the Superintendent of Public Printing with copies of their respective reports on or before the third Monday in November in each year.

SEC. 4. *And be it further enacted,* That it shall be the duty of the Superintendent of Public Printing to print the President's message, the reports of the heads of departments, and the abridgment of accompanying documents prepared under the direction of the Joint Committee on Public Printing, suitably bound; and that, in addition to the number now required by law, and unless otherwise ordered by either house of Congress, it shall be his duty to print ten thousand copies of the same for the use of the Senate, and twenty-five thousand copies for the use of the House, and to deliver the same to the proper officer of each house, respectively, on or before the third Wednesday in December following the assembling of Congress, or as soon thereafter as practicable.



FONDO BIBLIOTECA PUBLICA
DEL ESTADO DE NUEVO LEON

MESSAGE
OF THE
PRESIDENT OF THE UNITED STATES
TO THE
TWO HOUSES OF CONGRESS
AT THE
COMMENCEMENT OF THE FIRST SESSION OF THE THIRTY-NINTH CONGRESS.

Fellow-citizens of the Senate and House of Representatives:

To express gratitude to God, in the name of the people, for the preservation of the United States, is my first duty in addressing you. Our thoughts next revert to the death of the late President by an act of parricidal treason. The grief of the nation is still fresh; it finds some solace in the consideration that he lived to enjoy the highest proof of its confidence by entering on the renewed term of the chief magistracy to which he had been elected; that he brought the civil war substantially to a close; that his loss was deplored in all parts of the Union; and that foreign nations have rendered justice to his memory. His removal cast upon me a heavier weight of cares than ever devolved upon any one of his predecessors. To fulfil my trust I need the support and confidence of all who are associated with me in the various departments of government, and the support and confidence of the people. There is but one way in which I can hope to gain their necessary aid: it is, to state with frankness the principles which guide my conduct, and their application to the present state of affairs, well aware that the efficiency of my labors will, in a great measure, depend on your and their undivided approbation.

The union of the United States of America was intended by its authors to last as long as the States themselves shall last. "The Union shall be perpetual," are the words of the confederation. "To form a more perfect Union," by an ordinance of the people of the United States, is the declared purpose of the Constitution. The hand of Divine Providence was never more plainly visible in the affairs of men than in the framing and the adopting of that instrument. It is, beyond comparison, the greatest event in American history; and indeed is it not, of all events in modern times, the most pregnant with consequences for every people of the earth? The members of the convention which prepared

it, brought to their work the experience of the confederation, of their several States, and of other republican governments, old and new; but they needed and they obtained a wisdom superior to experience. And when, for its validity, it required the approval of a people that occupied a large part of a continent, and acted separately in many distinct conventions, what is more wonderful than that, after earnest contention and long discussion, all feelings and all opinions were ultimately drawn in one way to its support? The Constitution to which life was thus imparted contains within itself ample resources for its own preservation. It has power to enforce the laws, punish treason, and insure domestic tranquillity. In case of the usurpation of the government of a State by one man, or an oligarchy, it becomes a duty of the United States to make good the guarantee to that State of a republican form of government, and so to maintain the homogeneity of all. Does the lapse of time reveal defects? A simple mode of amendment is provided in the Constitution itself, so that its conditions can always be made to conform to the requirements of advancing civilization. No room is allowed even for the thought of a possibility of its coming to an end. And these powers of self-preservation have always been asserted in their complete integrity by every patriotic Chief Magistrate—by Jefferson and Jackson, not less than by Washington and Madison. The parting advice of the Father of his Country, while yet President, to the people of the United States, was, that “the free Constitution, which was the work of their hands, might be sacredly maintained;” and the inaugural words of President Jefferson held up “the preservation of the general government, in its constitutional vigor, as the sheet anchor of our peace at home and safety abroad.” The Constitution is the work of “the people of the United States,” and it should be as indestructible as the people.

It is not strange that the framers of the Constitution, which had no model in the past, should not have fully comprehended the excellence of their own work. Fresh from a struggle against arbitrary power, many patriots suffered from harassing fears of an absorption of the State governments by the general government, and many from a dread that the States would break away from their orbits. But the very greatness of our country should allay the apprehension of encroachments by the general government. The subjects that come unquestionably within its jurisdiction are so numerous that it must ever naturally refuse to be embarrassed by questions that lie beyond it. Were it otherwise, the Executive would sink beneath the burden, the channels of justice would be choked, legislation would be obstructed by excess; so that there is a greater temptation to exercise some of the functions of the general government through the States than to trespass on their rightful sphere. “The absolute acquiescence in the decisions of the majority” was at the beginning of the century enforced by Jefferson “as the vital principle of republics;” and the events of the last four years have established, we will hope forever, that there lies no appeal to force.

The maintenance of the Union brings with it “the support of the State governments in all their rights;” but it is not one of the rights of any State govern-

ment to renounce its own place in the Union, or to nullify the laws of the Union. The largest liberty is to be maintained in the discussion of the acts of the federal government; but there is no appeal from its laws, except to the various branches of that government itself, or to the people, who grant to the members of the legislative and of the executive departments no tenure but a limited one, and in that manner always retain the powers of redress.

“The sovereignty of the States” is the language of the confederacy, and not the language of the Constitution. The latter contains the emphatic words, “The Constitution, and the laws of the United States which shall be made in pursuance thereof, and all treaties made or which shall be made under the authority of the United States, shall be the supreme law of the land, and the judges in every State shall be bound thereby, anything in the constitution or laws of any State to the contrary notwithstanding.”

Certainly the government of the United States is a limited government; and so is every State government a limited government. With us this idea of limitation spreads through every form of administration, general, State, and municipal, and rests on the great distinguishing principle of the recognition of the rights of man.* The ancient republics absorbed the individual in the State, prescribed his religion, and controlled his activity. The American system rests on the assertion of the equal right of every man to life, liberty, and the pursuit of happiness; to freedom of conscience; to the culture and exercise of all his faculties. As a consequence the State government is limited, as to the general government in the interest of union, as to the individual citizen in the interest of freedom.

States, with proper limitations of power, are essential to the existence of the Constitution of the United States. At the very commencement, when we assumed a place among the powers of the earth, the Declaration of Independence was adopted by States; so also were the articles of confederation; and when “the people of the United States” ordained and established the Constitution, it was the assent of the States, one by one, which gave it vitality. In the event, too, of any amendment to the Constitution, the proposition of Congress needs the confirmation of States. Without States, one great branch of the legislative government would be wanting. And if we look beyond the letter of the Constitution to the character of our country, its capacity for comprehending within its jurisdiction a vast continental empire is due to the system of States. The best security for the perpetual existence of the States is the “supreme authority” of the Constitution of the United States. The perpetuity of the Constitution brings with it the perpetuity of the States; their mutual relation makes us what we are, and in our political system their connexion is indissoluble. The whole cannot exist without the parts, nor the parts without the whole. So long as the Constitution of the United States endures, the States will endure; the destruction of the one is the destruction of the other; the preservation of the one is the preservation of the other.

I have thus explained my views of the mutual relations of the Constitution and the States because they unfold the principles on which I have sought to

solve the momentous questions and overcome the appalling difficulties that met me at the very commencement of my administration. It has been my steadfast object to escape from the sway of momentary passions, and to derive a healing policy from the fundamental and unchanging principles of the Constitution.

I found the States suffering from the effects of a civil war. Resistance to the general government appeared to have exhausted itself. The United States had recovered possession of their forts and arsenals, and their armies were in the occupation of every State which had attempted to secede. Whether the territory within the limits of those States should be held as conquered territory, under military authority emanating from the President as the head of the army, was the first question that presented itself for decision.

Now, military governments, established for an indefinite period, would have offered no security for the early suppression of discontent, would have divided the people into the vanquishers and the vanquished, and would have envenomed hatred rather than have restored affection. Once established, no precise limit to their continuance was conceivable. They would have occasioned an incalculable and exhausting expense. Peaceful emigration to and from that portion of the country is one of the best means that can be thought of for the restoration of harmony, and that emigration would have been prevented; for what emigrant from abroad—what industrious citizen at home—would place himself willingly under military rule? The chief persons who would have followed in the train of the army would have been dependents on the general government, or men who expected profit from the miseries of their erring fellow-citizens. The powers of patronage and rule which would have been exercised, under the President, over a vast, and populous, and naturally wealthy region, are greater than, unless under extreme necessity, I should be willing to intrust to any one man: they are such as, for myself, I could never, unless on occasions of great emergency, consent to exercise. The wilful use of such powers, if continued through a period of years, would have endangered the purity of the general administration and the liberties of the States which remained loyal.

Besides, the policy of military rule over a conquered territory would have implied that the States whose inhabitants may have taken part in the rebellion had, by the act of those inhabitants, ceased to exist. But the true theory is, that all pretended acts of secession were, from the beginning, null and void. The States cannot commit treason, nor screen the individual citizens who may have committed treason, any more than they can make valid treaties or engage in lawful commerce with any foreign power. The States attempting to secede placed themselves in a condition where their vitality was impaired, but not extinguished—their functions suspended, but not destroyed.

But if any State neglects or refuses to perform its offices, there is the more need that the general government should maintain all its authority, and, as soon as practicable, resume the exercise of all its functions. On this principle I have acted, and have gradually and quietly, and by almost imperceptible steps, sought to restore the rightful energy of the general government and of the States. To that end, provisional governors have been appointed for the States, conventions

called, governors elected, legislatures assembled, and senators and representatives chosen to the Congress of the United States. At the same time, the courts of the United States, as far as could be done, have been reopened, so that the laws of the United States may be enforced through their agency. The blockade has been removed and the custom-houses re-established in ports of entry, so that the revenue of the United States may be collected. The Post Office Department renews its ceaseless activity, and the general government is thereby enabled to communicate promptly with its officers and agents. The courts bring security to persons and property; the opening of the ports invite the restoration of industry and commerce; the post office renews the facilities of social intercourse and of business. And is it not happy for us all, that the restoration of each one of these functions of the general government brings with it a blessing to the States over which they are extended? Is it not a sure promise of harmony and renewed attachment to the Union, that, after all that has happened, the return of the general government is known only as a beneficence?

I know very well that this policy is attended with some risk; that for its success it requires at least the acquiescence of the States which it concerns; that it implies an invitation to those States, by renewing their allegiance to the United States, to resume their functions as States of the Union. But it is a risk that must be taken; in the choice of difficulties it is the smallest risk; and to diminish, and, if possible, to remove all danger, I have felt it incumbent on me to assert one other power of the general government—the power of pardon. As no State can throw a defence over the crime of treason, the power of pardon is exclusively vested in the executive government of the United States. In exercising that power, I have taken every precaution to connect it with the clearest recognition of the binding force of the laws of the United States, and an unqualified acknowledgment of the great social change of condition in regard to slavery which has grown out of the war.

The next step which I have taken to restore the constitutional relations of the States has been an invitation to them to participate in the high office of amending the Constitution. Every patriot must wish for a general amnesty at the earliest epoch consistent with public safety. For this great end there is need of a concurrence of all opinions, and the spirit of mutual conciliation. All parties in the late terrible conflict must work together in harmony. It is not too much to ask, in the name of the whole people, that on the one side the plan of restoration shall proceed in conformity with a willingness to cast the disorders of the past into oblivion; and that, on the other, the evidence of sincerity in the future maintenance of the Union shall be put beyond any doubt by the ratification of the proposed amendment to the Constitution, which provides for the abolition of slavery forever within the limits of our country. So long as the adoption of this amendment is delayed, so long will doubt and jealousy and uncertainty prevail. This is the measure which will efface the sad memory of the past; this is the measure which will most certainly call population, and capital, and security to those parts of the Union that need them most. Indeed, it is not too much to ask of the States which are now resuming their places in

the family of the Union to give this pledge of perpetual loyalty and peace. Until it is done, the past, however much we may desire it, will not be forgotten. The adoption of the amendment reunites us beyond all power of disruption. It heals the wound that is still imperfectly closed; it removes slavery, the element which has so long perplexed and divided the country; it makes of us once more a united people, renewed and strengthened, bound more than ever to mutual affection and support.

The amendment to the Constitution being adopted, it would remain for the States, whose powers have been so long in abeyance, to resume their places in the two branches of the national legislature, and thereby complete the work of restoration. Here it is for you, fellow-citizens of the Senate, and for you, fellow-citizens of the House of Representatives, to judge, each of you for yourselves, of the elections, returns, and qualifications of your own members.

The full assertion of the powers of the general government requires the holding of circuit courts of the United States within the districts where their authority has been interrupted. In the present posture of our public affairs, strong objections have been urged to holding those courts in any of the States where the rebellion has existed; and it was ascertained, by inquiry, that the circuit court of the United States would not be held within the district of Virginia during the autumn or early winter, nor until Congress should have "an opportunity to consider and act on the whole subject." To your deliberations the restoration of this branch of the civil authority of the United States is, therefore, necessarily referred, with the hope that early provision will be made for the resumption of all its functions. It is manifest that treason, most flagrant in character, has been committed. Persons who are charged with its commission should have fair and impartial trials in the highest civil tribunals of the country, in order that the Constitution and the laws may be fully vindicated; the truth clearly established and affirmed that treason is a crime; that traitors should be punished and the offence made infamous; and, at the same time, that the question may be judicially settled, finally and forever, that no State, of its own will, has the right to renounce its place in the Union.

The relations of the general government towards the four millions of inhabitants whom the war has called into freedom have engaged my most serious consideration. On the propriety of attempting to make the freedmen electors by the proclamation of the Executive, I took for my counsel the Constitution itself, the interpretations of that instrument by its authors and their contemporaries, and recent legislation by Congress. When, at the first movement towards independence, the Congress of the United States instructed the several States to institute governments of their own, they left each State to decide for itself the conditions for the enjoyment of the elective franchise. During the period of the confederacy, there continued to exist a very great diversity in the qualifications of electors in the several States; and even within a State a distinction of qualifications prevailed with regard to the officers who were to be chosen. The Constitution of the United States recognizes these diversities when it enjoins that, in the choice of members of the House of Representatives

of the United States, "the electors in each State shall have the qualifications requisite for electors of the most numerous branch of the State legislature." After the formation of the Constitution, it remained, as before, the uniform usage for each State to enlarge the body of its electors, according to its own judgment; and, under this system, one State after another has proceeded to increase the number of its electors, until now universal suffrage, or something very near it, is the general rule. So fixed was this reservation of power in the habits of the people, and so unquestioned has been the interpretation of the Constitution, that during the civil war the late President never harbored the purpose—certainly never avowed the purpose—of disregarding it; and in the acts of Congress, during that period, nothing can be found which, during the continuance of hostilities, much less after their close, would have sanctioned any departure by the Executive from a policy which has so uniformly obtained. Moreover, a concession of the elective franchise to the freedmen, by act of the President of the United States, must have been extended to all colored men, wherever found, and so must have established a change of suffrage in the northern, middle and western States, not less than in the southern and southwestern. Such an act would have created a new class of voters, and would have been an assumption of power by the President which nothing in the Constitution or laws of the United States would have warranted.

On the other hand, every danger of conflict is avoided when the settlement of the question is referred to the several States. They can, each for itself, decide on the measure, and whether it is to be adopted at once and absolutely, or introduced gradually and with conditions. In my judgment, the freedmen, if they show patience and manly virtues, will sooner obtain a participation in the elective franchise through the States than through the general government, even if it had power to intervene. When the tumult of emotions that have been raised by the suddenness of the social change shall have subsided, it may prove that they will receive the kindest usage from some of those on whom they have heretofore most closely depended.

But while I have no doubt that now, after the close of the war, it is not competent for the general government to extend the elective franchise in the several States, it is equally clear that good faith requires the security of the freedmen in their liberty and their property, their right to labor, and their right to claim the just return of their labor. I cannot too strongly urge a dispassionate treatment of this subject, which should be carefully kept aloof from all party strife. We must equally avoid hasty assumptions of any natural impossibility for the two races to live side by side, in a state of mutual benefit and good will. The experiment involves us in no inconsistency; let us, then, go on and make that experiment in good faith, and not be too easily disheartened. The country is in need of labor, and the freedmen are in need of employment, culture, and protection. While their right of voluntary migration and expatriation is not to be questioned, I would not advise their forced removal and colonization. Let us rather encourage them to honorable and useful industry, where it may be beneficial to themselves and to the country; and, instead of hasty anticipations of the certainty of failure, let there be nothing wanting to the fair trial of the

experiment. The change in their condition is the substitution of labor by contract for the status of slavery. The freedman cannot fairly be accused of unwillingness to work, so long as a doubt remains about his freedom of choice in his pursuits, and the certainty of his recovering his stipulated wages. In this, the interests of the employer and the employed coincide. The employer desires in his workmen spirit and alacrity, and these can be permanently secured in no other way. And if the one ought to be able to enforce the contract, so ought the other. The public interest will be best promoted if the several States will provide adequate protection and remedies for the freedmen. Until this is in some way accomplished, there is no chance for the advantageous use of their labor, and the blame of ill success will not rest on them.

I know that sincere philanthropy is earnest for the immediate realization of its remotest aims; but time is always an element in reform. It is one of the greatest acts on record to have brought four millions of people into freedom. The career of free industry must be fairly opened to them, and then their future prosperity and condition must, after all, rest mainly on themselves. If they fail, and so perish away, let us be careful that the failure shall not be attributable to any denial of justice. In all that relates to the destiny of the freedmen, we need not be too anxious to read the future; many incidents which, from a speculative point of view, might raise alarm will quietly settle themselves. Now that slavery is at an end, or near its end, the greatness of its evil in the point of view of public economy becomes more and more apparent. Slavery was essentially a monopoly of labor, and as such locked the States where it prevailed against the incoming of free industry. Where labor was the property of the capitalist the white man was excluded from employment, or had but the second best chance of finding it; and the foreign emigrant turned away from the region where his condition would be so precarious. With the destruction of the monopoly free labor will hasten from all parts of the civilized world to assist in developing various and immeasurable resources which have hitherto lain dormant. The eight or nine States nearest the Gulf of Mexico have a soil of exuberant fertility, a climate friendly to long life, and can sustain a denser population than is found as yet in any part of our country. And the future influx of population to them will be mainly from the north, or from the most cultivated nations in Europe. From the sufferings that have attended them during our late struggle, let us look away to the future, which is sure to be laden for them with greater prosperity than has ever before been known. The removal of the monopoly of slave labor is a pledge that those regions will be peopled by a numerous and enterprising population, which will vie with any in the Union in compactness, inventive genius, wealth, and industry.

Our government springs from and was made for the people—not the people for the government. To them it owes allegiance; from them it must derive its courage, strength, and wisdom. But while the government is thus bound to defer to the people, from whom it derives its existence, it should, from the very consideration of its origin, be strong in its power of resistance to the establishment of inequalities. Monopolies, perpetuities, and class legislation are

contrary to the genius of free government, and ought not to be allowed. Here there is no room for favored classes or monopolies; the principle of our government is that of equal laws and freedom of industry. Wherever monopoly attains a foothold it is sure to be a source of danger, discord, and trouble. We shall but fulfil our duties as legislators by according "equal and exact justice to all men," special privileges to none. The government is subordinate to the people; but, as the agent and representative of the people, it must be held superior to monopolies, which, in themselves, ought never to be granted, and which, where they exist, must be subordinate and yield to the government.

The Constitution confers on Congress the right to regulate commerce among the several States. It is of the first necessity, for the maintenance of the Union, that that commerce should be free and unobstructed. No State can be justified in any device to tax the transit of travel and commerce between States. The position of many States is such that, if they were allowed to take advantage of it for purposes of local revenue, the commerce between States might be injuriously burdened, or even virtually prohibited. It is best, while the country is still young, and while the tendency to dangerous monopolies of this kind is still feeble, to use the power of Congress so as to prevent any selfish impediment to the free circulation of men and merchandise. A tax on travel and merchandise in their transit constitutes one of the worst forms of monopoly, and the evil is increased if coupled with a denial of the choice of route. When the vast extent of our country is considered, it is plain that every obstacle to the free circulation of commerce between the States ought to be sternly guarded against by appropriate legislation within the limits of the Constitution.

The report of the Secretary of the Interior explains the condition of the public lands, the transactions of the Patent Office and the Pension Bureau, the management of our Indian affairs, the progress made in the construction of the Pacific railroad, and furnishes information in reference to matters of local interest in the District of Columbia. It also presents evidence of the successful operation of the homestead act, under the provisions of which 1,160,533 acres of the public lands were entered during the last fiscal year—more than one-fourth of the whole number of acres sold or otherwise disposed of during that period. It is estimated that the receipts derived from this source are sufficient to cover the expenses incident to the survey and disposal of the lands entered under this act, and that payments in cash to the extent of from forty to fifty per cent. will be made by settlers, who may thus at any time acquire title before the expiration of the period at which it would otherwise vest. The homestead policy was established only after long and earnest resistance; experience proves its wisdom. The lands, in the hands of industrious settlers, whose labor creates wealth and contributes to the public resources, are worth more to the United States than if they had been reserved as a solitude for future purchasers.

The lamentable events of the last four years, and the sacrifices made by the gallant men of our army and navy, have swelled the records of the Pension Bureau to an unprecedented extent. On the 30th day of June last the total number of pensioners was 85,986, requiring for their annual pay, exclusive of

expenses, the sum of \$8,023,445. The number of applications that have been allowed since that date will require a large increase of this amount for the next fiscal year. The means for the payment of the stipends due, under existing laws, to our disabled soldiers and sailors, and to the families of such as have perished in the service of the country, will no doubt be cheerfully and promptly granted. A grateful people will not hesitate to sanction any measures having for their object the relief of soldiers mutilated and families made fatherless in the efforts to preserve our national existence.

The report of the Postmaster General presents an encouraging exhibit of the operations of the Post Office Department during the year. The revenues of the past year, from the loyal States alone, exceeded the maximum annual receipts from all the States previous to the rebellion, in the sum of \$6,038,091; and the annual average increase of revenue during the last four years, compared with the revenues of the four years immediately preceding the rebellion, was \$3,533,845. The revenues of the last fiscal year amounted to \$14,556,158, and the expenditures to \$13,694,728, leaving a surplus of receipts over expenditures of \$861,430. Progress has been made in restoring the postal service in the southern States. The views presented by the Postmaster General against the policy of granting subsidies to ocean mail steamship lines upon established routes, and in favor of continuing the present system, which limits the compensation for ocean service to the postage earnings, are recommended to the careful consideration of Congress.

It appears from the report of the Secretary of the Navy that while at the commencement of the present year there were in commission 530 vessels of all classes and descriptions, armed with 3,000 guns, and manned by 51,000 men, the number of vessels at present in commission is 117, with 830 guns and 12,128 men. By this prompt reduction of the naval forces the expenses of the government have been largely diminished, and a number of vessels, purchased for naval purposes from the merchant marine, have been returned to the peaceful pursuits of commerce. Since the suppression of active hostilities our foreign squadrons have been re-established, and consist of vessels much more efficient than those employed on similar service previous to the rebellion. The suggestion for the enlargement of the navy yards, and especially for the establishment of one in fresh water, for iron-clad vessels, is deserving of consideration, as is also the recommendation for a different location and more ample grounds for the Naval Academy.

In the report of the Secretary of War a general summary is given of the military campaigns of 1864 and 1865, ending in the suppression of armed resistance to the national authority in the insurgent States. The operations of the general administrative bureaus of the War Department during the past year are detailed, and an estimate made of the appropriations that will be required for military purposes in the fiscal year commencing the 1st day of July, 1866. The national military force on the 1st of May, 1865, numbered 1,000,516 men. It is proposed to reduce the military establishment to a peace footing, comprehending fifty thousand troops of all arms, organized so as to admit of an en-

largement by filling up the ranks to eighty-two thousand six hundred, if the circumstances of the country should require an augmentation of the army. The volunteer force has already been reduced by the discharge from service of over eight hundred thousand troops, and the department is proceeding rapidly in the work of further reduction. The war estimates are reduced from \$516,240,131 to \$33,814,461, which amount, in the opinion of the department, is adequate for a peace establishment. The measures of retrenchment in each bureau and branch of the service exhibit a diligent economy worthy of commendation. Reference is also made in the report to the necessity of providing for a uniform militia system, and to the propriety of making suitable provision for wounded and disabled officers and soldiers.

The revenue system of the country is a subject of vital interest to its honor and prosperity, and should command the earnest consideration of Congress. The Secretary of the Treasury will lay before you a full and detailed report of the receipts and disbursements of the last fiscal year, of the first quarter of the present fiscal year, of the probable receipts and expenditures for the other three quarters, and the estimates for the year following the 30th of June, 1866. I might content myself with a reference to that report, in which you will find all the information required for your deliberations and decision, but the paramount importance of the subject so presses itself on my own mind, that I cannot but lay before you my views of the measures which are required for the good character, and, I might almost say, for the existence of this people. The life of a republic lies certainly in the energy, virtue, and intelligence of its citizens; but it is equally true that a good revenue system is the life of an organized government. I meet you at a time when the nation has voluntarily burdened itself with a debt unprecedented in our annals. Vast as is its amount, it fades away into nothing when compared with the countless blessings that will be conferred upon our country and upon man by the preservation of the nation's life. Now, on the first occasion of the meeting of Congress since the return of peace, it is of the utmost importance to inaugurate a just policy, which shall at once be put in motion, and which shall commend itself to those who come after us for its continuance. We must aim at nothing less than the complete effacement of the financial evils that necessarily followed a state of civil war. We must endeavor to apply the earliest remedy to the deranged state of the currency, and not shrink from devising a policy which, without being oppressive to the people, shall immediately begin to effect a reduction of the debt, and, if persisted in, discharge it fully within a definitely fixed number of years.

It is our first duty to prepare in earnest for our recovery from the ever-increasing evils of an irredeemable currency without a sudden revulsion, and yet without untimely procrastination. For that end we must each, in our respective positions, prepare the way. I hold it the duty of the executive to insist upon frugality in the expenditures, and a sparing economy is itself a great national resource. Of the banks to which authority has been given to issue notes secured by bonds of the United States, we may require the greatest moderation and prudence, and the law must be rigidly enforced when its limits are exceeded.

We may, each one of us, counsel our active and enterprising countrymen to be constantly on their guard, to liquidate debts contracted in a paper currency, and, by conducting business as nearly as possible on a system of cash payments or short credits, to hold themselves prepared to return to the standard of gold and silver. To aid our fellow-citizens in the prudent management of their monetary affairs, the duty devolves on us to diminish by law the amount of paper money now in circulation. Five years ago the bank-note circulation of the country amounted to not much more than two hundred millions; now, the circulation, bank and national, exceeds seven hundred millions. The simple statement of the fact recommends, more strongly than any words of mine could do, the necessity of our restraining this expansion. The gradual reduction of the currency is the only measure that can save the business of the country from disastrous calamities; and this can be almost imperceptibly accomplished by gradually funding the national circulations in securities that may be made redeemable at the pleasure of the government.

Our debt is doubly secure—first in the actual wealth and still greater undeveloped resources of the country; and next in the character of our institutions. The most intelligent observers among political economists have not failed to remark that the public debt of a country is safe in proportion as its people are free; that the debt of a republic is the safest of all. Our history confirms and establishes the theory, and is, I firmly believe, destined to give it a still more signal illustration. The secret of this superiority springs not merely from the fact that in a republic the national obligations are distributed more widely through countless numbers in all classes of society; it has its root in the character of our laws. Here all men contribute to the public welfare, and bear their fair share of the public burdens. During the war, under the impulses of patriotism, the men of the great body of the people, without regard to their own comparative want of wealth, thronged to our armies and filled our fleets of war, and held themselves ready to offer their lives for the public good. Now, in their turn, the property and income of the country should bear their just proportion of the burden of taxation; while in our impost system, through means of which increased vitality is incidentally imparted to all the industrial interests of the nation, the duties should be so adjusted as to fall most heavily on articles of luxury, leaving the necessities of life as free from taxation as the absolute wants of the government, economically administered, will justify. No favored class should demand freedom from assessment, and the taxes should be so distributed as not to fall unduly on the poor, but rather on the accumulated wealth of the country. We should look at the national debt just as it is—not as a national blessing, but as a heavy burden on the industry of the country, to be discharged without unnecessary delay.

It is estimated by the Secretary of the Treasury that the expenditures for the fiscal year ending the 30th of June, 1866, will exceed the receipts \$112,194,947. It is gratifying, however, to state that it is also estimated that the revenue for the year ending the 30th of June, 1867, will exceed the expenditures in the sum of \$111,682,818. This amount, or so much as may be deemed sufficient for the purpose, may be applied to the reduction of the public

debt, which on the 31st day of October, 1865, was \$2,740,854,750. Every reduction will diminish the total amount of interest to be paid, and so enlarge the means of still further reductions, until the whole shall be liquidated; and this, as will be seen from the estimates of the Secretary of the Treasury, may be accomplished by annual payments even within a period not exceeding thirty years. I have faith that we shall do all this within a reasonable time; that as we have amazed the world by the suppression of a civil war which was thought to be beyond the control of any government, so we shall equally show the superiority of our institutions by the prompt and faithful discharge of our national obligations.

The Department of Agriculture, under its present direction, is accomplishing much in developing and utilizing the vast agricultural capabilities of the country, and for information respecting the details of its management reference is made to the annual report of the Commissioner.

I have dwelt thus fully on our domestic affairs because of their transcendent importance. Under any circumstances, our great extent of territory and variety of climate, producing almost everything that is necessary for the wants, and even the comforts of man, makes us singularly independent of the varying policy of foreign powers, and protect us against every temptation to "entangling alliances," while at the present moment the re-establishment of harmony, and the strength that comes from harmony, will be our best security against "nations who feel power and forget right." For myself, it has been and it will be my constant aim to promote peace and amity with all foreign nations and powers, and I have every reason to believe that they all, without exception, are animated by the same disposition. Our relations with the Emperor of China, so recent in their origin, are most friendly. Our commerce with his dominions is receiving new developments, and it is very pleasing to find that the government of that great empire manifests satisfaction with our policy, and reposes just confidence in the fairness which marks our intercourse. The unbroken harmony between the United States and the Emperor of Russia is receiving a new support from an enterprise designed to carry telegraphic lines across the continent of Asia, through his dominions, and so to connect us with all Europe by a new channel of intercourse. Our commerce with South America is about to receive encouragement by a direct line of mail steamships to the rising empire of Brazil. The distinguished party of men of science who have recently left our country to make a scientific exploration of the natural history and rivers and mountain ranges of that region, have received from the Emperor that generous welcome which was to have been expected from his constant friendship for the United States, and his well-known zeal in promoting the advancement of knowledge. A hope is entertained that our commerce with the rich and populous countries that border the Mediterranean sea may be largely increased. Nothing will be wanting, on the part of this government, to extend the protection of our flag over the enterprise of our fellow-citizens. We receive from the powers in that region assurances of good-will; and it is worthy of note that a special envoy has brought us messages of condolence on the death of our

late Chief Magistrate from the Bey of Tunis, whose rule includes the old dominions of Carthage, on the African coast.

Our domestic contest, now happily ended, has left some traces in our relations with one at least of the great maritime powers. The formal accordance of belligerent rights to the insurgent States was unprecedented, and has not been justified by the issue. But in the systems of neutrality pursued by the powers which made that concession there was a marked difference. The materials of war for the insurgent States were furnished, in a great measure, from the workshops of Great Britain; and British ships, manned by British subjects, and prepared for receiving British armaments, sallied from the ports of Great Britain to make war on American commerce, under the shelter of a commission from the insurgent States. These ships, having once escaped from British ports, ever afterwards entered them in every part of the world, to refit, and so to renew their depredations. The consequences of this conduct were most disastrous to the States then in rebellion, increasing their desolation and misery by the prolongation of our civil contest. It had, moreover, the effect, to a great extent, to drive the American flag from the sea, and to transfer much of our shipping and our commerce to the very power whose subjects had created the necessity for such a change. These events took place before I was called to the administration of the government. The sincere desire for peace by which I am animated led me to approve the proposal already made, to submit the question which had thus arisen between the countries to arbitration. These questions are of such moment that they must have commanded the attention of the great powers, and are so interwoven with the peace and interests of every one of them as to have insured an impartial decision. I regret to inform you that Great Britain declined the arbitrament, but, on the other hand, invited us to the formation of a joint commission to settle mutual claims between the two countries, from which those for the depredations before mentioned should be excluded. The proposition, in that very unsatisfactory form, has been declined.

The United States did not present the subject as an impeachment of the good faith of a power which was professing the most friendly dispositions, but as involving questions of public law, of which the settlement is essential to the peace of nations; and though pecuniary reparation to their injured citizens would have followed incidentally, on a decision against Great Britain, such compensation was not their primary object. They had a higher motive, and it was in the interests of peace and justice to establish important principles of international law. The correspondence will be placed before you. The ground on which the British minister rests his justification is, substantially, that the municipal law of a nation, and the domestic interpretations of that law, are the measure of its duty as a neutral, and I feel bound to declare my opinion, before you and before the world, that that justification cannot be sustained before the tribunal of nations. At the same time I do not advise to any present attempt at redress by acts of legislation. For the future, friendship between the two countries must rest on the basis of mutual justice.

From the moment of the establishment of our free Constitution the civilized

world has been convulsed by revolutions in the interests of democracy or of monarchy, but through all those revolutions the United States have wisely and firmly refused to become propagandists of republicanism. It is the only government suited to our condition; but we have never sought to impose it on others, and we have consistently followed the advice of Washington to recommend it only by the careful preservation and prudent use of the blessing. During all the intervening period the policy of European powers and of the United States has, on the whole, been harmonious. Twice, indeed, rumors of the invasion of some parts of America in the interest of monarchy have prevailed; twice my predecessors have had occasion to announce the views of this nation in respect to such interference. On both occasions the remonstrance of the United States was respected, from a deep conviction on the part of European governments that the system of non-interference and mutual abstinence from propagandism was the true rule for the two hemispheres. Since those times we have advanced in wealth and power; but we retain the same purpose to leave the nations of Europe to choose their own dynasties, and form their own systems of government. This consistent moderation may justly demand a corresponding moderation. We should regard it as a great calamity to ourselves, to the cause of good government, and to the peace of the world, should any European power challenge the American people, as it were, to the defence of republicanism against foreign interference. We cannot foresee, and are unwilling to consider what opportunities might present themselves, what combinations might offer to protect ourselves against designs inimical to our form of government. The United States desire to act in the future as they have ever acted heretofore; they never will be driven from that course but by the aggression of European powers, and we rely on the wisdom and justice of those powers to respect the system of non-interference which has so long been sanctioned by time, and which, by its good results, has approved itself to both continents.

The correspondence between the United States and France in reference to questions which have become subjects of discussion between the two governments will, at a proper time, be laid before Congress.

When, on the organization of our government, under the Constitution, the President of the United States delivered his inaugural address to the two houses of Congress, he said to them, and through them to the country, and to mankind, that "the preservation of the sacred fire of liberty, and the destiny of the republican model of government, are justly considered as deeply, perhaps as finally, staked on the experiment intrusted to the American people." And the House of Representatives answered Washington by the voice of Madison: "We adore the invisible hand which has led the American people, through so many difficulties, to cherish a conscious responsibility for the destiny of republican liberty." More than seventy-six years have glided away since these words were spoken; the United States have passed through severer trials than were foreseen: and now, at this new epoch in our existence as one nation, with our Union purified by sorrows, and strengthened by conflict, and established by the virtue of the people, the greatness of the occasion invites us once more

to repeat with solemnity the pledges of our fathers to hold ourselves answerable before our fellow-men for the success of the republican form of government. Experience has proved its sufficiency in peace and in war; it has vindicated its authority through dangers and afflictions, and sudden and terrible emergencies, which would have crushed any system that had been less firmly fixed in the heart of the people. At the inauguration of Washington the foreign relations of the country were few, and its trade was repressed by hostile regulations; now all the civilized nations of the globe welcome our commerce, and their governments profess towards us amity. Then our country felt its way hesitatingly along an untried path, with States so little bound together by rapid means of communication as to be hardly known to one another, and with historic traditions extending over very few years; now intercourse between the States is swift and intimate; the experience of centuries has been crowded into a few generations, and has created an intense, indestructible nationality. Then our jurisdiction did not reach beyond the inconvenient boundaries of the territory which had achieved independence; now, through cessions of lands, first colonized by Spain and France, the country has acquired a more complex character, and has for its natural limits the chain of lakes, the Gulf of Mexico, and on the east and the west the two great oceans. Other nations were wasted by civil wars for ages before they could establish for themselves the necessary degree of unity; the latent conviction that our form of government is the best ever known to the world has enabled us to emerge from civil war within four years with a complete vindication of the constitutional authority of the general government, and with our local liberties and State institutions unimpaired.

The throngs of emigrants that crowd to our shores are witnesses of the confidence of all peoples in our permanence. Here is the great land of free labor, where industry is blessed with unexampled rewards, and the bread of the workingman is sweetened by the consciousness that the cause of the country "is his own cause, his own safety, his own dignity." Here every one enjoys the free use of his faculties and the choice of activity as a natural right. Here, under the combined influence of a fruitful soil, genial climes, and happy institutions, population has increased fifteen-fold within a century. Here, through the easy development of boundless resources, wealth has increased with two-fold greater rapidity than numbers, so that we have become secure against the financial vicissitudes of other countries, and, alike in business and in opinion, are self-centred and truly independent. Here more and more care is given to provide education for every one born on our soil. Here religion, released from political connexion with the civil government, refuses to subserve the craft of statesmen, and becomes, in its independence, the spiritual life of the people. Here, toleration is extended to every opinion, in the quiet certainty that truth needs only a fair field to secure the victory. Here the human mind goes forth unshackled in the pursuit of science, to collect stores of knowledge, and acquire an ever-increasing mastery over the forces of nature. Here the national domain is offered and held in millions of separate freeholds, so that our fellow-citizens, beyond the occupants of any other part of the earth, constitute in reality a people. Here exists the democratic form of government; and that form of

government, by the confession of European statesmen, "gives a power of which no other form is capable, because it incorporates every man with the state, and arouses everything that belongs to the soul."

Where, in past history, does a parallel exist to the public happiness which is within the reach of the people of the United States? Where, in any part of the globe, can institutions be found so suited to their habits or so entitled to their love as their own free Constitution? Every one of them, then, in whatever part of the land he has his home, must wish its perpetuity. Who of them will not now acknowledge, in the words of Washington, that "every step by which the people of the United States have advanced to the character of an independent nation seems to have been distinguished by some token of Providential agency." Who will not join with me in the prayer, that the invisible hand which has led us through the clouds that gloomed around our path will so guide us onward to a perfect restoration of fraternal affection, that we of this day may be able to transmit our great inheritance, of State governments in all their rights, of the general government in its whole constitutional vigor, to our posterity, and they to theirs through countless generations?

ANDREW JOHNSON.

WASHINGTON, December 4, 1865.

REPORT OF THE COMMISSIONER OF AGRICULTURE.

DEPARTMENT OF AGRICULTURE,
Washington, D. C., November 27, 1865.

SIR: I have the honor to submit to you my fourth annual report, but the first which it has been my privilege to make while the people of our beloved country, from one end to the other, were at peace pursuing their wonted avocations.

But the results of the various operations of the department which I am able to lay before you are necessarily exclusive of the States recently in insurrection; the brief lapse of time since the cessation of hostilities, and the imperfect mail facilities of those States, not permitting systematic correspondence by which could be obtained accurate and reliable information from that section of the country.

I most sincerely congratulate the country upon the return of peace to our people, and render thanks to Him who doeth all things well for his merciful kindness and manifold blessings; for while one section of our fair country has been laid waste, and her citizens subjected to the devastating consequences of war—their implements of husbandry allowed to rust for want of use, and the earth to rest from yielding its products for the people's support—the other section has exhibited a condition of prosperity and plenty that would seem to ignore (were it not for the absence and loss of some of her best and bravest sons) the existence of a war. While more than a million of the hardy sons of toil have been called from their industrial pursuits to engage in warfare for the preservation of the Union, those at home have applied themselves with redoubled energy; and with the influence of higher wages in calling forth and economizing labor, and the aid of agricultural machinery and labor-saving implements and appliances, the farmer has been enabled to gather an abundant harvest. Thus those engaged in peaceful pursuits have been rewarded, even during the period of a most desolating war, with liberal wages for their labor and remunerative returns for the products of the farm.

The earth, too, has seemed to respond to the increased demand upon its fertility, and has given us, with the aid of the husbandman, an abundance having

no parallel in the history of that portion of the country, feeding the army and navy as well as the great mass of people in civil life, and leaving a surplus for exportation to foreign countries, and charitable donations for the alleviation of the suffering people of other nations.

While these products have commanded seemingly exorbitant prices, the industrial classes have had constant employment at remunerating wages; nor have these rewards of labor been depreciated or sensibly affected by the return of a vast army to the ranks of industry, or by the emancipation of four millions of slaves. So great are our resources calling urgently for development, that instead of fears of competition from returned soldiers, emancipated slaves, or foreign immigrants, (now flocking to our shores,) there is seen a decided buoyancy in the labor market, with a demand for increase of wages and fewer hours of toil.

Not only the necessities, but even the luxuries of life are therefore easily attainable. How immeasurably preferable is this condition of things for the laboring classes, to a necessity for comparative idleness with lower prices; for low rates would then fail to bring the comforts of life within their control, while, with employment and adequate compensation, scarcely any price can place them beyond their reach. The great aim of the government should be to adopt a policy by which the agricultural, mechanical, manufacturing, and other industrial interests throughout the country should be fostered and encouraged, and the present time would seem most propitious for the initiation of such a policy.

The great contest in which we have been engaged is, I trust, forever ended. The courage, strength, and physical endurance of our people has been fairly tested, and, in the providence of God, has been decided for the country. A free republican government has been sustained, and the great problem of the capability of the people for self-government has been solved, and we stand to-day before the world, after the most desperate and persistent conflict that history records, a united and, I trust, a wiser and better people, full of charity for our erring brethren, and gratitude to those who have perilled their lives for their country's sake.

The energies of the people are now required to build up the waste places. The results of the war having changed the system of labor in some of the States, wise counsels and wholesome legislation, with just and charitable discretion, will be demanded in directing and dealing with the freedmen. I have no fear of the results, if employers and employed will mutually adapt themselves to the existing state of things; and I believe that a higher state of prosperity than was ever before enjoyed by the people of the South will be ultimately attained. It may be that the system of free labor will not prove favorable to large landed estates; and I am willing to confess my full belief that such a result will be beneficial to the great masses and to the country. The average size of farms in the United States, in 1860, was 199 acres; almost double the average for Great Britain, which, in 1851, was 102 acres only, notwithstanding the great size of many baronial and aristocratic "holdings"—there being no less than 170,814 farms in the kingdom, or considerably more than one-half of the entire number, having less than 50 acres each. But the average in

the southern States is far greater than the general average for the United States, as the following table will show:

	Acres of improved lands.	Acres of unimproved lands.	Number of farms.	Average No. of acres in each farm.
Delaware.....	637,065	367,230	6,658	151
Maryland.....	3,002,267	1,833,304	25,494	190
Virginia.....	11,437,821	19,679,215	92,605	324
North Carolina.....	6,517,234	17,245,685	75,203	316
South Carolina.....	4,572,060	11,623,859	33,171	488
Georgia.....	8,062,758	18,567,732	62,003	430
Florida.....	654,213	2,266,015	6,568	444
Alabama.....	6,385,724	12,718,821	55,128	346
Mississippi.....	5,065,755	10,773,929	42,840	370
Louisiana.....	2,707,108	6,591,468	17,328	536
Texas.....	2,650,781	22,603,247	42,891	591
Arkansas.....	1,983,313	7,590,393	39,004	245
Tennessee.....	6,795,337	13,873,828	82,368	251
Kentucky.....	7,644,208	11,519,053	90,814	211
Missouri.....	6,246,871	13,737,939	92,792	215
Total.....	74,362,565	171,101,718	764,867	320

The large proportion—almost three-fourths—of unimproved land in farms, in addition to the unimproved public lands, illustrates pointedly the necessity that vastly more labor be applied to their cultivation. The most populous States in the Union have the smallest farms, commanding the highest price per acre; and the value per acre is, as a general fact, inversely proportionate to the size of the farms. Thus the farms of Massachusetts average 94 acres; of Rhode Island, 96; of Connecticut, 99; of New York, 106; of Pennsylvania, 109; and of Ohio, 114 acres.

Every head of a family should have a homestead if possible. Thus an incentive to industry is created, and a spirit of enterprise encouraged, that will soon double the products of the country, increase the wealth of the States, and add to the resources of the nation.

In this new order of things I feel the importance of the position which this department should assume towards the people of the States now reassuming their former relations with the rest of the country. With the question of reconstruction, or, more properly, reorganization, I have no concern; believing the subject to be in competent hands, and that its final and satisfactory settlement will be accomplished in due time. I shall, therefore, cheerfully put forth my exertions, to the best of my ability, in aid of measures of reconciliation and for the advancement of the interests of agriculture throughout the whole country, believing that branch of industry to be the foundation of the prosperity of all nations, and the fostering of its interests by the government to be absolutely essential to such prosperity. History furnishes abundant illustrations of this truth.

The southern States will need much aid and encouragement in the coming season. Their favorable climate and prolific fields should invite capital and stimulate labor. In no other section can crops be cultivated with less labor,

nor are there any crops more remunerative than such as are peculiarly adapted to that section of the country. Their cotton is the best that has yet been produced in any country, and their sugar crop is one of great importance—Louisiana alone having produced in 1859 221,726 hogsheads of sugar and 13,439,772 gallons of molasses.

I have endeavored so to conduct the affairs of this department as to commend it to the favorable consideration of Congress and the approval of my countrymen, not doubting that its operations will be duly appreciated, and its labors ultimately crowned with complete success. I shall seek to increase its practical value and extend its influence, and hope it may continue to receive the liberal and fostering attention of Congress, and that those engaged in agriculture may be thereby stimulated to greater exertions and higher aims.

Our country possesses an advantage in soil and climate unsurpassed by any other on the globe for cultivating and perfecting all the necessary elements of subsistence and comforts for our entire population, with luxuries in abundance for the most cultivated tastes. With our extended and daily increasing system of internal improvements a failure of crops in one section of the country would scarcely be felt. These vast resources and appliances which spring into existence at the bidding of an industrious and energetic people daily add to the wealth and greatness of the nation, enhancing the happiness of the people; hence all are alike interested in the success of agricultural science; and if those engaged in it will pursue it with half the energy that characterizes those in other pursuits—availing themselves of all means of improvement, profiting by the practical experience of the most successful, and managing their farms systematically upon business principles—abundance and wealth will be their sure reward. From the wealth thus created and diffused throughout society will come with grateful pleasure the taxes for the support of the government and payment of the national debt, which, under equal and just laws, will be entirely extinguished with unprecedented celerity.

During the past year I have availed myself of the services of Messrs. V. D. Collins and John H. Klippart, gentlemen of skill and intelligence, well known to be devoted to the interests of scientific and practical agriculture, to visit parts of Europe and Asia, at a very small pecuniary outlay, compared with the advantages to be derived from their labors in the investigation of questions of present importance in the agriculture of this country. No reports having yet been received, the results of their labors will be given in detail in the agricultural report for 1865.

A very malignant disease among cattle, called the "rinderpest," or cattle plague, has been prevailing for some time, with fatal effect, in Russia, Great Britain, and other European countries. Its ravages have been exceedingly severe, destroying in many instances whole herds of the most valuable and carefully bred cattle of Europe. It seems to be both contagious and infectious, and much apprehension is felt for the safety of the cattle of this country. The importance of the subject seems to demand the immediate action of Congress, prohibiting the importation of farm-stock during the prevalence of the disease.

The rooms now occupied by this department are entirely inadequate for its

accommodation, being located, in part, in the Patent Office building, with other rooms in buildings disconnected from it. The increasing demand of the Bureau of Patents for additional room must shortly render it a matter of necessity to surrender the rooms now occupied by this department. For the better arrangement of the increasing collection of specimens in the museum, or object-library, and for greater convenience in the transaction of the business of the office, additional and more contiguous accommodation is highly desirable. I trust, therefore, that Congress will take measures for the erection of a suitable building, at as early a day as possible, for the use of the department.

Large quantities of new and valuable seeds, cuttings, and plants have been distributed during the last year throughout the country, in order to test the adaptability of such varieties to the various soils and climates of the different sections. These experiments, whenever they have proved a success, have been of inestimable value, not only improving qualities, but also increasing the crop productions per acre, and inciting to emulation in the introduction of new varieties.

In the distribution of seeds, 234,945 packages have been delivered to senators and representatives in Congress, 119,693 to agricultural and horticultural societies, and 408,593 to regular and occasional correspondents, and in answer to personal applications—making a total distribution of all varieties of seeds of 763,231 packages.

The distributions from the experimental and propagating garden during the past year have been mainly confined to varieties of the small fruits, such as grapes, strawberries, gooseberries, raspberries, and currants. Of these about 35,000 plants have been distributed through the usual channels.

The process of testing the respective merits of varieties of fruits is in active progress, so far as the capacities of the garden will permit. Additions are constantly being made to the list of plants selected for the above purpose. It is my constant endeavor to preserve the distinguishing feature of the garden for the propagation and dissemination of specialties, under intelligent supervision, and avoid its degeneration into a commercial nursery.

A new propagating house has been erected, substantially fitted with the most improved facilities, and is now in successful operation.

For the purpose of ascertaining whether among the many valued fruits of tropical regions there may be any worthy of artificial culture, I have had an apartment in one of the green-houses arranged in a suitable manner for their growth, and have opened a correspondence towards securing as complete a collection of these plants as practicable.

The assignment to this department of reservation No. 2, lying immediately west of the Smithsonian grounds, for the purpose of an experimental farm, has afforded an opportunity for the initiation of a series of experiments designed to test the value of foreign cereals, forage plants, and garden vegetables.

The grounds, with an unbroken soil of somewhat tenacious clay, came into my possession about the middle of April, quite too late to admit of being put in proper tilth for obtaining the best results during the present season. A few acres, duly fertilized and suitably pulverized, were planted with 346 varieties of

seeds, including 18 kinds of Indian corn, 34 of beans, 13 of peas, 77 of potatoes, (52 of which were seedlings,) 33 of melons, and many varieties, respectively, of tomatoes, beets, and other vegetables.

Specimens of cotton matured quite perfectly with the aid of fertilizers and high culture. Some of the foreign seeds promise to be acquisitions to our agriculture, either by virtue of excellence in quality, productiveness, or adaptation to special uses, soils, or climate. Further experiments will develop more completely and accurately their peculiar characters and values.

During the autumn the remaining portion of the grounds has been seeded with grasses and cereals, especially with wheats, embracing sixty-two varieties, from France, Prussia, Russia, Great Britain, Chili, and China. Valuable results are confidently expected to accrue eventually from these experiments.

An office and stable have been erected, at small expense, and a supply of Potomac water brought upon the premises.

The donations and additions to the museum have been increased to such an extent during the past year that the two small rooms appropriated to that purpose have been completely filled, and many of the most interesting specimens of fibres, sugars, seeds, &c., cannot be exhibited for want of space, and are therefore unavailable to those desiring to study them. The museum has been enriched by specimens of sheep and domestic poultry, showing the true types of the various breeds, and to what purpose each breed is specially adapted.

In my former report it was recommended that the collection of insects, birds, and model fruits belonging to Mr. Townsend Glover, entomologist of the department, should be purchased by the government, and made the nucleus of a national agricultural and economic museum. This subject is earnestly pressed upon the attention of Congress.

The sum of five hundred dollars has been expended in sending Mr. Glover to Paris, to represent the interest of this department at the exposition of insects useful or injurious to the crops, which was held at the industrial palace, under the patronage of the minister of agriculture of France; where I am happy to say he received the first premium of the large gold medal of the Emperor Napoleon for his yet unfinished work on the insects of America, a work as original in its plan of arrangement as it will prove to be valuable in its proposed remedies for the destructive insects. He was nearly four months absent, and on his return brought specimens of the various silk cocoons and silk-producing insects, together with prepared skins of animals and game birds which are susceptible of domestication, and may with advantage be introduced and acclimated in this country. It is sincerely to be hoped that a portion of the propagating grounds, or some other convenient place, may be set apart for the purpose of commencing a garden of acclimation, from whence the llama, cashmere goat, and the improved breeds of domestic fowls, might be distributed to different parts of our country.

The silkworm, which has succeeded so well in France, has been re-introduced this year from Paris. This insect may now be considered as perfectly acclimated, and the silk produced by it is very strong and of good quality.

Since my last report the laboratory has been fitted up and provided with

apparatus and other means of investigation. In regard to the practical results obtained I would refer to the report of the chemist, as showing that some original investigations have been made, and many questions answered which have been propounded by farmers, technologists, sugar-producers, and others, in all parts of the country.

Minerals, ores, and geological specimens have been received by mail and otherwise, in considerable quantities. Such as proved valuable, and could be properly identified as to locality, were retained as a nucleus for a mineralogical cabinet.

The field open for chemical science never was so great as at the present time. Chemistry being indeed the life and soul of an intelligent, rational agriculture, the governments of Europe—Germany taking the lead—impressed with this unquestionable fact, have established experimental agricultural stations, consisting of an experimental garden and a complete analytical laboratory. The chemist, provided with assistants, institutes on the spot such original experiments, and tests such theoretical problems in reference to agriculture, as would seem most prolific of benefit to the farming community and the world at large. To instruct the farmer as to the difference between robbing and tilling the land, to teach him to understand and take a lively interest in the practical experiments above alluded to, travelling teachers have been appointed, connected with these agricultural stations, whose office it is to impart useful knowledge to the masses by lectures and conversations. Thus every one may gradually be prepared to receive and profit by the rich stores of science open to every intelligent farmer.

Such is the appreciation of chemical science in Germany, where schools and private laboratories so abound, that at the present time two large laboratories on the most complete scale, are in the course of construction at Berlin and Bonn, at the expense of the state.

In the collection of statistics, during the past year, unusual attention has been given to farm stock. The waste of horses and mules by war, and the army consumption of meats, excited fears of deficient supplies of domestic animals, rendering necessary a reliable exposition of the number, price, and value of each kind in the several States—a labor undertaken with much care, and accomplished, it is believed, notwithstanding its difficulty, with a fair measure of success.

The tables of statistics resulting from these labors are applied to important uses—foiling the designs of speculators and correcting their misrepresentations; enabling the farmer to obtain the worth of his cereals, wool, meats, and other agricultural products; and directing the purchaser of store animals in what quarter to obtain most easily and cheaply his needed supplies for fattening. Accurate statistics, affecting commercial dealings in farm products, may thus prove of immediate and almost incalculable service to the agricultural community.

I may here remark that this system of collecting, compiling, and publishing farm statistics is attracting the attention and eliciting the commendation of European nations, and that many of their most practical statisticians acknowledge freely its superiority over prevailing European systems.

That these statistics, obtained monthly through thousands of intelligent correspondents, upon specific subjects peculiarly appropriate to the season, should be placed before the country at the time, and not be deferred until the publication of the annual report, is indisputable. The leading purpose in their presentation is to furnish a guide to producers in the necessary mutations of crop and stock production, and to act on the markets before the disposition is made of cereals, meats, and fibrous products of the farm. Hence the necessity and the origin of the monthly report. Its publication, at first opposed by several agricultural papers, under the erroneous impression that it might conflict with private interests, excites no opposition since it is seen to avoid ordinary topics pertaining to agriculture, and to consider only those that are national in their character or bearing.

The annual and monthly reports are entirely distinct in their character. The first treats of subjects of a permanent nature, in the form of carefully written essays. The second is confined to topics less permanent, and often of transient or passing importance; it considers them briefly, touching upon leading points only, avoiding details, and ignoring the ornaments of style and a labored arrangement.

A brief general summary of the more important statistics of this division are as follows:

GENERAL SUMMARY RELATING TO FARM STOCK.

Showing the total number of live stock for January, 1864 and 1865, the increase and decrease thereof, the general average price of each kind, the value of each kind, and the total value of all.

Animals.	1864.	1865.	Increase.	Decrease.
Horses.....	4,049,142	3,740,933	.....	308,209
Mules.....	280,847	247,553	.....	33,294
Cattle and oxen.....	7,965,439	7,072,591	.....	892,848
Cows.....	6,066,748	5,768,130	.....	298,618
Sheep.....	24,346,391	28,647,269	4,300,878	.....
Hogs.....	16,148,712	13,070,887	.....	3,077,825
Total.....	53,857,279	58,547,363	4,300,878	4,610,794

Number, average price, and total value in January, 1865.

Animals.	Number.	Average price.	Total value.
Horses.....	3,740,933	\$30 84	\$302,425,499
Mules.....	247,553	102 08	25,041,488
Cattle and oxen.....	7,072,591	26 17	185,090,087
Cows.....	5,768,130	36 70	211,718,270
Sheep.....	28,647,269	5 40	154,807,466
Hogs.....	13,070,887	8 55	111,796,318
Total value.....	.....	.....	990,879,128

GENERAL SUMMARY RELATING TO CROPS

Showing the number of bushels, &c., of each crop, the number of acres of each, the value of each, and the bushels, acres, and value of all, and the increase and decrease of the same, for the years 1863 and 1864, and the comparison between the same years.

AMOUNT OF CROPS.

	1863.	1864.	Increase.	Decrease.
Indian corn.....	397,839,212	530,451,403	132,612,191	.....
Wheat.....	173,677,928	160,635,823	.....	12,982,105
Rye.....	19,989,335	19,872,975	.....	116,360
Oats.....	170,129,864	175,930,194	5,800,330	.....
Barley.....	12,158,195	10,716,328	.....	1,442,567
Buckwheat.....	15,786,122	18,700,540	2,914,418	.....
Potatoes.....	98,965,198	96,532,029	.....	2,433,169
Total.....	888,546,554	1,012,959,292	141,386,939	16,974,201
Tobacco.....	163,353,082	197,460,229	34,107,147	.....
Hay.....	18,346,730	18,116,691	.....	230,039

ACREAGE OF CROPS.

	1863.	1864.	Increase.	Decrease.
Indian corn.....	15,312,441	17,438,752	2,126,311	.....
Wheat.....	13,098,936	13,158,089	59,153	.....
Rye.....	1,439,607	1,410,983	.....	28,624
Oats.....	6,686,174	6,461,750	.....	224,424
Barley.....	557,999	540,317	.....	16,982
Buckwheat.....	1,054,060	1,051,700	.....	2,360
Potatoes.....	1,129,804	902,295	.....	227,509
Tobacco.....	216,423	239,826	23,403	.....
Hay.....	15,641,504	15,034,564	.....	606,940
Total.....	55,136,248	56,238,276	2,208,867	1,106,839

VALUE OF CROPS.

	1863.	1864.	Increase.	Decrease.
Indian corn.....	\$278,089,609	\$527,718,183	\$249,628,574	.....
Wheat.....	197,992,837	294,315,119	96,322,282	.....
Rye.....	20,589,015	31,975,013	11,385,998	.....
Oats.....	105,990,905	139,381,247	33,390,342	.....
Barley.....	13,496,373	16,941,023	3,444,650	.....
Buckwheat.....	12,660,469	21,986,763	9,326,294	.....
Potatoes.....	56,024,650	77,184,043	22,159,393	.....
Tobacco.....	24,239,609	29,335,225	5,095,616	.....
Hay.....	247,689,855	365,707,074	118,026,219	.....
Total.....	955,764,322	1,504,543,690	548,779,368	.....

The above tables of the general summary do not show the exact comparative differences between the years 1863 and 1864, because the latter year embraces the crops of Kentucky, which are not in the year of 1863. Deducting Kentucky from 1864, the comparison will be as follows:

Table of comparison between 1863 and 1864.

	1863.	1864.	Increase.	Decrease.
Total, bushels.....	888,546,554	959,821,150	71,274,596	.....
Total tobacco, pounds.....	163,353,082	140,503,760	.....	22,849,322
Total hay, tons.....	18,346,730	18,064,306	.....	342,364
Total acreage.....	55,136,248	53,950,797	.....	1,185,451
Total value of crops.....	\$955,764,322	1,440,415,435	\$484,651,113	.....

The table of comparison between 1863 and 1864 exhibits much that is important. The increase in the bushels of grain is large, and the decrease in the pounds of tobacco raised is also great. The decrease in acres cultivated is 1,185,451, but the increase in the value of the above crops is \$484,651,113.

The first increase is from the corn crop, and the last may be attributed to an increase in the currency, or a spirit of speculation.

General summary of the amount of the crops of 1865, compared with those of 1864 and 1863.

	1865.	1864.	1863.
Wheat, bushels.....	148,552,829	160,635,823	179,404,636
Rye, bushels.....	19,543,965	19,872,975	20,782,782
Barley, bushels.....	11,324,286	10,632,178	11,368,155
Oats, bushels.....	225,252,295	176,030,064	173,806,575
Corn, bushels.....	704,427,853	530,581,403	451,967,959
Buckwheat, bushels.....	18,331,019	18,700,540	15,806,455
Potatoes, bushels.....	101,632,095	96,256,888	100,158,670
Total bushels.....	1,228,501,282	1,013,429,871	953,288,632
Hay, tons.....	23,538,740	18,116,751	19,736,847
Tobacco, pounds.....	163,316,953	197,468,229	267,267,920

In the western States the wheat crop is very deficient in quality. It has been estimated by the department that the deficiency in both *quantity* and *quality* is 26,241,698 bushels; in quantity alone 12,172,944 bushels. The quality of the corn crop is excellent, and that of the remaining crops is believed to be an average. The number of bushels in 1865 exceeds those of 1864 by 215,071,411.

The prices, average, and value of the crops of 1865 will not be calculated until February next. The greatness and excellence of the corn crop must be gratifying to all.

The balance of the appropriation for the service of the fiscal year ending June 30, 1865, remaining unexpended on the 1st of December, 1864, was \$95,891 51. There was appropriated for the fiscal year ending June 30, 1866, \$155,300.

The expenditures from December 1, 1864, to November, 1865, amount to \$152,614 70, leaving an unexpended balance of \$98,584 81.

Since my last report of the special appropriation of \$20,000 "for investigations to test the practicability of preparing flax and hemp as a substitute for cotton," there has been expended \$4,500 40, leaving a balance of \$10,500 remaining in the United States treasury.

The increasing demand made upon the department for the agricultural report, which is yearly becoming more extended and urgent as the appreciation of its value and usefulness is widened and intensified, induces me to ask Congress for an additional number of copies. The limited number allowed for circulation by the department forbids a very liberal distribution among those engaged in agricultural pursuits, who especially desire and seek the information it contains; many of whom are dependent upon the department for their supply. A single copy to each of its correspondents would alone absorb nearly the entire annual allotment to the department.

There should also be retained a sufficient number of each volume for the future supply of foreign exchanges, libraries, and agricultural and kindred associations.

Respectfully submitted,

ISAAC NEWTON,
Commissioner of Agriculture.

His Excellency ANDREW JOHNSON, *President.*

REPORT

OF

THE POSTMASTER GENERAL.

POST OFFICE DEPARTMENT,

November 15, 1865.

SIR: The revenues of this department for the year ended June 30, 1865, were \$14,556,158 70, and the expenditures \$13,694,728 28, leaving a surplus of \$861,430 42.

The ratio of increase of revenue was 17 per cent., and of expenditure 8 per cent., compared with previous year.

The portion of the revenues accumulated in depository and draft offices, under the supervision of the Finance office of this department, was \$7,136,024 46; collected by the Auditor, \$2,329,855 08; and retained by postmasters for salaries and office expenses, \$5,090,279 16.

The estimated expenditures for the year ending June 30, 1867, are \$18,678,000

The revenues estimated at 10 per cent. increase over

last year.....	\$16,011,773
Add amount equal to 50 per cent. of the receipts	
in 1860 from States lately in rebellion.....	758,770
Appropriation for free matter.....	700,000
	<hr/> 17,470,543

Leaving a deficiency of..... 1,207,457

For this deficiency no special appropriation will be required, as the standing appropriations for the last three years, under acts of March 3, 1847, and March 3, 1851, amounting to \$2,100,000, are unexpended. It will be necessary, however, to make special appropriations from the treasury for steamship service between San Francisco, Japan, and China, for six months, from January 1 to June 30, 1867..... \$250,000

Also for steamship service between the United States and Brazil for

eight months of the current year, commencing November 1..... 100,000

And the whole of next year..... 150,000

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And the whole of next year..... 150,000

500,000

The number of postage stamps issued during the year was

387,419,455, representing.....	\$12, 099, 787 50
Stamped envelopes, 25,040,425, representing.....	724, 135 00
Stamped wrappers, 1,165,750, representing.....	23, 315 00
Making in all.....	12, 847, 437 50

An increase of \$1,873,108 over the previous year. The amount sold was \$12,399,727 85, being \$1,623,138 27 more than the previous year.

The introduction of stamped envelopes bearing a request for the return to the writers of unclaimed letters has considerably increased the sale of envelopes, and is believed to have diminished the returns to the Dead Letter office.

Business cards are printed on envelopes without additional cost when ordered in quantities not less than one thousand for the same parties.

To encourage the purchase of *request envelopes*, the law should be changed so as to allow the return of such letters to the writers free of postage.

As stamped envelopes are cancelled by use, and therefore safer against fraud than those with stamps attached, it is submitted whether the Postmaster General should not be authorized in his discretion to furnish them as the separate stamps are now, without reference to the cost of manufacture.

New stamps have been adopted of the denominations of 5, 10, and 25 cents for prepaying postage on packages of newspapers forwarded by publishers of news-dealers under the authority of law, whereby a revenue will be secured hitherto lost to the department.

Under the act for the relief of postmasters who have been robbed by bodies of armed men, seventy-seven cases have been decided, and allowances made to the amount of \$4,207 75.

Appended hereto is a tabular statement exhibiting the annual receipts and expenditures of this department from January 1, 1831, to June 30, 1865. The results are as follows:

Aggregate receipts.....	\$200, 311, 894 47
Aggregate expenditures.....	244, 748, 881 59
Deficit.....	44, 436, 987 12

Averaging as follows: Receipts, \$5,806,141 87 per annum; expenditures, \$7,094,170 48 per annum; deficit, \$1,288,028 61 per annum.

CONTRACTS.

The mail service in operation on 30th June, 1865, embraced 6,012 routes, or the aggregate length of 142,340 miles, costing \$6,246,884, (exclusive of compensation to route and other agents, amounting to \$556,602 75.)

Railroad, 23,401 miles, costing.....	\$2, 707, 421
Steamboat, 13,088 miles, costing.....	359, 598
Celerity, &c., 105,851 miles, costing.....	3, 179, 865

The aggregate miles of transportation were 57,993,494:

Railroad	24, 087, 568
Steamboat	2, 444, 696
Celerity, &c.....	31, 461, 430

The cost, per mile, for transportation by railroad was 11 $\frac{1}{4}$ cents; steamboat, 14 $\frac{3}{4}$ cents; celerity, &c., 10 cents.

The increased length of routes was 3,168 miles; of transportation, 1,678,137 miles; and of cost, \$428,415. For other details of the contract service see Appendix.

Until September 15, 1864, the service on the Lincoln and Portland route was performed by the California Stage Company, at the rate of \$90,000 per annum. Under proposals for continuing the service until 1866 and 1868 the only bidder was the same company, at \$250,000 per annum, which, being regarded as excessive, was accepted only to June 30, 1865, for the purpose of again inviting competition. This was done by advertisement, dated October 12, 1864, under which the California Stage Company was again the only bidder, at \$300,000 per annum, which was declined. The service was, however, offered to the contractor for another year at the compensation of \$200,000 per annum, which was refused. Arrangements were then made with responsible parties to convey the mail at \$225,000 per annum to June 30, 1866; after which it is hoped the service will be performed at more reasonable rates.

The overland mail service from the Missouri river to California is performed under two contracts, one from Atchison to Salt Lake City, and the other from the latter place to Folsom City. On the western division the service has been performed with reasonable regularity, while on the eastern portion it has been more or less irregular, owing, as alleged by the contractors, to high water, bad roads, and hostilities of the Indians, disappointing the expectations of the department as to the value of the service.

Railway post offices have been established on several leading railroads, and arrangements are in progress for their introduction on other lines. The result, so far, encourages the hope that the system, by accelerating the transmission of correspondence, and lessening the number of distributing offices, will be of permanent advantage to the postal interests of the country.

The work of preparing post-route maps, under the appropriation of the last Congress, is progressing favorably.

The net amount of fines imposed on contractors, and deductions made from their pay during the year, was \$56,443 37.

The number, description, and cost of mail bags, mail locks and keys purchased, appear in a tabular statement annexed. The increased expenditure for bags, compared with previous years, was owing to the wants of the army and the increase of free and printed matter.

The number of routes ordered into operation in States lately in rebellion is 241; their length 18,640 $\frac{1}{4}$ miles; and compensation \$721,949; a reduction, compared with former cost of service in those States, of \$881,109 per annum. This,

however, results in part from reduced service, which, if increased to the standard of frequency previous to the war, on the present rates of pay, the cost would be—

For railroad service \$550,053, instead of \$989,365 per annum.

For "star" service \$266,848, instead of \$320,025 per annum.

For steamboat service, which having been increased, estimated at former number of trips, is \$63,501, instead of \$293,668 per annum, making the aggregate pay *pro rata* for all the service \$880,402, instead of \$1,603,058, per annum; showing an aggregate decrease *pro rata* of \$722,056 per annum.

Proposals have been invited by advertisement for carrying mails in Virginia, West Virginia, North Carolina, South Carolina, and Florida, from January 1, 1866, to June 30, 1867.

Number of routes advertised.....	852
Number for which proposals were received.....	517
Number for which no proposals were received.....	335
Number of proposals accepted 232, at an aggregate of.....	\$102,714
Number of offers made by department 235, at an aggregate of.....	128,250
Number of proposals suspended 50, being those of certain railroads, and routes of doubtful utility.	

Advertisements have been issued for carrying mails in Georgia, Alabama, Mississippi, Arkansas, Louisiana, and Texas, from July 1, 1866, to June 30, 1867.

Details explanatory of this branch of the service will be found in the Appendix.

FOREIGN MAIL SERVICE.

The general results of the foreign service are as follows:

The aggregate postages, sea, inland, and foreign, upon the correspondence exchanged with foreign countries, amounted to \$1,819,928 56; of which amount \$1,449,530 76 accrued on the mails exchanged with Great Britain, France, Prussia, Bremen, Hamburg, and Belgium; \$275,197 06 on the mails exchanged with the British North American Provinces; and \$95,200 74 on the mails transmitted to and from the West Indies, Central and South America.

The amounts of United States postage, sea and inland, were:	
On the correspondence exchanged, with Great Britain and the continent of Europe.....	\$570,156 81
The British North American Provinces.....	162,485 28
And on West Indies, Central and South American mails.....	95,200 74
	<hr/>
	\$827,842 83

The cost of the United States trans-Atlantic service performed by steamships receiving the sea postage only was \$405,479 56. Of this amount \$213,330 23 was earned by the New York, Queenstown, and Liverpool (Dale) line; \$71,106 70

by the Canadian line; \$73,273 11 by the New York, Southampton, and Bremen; and \$47,769 52 by the New York, Southampton, and Hamburg lines, respectively.

The cost of the ocean transportation of mails to and from West India ports by United States steamers, receiving different rates of compensation within the limit of the postages, was \$50,863 90, being \$22,178 95 less than the total postages on the mails conveyed. And \$14,691 62 was paid for the sea and isthmus conveyance of the correspondence with Central and South America.

The excess of collections in this country over the postages collected abroad, upon the correspondence exchanged with Great Britain and the continent of Europe, was \$411,582 32, causing balances against this department on settlements of the quarterly accounts with the respective post departments, amounting to \$232,439 55.

Full particulars of the foreign service are stated in the Appendix.

No progress has been made in the negotiations of postal conventions with European countries on the basis of the resolutions adopted at the Paris international postal conference, and referred to in the last report.

A convention with Venezuela, which adopts the principal recommendations of the Paris conference, and dispenses with postage accounts between the respective departments, has been agreed upon, and executed on the part of the United States, and only awaits execution on the part of Venezuela.

The details of a convention with the United States of Colombia have been agreed upon, which it is expected will be concluded at an early day.

Additional articles to the United States and British postal convention have been executed, constituting Baltimore a new office of exchange on the side of the United States. A copy of these articles is annexed.

The service to Brazil, authorized by act of May 28, 1864, has been put into operation, the first steamship of the line having left New York with the mails for Brazil on the 30th of October last.

The contract for the mail steamship service to Japan and China was awarded, on the 28th of August last, to the Pacific Mail Steamship Company, whose bid for the required service at the sum of \$500,000 for twelve round trips per annum, between San Francisco and Hong Kong, touching on the outward and homeward passages, to land and receive mails, at the port of Honolulu, in the Sandwich Islands, and the port of Kanagawa, in Japan, was the only one received under the advertisement of this department inviting proposals for the service. The company are to build four first-class sea-going steamships, of from 3,500 to 4,000 tons burden each, government measurement, and commence the service on or before the first of January, 1867.

By existing law no provision is made for compensating sailing vessels conveying the mails to foreign ports. It is recommended that authority be given to the Postmaster General to allow such vessels so employed compensation not to exceed the sea postage.

Prior to June 1, 1857, three lines of American steamships were employed in transporting the mails to and from Europe, receiving subsidies under special

acts of Congress amounting to \$1,208,000 per annum. The New York and Liverpool (Collins) line received an annual subsidy of \$858,000 for twenty-six round trips, the New York, Southampton, and Bremen line \$200,000, and the New York, Cowes, and Havre line \$150,000, for twelve round trips each per annum.

The contracts with the Bremen and Havre lines expired on the 1st of June, 1857, and were not renewed; but temporary contracts were made with the proprietors to continue the service on both routes for the United States postages on the mails conveyed, thus inaugurating a system of self-sustaining ocean mail service, subsequently adopted as the policy of the government, by act of June 14, 1858, limiting the compensation to the sea and United States inland postage when the conveyance is by an American, and to the sea postage only when by a foreign vessel.

The service of the New York and Liverpool (Collins) line ceased in the month of February, 1858, since which time the mails have been carried between those ports for the postages.

In 1858 the average earnings per round trip of American steamships, receiving sea and inland postages, was \$7,125 between New York and Liverpool, \$8,621 between New York, Southampton and Bremen, and \$7,491 between New York, Southampton and Havre.

In 1859 American steamers received \$199,261, averaging \$7,663; and foreign steamers, employed as United States mail packets, \$125,349, averaging \$4,730 17 per trip.

In 1860 American steamers received \$228,149, averaging \$7,604; and foreign steamers \$147,085, averaging \$2,828 per trip.

In 1861 American steamers received \$157,174, averaging \$6,833; and foreign steamers \$235,713, averaging \$2,740 per trip.

In 1862 American steamers received \$33,509, averaging \$5,584; and foreign steamers \$285,884, averaging \$2,094 per trip.

In 1863 the entire trans-Atlantic service was performed by foreign steamers, at the sea postages only, receiving \$332,184, an average of \$2,516 per trip.

In 1864 the earnings of foreign steamers were \$371,740, an average of \$2,795; and in 1865 \$405,479, an average of \$2,970 per trip.

During the rebellion American steamers engaged in the carrying trade between this country and Europe were withdrawn from service, resulting to the advantage of foreign lines which continued their regular voyages; and while the subsidies granted by Great Britain to the Cunard line, and by France to the line recently established between Havre and New York, materially aided those lines, it does not follow that they would not have been self-supporting, and even remunerative, without such aid; neither has this department information warranting the conclusion that American lines would not have been sustained during the same period under the provisions of the existing law allowing the United States postage as compensation for the service.

The subject of subsidizing American lines to British ports may be presented to Congress at its approaching session. Although in the last report the policy

was commended of granting incidental aid to certain classes of new routes, as of those to Brazil and China, no modification of the system, based upon the postage earnings, was proposed in favor of established routes. The results of this system in regard to the service on new as well as old routes are encouraging. As to the new, several lines have been established since the close of the war, to which less than the postages have been allowed. As to the old, application has been made to resume service by American steamers between New York, Southampton, and Havre, for the sea and inland postage, as heretofore. Other lines to Great Britain are projected; one of which, between Baltimore and Liverpool, is in operation; and it is believed that our citizens directly interested in ocean steam navigation will establish lines at no distant time to all the important commercial ports of Europe.

It is urged, however, that there is no sufficient assurance of the permanency of such lines in view of the competing heavily subsidized mail packets of Great Britain and France, unless like subsidies are given by this government. While it would gratify our national pride to encourage the commercial enterprise of the country, through the agency of subsidies, in the establishment of steamship lines of the highest grade to all ports where foreign lines are or may be in operation, and which it cannot be doubted would contribute to the earlier development of the commercial interests of the particular routes covered by such lines, this department is not prepared to recommend any departure from the established policy, not only because of the financial wants of the government, but as well from the absence of any necessity for special legislation on behalf of the postal service.

During the past year \$405,479 was paid to foreign lines conveying the mails to and from Great Britain. If to this sum be added the United States inland postage, amounting (approximately) to \$166,677, the amount which would have been available as compensation to American steamers for the same service was \$570,156.

The argument in support of heavy subsidies as necessary to enable American lines to compete successfully with British steamers loses much of its force when it is remembered that the postage earnings of the British contract packets on the mails which they convey are retained by the government and form a part of the revenues of the British post office. The British portion of the postage—sea and inland—upon the mails exchanged with this country alone by means of the Cunard line during the past year amounted (approximately) to \$456,000; if to this sum be added the postage on the mails conveyed to and from the North American colonies, of which this department has no official detail, but which must have been quite large, it will be found that the actual bonus paid to that line in excess of the postage earnings was small, although the nominal subsidy is £176,300.

It is also to be observed that Great Britain grants a subsidy to but a single line of steamships to the United States. If it was advisable for this government to grant a like monopoly to any single line of American steamers, it could

be paid, under the provisions of the existing law, a liberal mail compensation equal to any subsidy that Congress would be likely to grant. But were it practicable to satisfy the conflicting claims of our principal Atlantic cities by granting a monopoly to a single line of steamers sailing from any one port, the effect of such a measure would be to retard rather than advance the general commercial prosperity of the country; and as it would be injudicious to subsidize separate lines from each of our Atlantic ports because of the large expenditure it would involve, it is submitted whether our commercial interests are not best advanced by the present mode of encouraging competition in ocean steam navigation. At least, the wiser course will be to postpone additional grants, in aid of ocean steam lines, until the system based upon postage earnings has had a fair trial in time of peace, and of greatly increased activity in commercial affairs.

APPOINTMENTS.

The number of post offices established on 30th June, 1865, including suspended offices in southern States, was 28,882; number subject to appointment by the President, 712; by the Postmaster General, 28,170.

New offices established during the year, 586; offices discontinued, 582; changes of names and sites, 200.

Appointments made to fill vacancies caused by—

Resignations.....	3,575
Removals.....	925
Deaths.....	229
Changes of names and sites.....	132
Establishment of new offices.....	586
Total appointments.....	5,447

Number of cases acted upon, 6,097.

The number of offices in the late disloyal States is 8,902, of which 1,051 were reopened on November 15, 1865.

Number of route agents, 387; aggregate compensation, \$229,522. Number of local agents, 51; aggregate compensation, \$30,949. Number of special agents, 33; aggregate compensation, \$82,790. Number of baggage-masters, 110; aggregate compensation, \$6,600. Number of postal railway clerks, 64; aggregate compensation, \$75,000.

The free-delivery system has been discontinued at 22 of the smaller offices, and is now in operation in 45 of the principal cities. The number of carriers employed was 757, at an aggregate compensation of \$448,664 51.

Full particulars of the operations of the Appointment office are shown in the Appendix.

The attention of this department has been again called to the subject of erecting a new post office building in the city of New York. The Chamber of Commerce of that city have recently adopted a series of resolutions recom-

mending the measure, in which it is urged that the present building, as regards its dimensions, accessibility by the public, and accommodations in general, is inadequate for the proper management of the large and constantly increasing postal business centring at New York. The sanitary condition of the building and post office employes is also reported by the medical officer as bad, owing to the want of sufficient room to accommodate the clerical force employed, and the impossibility of obtaining proper ventilation. If the proposed improvement can be made upon terms just to the government and the citizens of New York, this department has no hesitation in commending the measure to the favor of Congress.

DEAD LETTERS.

The number of dead letters received, examined, and disposed of was 4,368,087, an increase of 859,262 over the previous year.

The number containing money, and remailed to owners, was 42,154, with enclosures amounting to \$244,373 97. Of these, 35,268, containing \$210,954 90, were delivered, leaving 6,886 undelivered, with enclosures of the value of \$33,419 07. The number containing sums less than one dollar was 16,709, amounting to \$4,647 23, of which 12,698, containing \$3,577 62, were delivered to the writers.

The number of registered letters and packages was 3,966.

The number of letters containing checks, bills of exchange, deeds, and other papers of value, was 15,304, with a nominal value of \$3,329,888, of which 13,746, containing \$3,246,149, were delivered, leaving unclaimed 1,558, of the value of \$83,739.

The number containing photographs, jewelry, and miscellaneous articles was 69,902. Of these, 41,600 were delivered, and 28,302 remain for disposal, or, being worthless, have been destroyed. The number of valuable letters sent out was 107,979; an increase of 38,792 over previous year.

There were returned to public offices, including franked letters, 28,677.

The number containing stamps and articles of small value was 8,289; and of unpaid and misdirected letters 166,215.

The number of ordinary dead letters returned to the writers was 1,188,599, and the number not delivered was 297,304, being about 23 per cent. of the whole. Of those not delivered, less than 4 per cent. were refused by the writers.

The number of foreign letters returned was 167,449, and the number received from foreign countries was 88,361. For additional particulars see Appendix.

In the last report the attention of Congress was called to the expediency of restoring prepaid letters to the owners free of postage. The measure is again commended, with the additional suggestion that letters be forwarded, at the request of the party addressed, from one post office to another without extra charge.

The number of letters conveyed in the mails during 1865 is estimated at 467,591,600. Of these, 4,368,087 were returned to the Dead Letter office, including 566,097 army and navy letters, the non-delivered of which was not

chargeable to the postal service, they having passed beyond its control into the custody of the military and naval authorities. Deducting 1,156,401 letters returned to writers, or held as valuable, the total number lost or destroyed was 2,352,424, or one in every two hundred mailed for transmission and delivery. Fully three-fourths of the letters returned as dead fail to reach the parties addressed through faults of the writers, so that the actual losses from irregularities of service and casualties, ordinary and incidental to the war, did not exceed one in every eight hundred of the estimated number intrusted to the mails.

The returns of dead letters from cities are largely in excess of proportions based upon population. To them special efforts have been directed to secure the most efficient service, and it is believed improvements in operation, chiefly that of free delivery, will diminish the number of undelivered letters at offices in densely populated districts.

The number of applications for missing letters was 8,664, an increase of 3,552 over previous year. A misapprehension prevails in regarding the Dead Letter office as a depository for the safe-keeping of undelivered letters, and not as the agent for their final disposal; to correct which the regulations are appended.

The amount deposited in the treasury under act of 3d of March last were—

On account of sales of waste paper	\$9,420 67
Unclaimed dead-letter money	7,722 70
	<hr/>
	17,143 37
	<hr/>

Less than 25 per cent. of advertised letters are delivered. In some of the larger offices the proportion does not exceed 15 per cent. The payment of two cents for each letter advertised involves a yearly expenditure of about \$60,000 for letters returned as dead to the department. Measures have been adopted to reduce the expense, and the advertising is now secured at one-half the rate allowed by law. An obstacle to this economy is found in the law requiring the list of letters to be published in newspapers of largest circulation, which should be repealed, and the mode of advertising left to the discretion of the Postmaster General.

POSTAL MONEY-ORDER SYSTEM.

The number of offices is 419, including those in the Pacific States and Territories, and some of the principal offices in the southern States. Orders have been issued for putting into operation fifty-five additional offices. The number of money orders issued during the year was

74,277, of the value of	\$1,360,122 52
The number paid was 70,573, of the value of	\$1,291,792 22
Add amount repaid to purchasers	21,784 86
	<hr/>
	1,313,577 08
	<hr/>
Amount outstanding	46,545,44
	<hr/>

The number of duplicate orders was 422. Of these, 355 were issued to replace originals lost in the mails; 63 invalidated by age; and 3 by illegal indorsements.

The receipts were:

Fees on original orders	\$11,462 95
Fees on duplicate orders	71 95
Premium on exchange	1 50
	<hr/>
	11,536 40

The expenditures were:

Commissions to postmasters	\$2,226 27
Clerk-hire	8,350 72
Books and stationery	5,225 00
Premiums on drafts	91 70
Miscellaneous, including furniture and fixtures	2,690 68
	<hr/>
	18,584 37
	<hr/>
Excess of expenditures	7,047 97
	<hr/>

This deficiency has been provided for by the appropriation of \$100,000 of May last, leaving unexpended \$92,952 03 applicable to any deficiency of the current year; and as the proceeds of the system will hardly equal the expenditures until it is more generally established, it is recommended that any balance remaining at the close of the present may be applied to the deficiency of the next fiscal year.

The maximum amount of money orders is \$30, which may be judiciously increased to \$50, and the restriction to sums not less than one dollar removed, retaining the present minimum fee.

Under the law, the owner of a lost certificate, to obtain a duplicate, must furnish a statement, under oath or affirmation, of its loss or destruction, and procure from the postmaster by whom it was payable a certificate that the order has not and will not be paid. These requirements work a hardship to the party in that they compel him to pay the customary fee to the officer administering the oath, the cost of a revenue stamp affixed to that oath, and the payment of a second fee for the duplicate order. The loss of orders is seldom chargeable to any neglect of the owners, and postmasters should be authorized to administer oaths in cases of loss, and issue duplicate orders without charge.

The law would be further improved by extending the time within which the order may be paid to six months, the period now allowed, of ninety days, being too limited for the necessary correspondence between distant points.

Losses have occurred to the amount of \$645 by reason of the carelessness of remitters, the burning of steamers, and other causes, not chargeable to the system.

MISCELLANEOUS.

It will be seen by reference to the accompanying report of the Auditor of the Treasury for this department, to which the special attention of Congress is invited, that the estimated amount of claims of contractors and others residing in the southern States, chiefly those lately in insurrection, for services rendered previous to the rebellion, is not less than one million of dollars. Many of these claims have been presented, but none paid, under a rule adopted early in the war, of not paying claims to parties known to be engaged in aiding the rebellion. The questions connected with this subject applying alike to this and other executive branches of the government, they are respectfully referred to the determination of Congress.

Balances were due from southern postmasters at the outbreak of the rebellion amounting to \$369,027 87, few of which have been paid. Means are being employed, through courts and other agencies, to collect the amounts due to the government.

The closing of the war brought with it the necessity of restoring the postal service in the southern States. No time was lost in offering to the citizens of those States all the facilities which they were in condition to accept. Special agents were appointed to assist in the work of restoration. The provisional governors were notified of the readiness of the department to appoint postmasters upon their recommendation. They were also advised of its desire to put the mails on all the railroads within their respective States as soon as informed by them that the roads were ready to carry them, and the companies proper parties to intrust with their transportation. All applications for carrying the mails on land and water routes have been considered, and the service ordered at such rates of compensation as could be agreed upon.

Anticipating that the revenues from mail service in the south would be for some time considerably less than they were previous to the war, the necessity of reduced rates of compensation, and in many instances of reduced service, was obvious. This required new classifications of rates of payment to rail and water, and modifications of pay and service on land routes. Considerable reductions have been made in the maximum compensation to the first two classes of service, as the tables hereto appended exhibit. The reasonableness of these reductions has been generally appreciated by the contractors, and the mails are being transported by rail under contracts till the expiration of the current fiscal year, and by water till the 30th of June, 1869.

Greater difficulties have been encountered on the land routes, although the maximum rates adjusted by the amount of service to be performed are equal to the average of compensation allowed previous to the rebellion, except on certain routes where the former pay was excessive, and has been reduced.

Although the service has been restored in each of the southern States, it is not so general as the department has desired and the wants of the citizens require, because of the difficulty of procuring contractors and postmasters who

can take the oath prescribed by the acts of July 2, 1862, and March 3, 1863, requiring uniform loyalty to the government during the rebellion as the condition of holding office and for the conveying of the mails.

Appended hereto is a circular letter, addressed to the special agents of the department, embodying the principles on which the postal service is being restored in the south.

The Post Office Department was established on the principle of defraying its expenses out of its revenues. Its financial history shows that its annual receipts have rarely equalled its expenditures. During the last year there was a surplus of revenue, a result the more gratifying because no part of the appropriation for franked matter has been drawn upon. But so favorable a result cannot be anticipated for the current year, in consequence of the expenditures, incident to restoring the service in the southern States, which promise proportionately small receipts, because of the confused condition of the commercial and industrial interests within those States. It is hoped, however, that this unhappy condition will be but temporary, and that under their improved auspices as free communities, their contributions to the postal revenues will soon exceed any in their past history.

Although, in view of the financial wants of the government and the large demand for postal expenditures in the southern States, this department could but deem unwise any present reduction of domestic postage, it appreciates the duty of the government to lessen all postage rates to the minimum of not preventing the department to support itself from its revenues, and it perceives no reason why, in a few years, with our rapidly increasing prosperity, aided by judicious legislation, a reduction may not be made to the maximum letter rate adopted by Great Britain with such beneficent results. Moreover, the hope is indulged that the experience of European governments will concur with that of this, in favor of an early reduction of the present high rates of international postage, which are greatly disproportioned to the necessary cost of the intermediate land and ocean transportation, and serious obstacles to postal intercourse, commercial and social, between this country and all parts of Europe.

Among the many remarkable facts illustrating the progress of the people of the loyal States during the rebellion, in almost every department of material development and social advancement, having no precedent in history, and confounding the predictions of all having little faith in the vitality of free institutions and the resources of a free people, that of the increase of postal correspondence, as shown by the postal revenues, is not the least interesting and suggestive. The maximum annual receipts of this department previous to the rebellion from all the States was \$3,518,067 40, which was exceeded in the sum of \$6,038,091 30 by the receipts of the last year from the loyal States alone. The revenues during the past four years amounted to \$46,458,022 97, an average of \$11,614,505 74 per annum. Compared with the receipts of the four years immediately preceding, which amounted to \$32,322,640 73, the annual average increase of revenue was \$3,533 845 56, which has not resulted from any considerable additions to

the service, the ratio of receipts to expenditures having been larger than, with few exceptions, at any previous period. A proper regard to economy in administration, aided by larger contributions from all the States of the Union, will enable the department to increase its usefulness from year to year in all of its legitimate functions. But it must not be overlooked that the ability to fully perform its mission as the postal agent of the government is greatly impaired by the burdens imposed by the franking privilege, and expensive service upon routes established for other than postal purposes, the receipts from which are largely unremunerative. However much the establishment of these routes is to be commended for national objects, in which regard they command the approval of the country, it is not possible to see upon what principle they are wholly chargeable to the postal fund, which belongs to those by whom it has been contributed, and is pledged to meet the wants of the postal service.

The subjoined table illustrates the misapplication of the postal fund:

Routes.	Pay.	Receipts.	Excess of pay.
Salt Lake City to Folsom.....	\$385,000 00	\$23,934 44	\$726,065 56
Atchison to Salt Lake.....	365,000 00		
Kansas City to Santa Fe.....	35,743 00	6,536 57	29,206 43
Lincoln to Portland.....	225,000 00	24,791 67	200,208 33
The Dalles to Salt Lake.....	186,000 00	5,660 77	180,339 23
Total.....	1,196,743 00	60,923 45	1,135,819 55

These are instructive facts, showing how largely the revenues of this department are drawn upon for general objects of administration not properly chargeable to the postal fund. If to this be added the revenue which would accrue upon "free matter," charged with existing rates of postage, less the sum annually appropriated therefor, it is estimated that not less than two millions of dollars per annum are lost to the department, preventing an enlargement of mail accommodations to that extent in those States from which the postal revenues are mainly derived.

Respectfully submitted:

WILLIAM DENNISON,
Postmaster General.

The PRESIDENT.

DIRECCIÓN GENERAL

SELECTIONS FROM DOCUMENTS ACCOMPANYING REPORT OF THE POSTMASTER GENERAL.

Exhibit of annual receipts and expenditures from January 1, 1831, to June 30, 1865.

Period of time.	Receipts.	Expenditures.	Excess of receipts.	Excess of expenditures.
Year ending December 31, 1831.....	\$2,102,329 58	\$2,048,529 60	\$53,799 98	
Do.....31, 1832.....	2,466,108 79	2,643,711 37		\$177,602 65
Do.....31, 1833.....	2,718,863 23	3,004,554 54		285,691 31
Do.....31, 1834.....	2,881,639 29	2,953,191 33		72,151 94
Do.....31, 1835.....	3,152,376 48	2,583,108 30	569,268 18	
Half year ending June 30, 1836.....	1,819,106 87	1,377,247 77	441,859 10	
Fiscal year ending June 30, 1837.....	4,236,778 80	3,544,630 58	692,148 22	
Do.....30, 1838.....	4,236,778 80	4,430,062 21		193,283 75
Do.....30, 1839.....	4,484,656 70	4,636,536 31		151,879 61
Do.....30, 1840.....	4,543,521 92	4,718,235 64		174,713 72
Do.....30, 1841.....	4,407,730 27	4,499,527 61		91,801 34
Do.....30, 1842.....	5,025,506 65	5,674,751 76		649,245 11
Do.....30, 1843.....	4,296,225 43	4,374,753 71		78,528 28
Do.....30, 1844.....	4,237,387 83	4,296,512 70		59,224 87
Do.....30, 1845.....	4,439,841 80	4,320,731 99	119,109 81	
Do.....30, 1846.....	4,089,089 97	4,084,332 42	4,757 55	
Do.....30, 1847.....	4,013,447 14	3,971,975 12	41,472 02	
Do.....30, 1848.....	4,161,077 85	4,336,850 27		165,772 42
Do.....30, 1849.....	4,705,176 28	4,479,019 15	226,157 13	
Do.....30, 1850.....	5,499,084 26	5,212,953 43	286,131 43	
Do.....30, 1851.....	6,410,604 23	6,278,401 68	132,202 65	
Do.....30, 1852.....	5,184,526 84	7,108,459 04		1,923,932 20
Do.....30, 1853.....	5,240,724 70	7,982,756 59		2,742,031 89
Do.....30, 1854.....	6,235,686 22	8,577,424 12		2,341,837 90
Do.....30, 1855.....	6,642,136 13	9,068,342 29		2,426,206 16
Do.....30, 1856.....	6,920,821 66	10,405,586 36		3,484,764 70
Do.....30, 1857.....	7,339,951 76	11,508,057 03		4,168,105 27
Do.....30, 1858.....	7,486,792 63	12,722,470 01		5,235,677 38
Do.....30, 1859.....	7,968,484 07	11,438,083 63		3,469,599 56
Do.....30, 1860.....	8,318,067 40	19,170,609 99		10,852,542 59
Do.....30, 1861.....	8,349,256 40	13,606,759 11		5,257,502 71
Do.....30, 1862.....	8,229,820 90	11,125,394 15		2,895,573 25
Do.....30, 1863.....	11,163,789 59	11,314,896 84		150,417 25
Do.....30, 1864.....	12,438,253 78	12,644,786 30		206,532 52
Do.....30, 1865.....	14,556,158 70	13,094,758 28	861,400 42	
Total.....	300,311,894 47	244,745,881 59	3,427,906 81	47,664,893 93

Estimates for expenditures for 1867.

For transportation of the mails (inland).....	\$10,450,000
For ship, steamboat, and way letters.....	8,000
For compensation to postmasters.....	4,250,000
For clerks for post offices.....	1,920,000
For payments to letter-carriers.....	640,000
For wrapping paper.....	100,000
For twine.....	30,000
For letter balances.....	6,000
For compensation to blank agents and assistants.....	8,000
For office furniture.....	6,000
For advertising.....	80,000
For postage stamps and stamped envelopes.....	550,000
For mail depredations and special agents.....	100,000
For mail bags.....	130,000
For mail locks, keys, and stamps.....	30,000
For payments of balances due foreign countries.....	350,000
For miscellaneous payments.....	320,000
Total.....	18,678,000

Postage stamps and stamped envelopes issued during the fiscal year 1864-'65.

Quarter ended—	1-cent.	2-cent.	3-cent.	5-cent.	10-cent.	12-cent.	24-cent.	30-cent.	30 cent
September 30, 1864.....	345,300	11,920,500	53,151,200	303,120	1,049,040	337,125	454,575	140,540	22,800
December 31, 1864.....	462,700	12,900,300	79,388,600	247,150	935,340	275,450	419,075	131,900	9,570
March 31, 1865.....	175,300	14,477,250	85,933,850	276,340	1,100,540	322,900	480,300	141,650	19,490
June 30, 1865.....	1,137,600	12,351,200	78,039,200	381,440	1,061,440	310,860	454,400	156,940	14,890
Total	2,120,800	49,749,250	336,512,950	1,207,180	4,165,400	1,216,925	1,808,350	571,090	66,750

Stamped envelopes and newspaper wrappers.

Quarter ended—	2-cent circular.	2-cent drop.	3-cent note.	3-cent letter.	3-cent extra letter.	6-cent official.	Newspaper wrappers.
September 30, 1864.....	.....	420,425	67,250	4,148,950	28,750	5,050	147,000
December 31, 1864.....	.....	923,000	163,000	7,531,000	65,000	11,000	.....
March 31, 1865.....	.....	386,500	149,250	4,431,750	50,000	18,400	.....
June 30, 1865.....	468,750	692,250	241,750	4,456,750	5,000	26,600	1,018,750
Total	468,750	2,422,175	621,250	20,568,450	148,750	61,050	1,165,750

Stamped envelopes bearing a request for the return of unclaimed letters.

Quarter ended—	2-cent circular.	3-cent note.	3-cent letter.	3-cent extra letter.	6-cent official.
June 30, 1865.....	6,000	1,000	731,000	10,000	2,000

Whole number of postage stamps..... 387,419,457.....value \$12,099,987 50
 Whole number of stamped envelopes..... 25,040,425.....value 724,135 00
 Whole number of newspaper wrappers..... 1,165,750.....value 23 315 00

Table of mail service in the following States and Territories for the year ended

[The entire service and pay are set down to the State under which it is numbered, though extending into other States, instead of being divided among the States in which each portion of it lies.]

States and Territories.	Length of routes.	ANNUAL TRANSPORTATION AND COST.					
		Celerity, certainty, and security.		By steamboat.		By railroad.	
		Miles.	Dollars.	Miles.	Dollars.	Miles.	Dollars.
Maine.....	4,374	3,825	23,231	60	1,630	412	33,921
New Hampshire.....	1,832	1,360	17,932	.....	.....	566	62,910
Vermont.....	2,217	1,711	27,688	.....	.....	1,336	163,234
Massachusetts.....	2,736	1,160	27,362	240	7,800	123	17,911
Rhode Island.....	372	221	3,859	28	800	750	98,409
Connecticut.....	1,678	922	17,218	.....	.....	3,061	347,672
New York.....	13,148	7,443	130,751	2,644	25,088	727	82,890
New Jersey.....	2,086	1,275	33,694	84	4,388	2,532	237,108
Pennsylvania.....	13,213	10,506	199,294	85	6,300	112	11,258
Delaware.....	473	301	9,776	.....	.....	830	118,408
Maryland.....	2,912	2,046	52,007	36	547	.....	.....
Ohio.....	10,330	6,621	117,272	187	6,500	3,512	451,563
West Virginia.....	1,822	1,465	21,401	427	25,709	.....	.....
Michigan.....	7,430	5,361	60,985	1,013	22,791	1,076	118,407
Indiana.....	7,455	5,774	57,292	.....	.....	1,679	186,130
Illinois.....	9,748	6,604	108,807	.....	.....	2,844	282,851
Wisconsin.....	7,122	5,832	70,828	162	725	1,128	99,983
Iowa.....	8,537	7,661	135,111	110	2,704	766	46,894
Missouri.....	7,852	6,682	135,830	432	23,350	831	123,626
Minnesota.....	5,261	4,682	90,816	539	36,435	471	51,700
Kentucky.....	5,973	4,968	92,607	534	25,700	.....	.....
California.....	11,328	4,852	403,091	6,336	\$158,000	140	\$49,040
Oregon.....	1,713	1,602	209,513	111	11,990	.....	.....
Kansas.....	4,060	4,060	414,802	.....	.....	.....	.....
Nevada.....	400	400	20,664	.....	.....	.....	.....
New Mexico Territory.....	1,703	1,703	58,332	.....	.....	.....	.....
Utah Territory.....	1,528	1,528	419,334	.....	.....	.....	.....
Nebraska Territory.....	1,234	1,234	40,372	.....	.....	.....	.....
Washington Territory.....	1,359	1,359	40,922	.....	.....	.....	.....
Colorado Territory.....	1,146	1,146	28,774	.....	.....	.....	.....
Dakota Territory.....	325	325	3,344	.....	.....	.....	.....
Arizona Territory.....	850	850	60,000	.....	.....	.....	.....
Total.....	142,340	105,851	3,179,865	13,088	359,388	23,401	2,707,421
Route, local, and other agents and mail messengers.....	.....	.....	.....	.....	.....	.....	.....
Aggregate.....	.....	.....	.....	.....	.....	.....	.....

June 30, 1865, as exhibited by the state of the arrangements at the close of the year.

[The entire service and pay are set down to the State under which it is numbered, though extending into other States, instead of being divided among the States in which each portion of it lies.]

Total annual transportation by celerity, certainty, and security.	Total annual transportation by steamboat.	Total annual transportation by railroad.	Total annual transportation.	Total annual cost.	Remarks.
Miles.	Miles.	Miles.	Miles.	Dollars.	
1,411,384	490,334	405,444	1,816,828	108,506	
709,262	617,877	439,608	1,459,414	864,422	
94,352	433,370	190,681	724,003	1,148,870	
3,070,812	3,070,812	3,070,812	3,070,812	2,227,051	
533,452	533,452	533,452	533,452	198,486	
3,397,728	3,397,728	3,397,728	3,397,728	320,577	
160,836	160,836	160,836	160,836	1,224,452	
837,944	837,944	837,944	837,944	503,551	
1,975,844	1,975,844	1,975,844	1,975,844	180,884	
1,260,451	1,260,451	1,260,451	1,260,451	442,702	
1,165,276	1,165,276	1,165,276	1,165,276	21,044	
1,866,509	1,866,509	1,866,509	1,866,509	236,962	
1,358,870	1,358,870	1,358,870	1,358,870	575,337	
2,238,370	2,238,370	2,238,370	2,238,370	48,101	
1,708,574	1,708,574	1,708,574	1,708,574	902,163	
1,095,768	1,095,768	1,095,768	1,095,768	243,433	
1,388,739	1,388,739	1,388,739	1,388,739	391,638	
1,490,000	1,490,000	1,490,000	1,490,000	171,608	
419,746	419,746	419,746	419,746	184,769	
1,574,888	1,574,888	1,574,888	1,574,888	281,836	
88,010	88,010	88,010	88,010	127,311	
177,164	177,164	177,164	177,164	176,007	
606,008	606,008	606,008	606,008	610,131	
415,376	415,376	415,376	415,376	221,503	
147,420	147,420	147,420	147,420	414,802	
154,284	154,284	154,284	154,284	.....
64,584	64,584	64,584	64,584	.....
88,400	88,400	88,400	88,400	.....
31,461,220	31,461,220	31,461,220	31,461,220	556,603	
2,444,626	2,444,626	2,444,626	2,444,626	6,803,467	
24,067,568	24,067,568	24,067,568	24,067,568	.....
57,293,404	57,293,404	57,293,404	57,293,404	.....
6,246,884	6,246,884	6,246,884	6,246,884	.....

* Embraces the sea routes to southern ports.

† The Baltimore, Wilmington, and Philadelphia railroad is under a Maryland number.

‡ Includes steamboat service from Louisville to Cincinnati, and from Evansville, Indiana, to Cairo, Illinois.
§ Includes the amount paid for the service from New York, via Panama, to San Francisco, under act of Congress approved March 23, 1864.

|| Includes "overland" route from Atchison, Kansas, to Salt Lake City, Utah.

¶ Includes "overland" route from Salt Lake City, Utah, to Folsom City, California.

GEO. WM. MCLELLAN,
Second Assistant Postmaster General.

Table showing the increase and decrease of mail transportation and cost in

	CELERITY, CERTAINTY, AND SECURITY.						STEAM
States and Territories.	Length of routes.		Cost.		Length of routes.		
	Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.	
	Miles.	Miles.	Dollars.	Dollars.	Miles.	Miles.	
Maine		2	480				
New Hampshire		26	107				
Vermont		17	1,033				
Massachusetts		1	213				
Rhode Island		1	28				
Connecticut		11	128				
New York		111	2,456				
New Jersey			5,090		25		
Pennsylvania			21,689				
Delaware		35	1,959				
Maryland			9	4,524			
Ohio			1,712	4,362		2	
West Virginia			43	159		74	
Michigan		11	2,253				
Indiana			299		617		
Illinois			13	8,293			
Wisconsin			345		7,910		
Iowa			359	2,494			\$112
Missouri			2,095		11,001,649		
Minnesota			71	1,780			
Kentucky			35	368			125
California			26	157,708		6,062	
Oregon			692	171,600			10
Kansas			879	11,836			
Nevada			233	21,264			
New Mexico Territory			83				
Utah Territory			784	11,888,697			
Nebraska Territory			105	1,089			
Washington Territory			622		10,535		
Colorado Territory			419		11,836		
Dakota Territory			107		780		
Arizona Territory			850	60,000			
Total	3,532	6,959	1,215,041	1,033,327	6,163	353	
Deduct		2,532	1,033,327				
Increase			181,714		5,810		
Decrease		3,427					

* Pay on No. 2, Augusta to Skowhegan, increased to \$100 per mile per annum.

† Corrected distance.

‡ This increase is owing to the conveying the New York and Boston through night mail 7 times a week on the Providence and New London route.

§ Route from Fort Madison to Davenport discontinued.

|| "Overland mail" transferred to Kansas, Nebraska, and California.

the following States and Territories during the year ended June 30, 1865.

BOAT.		RAILROAD.				TOTAL ANNUAL TRANSPORTATION.		TOTAL ANNUAL COST.	
Cost.		Length of routes.		Cost.		Net increase.	Net decrease.	Net increase.	Net decrease.
Increase.	Decrease.	Increase.	Decrease.	Increase.	Decrease.				
Dollars.	Dollars.	Miles.	Miles.	Dollars.	Dollars.	Miles.	Miles.	Dollars.	Dollars.
		11		557		34,072		1,037	
							5,278	107	
						27,404		1,033	
						3,796		213	
						147,161		29	
						4,524		128	
1,375		72				97,734		3,631	
350		78		13,532		15,768		18,972	
	75	341		35,787		233,537		57,401	
						35,724		1,929	
	42			800		51,390		5,292	
		88		22,645			30,461	27,007	
						106,183		159	
5,463		84		4,082		99,367		11,798	
			60		7,443		46,532	8,060	
		22		11,803		84,474		20,096	
		27		5,988		32,360		1,922	
	6,240	65		3,838		167,370		92	
		20		4,388			1,196,167	997,261	
						8,459		1,780	
	7,500						26,418	7,132	
**112,500		117		**44,400		315,276		314,608	
493						299,040		172,093	
						638,900		357,447	
						30,602		21,264	
							8,580		
						545,368		388,697	
						468		1,089	
							50,792	10,535	
							41,496	11,836	
							11,296	780	
						88,400		60,000	
180,181	13,857	854	69	147,820	7,443	3,097,367	1,419,230	1,465,941	1,037,526
19,857				7,443		1,419,230		1,037,526	
106,324		785		140,377		1,078,137		498,415	

* Route from Bowling Green to Evansville not in operation.

** The amount paid for the service from New York, via Panama, to San Francisco is included in these sums.

† Occasioned by the cost of the "overland mail."

GEO. WM. McLELLAN,
Second Assistant Postmaster General.

DIRECCIÓN GENERAL DE BIBLIOTECAS

Total operations of the appointment office for the year ending June 30, 1865.

States and Territories.	Established.	Discontinued.	Names and sites changed.	Appointments on changes of name and site.	Resigned.	Removed.	Deceased.	Total cases.
Alabama					3			3
Arkansas					1	1		2
Arizona	1		1		65	22	7	137
California	27	13	3	2	11	2		28
Colorado	7	8			50	16	6	82
Connecticut	3	4	3	2	8	7		21
Dakota	3	2	1	1	4	1	2	9
Delaware	1		1	1			1	2
District of Columbia	1				3			4
Florida	1				6	4		11
Georgia	1				320	71	21	518
Idaho	42	52	12	4	340	55	13	512
Illinois	36	54	14	13	258	42	9	404
Indiana	45	39	11	7	50	16	2	98
Iowa	18	8	4	2	146	45	11	333
Kansas	66	54	11	9	1	2		3
Kentucky					75	18	9	114
Louisiana	19	17	4	3	61	16	4	121
Maine	2	1	1	1	53	15	9	81
Maryland	17	24	13	10	144	40	11	249
Massachusetts	25	20	14	11	90	25	3	177
Michigan					1	2		3
Minnesota	43	70	15	12	195	50	9	382
Mississippi	1				1	3		5
Missouri	6	11	3	2	28	9		57
Montana	8	4			12	2		26
Nebraska	7	2	3	3	53	9	4	78
Nevada	9	7	2		45	25	4	92
New Hampshire	2		1	1	4			7
New Jersey	28	27	12	4	363	98	31	559
New Mexico					1	9		10
New York	16	52	17	9	384	76	22	567
North Carolina	10	6	2	1	26	1		45
Ohio	42	33	24	16	374	98	26	597
Oregon	1	1	2	2	8	2	1	15
Pennsylvania						1	1	2
Rhode Island	4	1			14	37		56
South Carolina						4		4
Tennessee	42	2			10	1		55
Texas	5	3	6	3	68	21	3	106
Utah	3	1	2	2	11	9	1	27
Vermont	1	6			12	6	1	26
Virginia	12	23	4	2	76	16	7	138
Washington	26	34	10	7	200	48	11	329
West Virginia								
Wisconsin								
	586	582	200	132	3,575	925	229	6,097

Table showing the increase and decrease of post offices in the several States and Territories; also the number of post offices at which appointments are made by the President and by the Postmaster General.

States and Territories.	Whole number of post offices June 30, 1864.	Increase.	Decrease.	By the President of the United States, June 30, 1864.	Increase.	Decrease.	Total by the President of the United States, June 30, 1865.	Total by the Postmaster General, June 30, 1865.	Whole number of offices in the United States June 30, 1865.
Alabama	875			8			8	867	875
Arkansas	730			2	1		3	727	730
Arizona	1	1						2	2
California	408	14		15	1		16	406	422
Colorado	53		1	2			2	50	52
Connecticut	381		1	20		1	19	361	380
Dakota	11	1						12	12
Delaware	67	1		2			2	66	68
District of Columbia	4	1		2			2	3	5
Florida	174	1		2	3		5	170	175
Georgia	893			12			12	881	893
Idaho	17	1						18	18
Illinois	1,539		10	55		2	53	1,476	1,529
Indiana	1,242		18	35		3	32	1,192	1,224
Iowa	979	6		25		3	22	963	985
Kansas	272	10		6			6	276	282
Kentucky	720	12		19	1		20	712	732
Louisiana	387			5			5	382	387
Maine	801	2		20		1	19	784	803
Maryland	413	2		12			12	403	415
Massachusetts	659	1		58		2	56	604	660
Michigan	843		7	31	1		32	804	836
Minnesota	478	5		7	1		8	475	483
Mississippi	668			8			8	660	668
Missouri	860		27	16			16	817	833
Montana		1			1		1		1
Nebraska	125		5	2			2	118	120
Nevada	19	4		2	1		3	20	23
New Hampshire	392	5		10			10	387	397
New Jersey	480	2		21			21	461	482
New Mexico	15	2		1			1	16	17
New York	2,586	1		103			103	2,484	2,587
North Carolina	1,185			7	1		8	1,177	1,185
Ohio	1,932		36	57	1		58	1,838	1,893
Oregon	99	4		1	1		2	101	103
Pennsylvania	2,556	9		60	1		61	2,504	2,565
Rhode Island	94			7		1	6	88	94
South Carolina	634			6		1	5	629	634
Tennessee	1,028	3		6	1		7	1,024	1,031
Texas	923			4			4	919	923
Utah	74	40		1			1	113	114
Vermont	437	2		11			11	428	439
Virginia	1,247	2		13	2		15	1,234	1,249
Washington	67		5					62	62
West Virginia	546		11	2	4		6	529	535
Wisconsin	964		8	29			29	927	956
	28,878	133	129	705	21	14	712	28,170	28,882

Post offices at which letter-carriers are employed, with the number and aggregate compensation of the latter at each office.

Offices.	Aggregate carriers.	Aggregate pay.	Remarks.
New York, N. Y.	157	\$126,538 62	
Philadelphia, Pa.	129	91,909 88	
Boston, Mass.	49	31,694 52	
Baltimore, Md.	25	21,919 40	
Cincinnati, Ohio	30	13,492 73	
Brooklyn, N. Y.	26	19,232 81	
St. Louis, Mo.	26	16,048 06	
Chicago, Ill.	38	21,980 96	
Buffalo, N. Y.	15	10,198 56	
Louisville, Ky.	15	4,984 55	
Washington, D. C.	25	17,843 90	
Newark, N. J.	7	3,850 00	
Albany, N. Y.	16	6,433 65	
Providence, R. I.	9	3,981 50	
Pittsburg, Pa.	12	3,774 24	Incomplete.
Rochester, N. Y.	9	4,936 67	
Cleveland, Ohio.	19	9,722 46	
Lowell, Mass.	3	1,425 00	
Hartford, Conn.	4	2,572 43	
Utica, N. Y.	9	5,748 75	
Syracuse, N. Y.	10	4,400 92	
Harrisburg, Pa.	2	1,229 25	
Wilmington, Del.	5	1,679 68	
Cambridgeport, Mass.	2	977 66	
Charlestown, Mass.	4	1,992 77	
Williamsburg, N. Y.	6	4,200 00	
Jersey City, N. J.	3	1,471 75	
Troy, N. Y.	7	3,484 27	
Roxbury, Mass.	6	2,613 03	
Detroit, Mich.	20	9,314 47	3 quarters.
Reading, Pa.	2	928 36	
New Bedford, Mass.	4	2,175 50	
Trenton, N. J.	3	1,286 92	
Lancaster, Pa.	1	600 00	
Worcester, Mass.	5	2,886 58	
Allegheny, Pa.	4	1,734 06	
Cambridge, Mass.	1	366 66	Incomplete.
Lynn, Mass.	3	1,805 87	
Manchester, N. H.	3	1,356 61	
New Haven, Conn.	5	2,806 66	
Portland, Me.	2	1,150 00	
Salem, Mass.	3	1,561 61	
Toledo, Ohio	7	3,733 37	
Milwaukee, Wis.	16	4,575 34	2 quarters.
New Brunswick, N. J.	1	500 00	

Statement of the operations of the free-delivery letter-carrier system at the following offices for the fiscal year ending June 30, 1865.

Offices.	Letters delivered.	Papers delivered.	Paid for delivery.	Average per letter.
				Cts. ms.
New York	12,030,918	947,475	\$126,538 62	1 0
Philadelphia	7,339,647	821,066	91,909 88	1 2
Boston	3,383,860	263,362	31,694 52	0 8
Baltimore	1,905,940	236,832	21,919 40	1 1
Brooklyn	1,723,639	168,960	19,232 81	1 1
Washington, D. C.	1,352,631	244,641	17,843 90	1 3
Cincinnati	1,153,891	141,080	13,492 73	1 1
St. Louis	1,107,524	146,464	16,048 06	1 4
Cleveland	956,256	229,106	9,722 46	1 0

NOTE.—This statement is based on the letter delivery, no account being taken of the delivery of papers, pamphlets, etc.; nor of the letters collected and mailed by the carriers, numbering almost as many as the letters delivered.

Statement showing the disposition of letters received containing money during the year ending June 30, 1865.

	Letters.	Amount.
Number of letters sent out for delivery	42,154	
Aggregate contents of the same		\$244,373 97
Number of letters delivered	35,268	
Aggregate amount of money restored		210,954 90
Number of letters returned and filed	3,583	
Aggregate amount in same		17,368 90
Number of letters held for disposition	1,772	
Aggregate amount contained in same		9,634 41
Number of letters outstanding	1,531	
Aggregate amount in same		6,415 76

Statement exhibiting the receipts of the Post Office Department, under their several appropriate heads, by quarters, for the fiscal year ended June 30, 1865.

Receipts.	3d quarter, 1864.	4th quarter, 1864.	1st quarter, 1865.	2d quarter, 1865.	Total am't under each head.	Aggregate amount.
Letter-postage.....	\$259,204 78	\$234,470 14	\$244,520 74	\$199,574 52	\$937,770 18	
Newspaper postage, &c.....	147,366 57	147,422 38	146,403 49	132,615 39	579,807 83	
Registered letters.....	12,450 45	15,371 90	15,460 40	13,223 90	56,506 65	
Fines.....	7 50	5 00		5 00	17 50	
Emoluments.....	111,883 49	139,637 05	147,211 16	146,594 89	545,326 59	
Stamps sold.....	3,010,133 81	3,181,313 36	3,279,772 40	2,928,508 28	12,399,727 85	
Miscellaneous.....	8,468 41	5,321 42	4,563 32	13,426 19	31,777 34	
Dead letters.....				5,222 70	5,222 70	
	3,549,515 07	3,723,541 25	3,837,931 51	3,445,170 87		\$14,556,158 70

OFFICE OF THE AUDITOR OF THE TREASURY
FOR THE POST OFFICE DEPARTMENT, October 25, 1865.

J. M. MCGREW, Acting Auditor.

Statement exhibiting the expenditures of the Post Office Department, under their several appropriate heads, by quarters, for the fiscal year ended June 30, 1865.

Expenditures.	3d quarter, 1864.	4th quarter, 1864.	1st quarter, 1865.	2d quarter, 1865.	Total am't under each head.	Aggregate amount.
Compensation to postmasters.....	\$875,151 82	\$845,661 14	\$832,435 33	\$830,133 48	\$3,383,381 77	
Compensation to letter-carriers.....	112,550 35	121,562 86	126,001 26	134,089 17	494,203 64	
Ship, steamboat, and way let- ters.....	1,420 92	1,705 60	722 14	1,527 08	5,394 74	
Transportation of the mails.....	1,584,501 19	1,934,715 69	1,781,708 24	1,840,779 79	7,141,704 91	
Wrapping paper.....	17,828 90	15,587 30	17,095 40	40,950 85	91,462 55	
Office furniture.....	1,070 50	109 62	175 75	175 83	1,531 70	
Advertising.....	11,780 91	24,716 91	15,080 68	18,837 61	70,416 11	
Mail bags.....	24,022 79	52,532 60	28,905 74	20,115 59	125,586 72	
Blank agents and assistants.....	1,508 55	1,672 10	1,544 25	1,615 72	6,340 62	
Mail locks, keys, and stamps.....	2,830 30	1,011 55	637 50	1,221 95	5,701 30	
Mail depredations and special agents.....	12,932 98	13,612 08	19,385 44	17,004 72	62,935 22	
Clerks for offices.....	372,720 07	125,566 25	541,197 14	429,452 41	1,528,936 87	
Postage stamps and stamped envelopes.....	53,342 26	37,210 57	47,231 74	45,604 29	183,478 86	
Miscellaneous.....	41,604 64	36,033 39	101,985 99	123,425 50	303,069 61	
Miscellaneous account of Bro- man mails.....		50,816 40			50,816 40	
Miscellaneous account of Ham- burg mails.....		69,327 56			69,327 56	
Miscellaneous acc't of French mails.....		35,677 04			35,677 04	
Miscellaneous account of Brit- ish mails.....			134,762 87		134,762 87	
	3,113,285 27	3,427,539 36	3,648,869 47	3,505,034 18		13,694,728 28

OFFICE OF THE AUDITOR OF THE TREASURY
FOR THE POST OFFICE DEPARTMENT, October 25, 1865.

J. M. MCGREW, Acting Auditor.

Statement showing the transactions of the Money Order office, from November 1, 1864, to the end of the fiscal year, June 30, 1865, embracing a period of eight months.

1865.

RECEIPTS.

June 30. Amount transferred from postage fund to commence money order business and to enable postmasters who were short of money order funds to pay orders drawn on them.....	\$191,666 37
Received for 74,277 money orders issued.....	1,360,122 52
Fees received on same.....	\$11,462 95
Fees received on duplicate orders.....	71 95
Premium received for drafts sold.....	11,534 90
Amount received on deposit account.....	1 50
Balance due late postmasters, June 30.....	941,996 26
	58 32
	<u>2,505,379 87</u>

DISBURSEMENTS.

Amount of money orders paid.....	\$1,291,972 22
Amount repaid at issuing offices.....	21,784 86
Transferred to postage fund.....	147,162 88
Remitted on deposit account.....	954,202 17
Amount due from late postmasters.....	1 11
Expenses: Clerk hire.....	\$8,350 72
Commissions.....	2,226 27
Blank Books.....	4,271 30
Stationery.....	953 70
Premium paid on exchange.....	91 70
Miscellaneous.....	2,690 68
Total expenses.....	18,584 37
Balance in hands of postmasters*.....	71,672 26
	<u>2,505,379 87</u>

*NOTE.—The difference between the amount of deposits received and remitted, to wit, \$12,205 91, should be added to the balance in the hands of postmasters, in order to show the true condition of the fund. The reason of this discrepancy occurs from the fact that the above amount, though remitted and credit taken therefor previous to 30th June, was not received at the deposit offices till subsequent to that date.

Statement showing the condition of the Money Order fund at the close of the fiscal year, June 30, 1865.

RESOURCES.

Balance in hands of postmasters.....	\$71,672 26
Add amount remitted and credit taken therefor previous to June 30th, but received at the deposit offices subsequent to that date.....	12,205 91
Due from late postmasters.....	1 11

LIABILITIES.

Money orders outstanding June 30.....	\$46,365 44
Amount due postage fund.....	44,503 49
Balance due postmasters.....	58 32
Deficit.....	\$7,047 97
	<u>90,927 25</u>
	<u>90,927 25</u>

Statement showing the disparity between the amount of money orders issued and the amount paid at certain offices.

Offices.	Issued.	Paid.
<i>Offices in which the issues exceed the payments.</i>		
Albany, N. Y.	\$19,160 55	\$12,378 61
Alexandria, Va.	18,801 73	5,630 10
Cairo, Ill.	10,381 35	3,655 62
Chattanooga, Tenn.	69,121 07	5,347 69
City Point, Va.	68,642 95	8,027 73
Memphis, Tenn.	30,158 73	4,964 75
Nashville, Tenn.	104,225 13	12,037 18
Newberne, N. C.	28,348 44	5,566 91
New Orleans, La.	29,016 44	9,419 70
Port Royal, S. C.	10,987 09	2,664 12
Providence, R. I.	20,308 78	12,942 63
St. Louis, Mo.	43,998 81	31,688 45
Vicksburg, Miss.	7,139 61	1,116 80
Washington, D. C.	78,891 22	50,269 31
<i>Offices in which payments exceed the issues.</i>		
Baltimore, Md.	20,096 60	33,148 80
Boston, Mass.	31,064 43	72,784 19
Brooklyn, N. Y.	18,482 43	32,678 87
Detroit, Mich.	10,084 94	20,846 44
Lynn, Mass.	1,873 16	6,445 34
New Haven, Ct.	5,438 45	10,440 27
New London, Ct.	700 09	2,198 52
New York, N. Y.	79,126 23	225,715 83
Oswego, N. Y.	1,981 85	4,111 18
Philadelphia, Pa.	79,790 09	117,463 94
Pittsburg, Pa.	11,716 73	17,816 08
Portland, Me.	4,698 06	7,313 10
Rochester, N. Y.	4,925 82	14,713 13
St. Paul, Minn.	3,516 21	9,533 44
Salem, Mass.	2,724 39	5,211 85
Utica, N. Y.	5,056 04	9,581 87

Statement showing the number and amount of money orders issued, with the amount of fees received therefor, the number and amount of orders paid and amount repaid at issuing offices, the amount allowed postmasters on account of commissions and clerk hire, and the miscellaneous and total expenses at each and all of the money order offices from November 1, 1864, to June 30, 1865.

Name of place.	Number of orders issued.	Amount of orders issued.	Amount of fees received.	Number of orders paid.	Amount of orders paid.	Amount repaid to purchasers.	Commissions and clerk hire.	Miscellaneous expenses.	Total expenses.
Albany, N. Y.*	1,224	\$19,160 55	\$174 63	701	\$12,378 61	\$651 40	\$300 00	\$122 29	\$492 99
Albion, N. Y.	93	1,297 21	12 70	73	1,440 81	50 00	6 02	25 40	31 42
Alexandria, Va.	221	18,801 73	144 60	355	5,630 10	42 00	55 21	20 50	75 71
Alton, Ill.	222	3,796 62	33 70	135	2,274 07	10 00	14 05	22 50	36 55
Annapolis, Md.	189	3,977 62	30 70	156	2,493 94	13 33	22 50	35 83	58 63
Asbury, N. Y.	271	3,751 40	36 50	246	5,376 87	65 00	18 87	27 00	45 87
Augusta, Mo.	118	2,421 33	19 45	111	2,436 19	25 00	9 51	20 25	29 76
Baltimore, Md.	1,146	20,096 60	173 60	1,872	33,148 80	343 00	119 90	119 90	119 90
Beaumont, Me.	101	1,932 10	16 35	211	4,856 44	11 50	34 50	46 00	46 00
Beloit, Wis.	197	2,476 72	25 95	123	2,770 41	68 75	12 09	36 00	48 09
Binghamton, N. Y.	146	2,092 51	19 55	177	3,958 33	5 00	11 45	34 01	35 46
Bloomington, Ill.	129	1,636 18	16 40	164	3,166 38	9 40	9 40	9 40	9 40
Boston, Mass.	1,638	31,064 43	237 80	4,032	72,784 19	641 90	585 44	177 76	763 20
Bridgeport, Conn.	224	3,227 22	31 20	161	3,750 10	25 00	15 04	34 75	49 79
Brooklyn, N. Y.	991	18,482 43	155 25	1,561	32,678 87	663 60	92 78	98 49	191 27
Buffalo, N. Y.	504	7,653 78	71 20	968	10,180 08	125 00	400 00	36 50	436 50
Burlington, Vt.	177	2,299 27	22 05	93	1,784 84	29 00	9 55	44 47	54 02
Burlington, Iowa.	280	3,833 60	38 90	125	2,955 69	45 00	16 64	23 10	39 74
Cairo, Ill.	541	10,381 35	84 85	105	3,635 62	57 00	32 83	45 50	78 33
Chattanooga, Tenn.	2,637	69,121 07	486 90	345	5,347 69	60 00	168 96	46 25	215 21
Chicago, Ill.	2,541	43,028 34	378 40	3,312	56,255 39	789 87	167 58	88 10	255 68
Chillicothe, Ohio.	113	1,437 39	14 75	59	1,077 91	22 00	6 25	15 00	21 25
Cincinnati, Ohio.	1,993	34,558 25	209 30	3,122	53,258 52	636 49	666 67	106 41	883 08
City Point, Va.	2,670	68,642 95	486 95	414	8,047 73	290 00	67 37	67 37	67 37
Cleveland, Ohio.	841	13,706 25	124 50	1,048	20,019 97	290 00	110 50	110 50	110 50
Columbus, Ohio.	522	7,277 80	71 60	464	7,666 00	98 00	37 12	37 12	37 12
Concord, N. H.	173	3,124 51	26 65	186	4,081 10	2 50	13 96	43 00	56 96
Cumberland, Md.	231	3,098 65	34 40	59	930 10	35 00	12 61	26 11	38 72
Davenport, Iowa.	646	9,477 86	92 05	185	3,419 26	62 88	34 94	61 80	96 74
Dayton, Ohio.	832	11,400 59	113 40	257	5,109 21	226 95	44 16	54 40	98 56
Des Moines, Iowa.	130	1,668 98	17 35	142	2,273 62	8 60	36 27	44 87	44 87
Detroit, Mich.	686	10,084 94	95 30	1,029	20,846 44	241 00	54 00	54 00	54 00
Dubuque, Iowa.	245	3,284 69	32 60	212	3,802 93	103 50	15 64	25 70	41 30
Easton, Pa.	162	2,680 06	23 55	79	1,426 62	47 00	9 61	40 50	50 11
Eastport, Me.	108	2,268 15	18 00	46	1,139 23	.....	7 41	51 00	58 41
Elgin, Ill.	157	1,819 01	20 45	48	1,075 73	15 00	8 14	28 65	36 79
Elmira, N. Y.	352	6,173 09	53 15	356	7,309 40	177 00	26 84	82 17	109 01
Erie, Pa.	321	4,945 50	46 00	123	2,554 50	18 00	18 51	26 00	44 51
Evansville, Ind.	294	4,571 30	42 60	151	2,339 35	52 15	17 85	32 22	50 07
Fall River, Mass.	123	1,794 25	17 40	111	2,139 40	28 60	8 46	22 00	30 46
Fort Wayne, Ind.	560	7,455 40	75 15	183	3,417 43	105 64	29 31	49 75	79 06
Frederick, Md.	173	2,452 22	24 25	124	1,989 57	5 50	10 57	3 50	14 07
Freeport, Ill.	341	3,912 17	44 00	226	3,595 39	45 00	19 14	30 40	49 54
Galea, Ill.	464	6,616 04	64 75	135	2,787 26	305 74	25 04	18 00	43 04
Grand Rapids, Mich.	309	4,068 63	41 62	122	2,567 20	33 50	17 05	44 60	61 65
Harrisburg, Pa.	440	6,775 49	62 45	341	6,872 88	94 40	29 39	39 15	68 54
Hartford, Conn.*	313	5,027 53	45 95	436	8,550 71	45 00	80 51	30 23	110 74
Honesdale, Pa.	146	1,799 79	18 20	90	2,400 67	85 00	9 05	25 15	34 20
Hudson, N. Y.	138	1,913 39	18 35	107	2,313 64	27 00	8 08	45 75	54 73
Indianapolis, Ind.*	637	9,987 54	91 90	326	6,784 86	114 70	150 00	84 50	234 50
Jefferson City, Mo.	77	1,222 90	11 05	63	943 95	8 85	4 85	30 00	34 85
Jersey City, N. J.	209	3,566 73	30 85	277	5,107 09	57 00	16 65	28 50	45 15
Johnstown, Pa.	101	1,367 22	13 50	85	1,988 16	36 00	6 96	26 10	33 06
Kalamazoo, Mich.	205	2,575 74	26 95	200	4,346 12	5 00	14 20	40 95	55 37
Keene, N. H.	73	1,017 10	10 10	63	1,444 12	35 00	5 16	7 50	12 66
Keokuk, Iowa.	837	3,313 63	33 15	136	2,801 29	27 00	14 52	24 75	39 27
La Crosse, Wis.	223	3,615 20	32 75	153	3,330 72	40 00	15 05	38 40	53 45
Lafayette, Ind.	222	3,280 10	31 65	144	3,122 60	5 00	14 43	30 00	44 43
Lansing, Mich.	70	615 29	8 00	128	3,006 36	20 00	6 41	45 78	52 19
Lewistown, Pa.	157	1,985 74	20 40	64	1,361 25	.....	8 47	42 00	50 47
Lexington, Ky.	195	3,063 50	28 25	84	1,306 59	20 00	11 14	42 00	53 14
Lima, Ohio.	168	2,621 65	24 15	21	402 75	22 00	8 54	51 40	59 94
Lockport, N. Y.	128	1,747 12	17 69	179	3,582 88	112 17	10 32	48 50	58 82
Louisville, Ky.	720	13,828 56	119 85	565	11,721 66	115 00	55 78	55 78	55 78
Lowell, Mass.	341	5,399 04	48 65	301	6,707 71	127 00	24 50	44 25	68 84
Lynn, Mass.	115	1,873 16	18 85	285	6,445 34	25 00	13 64	20 75	34 39
Madison, Ind.	265	4,042 38	38 30	60	1,286 15	12 00	14 26	20 75	35 11
Madison, Wis.	296	4,343 10	40 95	286	5,844 45	140 14	30 93	38 25	59 18
Manchester, N. H.	136	2,121 21	19 80	162	3,652 52	130 00	11 14	40 33	51 47
Marietta, Ohio.	156	2,536 45	23 20	65	1,424 75	65 00	9 49	3 80	13 29
Readville, Pa.	271	4,249 76	38 40	65	1,506 93	6 00	14 67	94 96	109 63

*Clerk hire allowed. †In operation from Feb. 25 to June 3. ‡Commenced operations Feb. 11, 1865.

Statement showing the number and amount of money orders, &c.—Continued.

Name of place.	Number of orders issued.	Amount of orders issued.	Amount of fees received.	Number of orders paid.	Amount of orders paid.	Amount repaid to purchasers.	Commissions and clerk hire.	Miscellaneous expenses.	Total expenses.
Memphis, Tenn.*	1,438	\$30,158 73	\$238 65	265	\$4,964 75	\$406 00	\$160 00	\$62 75	\$542 75
Milwaukee, Wis.*	1,044	15,743 70	146 15	908	20,255 23	401 21	300 00	228 70	528 70
Montpelier, Vt.	43	689 19	6 15	114	2,333 16	40 00	4 97	63 63	67 59
Muscatine, Iowa	276	3,807 74	37 70	112	2,484 82	43 00	15 65	15 00	30 65
Nashua, N. H.	92	1,174 82	12 30	95	1,867 35	70 00	6 41	29 50	35 91
Nashville, Tenn.	4,087	104,225 13	772 40	841	12,637 18	313 00	48 40	101 85	150 25
Newark, N. J.	537	11,012 57	96 15	638	13,046 71	499 60	19 14	68 76	87 90
New Bedford, Mass.	318	4,283 97	45 80	170	3,124 15	135 00	107 64	181 56	27 55
Newbern, N. C.	1,109	28,348 44	200 45	297	5,566 91	129 00	6 55	21 00	27 55
Newburgh, N. Y.	60	723 90	7 25	153	3,339 76	88 00	4 64	17 07	21 71
New Castle, Pa.	79	1,339 03	11 40	33	690 10	33 00	29 50	61 70	91 20
New Haven, Conn.	344	5,438 45	49 40	522	10,440 27	88 00	4 84	12 00	16 44
New London, Conn.	45	700 09	6 35	109	2,498 52	107 50	48 39	28 00	74 39
New Orleans, La.*	1,237	29,016 44	213 45	455	9,419 70	105 00	20 98	29 69	50 67
Newport, R. I.	339	5,884 37	50 40	143	3,363 34	105 00	33 33	849 56	182 69
New York, N. Y.*	4,146	79,126 23	653 10	14,237	225,715 82	138 67	2,353 33	849 56	182 69
Norfolk, Va.	462	9,497 40	75 20	326	6,464 49	28 50	33 12	44 00	77 12
Norwich, N. Y.	53	599 94	6 55	50	1,156 49	30 00	3 62	14 50	18 12
Ogdensburg, N. Y.	246	3,637 19	34 50	101	1,915 67	24 85	13 87	22 40	36 27
Old Point Comfort, Va.	532	12,138 33	92 50	424	8,295 05	13 75	41 17	34 25	75 42
Oswego, N. Y.	161	1,961 85	20 65	198	4,111 18	48 00	11 99	16 50	28 49
Ottawa, Ill.	348	4,155 60	44 80	76	1,678 54	91 50	17 01	26 50	43 51
Peoria, Ill.	473	6,781 14	64 65	271	5,672 76	71 00	28 61	30 25	58 86
Philadelphia, Pa.*	3,091	79,790 09	694 50	6,528	117,463 94	3,453 88	1,111 10	635 83	1,766 93
Pittsburg, Pa.	676	11,716 73	100 85	942	17,816 08	288 25	9 37	22 00	31 37
Pittsfield, Mass.	140	1,923 88	19 00	117	2,559 74	5 00	2 67	3 35	6 02
Plattsburg, N. Y.	33	423 96	4 30	46	1,011 88	30 00	21 93	34 50	56 43
Portland, Me.	244	4,698 06	38 40	319	7,313 10	30 00	29 36	92 87	122 23
Port Royal, S. C.	415	10,987 09	78 20	118	2,694 12	50 00	8 46	26 25	34 71
Portsmouth, N. H.	112	1,984 19	16 85	103	2,300 95	50 00	1 94	62 00	63 94
Portsmouth, Ohio	39	314 50	3 75	29	573 12	400 00	25 64	12 12	37 76
Pottsville, Pa.	377	6,300 61	57 30	221	5,245 85	47 00	12 84	24 07	36 91
Poughkeepsie, N. Y.	112	1,627 43	16 00	292	6,032 83	453 17	133 31	114 25	247 56
Providence, R. I.*	1,196	20,308 78	184 03	602	12,942 63	453 17	133 31	114 25	247 56
Quincy, Ill.	425	5,785 89	57 45	294	4,776 30	50 00	25 15	26 75	51 90
Racine, Wis.	344	4,636 94	46 60	235	4,681 92	40 22	21 37	26 25	47 62
Reading, Pa.	293	4,323 43	42 65	71	1,215 48	35 00	17 37	28 35	45 72
Red Wing, Minn.	177	1,835 64	23 35	122	2,534 08	35 00	8 92	48 85	57 77
Rochester, N. Y.	386	4,925 82	50 70	830	14,713 13	141 40	14 72	24 50	39 22
Rockford, Ill.	235	3,185 59	31 40	168	3,429 41	104 45	11 93	14 00	25 93
Rock Island, Ill.	191	2,831 01	26 85	137	2,406 97	30 00	4 78	24 00	28 78
Rutland, Vt.	67	947 40	9 25	72	1,484 71	10 00	9 14	55 25	64 39
St. Joseph, Mo.*	169	2,617 72	24 05	42	914 50	498 00	666 59	214 75	981 34
St. Louis, Mo.*	2,399	43,998 81	370 65	1,706	31,688 45	498 00	23 03	52 50	75 53
St. Paul, Minn.	252	3,516 21	33 50	432	9,533 44	146 78	13 99	11 25	25 24
Salem, Mass.	156	2,724 39	22 50	251	5,211 85	10 00	13 99	11 25	25 24
Sandusky, Ohio	479	7,067 41	67 25	271	4,877 32	28 00	28 47	42 00	70 47
Saratoga Springs, N. Y.	110	1,495 50	14 70	103	2,164 33	50 00	7 59	32 44	40 01
Scranton, Pa.	201	2,848 72	27 90	120	2,527 24	56 00	12 31	32 60	44 91
Sheboygan, Wis.	214	2,913 86	29 30	95	2,041 49	23 75	12 29	36 00	48 29
Springfield, Mass.	281	4,699 27	41 60	350	6,203 57	50 00	21 60	27 50	49 10
Springfield, Ill.	487	7,437 31	69 80	238	4,638 31	158 50	29 05	48 85	78 00
Syracuse, N. Y.	486	6,240 27	64 45	443	9,003 23	194 25	14 00	28 75	42 75
Terre Haute, Ind.	263	3,303 77	34 69	104	1,929 61	65 84	29 14	41 50	70 64
Toledo, Ohio	471	6,476 40	63 95	301	6,271 50	94 67	16 71	15 00	31 71
Trenton, N. J.	221	4,063 53	33 90	214	4,348 43	36 00	40 97	94 00	64 97
Troy, N. Y.	715	10,369 91	99 10	346	6,369 29	124 78	6 37	35 40	41 77
Urbana, Ohio	137	1,446 60	17 15	58	515 55	69 45	28 64	60 78	109 42
Utica, N. Y.	370	5,056 04	50 05	479	9,581 87	70 00	19 58	5 40	24 98
Vicksburg, Miss.	335	7,139 61	55 00	55	1,116 80	49 00	90 87	25 90	46 77
Vincennes, Ind.	437	6,094 17	60 20	36	682 21	49 00	90 87	25 90	46 77
Washington, D. C.*	3,872	78,891 22	623 95	2,871	50,929 31	305 15	933 31	63 92	996 23
Watertown, N. Y.	187	2,885 04	37 60	177	3,564 58	65 00	13 62	20 00	33 62
Wheeling, West Va.	439	6,468 66	62 80	153	2,949 02	195 81	24 59	48 60	72 59
Williamsport, Pa.	313	5,341 19	46 40	81	1,765 26	90 00	17 65	37 20	54 85
Wilmington, Del.	481	8,114 76	70 85	269	5,031 49	160 00	29 88	32 12	62 00
Winona, Minn.	162	2,450 79	23 25	99	2,036 91	12 50	10 26	44 87	55 13
Worcester, Ohio	154	2,360 83	22 25	53	1,066 60	20 00	8 71	39 00	47 71
Worcester, Mass.	414	7,288 30	62 35	365	7,946 06	181 00	29 69	24 19	53 88
Xenia, Ohio	169	2,354 47	22 90	151	3,283 53	68 00	11 72	38 50	46 22
Zanesville, Ohio	228	2,876 30	30 10	140	3,055 70	30 00	13 84	83 75	97 59

* Clerk hire allowed.

† Commenced operations February 11, 1865.

OFFICE OF THE AUDITOR OF THE TREASURY
FOR THE POST OFFICE DEPARTMENT, October 31, 1865.

I. N. ARNOLD, Auditor.

REPORT

OF

THE SECRETARY OF THE NAVY.

NAVY DEPARTMENT, December 4, 1865.

SIR: In my last annual report I presented to Congress and the country such description as the occasion seemed to require of the measures of administration by which our naval force had, during the preceding four years, been created and organized, with an account of the method and manner in which it had been applied in arduous and unexampled forms of action for the suppression of the rebellion. The review then given of the principal operations and the brilliant achievements of our navy closed with the memorable recovery of the harbor and the almost impregnable defences of Mobile.

In this report, besides the exposition of the ordinary business of this department, including the suggestions and recommendations deemed necessary for the proper regulation of the naval service in the present condition of the country, it will be my duty to complete the official record of the triumphs of the navy in the final operations and closing scenes of the war, to indicate the new arrangement and organization of the several squadrons consequent upon the termination of the blockade and the cessation of active hostilities, to exhibit the vigilance and energy of our blockading and cruising service, as testified by the number and value of the captures made in the unrelaxing and successful efforts to cut off illicit commercial intercourse with rebel ports; and especially to exhibit the policy and measures of the department in effecting at the earliest moment, in view of returning peace, a reduction of naval expenditures, while providing for the prompt re-establishment at any time of our great naval power in all its efficiency to meet the exigencies of any possible crisis in which its services may be invoked to maintain the rights or vindicate the honor of the country.

The demands upon the naval service, which for four years had been exacting, were relaxed upon the fall of Fort Fisher. That event, and the possession of Cape Fear river, closed all access to Wilmington, the port of rebel supplies, put an end to illicit traffic with the States in insurrection, and extinguished the last remnants of that broken commerce which foreign adventurers had, notwithstanding constant and severe losses, persisted in carrying on by breach of blockade. The capture of Wilmington was preliminary to the fall of Richmond and the surrender of the rebel armies, which were thenceforward deprived of supplies

Statement showing the number and amount of money orders, &c.—Continued.

Name of place.	Number of orders issued.	Amount of orders issued.	Amount of fees received.	Number of orders paid.	Amount of orders paid.	Amount repaid to purchasers.	Commissions and clerk hire.	Miscellaneous expenses.	Total expenses.
Memphis, Tenn.*	1,438	\$30,158 73	\$238 65	265	\$4,964 75	\$406 00	\$160 00	\$62 75	\$542 75
Milwaukee, Wis.*	1,044	15,743 70	146 15	908	20,255 23	401 21	300 00	228 70	528 70
Montpelier, Vt.	43	689 19	6 15	114	2,333 16	40 00	4 97	63 63	67 59
Muscatine, Iowa	276	3,807 74	37 70	112	2,484 82	43 00	15 65	15 00	30 65
Nashua, N. H.	92	1,174 82	12 30	95	1,867 35	70 00	6 41	29 50	35 91
Nashville, Tenn.	4,087	104,225 13	772 40	841	12,637 18	313 00	48 40	101 85	150 25
Newark, N. J.	537	11,012 57	96 15	638	13,046 71	499 60	19 14	68 76	87 90
New Bedford, Mass.	318	4,283 97	45 80	170	3,124 15	135 00	73 92	107 64	181 56
Newbern, N. C.	1,109	28,348 44	200 45	297	5,566 91	129 00	6 55	21 00	27 55
Newburgh, N. Y.	60	723 90	7 25	153	3,339 76	88 00	4 64	17 07	21 71
New Castle, Pa.	79	1,339 03	11 40	33	690 10	33 00	29 50	61 70	91 20
New Haven, Conn.	344	5,438 45	49 40	522	10,440 27	88 00	4 84	12 00	16 44
New London, Conn.	45	700 09	6 35	109	2,498 52	107 50	48 39	28 00	74 39
New Orleans, La.*	1,237	29,016 44	213 45	455	9,419 70	105 00	20 98	29 69	50 67
Newport, R. I.	339	5,884 37	50 40	143	3,363 34	105 00	33 33	849 56	1,892 89
New York, N. Y.*	4,146	79,126 23	653 10	14,237	225,715 82	138 67	2,353 33	44 00	77 12
Norfolk, Va.	462	9,497 40	75 20	326	6,464 49	28 50	3 62	14 50	18 12
Norwich, N. Y.	53	599 94	6 55	50	1,156 49	24 85	13 87	22 40	36 27
Ogdensburg, N. Y.	246	3,637 19	34 50	101	1,915 67	24 85	41 17	34 25	75 42
Old Point Comfort, Va.	532	12,138 33	92 50	424	8,295 05	13 75	11 99	16 50	28 49
Oswego, N. Y.	161	1,961 85	20 65	198	4,111 18	48 00	17 01	26 50	43 51
Ottawa, Ill.	348	4,155 60	44 80	76	1,678 54	91 50	28 61	30 25	58 86
Peoria, Ill.	473	6,781 14	64 65	271	5,672 76	71 00	1,111 10	635 83	1,766 93
Philadelphia, Pa.*	3,091	79,790 09	694 50	6,528	117,463 94	3,453 88	28 25	48 65	48 65
Pittsburg, Pa.	676	11,716 73	100 85	942	17,816 08	288 25	9 37	22 00	31 37
Pittsfield, Mass.	140	1,923 88	19 00	117	2,559 74	5 00	2 67	3 35	6 02
Plattsburg, N. Y.	33	423 96	4 30	46	1,011 88	30 00	21 93	34 50	56 43
Portland, Me.	244	4,698 06	38 40	319	7,313 10	30 00	29 36	92 87	122 23
Port Royal, S. C.	415	10,987 09	78 20	118	2,694 42	50 00	8 46	26 25	34 71
Portsmouth, N. H.	112	1,984 19	16 85	103	2,300 95	50 00	1 94	62 00	63 94
Portsmouth, Ohio	39	314 50	3 75	29	573 12	400 00	25 64	12 12	37 76
Pottsville, Pa.	377	6,300 61	57 30	221	5,245 85	47 00	12 84	24 07	36 91
Poughkeepsie, N. Y.	112	1,627 43	16 00	292	6,032 83	453 17	133 31	114 25	247 56
Providence, R. I.*	1,196	20,308 78	184 03	602	12,942 63	50 00	25 15	26 75	51 90
Quincy, Ill.	425	5,785 89	57 45	294	4,776 30	50 00	21 37	26 25	47 62
Racine, Wis.	344	4,636 94	46 60	235	4,681 92	40 22	17 37	28 35	45 72
Reading, Pa.	293	4,323 43	42 65	71	1,215 48	35 00	8 92	48 85	57 77
Red Wing, Minn.	177	1,835 64	23 35	122	2,534 08	35 00	9 25	92 25	92 25
Rochester, N. Y.	386	4,925 82	50 70	830	14,713 13	141 40	14 72	24 50	39 22
Rockford, Ill.	235	3,185 59	31 40	168	3,429 41	104 45	11 93	14 00	25 93
Rock Island, Ill.	191	2,831 01	26 85	137	2,406 97	36 00	4 78	24 00	28 78
Rutland, Vt.	67	947 40	9 25	72	1,484 71	10 00	9 14	55 25	64 39
St. Joseph, Mo.*	169	2,617 72	24 05	42	914 50	498 00	666 59	214 75	981 34
St. Louis, Mo.*	2,399	43,998 81	370 65	1,706	31,688 45	446 78	23 03	52 50	75 53
St. Paul, Minn.	252	3,516 21	33 50	432	9,533 44	10 00	13 99	11 25	25 24
Salem, Mass.	156	2,724 39	22 50	251	5,211 85	28 00	28 47	42 00	70 47
Sandusky, Ohio	479	7,067 41	67 25	271	4,877 32	50 00	7 59	32 44	40 01
Saratoga Springs, N. Y.	110	1,495 50	14 70	103	2,164 33	50 00	12 31	32 60	44 91
Scranton, Pa.	201	2,848 72	27 90	120	2,527 24	56 00	13 29	36 00	48 29
Sheboygan, Wis.	214	2,913 86	29 30	95	2,041 49	23 75	29 05	48 85	78 00
Springfield, Mass.	281	4,699 27	41 60	350	6,203 57	50 00	21 60	27 50	49 10
Springfield, Ill.	487	7,437 31	69 80	238	4,638 31	158 50	14 00	28 75	42 75
Syracuse, N. Y.	486	6,240 27	64 45	443	9,003 23	194 25	29 14	41 50	70 64
Terre Haute, Ind.	263	3,303 77	34 69	104	1,929 61	65 84	16 71	15 00	31 71
Toledo, Ohio	471	6,476 40	63 95	301	6,271 50	94 67	40 97	94 00	64 97
Trenton, N. J.	221	4,063 53	33 90	214	4,348 43	36 00	6 37	35 40	41 77
Troy, N. Y.	715	10,369 91	99 10	346	6,369 29	124 78	28 64	60 78	109 42
Urbana, Ohio	137	1,446 60	17 15	58	515 55	69 45	19 58	5 40	24 98
Utica, N. Y.	370	5,056 04	50 05	479	9,581 87	70 00	90 87	25 90	49 77
Vicksburg, Miss.	335	7,139 61	55 00	55	1,116 80	49 00	90 87	25 90	49 77
Vincennes, Ind.	437	6,094 17	60 20	36	682 21	49 00	90 87	25 90	49 77
Washington, D. C.*	3,872	78,891 22	623 95	2,871	50,929 31	305 15	933 31	63 92	996 23
Watertown, N. Y.	187	2,885 04	37 60	177	3,564 58	65 00	13 62	20 00	33 62
Wheeling, West Va.	439	6,468 66	62 80	153	2,949 02	195 81	24 59	48 60	72 59
Williamsport, Pa.	313	5,341 19	46 40	81	1,765 26	90 00	17 65	37 20	54 85
Wilmington, Del.	481	8,114 76	70 85	269	5,031 49	160 00	29 88	32 12	62 00
Winona, Minn.	162	2,430 79	23 25	99	2,036 91	12 50	10 26	44 87	55 13
Worcester, Ohio	154	2,360 83	22 25	53	1,066 60	20 00	8 71	39 00	47 71
Worcester, Mass.	414	7,288 30	62 35	365	7,946 06	181 00	29 69	24 19	53 88
Xenia, Ohio	169	2,354 47	22 90	151	3,283 53	68 00	11 72	38 50	40 22
Zanesville, Ohio	228	2,876 30	30 10	140	3,055 70	30 00	13 84	83 75	97 59

* Clerk hire allowed.

† Commenced operations February 11, 1865.

OFFICE OF THE AUDITOR OF THE TREASURY
FOR THE POST OFFICE DEPARTMENT, October 31, 1865.

I. N. ARNOLD, Auditor.

REPORT

OF

THE SECRETARY OF THE NAVY.

NAVY DEPARTMENT, December 4, 1865.

SIR: In my last annual report I presented to Congress and the country such description as the occasion seemed to require of the measures of administration by which our naval force had, during the preceding four years, been created and organized, with an account of the method and manner in which it had been applied in arduous and unexampled forms of action for the suppression of the rebellion. The review then given of the principal operations and the brilliant achievements of our navy closed with the memorable recovery of the harbor and the almost impregnable defences of Mobile.

In this report, besides the exposition of the ordinary business of this department, including the suggestions and recommendations deemed necessary for the proper regulation of the naval service in the present condition of the country, it will be my duty to complete the official record of the triumphs of the navy in the final operations and closing scenes of the war, to indicate the new arrangement and organization of the several squadrons consequent upon the termination of the blockade and the cessation of active hostilities, to exhibit the vigilance and energy of our blockading and cruising service, as testified by the number and value of the captures made in the unrelaxing and successful efforts to cut off illicit commercial intercourse with rebel ports; and especially to exhibit the policy and measures of the department in effecting at the earliest moment, in view of returning peace, a reduction of naval expenditures, while providing for the prompt re-establishment at any time of our great naval power in all its efficiency to meet the exigencies of any possible crisis in which its services may be invoked to maintain the rights or vindicate the honor of the country.

The demands upon the naval service, which for four years had been exacting, were relaxed upon the fall of Fort Fisher. That event, and the possession of Cape Fear river, closed all access to Wilmington, the port of rebel supplies, put an end to illicit traffic with the States in insurrection, and extinguished the last remnants of that broken commerce which foreign adventurers had, notwithstanding constant and severe losses, persisted in carrying on by breach of blockade. The capture of Wilmington was preliminary to the fall of Richmond and the surrender of the rebel armies, which were thenceforward deprived of supplies

from abroad. It released at once a large portion of our naval force, and led to immediate measures for the reduction of our squadrons, and the withdrawal of all vessels which could be dispensed with from the blockade. Such of them as were purchased and no longer required by the government, have from time to time been sold to meet the demands of reviving commerce, which has rapidly expanded as the country became quieted and industry was resumed at the south. Trade and peaceful employment have led to the reopening of the avenues of commercial and social intercourse, and the steamers bought from the merchant service for war purposes have been to a great extent returned to their former pursuits.

NORTH ATLANTIC SQUADRON—CAPTURE OF WILMINGTON AND ITS DEFENCES.

As early as 1862 the necessity of closing the port of Wilmington became a primary object with this department, and was never relinquished; but without military aid and co-operation it could not be effected or even wisely attempted. In September, 1864, the department had such assurances of military assistance as to feel warranted in entering upon the necessary preparations for assembling an adequate naval force to undertake and perform its part in accomplishing the work. In order that there should be no failure, the department concentrated a sufficient force to insure success. To place that force under the command of the first officer in the navy was a duty. Vice-Admiral Farragut was therefore selected to conduct the enterprise, but impaired health, the result of exposure and unremitting exertions during two years of active labor and unceasing efforts in the Gulf, rendered it imprudent for that distinguished and energetic officer to enter upon this service. He had, moreover, important work yet to be finished on the Gulf coast, where he was then operating, and was therefore on his own request excused from this new command. Rear-Admiral Porter, who had shown great ability as the commander of the Mississippi squadron, and had identified himself with many of its most important achievements, was transferred to the command of the North Atlantic squadron, which embraced within its limits Cape Fear river and the port of Wilmington.

A fleet of naval vessels, surpassing in numbers and equipments any which had assembled during the war, was collected with despatch at Hampton Roads. Various causes intervened to delay the movement, and it was not until the early part of December that the expedition departed for Beaufort, N. C., the place of rendezvous. Some further necessary preparations were there made, which, together with unfavorable weather and other incidents, delayed the attack until the 24th of December. On that day Rear-Admiral Porter, with a bombarding force of thirty-seven vessels, five of which were iron-clads, and a reserved force of nineteen vessels, attacked the forts at the mouth of Cape Fear river, and silenced them in one hour and a quarter; but there being no troops to make an assault or attempt to possess them, nothing beyond the injury inflicted on the works and the garrison was accomplished by the bombardment. A renewed attack was made the succeeding day, but with scarcely better results. The fleet shelled the forts during the day and silenced them, but no assault was

made, or attempted, by the troops which had been disembarked for that purpose.

Major General Butler, who commanded the co-operating force, after a reconnaissance, came to the conclusion that the place could not be carried by an assault. He therefore ordered a re-embarkation, and informing Rear-Admiral Porter of his intention, returned with his command to Hampton Roads. Immediate information of the failure of the expedition was forwarded to the department by Rear-Admiral Porter, who remained in the vicinity with his entire fleet, awaiting the needful military aid. Aware of the necessity of reducing these works, and of the great importance which the department attached to closing the port of Wilmington, and confident that with adequate military co-operation the fort could be carried, he asked for such co-operation, and earnestly requested that the enterprise should not be abandoned. In this the department and the President fully concurred. On the suggestion of the President, Lieutenant General Grant was advised of the confidence felt by Rear-Admiral Porter that he could obtain complete success, provided he should be sufficiently sustained. Such military aid was therefore invited as would insure the fall of Fort Fisher.

A second military force was promptly detailed, composed of about eight thousand five hundred men, under the command of Major General A. H. Terry, and sent forward. This officer arrived off Fort Fisher on the 13th of January. Offensive operations were at once resumed by the naval force and the troops were landed and intrenched themselves, while a portion of the fleet bombarded the works. These operations were continued throughout the 14th with an increased number of vessels. The 15th was the day decided upon for an assault. During the forenoon of that day forty-four vessels poured an incessant fire into the rebel forts. There was, besides, a force of fourteen vessels in reserve. At 3 p. m. the signal for the assault was made. Desperate fighting ensued, traverse after traverse was taken, and by 10 p. m. the works were all carried, and the flag of the Union floated over them. Fourteen hundred sailors and marines were landed and participated in the direct assault.

Seventy-five guns, many of them superb rifle pieces, and nineteen hundred prisoners were the immediate fruits and trophies of the victory; but the chief value and ultimate benefit of this grand achievement consisted in closing the main gate through which the insurgents had received supplies from abroad and sent their own products to foreign markets in exchange.

Light-draught steamers were immediately pushed over the bar and into the river, the channel of which was speedily buoyed, and the removal of torpedoes forthwith commenced. The rebels witnessing the fall of Fort Fisher, at once evacuated and blew up Fort Caswell, destroyed Bald Head Fort and Fort Shaw, and abandoned Fort Campbell. Within twenty-four hours after the fall of Fort Fisher, the main defence of Cape Fear river, the entire chain of formidable works in the vicinity shared its fate, placing in our possession one hundred and sixty-eight guns of heavy calibre.

The heavier naval vessels being no longer needed in that quarter, were despatched in different directions—some to James river and northern ports, others

to the Gulf or the South Atlantic squadron. An ample force was retained, however, to support the small but brave army which had carried the traverses of Fort Fisher, and enable it, when re-enforcements should arrive, to continue the movement on Wilmington.

Great caution was necessary in removing the torpedoes, always formidable in harbors and internal waters, and which have been more destructive to our naval vessels than all other means combined.

About the middle of February offensive operations were resumed in the direction of Wilmington, the vessels and the troops moving up the river in concert. Fort Anderson, an important work, was evacuated during the night of the 18th of February, General Schofield advancing upon this fort with eight thousand men, while the gunboats attacked it by water.

On the 21st the rebels were driven from Fort Strong, which left the way to Wilmington unobstructed, and on the 22d of February that city was evacuated. Two hundred and twelve guns were taken in the works from the entrance of Old river, including those near the city, and thus this great and brilliant achievement was completed.

SOUTH ATLANTIC SQUADRON—FALL OF CHARLESTON.

In November, 1864, the department officially advised Rear-Admiral Dahlgren that Major General Sherman had commenced his march from Atlanta to the seaboard, and that he might be expected to reach the Atlantic coast, in the vicinity of Savannah, about the middle of December. Rear-Admiral Dahlgren was instructed to be prepared to co-operate with General Sherman, and furnish him any needed naval assistance which it might be in his power to render. Before these instructions reached him, Rear-Admiral Dahlgren, who was thus not unprepared to hear of the movement of the army from Atlanta to the coast, had conferred with Major General Foster, then commanding the department of the south, and concerted with him plans to assist, so far as their joint forces would allow, in establishing communication with the advancing general. A combined expedition was at once organized for cutting the railroad communication between Charleston and Savannah, and otherwise engaging the attention of the insurgents in that quarter. Force was displayed at the most important points along the Carolina coast, and every available means adopted to aid in the success of the grand and novel military movement which was in progress through the heart of a hostile country.

General Sherman reached the vicinity of Savannah on the 12th of December, and communication between him and Rear-Admiral Dahlgren was immediately established. The latter made the best possible disposition of the vessels then under his command, to assist the army in obtaining possession of Savannah. By the 18th of December the investment of that city, by the navy on one side and the army on the other, was accomplished. The garrison, however, succeeded in escaping across the river and effecting a retreat towards Charleston, leaving General Sherman to occupy Savannah on the 21st of that month.

Early in January Rear-Admiral Dahlgren was engaged in assisting in the

transfer of the right wing of the army to Beaufort, S. C., and in the course of General Sherman's march northward that officer and his army were aided by all needed naval demonstrations.

On the 12th and 13th of February a joint movement was made along the approaches from Bull's Bay to Mount Pleasant, with a view of embarrassing the military commandant at Charleston, and blinding him as to the actual military design. No real or serious attack on Charleston was meditated. Only a diversion was contemplated at that moment. Other less extensive movements than that at Bull's Bay were made about that period, full details of which will be found in the despatches forming a part of the appendix to this report. They were intended simply to attract the attention of the rebels and aid General Sherman in accomplishing his great purpose of moving towards Richmond. Charleston was in the mean time vigilantly watched to detect the first indications of its abandonment by the rebels, which it was known must take place at an early day. The troops stationed thereabout were advanced, and the iron-clads were moved nearer to the rebel works. During the night of the 17th of February the batteries were ceaselessly employed, and the vessels in the harbor gave them watchful attention. The morning of the 18th revealed the fact that Charleston was evacuated. Thus, without a final struggle, the original seat of the rebellion, the most invulnerable and best protected city on the coast, whose defences had cost immense treasure and labor, was abandoned, and the emblem of unity and freedom was again reinstated upon the walls of Sumter.

The evacuation of Charleston was followed by that of Georgetown on the 23d of February, and on the 26th of that month the place itself was occupied by Rear-Admiral Dahlgren.

WEST GULF SQUADRON—SURRENDER OF MOBILE AND THE REBEL FLEET.

When Vice-Admiral Farragut left the West Gulf squadron in the later autumn of 1864, the command devolved on Commodore James S. Palmer, senior officer on the station. This officer continued operations until the arrival of Admiral Farragut's successor, Acting Rear-Admiral Thatcher, who bears testimony to his subsequent efficiency and untiring services throughout the attack on the defences of Mobile, and acknowledges also his indebtedness to Commodore Palmer for the admirable manner in which the vessels had been prepared for arduous service under that officer's supervision. The resumption of offensive operations against the city of Mobile, under the direction of Major General Canby, was not determined upon until early in January, when Acting Rear-Admiral Thatcher, then recently appointed to the command of the West Gulf squadron, was ordered to proceed immediately to New Orleans, in order to co-operate with the military commander.

The force placed under Acting Rear-Admiral Thatcher was increased by light-draught iron-clads detached from the Mississippi squadron for service in Mobile bay. A joint movement by land and water was arranged and carried into execution. Indications that the rebels were about to evacuate the city led to a naval reconnoissance in force to ascertain the facts, on the 11th of March, with five monitors, in as close proximity as the shallow water and obstructions

would permit. This movement drew from the insurgents such a fire as to place beyond doubt that those defences were still intact.

The troops were landed on the 21st of March on the left bank of Fisher's river, about seventeen miles from its junction with the bay, and advanced as rapidly as the condition of the road would permit, while the naval vessels shelled the woods and kept open communication by signals with General Canby for co-operation. The rebels doubtless believed that the naval vessels were not able to cross the bar of Blakely river; and even if successful in crossing, that it was in their power to destroy the boats by their marsh batteries and the innumerable torpedoes with which the river was filled. They did succeed in sinking two of the monitors and four wooden gunboats at the entrance of Blakely river, by these sub-marine implements of destruction, although the river had been thoroughly dragged, and many torpedoes were removed before the vessels went over the bar. Beyond the sinking of these vessels and the loss of a few lives, no serious consequences attended the approach to and capture of Mobile.

The principal works of defence between the city and the fortresses which guarded the entrance to the bay, captured in August, 1864, by the fleet while commanded by Vice-Admiral Farragut, were Fort Alexis and Spanish Fort. By the 3d of April these had been completely invested by the troops, and during the night of the 8th and morning of the 9th they were, after a short but severe bombardment, captured, and with them from 1,000 to 2,000 men, with sixteen heavy guns. With the key to Mobile thus secured, the outer works of importance batteries Tracy and Huger, were within easy reach, and on the evening of the 11th they were evacuated.

On the 12th the troops were conveyed to the west side of the city for the purpose of an attack, and the fleet gained a suitable position for performing its share of this work, but it was soon ascertained that the city was at the mercy of our arms, all the remaining defences having been abandoned. A formal surrender was therefore demanded by General Granger and Acting Rear-Admiral Thatcher, which was complied with and possession was taken of the city. The works which environed Mobile were of immense strength and extent. Nearly 400 guns were captured, some of them new and of the heaviest calibre.

The rebel army, on evacuating the city, retreated up the Tombigbee. Preparations to follow and capture them were far advanced; when, on the 4th of May, propositions were received from Commander Farrand, commanding the rebel naval forces in the waters of Alabama, to surrender all the vessels, officers, men, and property yet afloat and under blockade on the Tombigbee. The basis of the terms of surrender being the same as those of General Lee, were accepted. On the 10th of May the formal surrender took place, and the insurgent navy ceased to be an organization. Four vessels were surrendered, and 112 officers, 285 men, and 24 marines, were paroled and permitted to return to their homes.

Sabine Pass and Galveston, the only remaining rebel fortified points on the Gulf coast, soon capitulated. The forts at the first-named place were evacuated on the 25th of May, and the commandant of the defences of Galveston gave assurances that there would be no opposition to the occupancy of that place by

the navy. On the 2d of June, Galveston was surrendered, and the supremacy of the government was once more established on the entire coast, from Maine to and including Texas.

REDUCTION OF THE NAVAL FORCE—THE SQUADRONS.

Immediately after the fall of Fort Fisher and the capture of Wilmington, measures were taken for the gradual reduction of the naval forces employed on the duties of blockade. The recovery of Charleston, Mobile, and Galveston justified a still further diminution, and as these events successively occurred, measures were promptly taken to reduce the squadrons and economize expenses. On the 24th of February letters were addressed to Admirals Porter, Dahlgren, Stribling, and Thatcher, informing them that the department was of opinion that the fall of Fort Fisher and the possession of Charleston would enable the department to reduce naval expenses. They were therefore directed to send north such purchased vessels as needed extensive repairs, and also any naval stores that were not required. A careful scrutiny of requisitions was enjoined before approval, and commanders of squadrons were informed that they would be expected to use every possible exertion and care to diminish the expenses of their respective commands.

About the 1st of May orders were issued to further reduce the squadrons in our domestic waters one-half. Near the close of that month a further diminution was directed, so that the entire force retained in commission should not exceed one hundred vessels. In the early part of July another and still further reduction was made, leaving but thirty steamers, which, with receiving store-ships, composed the entire blockading squadrons on the Atlantic and the Gulf.

On the 31st of July the Potomac flotilla, which, under Commander F. A. Parker, had rendered active service, was disbanded.

The Mississippi squadron, comprising at one time about one hundred steamers, was gradually reduced, and on the 14th of August wholly discontinued. Acting Rear-Admiral Lee was relieved, and Commodore Livingston, who had acquitted himself with energy at the Norfolk station, and subsequently at Cairo, was intrusted with the duty of disposing of the vessels and closing up the affairs of that squadron.

The reduction of the blockading force involved also a curtailment of the number of squadrons. In June, therefore, the North and South Atlantic squadrons were consolidated into one, known thereafter as the Atlantic squadron, commanded by Acting Rear-Admiral Radford, who, on the 28th of April, had succeeded Rear-Admiral Porter in command of the North Atlantic squadron. Rear-Admiral Dahlgren was detached from the command of the South Atlantic squadron, and hauled down his flag at Washington on the 12th of July.

Acting Rear-Admiral Radford, having been appointed commandant of the Washington navy yard, was succeeded by Commodore Joseph Lanman in the command of the Atlantic squadron on the 10th of October.

The consolidation of the East Gulf squadron, commanded by Acting Rear-Admiral Stribling, and the West Gulf squadron, under Acting Rear-Admiral

Thatcher, was also consummated, and thereafter this force was known as the Gulf squadron. Acting Rear-Admiral Thatcher remained in command, and Acting Rear-Admiral Stribling returned to Boston in July.

Besides the vessels composing the several squadrons, others are in commission in various capacities. The *James Adger* is stationed at Aspinwall; the *Michigan* is assigned to the northern lakes; the *Sabine* is employed as an apprentice ship; the *De Soto* is in the West Indies; the *Massachusetts* and *South Carolina* are still continued as supply-ships for the squadrons on the coast; the *Constitution*, *Macedonian*, and several others are connected with the Naval Academy; and twenty vessels are used at the navy yards as receiving-ships and tenders; so that there are actually in commission at this time, at home and abroad, one hundred and seventeen vessels of all descriptions, which number, should the exigencies of the service permit, will be still further reduced.

In January, while Rear-Admiral Porter was engaged before Wilmington, affairs on James river assumed such an attitude, involving the welfare and security of the army by a demonstration on the part of the rebels with their armored rams from Richmond, that it was deemed important to send thither immediately an officer of ability and experience. Vice-Admiral Farragut, then in Washington, was selected for this special duty, and on the 24th of that month proceeded to James river for that purpose. The threatening demonstration below Richmond was not long maintained, and the occasion having passed, Vice-Admiral Farragut was relieved from this special service on the 2d of February.

A special squadron of vessels, consisting of the *Vanderbilt*, *Tuscarora*, *Powhatan*, and the turreted iron-clad *Monadnock*, left Hampton roads on the 2d of November, under the command of Commodore John Rodgers, destined to re-enforce the squadron in the Pacific.

In withdrawing a large naval force from active service, in disposing of the vessels, in discharging or detailing to other duties their officers and crews, in making provision for a large surplus of ordnance ammunition and stores, great labor has of course devolved upon the department and its bureaus. Some idea may be formed of the extent of that labor, from the fact that there were in the several blockading squadrons in January last, exclusive of other duty, four hundred and seventy-one vessels and two thousand four hundred and fifty-five guns. There are now but twenty-nine vessels remaining on the coast, carrying two hundred and ten guns, exclusive of howitzers. Disposition has been made of all the others. Some of the vessels are laid up in ordinary, some with their crews are on foreign service, but many have been sold, and, with most of the men that were actively engaged in hostile operations, are now employed in peaceful occupation.

As soon as our domestic troubles were overcome, the duty of attending to our interests abroad prompted the re-establishing of the foreign squadrons which had been suspended. The European, the Brazil, and the East India squadrons have been organized anew upon as economical a scale as is consistent with their efficiency, the interests of commerce, and a proper regard for our position as a nation.

These squadrons, with another which is soon to be put in operation in the

West Indies, and the Pacific squadron which has never been discontinued, are considered sufficient for the encouragement and protection of our countrymen engaged in legitimate commercial pursuits, and for upholding our flag abroad.

Some modifications of the limits of the respective squadrons, and the substitution of steamers for sailing vessels, will infuse more vigor into the service, and it is designed that there shall hereafter be greater activity and vigilance in their operations. The number of vessels and crews on foreign service will not be greatly increased over those of former years, while the number of guns will be less; yet the superiority of steam over sails for naval war vessels, and the improvement and new patterns of ordnance, will hereafter give our force abroad greatly augmented efficiency and power.

The European squadron is commanded by Rear-Admiral L. M. Goldsborough, and consists of the following vessels: the *Colorado*, *Kearsarge*, *Ticonderoga*, *Frolic*, *Ino*, and *Guard*, to which the *Canandaigua* will shortly be added. The field of operation of this squadron, besides the coast of Europe and the Mediterranean, will comprise Madeira, the Canaries, and the African coast as far as St. Paul de Loando.

The Brazil squadron is commanded by Acting Rear-Admiral S. W. Godon, who has ten vessels on that station, viz: the *Susquehanna*, *Brooklyn*, *Juniata*, *Shamokin*, *Nipsic*, *Shawmut*, *Kansas*, *Wasp*, *Supply*, and *Onward*. Besides the eastern coast of South America, this squadron will cruise on the coast of Africa from Cape Town to St. Paul de Loando.

The East India squadron consists at present of four vessels—the *Hartford*, *Wyoming*, *Wachusett*, and *Relief*. The *Shenandoah* will be shortly added to this number. This squadron is commanded by Acting Rear-Admiral H. H. Bell, who sailed from New York in his flag-ship, the *Hartford*, in August, and has probably already reached his station.

The Pacific squadron remains in command of Acting Rear-Admiral George F. Pearson, and comprises eleven vessels, viz: the *Launceston*, *Powhatan*, *Saranac*, *Suwanee*, *Mohongo*, *Wateree*, *Saginaw*, *St. Mary's*, *Cyane*, *Nyack*, and *Tuscarora*, and two store-ships, the *Fredonia* and *Farallones*. Some vessels sent to the Pacific (including two of the iron-clads) will be laid up in the harbor of San Francisco, ready for any emergency that may arise.

The extensive limits of this squadron, embracing the whole western coast of North and South America, with the islands of the Pacific; the rapidly increasing population of the States; and the growing and expanding commerce, and vast interests involved, render it advisable that the naval force of the Union should be largely re-enforced in that quarter. Considerable addition to the number of vessels will therefore be made, and it is proposed at an early day to make a division of the squadron.

But few vessels, and they on merely temporary duty, have as yet been employed in the West Indies. The *Connecticut*, the *Kansas*, the *De Soto*, and nearly all the vessels which have been sent to the coast of Brazil, have visited some of the more important points, particularly in the island of St. Domingo, and given attention to American interests there. It is proposed to revive the

West India squadron to cruise in those waters, where we have so large a trade, and where, owing to the proximity of the islands to our shores, it is essential that we should cultivate friendly relations. Commodore James S. Palmer has been designated to command the squadron, having for his flag-ship the Rhode Island. In addition to the De Soto, now on that station, it is proposed to send the Swatara, Monongahela, Florida, Augusta, Shamrock, Ashuelot, and Monocacy, making a squadron of nine vessels.

THE NAVAL FORCE.

When hostilities against the government were commenced in the spring of 1861, and the ports on our southern coast were ordered to be closed under the form of international blockade, instead of the municipal form of an embargo, the labor, embarrassments, and responsibilities suddenly and unexpectedly imposed upon this department were immensely increased.

To create and organize a navy such as the order for the blockade required would have been at any time an immense undertaking, but the task was vastly more onerous when the country, after a long interval of peace, was beginning to be rent by civil convulsions.

In this condition of affairs, with the navy reduced during fifty years of peace to a low standard of efficiency, without experience or precedent to guide the application of modern inventions to war purposes, with restricted and wholly insufficient navy yards for the construction and repair of vessels, and without any adequate establishment for the stupendous work before it, the department was compelled to feel its way and press on its work at the very time when a duty was imposed upon it which a nation fully prepared and furnished with abundant ships and men and material would have found difficulty in performing. But the resources of the country were equal to the emergency. With only limited means at the command of the department to begin with, the navy became suddenly an immense power. An unrelaxing blockade was maintained for four years from the capes of the Chesapeake to the Rio Grande, while a flotilla of gunboats, protecting and aiding the army in its movements, penetrated and patrolled our rivers, through an internal navigation almost continental, from the Potomac to the Mississippi.

After the capture of Forts Hatteras and Clark, in August, 1861, port after port was wrested from the insurgents, until the flag of the Union was again restored in every harbor and along our entire coast, and the rebellion eventually wholly suppressed.

Coincident with these operations afloat, the department had its attention also actively engaged in developing the ingenuity, skill, and resources of the country, in the construction of new classes of vessels, in the introduction of new descriptions of ordnance, torpedoes, and projectiles, in experiments in steam, and in the improvement of steam machinery. Although compelled to encounter opposition in all its forms, the department has been unremitting in its efforts, and in almost every instance has met with a generous response from Congress and the country.

Three hundred and twenty-two (322) officers traitorously abandoned the service to which they had dedicated their lives, proved false to the flag which they had sworn to support, and to the government which had confided in their honor and relied on their fidelity to sustain it in conflict and peril. The embarrassment caused by these desertions in the moment of trial was temporary. Better men from the merchant marine, educated and vastly more efficient, promptly volunteered their services, in many instances at great pecuniary sacrifice, to fight the battles of the Union. About seven thousand five hundred of these gallant and generous spirits have, after examination, received appointments and been employed in the navy. Schools were established to instruct and perfect them in the rudiments of gunnery and nautical routine, and it is due to them to say that they have acquitted themselves with credit and served with zeal and fidelity. The intercourse between these volunteer officers and the officers of the regular navy has been productive of mutual good will and respect. It will, I trust, lead to lasting personal friendships and insure enduring intimacy between the commercial and naval service. Most of the volunteer officers have received an honorable discharge and returned to their peaceful professional pursuits. I take this occasion to renew my annual suggestion, that some of the most distinguished of these heroic and loyal men, of admitted capability and merit, who have served the country so faithfully and so well, be added to the navy after an examination by a board of officers appointed for that purpose. Such an addition to the navy, of brave and intelligent representatives from the commercial marine, will be a fitting and honorable recognition of the services of a body of men who came gallantly forward in a period of national peril to sustain the cause of their country.

From seven thousand six hundred (7,600) men in service at the commencement of the rebellion, the number was increased to fifty-one thousand five hundred (51,500) at its close. In addition to these the aggregate of artisans and laborers employed in the navy yards was sixteen thousand eight hundred and eighty, (16,880) instead of three thousand eight hundred and forty-four (3,844) previously in the pay of the government. This is exclusive of those employed in the private ship yards and establishments, under contracts, constituting an almost equal aggregate number. Two hundred and eight (208) vessels have been commenced and most of them fitted for service during this period. A few of the larger ones will require still further time for completion. Only steamers, the propellers also having sailing power, have been built by the government during my administration of the department.

Since the 4th of March, 1861, four hundred and eighteen (418) vessels have been purchased, of which three hundred and thirteen were steamers, at a cost of \$18,366,681 83, and of these there have been sold three hundred and forty (340) vessels, for which the government has received \$5,621,800 27.

THE CONDUCT OF THE BLOCKADE.

In order to guard the coast and enforce the blockade the department was under the necessity of breaking up and ordering home our foreign squadrons.

This recall, rendered imperative by the necessities of the case, left our extensive commerce on distant seas unprotected. The great maritime powers of Europe, as soon as they were aware of our domestic difficulty, hastened to recognize the rebels as belligerents, and proclaimed themselves neutral between the contending parties. The operations of this assumed neutrality were to deprive our national ships of the privileges which they had by national courtesy enjoyed, and while thus restricting and inflicting injury on our government, the professed and proclaimed neutrality gave encouragement and strength to the rebels who were in insurrection and waging war upon the Union. Each of these European neutrals had treaties of amity, and was in friendly official and commercial intercourse with the government of the United States, while with the rebels, who were without a recognized flag or nationality, they had neither treaties nor official relations. The United States had a navy which commanded respect, and a commerce that covered every sea, whilst the rebels had neither navy nor commerce to be affected by neutral exclusions and restrictions. Consequently this action of the neutral league operated, on the one hand, to injure and embarrass a friendly government that was cultivating and practicing peaceful and friendly relations with every nation; and, on the other hand, to give countenance and encouragement to rebels engaged in a causeless insurrection to subvert the most beneficent government on earth.

Virtually excluded from the ports of the great maritime powers by this assumed neutrality, the difficulty of maintaining even a limited naval force abroad was greatly increased. The withdrawal of our squadrons left our unprotected commerce exposed to the depredations of semi-piratical cruisers, which were built, armed, manned, and sent out to plunder and destroy our merchantmen from the shores of neutral Europe. To these aggravated wrongs we were compelled, in the great emergency which existed, to submit, for under no circumstances would the department relax the blockade, or permit its efficiency to be impaired.

The suppression of the rebellion enables us to re-establish squadrons abroad, and to display again the flag of the Union in foreign ports. Our men-of-war, released from the blockade, will soon be found in every sea, prepared to assert American rights and protect American interests.

European neutrality, now that the insurrection is suppressed, no longer denies to our national vessels those supplies and courtesies which were refused in the days of our misfortune. No rebel rover, built in neutral ports, remains to take alarm or feel apprehension on the appearance of the armed vessels of the republic; and now that we have suppressed the insurrection, we may be permitted to receive hospitality and international comity from those neutral nations which during four years excluded our public ships, while they persistently insisted on elevating the rebels to be a distinct belligerent power.

We had, in 1860, five squadrons on foreign stations, numbering thirty-one vessels, carrying four hundred and forty-five guns. At the present time we have on the several stations abroad thirty-six vessels, mounting three hundred and forty-seven guns, and carrying fifty-six howitzers.

In time of peace our naval force should be actively employed in visiting

every commercial port where American capital is employed, and there are few available points on the globe which American enterprise has not penetrated and reached. But commerce needs protection, and our squadrons and public vessels in commission must not be inactive. One or more of our naval vessels ought annually to display the flag of the Union in every port where our ships may trade. The commerce and the navy of a people have a common identity and are inseparable companions. Each is necessary for the other, and both are essential to national prosperity and strength. Wherever our merchant ships may be employed, there should be within convenient proximity a naval force to protect them and make known our national power. Such are the energy and enterprise of our countrymen, that they will, now that the war has closed, compete for the trade and commerce of the world, provided the government performs its duty in fostering and protecting their interests. Besides guarding the channels hitherto occupied and explored, it would be well that examinations be made for new avenues of trade. In connexion with this subject, I would suggest the importance of a more thorough survey and exploration of the principal islands in the Pacific ocean, and that the department have authority to carry this suggestion into effect.

Following the tracks of commerce, and visiting every navigable portion of the globe, the intelligent officers of the navy are capable, from their position and opportunities, of acquiring and communicating a vast amount of useful information, thereby benefiting commerce, and, by continual additions to the stores of knowledge, promoting the welfare of the country and of mankind.

There are circumstances which render it necessary that a commercial and naval people should have coaling stations and ports for supplies at one or more important points on those seas and oceans where there are important interests to be protected, or naval power is to be maintained. Steamers cannot carry the same amount of supplies as the sailing vessels of former days, and the coal which is indispensable to their efficiency must, particularly in time of war, be furnished or obtainable at brief intervals, and in the immediate vicinity of their cruising grounds. A prudent regard for our future interests and welfare would seem to dictate the expediency of securing some eligible locations for the purpose indicated.

REBEL CRUISERS.

Information reached the department in May that the iron-clad ram Stonewall, a formidable vessel built in France, had arrived in Havana. This vessel had been conditionally sold to Denmark, but not proving satisfactory to that government, she was purchased by the rebels. Some difficulty in procuring armament and a crew caused a temporary slight embarrassment in her movements, but she was soon met by the English steamer City of Richmond off the coast of France, and her armament, which was made in England, with supplies for a cruise and an English crew, were transferred to the Stonewall. She remained for a short time at Ferroll, where she was watched by the Niagara and Sacramento and leaving that place, she did not reach Havana until after the down-

fall of the rebel organization. Like other rebel cruisers which had plundered our commerce, the Stonewall was without a port.

Acting Rear-Admiral Godon, who had received orders to command on the Brazil station, and was on the point of sailing, was directed to proceed immediately, with a force hastily collected and placed under his command, in search of the Stonewall, which, it was understood, designed to appear on our coast. He sailed from Hampton roads on the 16th of May, and arrived off Havana on the 28th, having in his command the Susquehanna, Chippewa, Monticello, Fahkee, and two turreted vessels, the Monadock and Canonicus. Shortly after his arrival, the Stonewall was delivered over to the Spanish authorities by her commander, and our government was advised that Spain would place her at the disposal of the United States. It being unnecessary for Acting Rear-Admiral Godon to remain longer on this special duty, he left Havana June 6th, returned to Hampton Roads on the 12th, and on the 21st proceeded, in pursuance to previous orders, to Brazil.

The English screw steamer Sea King, built in Glasgow in 1863, early attracted the attention of our officials in England as one of the class of rovers which, like the Alabama, Florida, and Georgia, was destined to prey on American commerce. But the English authorities professed to be incapable of detecting anything wrong in this vessel, and she finally sailed from London on the 8th of October, 1864, with clearance for Bombay. On the following day the steamer Laurel sailed from Liverpool with officers, men, and guns, and went to Madeira. The Sea King soon appeared off Madeira and signalled to the Laurel, when the two vessels went to a barren island in the vicinity, and on the 17th of October a transfer of officers, men, and guns took place; the name of the pirate was changed, and thenceforward became known as the Shenandoah. J. I. Waddell, a renegade American naval officer, assumed the command and proceeded at once on a piratical cruise.

An official communication of the 18th of October informed the department that the crew of the Sea King, as well as that of the Laurel, were all British subjects, that many of them belonged to the Royal Naval Reserve, and that some forty or fifty of the Alabama's men were among them.

Throughout the whole period of the rebellion these exhibitions of the manner in which the English authorities exercised neutrality were witnessed. On one occasion two persons secreted themselves on the U.S. steamer Tuscarora at Queens-town, with a view, it was suspected, of entering our service, and the British government was on that occasion greatly exercised lest some violation of neutrality or breach of the foreign enlistment act had taken place which would work harm to the rebels. A less anxious solicitude appears to have been entertained of breach of neutrality when whole crews were enlisted for the Shenandoah and other rebel piratical cruisers which sallied forth to plunder American commerce. Before leaving the Atlantic the Shenandoah succeeded in destroying several vessels, and was next heard of in Melbourne, Australia, where she was received and entertained with great hospitality and furnished with ample supplies and repairs for the long cruise upon which she was about to enter. On the 8th of February she is reported to have left Melbourne, and was next heard of in the

North Pacific ocean and the sea of Otricht, where she attacked and captured twenty-nine unarmed whale-ships, of which twenty-five were destroyed and four were bonded. Although notified by some of his victims that the rebel armies had surrendered and that the rebellion was suppressed, Waddell gave no heed to the intelligence, but continued his work of destruction until four months after the fall of Richmond, when he was advised by an English vessel that Lee was on parole and Davis a prisoner.

The English government, in the exercise of all that neutral tenderness and care which it had manifested for the rebels from the beginning of the insurrection, when finally compelled to admit the extinguishment of the rebellion, made special reservation to protect the rebel piratical cruisers, and particularly the Shenandoah, which was an outlaw, without country or home other than England, after the prostration of the rebel organization. Warned by neutral England, whose subjects constituted almost her entire crew, that the organized insurrection was annihilated, the Shenandoah had no alternative but to seek again the shelter and protection of that neutral power where she was built, and from which she was armed and manned. Under the name of Sea King she had cleared and sailed as an English vessel, with an English flag and an English crew, and as late as February she stood on the books at the Register's office of British shipping in her original name, and in the name of her original owners. Such may have been the case when the pirate was warned that he had not the pretext of a rebel organization to soften his crime, and that he was an outlaw. Of all her captures not one was ever sent in for adjudication, and I am not aware that she ever entered the port of any country but England. It was fitting, therefore, that she should return for refuge to the country of her origin.

The Sea King, alias the Shenandoah, entered the Mersey on the 6th of November, and her pirate captain, in a formal letter to the English minister, surrendered the vessel to the English government.

ENLARGEMENT OF THE NAVY YARDS.

Our navy yards are, all of them, of limited area, and wholly insufficient for our present navy. Not one of them presents the full requisite conveniences and facilities for promptly fitting out in a rapid and efficient manner more than a single vessel at a time. Vessels which ought to be repaired in three months are often detained for a year, and officers ordered to their ships which should be ready for sea have been kept waiting for months, at great expense to themselves and to the country and to the injury of the service. There is not a public yard where an iron vessel can be constructed, an iron plate made, or where shafting can be forged, or steam machinery manufactured, except on a moderate scale; nor, with the exception of Mare Island, in California, and Norfolk, have we a navy yard with sufficient room to erect the necessary works for even present wants. England, besides her great public navy yards, with which ours can bear no comparison, possesses even several private establishments, in each of which there are more mechanical appliances than are possessed by our whole

country. Attention is invited to the interesting and instructive report of Chief Engineer J. W. King upon the dock yards of England and France, communicated to Congress at its last session.

Any future wars in which we may be involved must be of a maritime character, and unless we make in due season adequate preparations requiring no inconsiderable expenditure and time for their completion, the country will not escape mortification, and reverses, and serious disasters.

The most formidable iron-clads are those of the class of the "Passaconaway." The turrets of these vessels, which are fifteen inches in thickness, and the machinery, which is of a power to drive them eleven knots an hour, is plain and of moderate size, and yet they cannot be constructed and sent to sea in three years. So it is of all work out of that ordinary routine for which our establishments, public and private, are exclusively designed. The immediate, indispensable, and truly economical remedy for all this disadvantage is to enlarge the navy yards at Boston and New York, to complete the yard at Mare Island, on the Pacific, rebuild those of Norfolk and Pensacola, and sell the present restricted grounds at Philadelphia after establishing a yard of sufficient capacity at League Island or some other proper location on the Delaware. With these extensions and improvements, and a proper establishment at some point upon the western waters, our naval position will be so strengthened as to constitute an additional safeguard against expense and perhaps war.

I have omitted any recommendation in regard to the yard at Kittery, because there are serious objections to it as a naval station, on account of its proximity to the ocean, which renders public property there insecure. Should, it however, be decided to improve the station as a public ship yard, the acquisition of Seavy's Island, as recommended by the chief of the Bureau of Yards and Docks, should be carried into effect. But the value of the island has been recently greatly enhanced and its acquisition rendered difficult in consequence of a road which passes through the yard, and a bridge connecting the island with the yard, which has been, in my opinion without due consideration, authorized by Congress. If the yard itself is not to be abandoned, the road and bridge should, in justice to the public interest, be discontinued, and Seavy's Island secured.

CONSTRUCTION OF NAVAL VESSELS.

At the beginning of the rebellion the department was without appropriate vessels for chase or blockade. Steamers of the Colorado class could enter no harbor south of Hampton Roads but Port Royal, and even those of the Hartford class could enter but few of the blockaded ports.

All the vessels constructed before the war possessed only moderate steam power, but had nearly full sailing qualities. Had the department expended its energies at the commencement in efforts to construct vessels of magnitude for war purposes, with machinery capable of making fifteen knots per hour, as has been earnestly urged, we could scarcely have completed one such vessel before the date of the fall of Wilmington. The department, without attempting impossibilities, directed its energies to accomplish what was practicable.

After procuring a supply of vessels for the blockade, by purchase and con-

struction, the next pressing want was an iron-clad or armored ship, capable of operating in our waters and going in all weathers from port to port. On a public appeal to the mechanical ingenuity of our countrymen, this want was supplied by the Monitor, a turreted vessel, which, as soon as completed, vindicated its capability, and the model thus projected has been adopted and extensively copied abroad. This class of vessels stands as the undoubted and acknowledged best defence of our shores against any naval armament at present in existence. Different types of turreted vessels—all of them improvements in some respects on the original model—have been constructed. Several of the light-draught vessels of this class, drawing but eight feet of water, completed since the adjournment of Congress, have gone from Boston and other points to Philadelphia and Hampton Roads; and one has made a voyage to Charleston, S. C., where she is stationed and performs with entire satisfaction all the duties required of her.

The double-enders, vessels originating in the peculiar necessities of this war—designed to run head or stern first—were intended for operations in the rivers, bayous, and inner waters that pervade our southern coast, where it was important to avoid the difficulty, delay, and risk of turning round in narrow channels or under fire.

When these arrangements had been made, and the vessels immediately required were well under way, so as not to be interfered with or delayed by additional work, the department commenced the construction of a superior class of steamers of size and power sufficient to insure high speed. The most forward of these vessels could not be at sea until 1866. The delays and embarrassments which have been experienced demonstrate the importance, if not absolute necessity, of enlarging our principal yards and the need of a suitable establishment for the construction of engines and heavy iron-work, such as the department for three years has steadily urged upon the consideration of Congress.

FACILITIES FOR REPAIRING NAVAL VESSELS.

The naval expenditures, which have been moderate for the work performed, are larger than they would otherwise have been, in consequence of the insufficient means and limited area of the several navy yards. Without further provision in these respects the government must always depend, in a great degree, on private establishments for much of its work. This is not objectionable, perhaps, in the construction of new hulls and engines. The experience of the last four years has taught us the value and importance of efficient and reliable private establishments to aid the government in a great emergency. The promptness and energy exhibited at some of these establishments have been wonderful and of invaluable service. Until summoned to assist the government in the great struggle that was upon us, the ability, power, and resources of these private establishments were not known nor appreciated. They generally responded with zeal and vigor to the calls of the department, and their ability will, in all future wars, give reliable strength to the country.

In constructing new vessels and machinery, the government can always have the benefit of wholesome competition at private establishments. In making its contracts for new vessels and supervising their execution, the department will be

able to protect itself, but that cannot be the case as regards the constant and often extensive repairs required on vessels which have been in service. These cannot be made by contract, and opportunities for fraud and imposition in making repairs are so great that too many yield to them. Work is often slighted and imperfectly executed; disastrous delays intervene; sometimes the job will be skillfully nursed by more extended and elaborate repairs than are necessary. The charge for materials and labor must of course be, to a considerable extent, at the discretion of those who make the repairs, and it is not surprising, perhaps, that they have frequently been exorbitant, notwithstanding all the vigilance and efforts that were exercised to protect the government.

True economy would be promoted were the government to have the necessary workshops and machinery to execute its own repairs in all cases. Almost all of the machinery and engines for the navy have been constructed at private establishments, and they must continue to be so constructed until the government shall conclude to change its policy. In the manufacture of heavy shafting and machinery for our naval vessels, which are to cruise for months, and often for years abroad, it is important that we should have the most substantial workmanship and the best materials, so that the government can safely rely on the strength and durability of its naval representatives, however remote from the country, and the officers and crews should be enabled to feel a sense of security, so far as human skill can impart it, in the floating homes which the government may provide.

A failure in the motive power of a steamer when on a cruise or far removed from establishments where the necessary repairs can be made, is a calamity against which every precaution should be taken.

LAYING UP OF THE IRON-CLADS.

The iron-clad vessels, so formidable in war, but unsuited for active service in peace, have been laid up, ready to be brought forward at any time for active duty should circumstances require. No provision having been made by Congress for a suitable dock-yard or station in fresh water, where alone iron vessels can remain and be preserved, and there being neither room nor accommodations for them at any of our present contracted yards, the department was under the necessity, until Congress shall make provision, of selecting a suitable place for the purpose. Fresh water being an indispensable requisite for the preservation of this class of vessels, and an interior location from the sea-board being almost equally indispensable for the purpose of safety, I had no hesitation in selecting League Island as possessing these advantages in an eminent degree. The board of naval and scientific gentlemen appointed in 1862, in pursuance of an act of Congress passed on the suggestion of the department, to select a site for a navy yard for iron purposes, while entertaining differing opinions as to the most eligible location for a navy yard for general objects, were united in favor of League Island "so far as iron vessels are concerned." There is probably no site to be found in the country presenting so many circumstances in its favor for laying up our iron-clad fleet. Removed from the coast, and with fresh water, League

Island combines the advantages of both security and preservation—indispensable requisites for vessels of this description.

Had Congress, three years since, authorized the removal of the navy yard from its present contracted and wholly insufficient limits in Philadelphia to League Island, as recommended by the department, other important economic advantages would have been attained. I cannot omit the opportunity of again advising the substitution of that site for the present circumscribed yard at Philadelphia, and securing this location, provided it can be obtained, for the government. It must be borne in mind that, should Congress neglect to obtain it, the government will be liable, at any moment, to be dispossessed, and compelled to remove its iron-clad fleet.

On the Mississippi river, where there is as yet no public navy yard, the station at Mound City is retained, and the iron-clads belonging to the Mississippi squadron have there their headquarters. Several vessels of this class which were built at St. Louis and attached to the West Gulf squadron, where they rendered good service, particularly in the bay of Mobile, have been laid up at Algiers, opposite New Orleans.

In this connexion, I would respectfully invite attention to the report of the commission appointed under the joint resolution of Congress in June, 1864, to "select the most suitable site for a navy yard or naval station on the Mississippi river, or upon one of its tributaries." Without intending to indicate any preference as to location, it is not to be doubted that in future wars the vessels, particularly those of iron, and the machinery and armature of our steamers, will, to some extent, be constructed in the valley of the Mississippi, where the material is so abundant. The experience of the past few years has demonstrated the capabilities of that section in producing naval vessels and machinery with rapidity.

The true policy of the government with regard to our naval force in time of peace will be, to keep our iron-clads laid up in fresh water, in perfect fighting order. Our largest steamships should remain in ordinary, distributed among the principal commercial cities, while there should be a force afloat sufficient to visit annually, if necessary, every navigable port on the globe where our trade exists.

HEALTHINESS OF IRON-CLADS.

Some interesting and extraordinary facts and statistics concerning the comparative healthiness of iron-clads and wooden vessels are given in the report of the chief of the Bureau of Medicine and Surgery. The monitor class of vessels, it is well known, have but a few inches of their hulls above the water-line, and in a heavy sea are entirely submerged. It has been doubted whether, under such circumstances, it would be possible long to preserve the health of the men on board, and consequently to maintain the fighting material in a condition for effective service. It is gratifying, therefore, to know that an examination of the sick reports, covering a period of over thirty months, shows that so far from being unhealthy, there was less sickness on board the monitor vessels than on

the same number of wooden ships with an equal number of men, and in similarly exposed positions. The exemption from sickness upon the iron-clads in some instances is remarkable. There were on board the *Saugus*, from November 25, 1864, to April 1, 1865, a period of over four months, but four cases of sickness, (excluding accidental injuries,) and of these, two were diseases with which the patients had suffered for years. On the *Montauk*, for a period of one hundred and sixty-five days prior to the 29th of May, 1865, there was but one case of disease on board. Other vessels exhibit equally remarkable results, and the conclusion is reached that no wooden vessels in any squadron throughout the world can show an equal immunity from disease. The facts and tables presented are worthy of careful study.

THE NAVAL ACADEMY.

The number of midshipmen at the Naval Academy is four hundred and fifty one. The present method of selecting candidates is, in many respects, objectionable. Of the enlisted boys, those who from choice betake themselves to the seas, and are nurtured in the navy, only *three* are permitted annually to go to the academy. Few of the multitude of boys who have inclination and aptitude for the naval service can obtain the important advantage of a public education. Of those who annually present themselves under the present system, one-fifth fail to pass a satisfactory physical or mental examination. The same defects are more strikingly developed after admission. Nearly thirty-three per cent. fail the first year, and finally only about twenty-five per cent. of those who enter the academy graduate. In consequence of this state of things, the great wants of the service in the junior grades of officers have been poorly supplied, for the academy has only graduated a class averaging yearly about twenty-five members. A large portion of the money appropriated for a naval education is thus wasted chiefly in consequence of the defective system of selecting the candidates.

The board of visitors in 1864 instituted some searching inquiries to ascertain whether the requirements for entering the academy were of too rigid a character, and became fully convinced that the failures were not attributable to that cause, but that many of the boys had neither the mental nor physical qualities to fit them for the naval service.

Competitive examination in each of the congressional districts, which shall be open to all boys, under proper regulations, has been suggested as a remedy. Such examination would probably establish the mental proficiency of the candidate, which, however, might be the result of premature development. The less accomplished scholar, whose powers may not be fully developed, might nevertheless, possess a mental and physical organization better adapted to the service, which would make him a more eligible pupil and a better naval officer.

The government should have in training for its naval officers boys of good mental capacity and the best physical development. These are not obtained under the present system. I have elsewhere suggested the expediency of appointing one-half of the midshipmen from the enlisted apprentices, and the re-

mainder from congressional districts, the selection to be made from those who possess both the physical and mental qualities that fit them for the position.

In dispensing with vessels propelled wholly by sails from the list of regular men-of-war, it has become necessary to instruct the future naval officer in the principles and practice of steam-enginery. A separate department, having this object in view, has been established at the Naval Academy, under the management and direction of Chief Engineer Wm. W. Wood, assisted by eight others, who are charged with the duty of teaching the midshipmen, not only the theory of the steam-engine, but, as indicated in my last report, its actual manipulation. Sufficient experiments and progress have already been made in running the engines of the vessels attached to the academy by the midshipmen to warrant the department to persevere in its purpose of perfecting the education of the future line officers, by making them competent, in addition to their other acquirements, to manage and work the engine.

The management of a man-of-war in a gale, on a lee shore, in a narrow harbor or the splendid manœuvres of battle by sailing vessels, have hitherto been the highest and proudest duties of a thorough naval officer. The skilful disposition of the sails, which was the result of the best training of the old school, is no longer necessary, except as auxiliary to the new motive power which modern invention and science have introduced. The naval vessel is no longer dependent on the winds, nor is she at the mercy of currents; but the motive power which propels and controls her movements is subject to the mind and will of her commander, provided he is master of his profession in the future, as he has been in the past. To retain the prominence which skill and education gave him when seamanship was the most important accomplishment, the line officer must be qualified to guide and direct this new element or power. Unless he has these qualities, he will be dependent on the knowledge and skill of him who manipulates and directs the engine. To confine himself to seamanship, without the ability to manage the steam-engine, will result in his taking a secondary position, as compared with that which the accomplished naval officer formerly occupied.

For the full development and accomplishment of an object which can no longer be considered a doubtful experiment, the active co-operation of naval officers is required. When this change is effected, engineers will become the designers and constructors of engines and other marine works, and the superintendents of the mechanical employment which a navy propelled by steam has developed and may require. They will constitute, in reality, a highly educated and scientific corps, and the line officers will have added to their duties the practical management of the engines.

LOCATION OF THE NAVAL ACADEMY.

The Naval Academy, which at the beginning of the rebellion was removed to Newport, Rhode Island, was, in conformity with the act of Congress, re-transferred to Annapolis in September last. Commodore Blake, who was superintendent in 1861, continued in charge of the school so long as it remained at Newport.

On the return of the school to Annapolis, Rear-Admiral Porter was appointed superintendent, and, under his immediate supervision, the academic buildings and grounds, which had been seriously impaired while occupied for military purposes, were repaired and made ready for the reception of the midshipmen and academic staff.

Many inconveniences attended the temporary sojourn at Newport; yet when the uncertain and unsettled state of affairs is taken into consideration, the selection of that place for the purpose required was perhaps fortunate.

The academic grounds belonging to the government at Annapolis include only twenty-one acres, and are wholly insufficient for the school. Their situation in the heart of a city also subjects the youths to temptations, from which, at that period of life, it is desirable they should be removed. When the school was originally established at Fort Severn, the inconveniences and objections that now present themselves may not have been experienced; but, in the present and prospective condition of our naval power, the idea of permanently establishing a national institution of this character on these restricted grounds, where large expenditures must be made in public edifices and buildings and various improvements, cannot be seriously entertained by any who shall give the subject candid and deliberate consideration. There are over thirteen hundred acres connected with the Military Academy at West Point, and there should not be a less area for the Naval School.

In order that there may be suitable and appropriate accommodations at the academy, much is to be done and a large expenditure of money is to be made. The school was originally designed for one hundred and eighty midshipmen, with the necessary officers, professors, and instructors; but the number has been increased, until there are now authorized by law five hundred and sixty-six midshipmen, with a corresponding increase of the academic staff. There are but ninety-six rooms in the present quarters of the midshipmen, and each room is intended for two occupants. The buildings are defective in many respects, and were originally hastily and imperfectly constructed.

Commodore Blake, the late intelligent superintendent, in a carefully prepared statement, estimates the cost of the buildings and improvements which will be required at Annapolis, in order to make the institution acceptable and worthy of the country, at \$800,000. I do not question that this amount, and even a much larger sum, must be ultimately appropriated for the academy; but it cannot be considered wise or expedient to make this investment within the narrow and confined area which the government possesses at Annapolis. No amount of money which Congress may expend in buildings and improvements at that location will be satisfactory, and at no distant day a different and better site will be procured. This should not be delayed. True economy and the best interests of the government prompt an immediate selection of the best position that can be obtained before any greater expense shall have been incurred in large and costly edifices and other substantial improvements.

The importance of procuring at the beginning, and before making further outlay, the best attainable location for the academy, is worthy the serious attention of Congress.

There are several places on the shores of Chesapeake Bay where ample grounds can be procured at moderate rates—places which combine all the required advantages, and which are relieved from the serious and insurmountable difficulties which attach to the present location. The government can there possess itself of ample area, not only for permanent structures, but for such other arrangements as a national naval academy may require, which will be alike creditable and useful to the country, an honor to the government, and as enduring as the Union itself. Instead of expending more money in attempts to improve the limited grounds now occupied, I would recommend a new site, one that shall embrace, if possible, an area of at least two thousand acres, which shall not be in the immediate neighborhood of any city, with its temptations, which shall have the requisites of healthfulness, accessibility, ample water front, and space for managing vessels and fleets of boats—good anchorage, with sufficient depth of water, and such proximity to the ocean as circumstances permit, yet inside the lines of permanent defence.

The views of Congress and of the country indicate, wisely in my opinion, a preference for this latitude, where a winter climate will allow out-door exercise on board school-ships aloft, boat-sailing, manœuvring vessels, and other nautical instruction, as a proper location for a naval academy. Some necessary preliminary inquiries have already been instituted with a view of ascertaining the most eligible locations on the Chesapeake, the result of which is that there are several sites which are in all essential respects preferable to that of Annapolis, and where ample grounds can be procured. I would therefore recommend that the department be authorized to secure as soon as possible the refusal, at a reasonable price, of one or more eligible sites for a naval academy, embracing an area of not less than two thousand acres.

PAY IN NAVY YARDS.

In order to regulate the pay of workmen in the public service, always a difficult matter of adjustment, the laws of December 21, 1861, and of July 16, 1862, were enacted, directing that "the hours of labor and the rate of wages of the employes in the navy yards shall conform, as nearly as is consistent with the public interest, with those of private establishments in the immediate vicinity of the respective yards, to be determined by the commandants of the navy yards, subject to the approval and revision of the Secretary of the Navy."

The operation of the rule thus sought to be established has been satisfactory neither to the men employed nor to the government, but, on the contrary, an unceasing source of disturbance and discontent. Committees have been appointed bi-monthly at each of the yards to ascertain the rates of wages paid to similar classes of workmen in private establishments, but it has been found difficult to obtain reliable data on this subject. Some parties decline to furnish the information sought, while others give imperfect statements. When, after inquiry and investigation, a scale is adopted, having in view the interests and rights of both the government and the laborers, there is dissatisfaction, especially if in the fluctuation of the currency, or of supply and demand, there has been a reduc-

tion, and the workmen, by visiting the different private establishments, are enabled to procure from some of them certificates that higher wages are paid in some instances than the rates adopted at the yard. These certificates do not state the number or proportion of men employed at these high rates, or whether these prices are paid to all of that class in such establishment. If, on inquiry, it is ascertained that only one or two men of unusual capability receive these high prices, and that those authorized by the government are fair average rates, the explanation fails to give satisfaction, for the evidence is produced that higher wages than those on the government scale are paid in private establishments in the vicinity. The impression that there is some unfairness is engendered, complaints and strikes follow or are threatened, vigilant officers who are faithful to the government become obnoxious, and discontent prevails. I would therefore, recommend that the acts referred to be repealed.

NAVY YARD ABUSES, ETC.

The lessons of experience will have been lost as regards the labor employed in the construction of our public ships, and the teachings of this war in a great measure thrown away, should we fail to make thorough and essential changes in the organization and management of our navy yards. There has been undoubtedly a defective administration of the yards, and a want of proper responsibility pervades the whole system. Much that is wrong has its origin, without doubt, in the partisan character which has been fostered for years in those establishments where thousands of workmen are employed. Men are often pressed for positions in the navy yards, not so much for their mechanical skill, industry, and fidelity to the public service, as for supposed or anticipated partisan services in behalf of some active politician or party. Having obtained positions through such influences, the appointees themselves in the selection of workmen are governed by similar considerations. The navy yards by these means became crowded with political partisans, many of whom, I apprehend, were not skillful mechanics, to the detriment of the public interests. When elections approach, a system of assessments appears to have been applied, by which the workmen were taxed by irresponsible committee-men for alleged party purposes. Thus the supervising officers took upon themselves, or had imposed upon them, the duty of tax-gatherers for electioneering objects. I understand that the amounts thus collected in navy yards and elsewhere from government officers and workmen have been large. How the money thus collected was applied or disposed of is uncertain, for it was without accountability. This evil has been confined to no party. I have, on its being brought in an authentic form to my notice, issued, under your direction, orders to prevent these party assessments and collections in the navy yards. I have also introduced other regulations intended to check existing abuses. Whether legal prohibitions ought not to be instituted to prevent an evil so demoralizing and baneful is submitted for consideration.

A very considerable reduction of the number of master-workmen has been made, and changes have been introduced in regard to others which will, I am confident, have a salutary influence. Hereafter the several candidates for the

position of master will be examined, and the appointments made without regard to locality.

Some improvements in the system of accounts have also been introduced, and will be still further extended.

NAVY AGENTS.

The system of supplying the navy yards under what is called "open purchase" by navy agents has been discontinued, and paymasters have been ordered hereafter to make these purchases. The office of navy agent was superfluous, and had become worse than useless. The system of purchasing on a percentage, limited in the amount which the agent should receive, led to corruption and abuse, which enriched those who chose to participate in such practices, demoralized those who held the office of navy agent, tended to corrupt the subordinates in the navy yards and those who furnished articles under these purchases, discouraged and drove away honest dealers, and finally led to attempts to cover the tracks of guilt by technicalities of law, which may perhaps arrest the arm of justice, but cannot suppress the righteous judgment of an honest public opinion.

To open to the light abuses sanctioned by time, and concealed and protected by those who have profited and obtained wealth and influence through hidden mal-practices, is often a difficult as well as an ungracious task; but no officer who faithfully discharges his duty can be aware of misdemeanors or crimes of this character, and fail to expose or not strive to correct them.

The most efficient remedy for this state of things within the power of the department has been applied in the transfer of the few remaining agencies to paymasters who receive no percentage but perform their duties under the responsibility of their commissions, and may be subjected to court-martial for delinquency, or summarily removed to other duty when the public interest may require it.

MILITARY AND NAVAL ASYLUM.

The act of March 3, 1865, "to incorporate a national military and naval asylum for the relief of the totally disabled officers and men of the volunteer forces of the United States," should it ever go into effect, will be likely to operate injuriously to the naval service. It is not desirable that a military and naval asylum should be blended in one establishment. The tastes, pursuits, characteristics, and habits of the sailor and the soldier are so dissimilar that they will scarcely be made to harmonize, especially when age and infirmity are upon them. The experience and practice of all governments admonish us that the asylums or homes for these two classes should be separate and distinct. The soldier would be satisfied with a location in the interior, but the sailor would wish to spend his declining years in view of the ocean and on its shores.

It would be better that the army and navy should each have its own asylum, and it is respectfully recommended that whatever funds may remain in the treasury from fines or other causes specified in the fifth section of the act referred

to, shall be set apart, not for one asylum, but for the two branches of the service. I would recommend that all fines, forfeitures, &c., derived from naval officers or seamen may inure to the benefit of the men of the navy, irrespective of the asylum indicated in the act of last March, which is more appropriately adapted to the army.

HOME FOR SAILORS.

At a period when the hearts of the people are filled with gratitude to our sailors for the services which they have rendered, the opportunity is fitting to propose, not only further provision for the disabled of the past, but also to provide against the casualties of the future. A home for sailors exclusively, with arrangements for such of them as have families, would, if practicable, be most satisfactory, doubtless, to this deserving, loyal, and heroic class.

If Congress shall sanction the removal of the Naval Academy to some more ample and suitable location, the grounds and buildings at Annapolis could, with but slight additional expense, be converted into a home for the sailors. For health, salubrity of climate, and vicinity to the water, the location is all that could be desired for such a purpose. Whilst this measure would provide for those who may be disabled in the line of their duty, the Naval Asylum at Philadelphia will continue to receive the aged and infirm who, through a long and faithful career, have earned a title to the home which receives them.

EDUCATING SEAMEN.

The man-of-war's man of the present day has all the noble and generous qualities of the sailor of former times, and has neither deteriorated in courage, in ability, or skill in handling his guns, nor in devotion to his flag. He is not the seaman he was before the introduction of steam, but his qualities are of as high an order; and since the lash and intoxicating drinks have been expelled from the service, the morale and discipline of the man-of-war of these days is an improvement on the past.

In order that the progress of the age may enlighten the path of the sailor, it is important that a thorough system of enlisting and instructing apprentices should be put in operation. The government desires to obtain a sufficient number of the best boys in the country for apprentices, and to effect this the service must be made attractive. The assurance that a certain number of apprentices who are most capable and most deserving will be promoted annually would be found a strong incentive and inducement. Parents will be disposed to place only unmanageable boys in a service which subjects them to the life of a sailor and holds out no prospect of promotion. We shall struggle in vain to elevate or greatly ameliorate the future of the sailor, so long as the enlisted person is proscribed from advancement, and denied all hope of ever becoming a commissioned officer in the navy.

There are now by law two appointments of midshipmen at the Naval Academy from each congressional district. It is recommended that hereafter there shall be but one appointed under the present system from each district, and that the

other shall be taken from among the naval apprentices who have served two years on board of a practice-ship. The records of the two years' service will show which of the naval apprentices are most proficient, and the most deserving will have earned the privilege of being transferred to the Naval Academy, to be educated at the public expense for the higher duties of the profession.

The youths thus selected will be the most meritorious among several thousand, and a few years' experience will determine whether those thus selected are superior or inferior to those appointed from the districts under the present system.

The fact that the higher grades in the navy will be open to enlisted boys, under a system which will elevate the most worthy to be commissioned or warrant officers, will attract to the navy an abundance of the best boys who have aptitude for sea service.

This system will do away with improper favoritism which tends to demoralization, and recognizes the right of the enlisted apprentice to reach the highest honor, provided he proves himself worthy.

PROPERTY CAPTURED AND DESTROYED.

Naval men, while animated with the noblest feelings of patriotism, and ready to sacrifice their lives for their country whose integrity was imperilled, were impressed at first with the conviction that to them, professionally, the war would offer but limited opportunity, for the rebels were not a commercial people, nor addicted to maritime pursuits. No naval conflicts were anticipated, and it was supposed very few captures would be made, but the efforts of the insurgents, cut off from foreign supplies, and the attempts of unscrupulous foreign adventurers to violate the blockade, have rewarded naval vigilance and fidelity with a large number of prizes, many of them of great value. It is a gratifying circumstance that these prize captures have inured to the benefit of the naval service instead of privateers—differing in this respect from previous wars.

The number of vessels captured and sent to the courts for adjudication from May 1, 1861, to the close of the rebellion, is one thousand one hundred and fifty-one, of which there were: steamers, 210; schooners, 569; sloops, 139; ships, 13; brigs and brigantines, 29; barks, 25; yachts, 2; small boats, 139; rebel rams and iron-clads, 6; rebel gunboats, torpedo boats, and armed schooners and sloops, 10; class unknown, 7—making a total of 1,149. The numbers of vessels burned, wrecked, sunk, and otherwise destroyed during the same time were: steamers, 85; schooners, 114; sloops, 32; ships, 2; brigs, 2; barks, 4; small boats, 96; rebel rams, 5; rebel iron-clads, 4; rebel gunboats, torpedo boats, and armed schooners and sloops, 11; total, 355—making the whole number of vessels captured and destroyed 1,504. During the war of 1812 the naval vessels, of which there were 301 in service at the close, made but 291 captures. There were 517 commissioned privateers, and their captures numbered 1,428. That war was with a nation having the greatest commerce on the globe. During the recent war we have had no privateers afloat, and the rebels had but a limited commerce from which the prizes of the navy could be

made. Nearly all the captures of value were vessels built in so-called neutral ports, and fitted out and freighted in the ports of a government with which we had treaties and were on friendly terms, which had publicly pledged itself to a strict neutrality, and manifested its sincerity, so far as we were concerned, by withdrawing hospitality to our national vessels.

The gross proceeds of property captured since the blockade was instituted, and condemned as prize prior to the first of November, amounts to \$21,829,543 96; costs and expenses, \$1,616,223 96; net proceeds for distribution, \$20,501,927 69. There are a number of important cases still before the courts, which will largely increase these amounts.

The value of the 1,149 captured vessels will not be less than twenty-four million five hundred thousand dollars, and of the 355 vessels destroyed at least seven millions of dollars, making a total valuation of not less than thirty-one million five hundred thousand dollars, much of which was British property, engaged in un-neutral commerce and so justly captured and condemned.

NAVAL PENSION FUND.

The naval pension fund, at the present time, amounts to nine million of dollars, to which another million of dollars, at least, will be added on the first of January next. There was received in July last, as interest, in currency, the sum of \$292,783 59. This fund is wholly derived from the government's share in the proceeds of captured and condemned prize property; most of it was foreign capital, embarked in foreign bottoms to aid the insurgents. The income from this source will, if rightly husbanded, be ample to meet the requirements of the government for the payment of naval pensions, without any tax upon the people.

PENSIONS.

On the 1st of November, 1865, the navy pension roll was as follows:

931 invalids, with annual pensions amounting to.....	\$68,587 50
1,096 widows and orphans, annually receiving.....	179,942 00
2,027 persons, receiving a total amount of.....	248,529 50

Being an increase during the year of 418 persons, receiving pensions amounting to \$58,870 40.

I again call attention to an unjust discrimination against pensioners who have lost both hands or feet, or both eyes, in the naval service. The act of July 4th, 1864, gives increased pensions where such injuries accrue to those in the military service; but as the law is construed not to include persons in the naval service, it is believed that its operation is not what was intended by Congress. There are also several grades of naval officers for whom no provision is made, and it is suggested that the pension act should be revised with a view to include them.

INCREASE OF SALARIES.

The present compensation of our naval officers is insufficient for their support and for those necessary expenses which they are compelled to incur. Only a small portion of the life of a naval officer is spent at home with his family, and not an inconsiderable part of it is passed abroad on foreign stations, where, when in command, he is under the necessity of exercising a liberal hospitality in the interchange of those courtesies which promote friendly feelings and give character to the service and the country.

While giving their time and thoughts, and, if required, their lives to their country, these gallant men should not be harrassed with apprehensions that their families are suffering and in want, in consequence of the limited pay which is granted them by their government. The enhanced prices of the necessaries of life, which are felt by all who are dependent on salaries or a fixed income, have been painfully severe on our naval officers. Their case appeals with force to Congress, and, though always averse to unnecessary and unwise public expenditures, I have felt it my duty to present it for favorable consideration.

In this connexion, I deem it proper also to renew the suggestions made in my last annual report, that, for the reasons then stated, and which still exist, the interest of the government and the country require that a more liberal remuneration should be paid to those who are charged with the arduous and important clerical duties of this department. Their salaries at present do not correspond with those paid for similar services in private establishments, and are not sufficient to secure the right class of men for this work without entailing upon them sacrifices which they ought not to be required to make.

EXPENSES AND ESTIMATES.

The policy of the department has been to prosecute the war with energy and vigor, and to avoid at all times needless expenditure. In pursuance of this policy, as soon as the war approached its termination, prompt and efficient measures were adopted for reducing the navy and the naval expenses. The results of these efforts are of a character which will be gratifying to the country, as they are to this department.

The available resources for the fiscal year ending June 30, 1865, were.....	\$140,091,125 99
Expenditures during the same time.....	116,781,675 95
	23,309,450 04
Appropriations not wanted and carried to surplus fund.....	900,459 39
Leaving a balance at the commencement of the present fiscal year of.....	22,408,990 65
The appropriations for the current year are.....	119,882,928 75

Making the total available resources from appropriations for the fiscal year ending June 30, 1866..... \$142,291,919 40

This is exclusive of what has been and may be derived from the sale of vessels and other property which the close of the war has enabled the department to dispose of.

The whole of this large amount will not be needed for disbursement during the year, and several of the bureaus will have balances sufficiently large to cover their expenditures for the succeeding fiscal year. The estimates for the year ending June 30, 1867, are as follows:

Pay of the navy.....	\$9,336,638 00
Bounties to discharged seamen.....	800,000 00
Equipment of vessels.....	1,000,000 00
Navy yards, pay of superintendents, &c.....	7,185,536 00
Navigation, Naval Academy, Observatory, &c.....	436,779 00
Surgeons' necessities and hospitals.....	265,750 00
Marine corps.....	1,757,754 50
Contingent and miscellaneous.....	3,200,000 00
Total.....	23,982,457 50

This amount includes the sum of \$5,500,000 for the erection of barracks for the accommodation of seamen now quartered on board receiving ships; for the erection of additional dwelling-houses for officers in the several navy yards, the purchase of land and other improvements of a permanent character.

The total expenses of this department from the 4th of March, 1861, to the 30th of June, 1865, embracing a period of four years and four months, and covering not only the ordinary expenses of the navy, but such as have arisen in the purchase, construction, and equipment of vessels and in the maintenance of the large naval force required during the war, were \$314,170,960 68—an average annual expenditure of \$72,500,990 93. It is gratifying to note that the expenses of this department since the commencement of the war have been but nine and three-tenths per cent. of the expenditures of the government during the same time.

THE BUREAUS.

During the past year two of the chiefs of the bureaus connected with this department have died: Captain Percival Drayton, chief of the Bureau of Navigation, an accomplished and patriotic officer, who has been succeeded by Captain Thornton A. Jenkins; and Surgeon William Whelan, chief of the Bureau of Medicine and Surgery, whose scientific attainments were widely known and appreciated, who has been succeeded by Surgeon P. J. Horwitz.

You are respectfully referred to the reports of the several chiefs of bureaus, herewith transmitted, for the operations in detail of their respective departments. I can only allude to some of the principal topics suggested.

The chief of the Bureau of Yards and Docks, calls attention to the necessity for increased accommodations at the navy yards. Additions to their water-fronts, docks, store houses, &c., are required to meet the demands of the service. In connexion with the Kittery yard, the purchase of Seavy's Island is recommended. At

the Charlestown yard the purchase of an adjoining wharf and water privilege is advised. In connexion with the Brooklyn yard, adjoining ground and water-front, known as the Ruggles property, is urgently needed, and an arrangement has been made under which it can be purchased. The Philadelphia yard has recently been extended, but is wholly insufficient. The Norfolk and Pensacola yards will require large appropriations to place them in a state of efficiency. Works for the increased manufacture of steam machinery are advised, and estimates are submitted for the erection in the yards of houses for the officers and barracks for the seamen now quartered on board receiving ships. A repeal of the law respecting the wages of workmen in navy yards is recommended.

The chief of the Bureau of Construction and Repair states that there are forty-one vessels intended for the permanent navy in various stages of completion, none of which have been launched. The supply of seasoned ship-timber in the navy yards is exhausted, and it is found difficult to procure some of the requisite pieces for the vessels in process of construction. It is recommended that a surplus of timber be now placed in the yards, with a view to its accumulating and being thoroughly seasoned, to meet any emergency that may hereafter arise, and also that arrangements be made at some suitable place for the construction of iron vessels.

The report of the chief of the Bureau of Equipment and Recruiting states that the fuel account of the navy for the past two years is \$11,452,155. Three coal vessels have been captured by the rebels, and twenty-one coal vessels have, during the past two years, been either lost or destroyed. In view of increasing foreign squadrons, arrangements have been made and are being extended for coal depots abroad. The ropewalk has, during the last year, manufactured 2,204 tons of hemp into cordage. The propriety of establishing a manufactory of wire rope is suggested. The number of seamen enlisted in the navy from the 4th of March, 1861, to the 1st of May, 1865, was 118,044.

The chief of the Bureau of Steam Engineering gives a detailed statement of the number, condition, and progress of the engines now under contract. A board of civilian experts, under the direction of the department, are making experiments to test the relative efficiency of vertical and horizontal tubular boilers, the effect of different modes of managing fires, different rates of combustion, and all other matters entering into the practical and best methods of generating steam. Experiments are also being made to ascertain the relative economic efficiency of steam with different measures of expansion. The accommodations in the navy yards for the repair and construction of steam machinery are insufficient for the wants of the service, and additional facilities are urgently required. The chief of the bureau recommends an increase of the pay and position of the chief engineer of the navy. It is not sufficient to induce first-class ability to remain in the service.

The report of the chief of the Bureau of Ordnance calls attention to the large quantities of ordnance and ordnance materials of all kinds which remain on hand, and, with the approval of the department, recommends a general survey at the several yards and stations, in order that the unserviceable stores may be separated from the serviceable, and disposed of as may be judged best for the

interests of the government. The suggestions made in previous reports for the construction of magazines in the interior, away from our large cities, for the establishment of a gunnery ship, and for a well-organized practice ground, are again presented and urged as measures of paramount necessity. It is also recommended to institute a course of experiments with torpedoes, and establish a corps of operators for future service; and in order to avail ourselves of the results obtained abroad in the manufacture of cannon and small-arms, and their use in naval warfare, that officers of the navy be detailed to visit Europe from time to time, and witness the experiments made at the foundries and arsenals. The results of the investigation made by a board of ordnance officers into the cause of the failure of the Parrott rifled guns during the naval bombardment of Fort Fisher are appended, and will be found highly interesting.

The chief of the Bureau of Navigation submits the usual reports of the Naval Observatory, Nautical Almanac, and the general administration of his department. Most of the nautical instruments, and many other articles of navigation supplies, turned in from vessels put out of commission since the close of the war, appear to be available for reissue with some repairs and adaptations. Allusion is made to the prospect, apparently improved, of yet being able to dispense with foreign bunting for American flags. The preparation of a "Danger Chart" of the Pacific ocean to facilitate navigation is in progress; and increased attention is recommended to the collection of hydrographic data in that important quarter, towards the construction of new charts and correcting old ones. And the importance of a hydrographic office in this connexion, under the direction of the bureau, is strongly urged as a means now wanting of authoritatively promulgating discoveries, &c., in any way affecting the interests of navigation.

The chief of the Bureau of Provisions and Clothing details the measures taken upon the close of the rebellion for promptly reducing the expenses of his department, by discontinuing the purchase of supplies, and the closing of the depots in different sections of the country. The system adopted by the department in supplying the various blockading squadrons during the war with fresh provisions gave great satisfaction to officers and men, and added largely to the sanitary condition of the fleets. To meet the demands of foreign service, store-vessels, which are preferred to storehouses on shore, have been sent to the various headquarters of the squadrons. An increase in the corps of regular paymasters is urgently recommended, and additional accommodations for supplies in connexion with, or near to, naval stations are needed.

The chief of the Bureau of Medicine and Surgery presents the usual tables showing the sanitary condition of the navy. The number of persons under treatment during the year ending 31st December last was 73,555, of whom 1,373 died, and 2,671 were on the sick-list at the close of the year. The total number of deaths from October 1, 1864, to September 30, 1865, was 1,750, being a percentage of about .002 to the whole number of persons in service. The percentage of deaths to the whole number of cases treated is .018, or less than two per cent. During the progress of the war 1,406 persons were killed, 1,638 wounded, and 176 reported missing, making the total number of casualties in the naval service 3,220. But seventy-one persons have availed them-

selves of the provision of the act of Congress providing artificial limbs. The increased cost of living renders the monthly tax of twenty cents upon the salaries of officers and men inadequate to the support of naval hospitals, and unless some other means are devised, an appropriation by Congress will be required to meet the necessary expenses. A new laboratory building, at a cost of \$80,000 is recommended.

The colonel commandant of the Marine Corps reports the order and discipline of the corps as alike creditable to officers and men. During the year the strength of the corps has not materially changed. Though now to a considerable extent employed in guard duty on shore, the greater part of the corps have during the year been actively engaged in the operations of the several squadrons bearing their part in the naval operations of the war.

CONCLUSION.

In former reports, rendering an account of the administration of this department since I entered upon its duties, it has given me pleasure to make known my obligations to the gentlemen who have been associated with me in the conduct of its business. Continued experience has deepened my sense of grateful obligation for their ability, faithfulness, and industry under circumstances which were often not only responsible but embarrassing, and I gladly avail myself of this opportunity to again express my acknowledgment for their support and assistance. In our arduous and vastly extended naval organization and action during the past four eventful years, and especially in the new forms of power which modern inventions have produced, and the new scenes of effort which this unparalleled war has called forth, in which they have been so severely tried and so triumphantly illustrated, an extraordinary opportunity has opened and an unexampled necessity has existed for an administration of the Navy Department at once judicious and efficient.

Under the pressure of such an exigency, I certainly do not claim, and cannot hope, to have always avoided mistakes; but I do sincerely trust that the brilliant and glorious naval record which shines along the line of momentous events during the whole of this period may be accepted as proof that the department has been faithfully devoted to its duties, and that through its counsels and care the force of our navy has, in the selection of officers to wield and work it, been generally and to a very fortunate extent confided to the best and fittest hands. In the conduct of our naval operations to put the right man in the right place has been the constant effort of the department, and the recent history of the navy bears witness, I think, that the effort has not been unsuccessful nor fruitless. It is my pleasing duty to add that the number of highly meritorious officers, eminent in all the requirements and accomplishments of their profession, which our navy list presents, has not unfrequently embarrassed the department in its difficult task of selection.

As peace is being restored among us, the country now puts off the formidable naval armor which it had assumed to vindicate upon a mighty scale that supremacy of the national law which is the very life of our Union. In the details of

the policy and the measures by which our naval power is now brought down to the dimensions and distributed to the important operations of a peace establishment, the country will see with relief and gratitude a large and signal reduction of national expenditure. I need hardly say that this great object is kept constantly and carefully in view by this department.

Such alleviations of the public burdens is the plain dictate of a wise policy. Yet true wisdom directs that this policy of retrenchment in the naval branch of the public service must not be carried too far. It is still wise—the wisest—economy to cherish the navy, to husband its resources, to invite new supplies of youthful courage and skill to its service, to be amply supplied with all needful facilities and preparations for efficiency, and thus to hold within prompt and easy reach its vast and salutary power for the national defence and self-vindication.

Let the government still extend in judicious and moderate measure this fostering care to its navy, and whenever the crisis shall arrive that our national rights or interests are imperilled, we may be assured that the navy will again vindicate the claim which it has already so signally established, to the admiration and gratitude of the country.

The President.

GIDEON WELLES.

Secretary of the Navy.

REPORTS

OF

THE CHIEFS OF BUREAUS.

BUREAU OF YARDS AND DOCKS.

Annual Report for the fiscal year ending June 30, 1867.

NAVY DEPARTMENT, BUREAU OF YARDS AND DOCKS.

October 12, 1865.

SIR: I have the honor to present the annual report and estimates for this bureau, showing the expenditures under it for the last fiscal year, with estimates for improvements for the next year.

The estimates will appear large, and though it is desirable to curtail the expenses of the government, now that the war has closed, yet it has been developed that much more extended accommodations are necessary than have heretofore been provided. The increase of naval vessels and their armament has been so large that the areas of the yards, the water fronts for vessels, storehouses, and workshops, are found to be insufficient to accommodate the vessels and stores which will be retained for further service; the cessation of hostilities does not therefore in this, as in other departments of the government, check the growing wants of, or gradual improvements in, docks and navy yards, which should be progressive with the improvements of the times.

It is an undeniable fact that most of our navy yards are entirely too limited in area, and ultimately they must be enlarged to meet the wants of the navy.

At the Portsmouth yard we have now five new ships-of-war under construction, one large ship recently launched, and a number of other vessels anchored in the stream for want of wharf accommodations. The area of this yard is only about sixty acres, and most of it is already occupied by buildings. I have, therefore, estimated for the purchase of the whole of Seavey's island adjacent to the yard; the purchase of this island will furnish an additional water front, and ample space for the erection of all the workshops and storehouses that will be required to make this a first-class yard. Besides, the bridge constructed across the water between Seavey's island and the navy yard, authorized by act of Congress, with the conditional free use of a way through the yard for the residents of the island, has caused an increase of inhabitants on the island, which will continue, and enhance the value of the ground. This increase of population is a source of great inconvenience and embarrassment to the government by the frequent use of the way through the yard and over the government bridge to Kittery, so that I recommend the purchase of the whole island if it can be obtained at a reasonable price. In case such acquisition cannot be made on reasonable terms, I recommend the prohibition, as provided by said act of Congress, at the discretion of the department, of travel of every kind from said island to and through the navy yard.

At the Boston yard we are equally cramped for room and water front with deep water, and therefore I have ventured again to estimate for the purchase of the wharf and water privileges heretofore presented to Congress as the property of Oakman & Eldridge; by this purchase the pile wharf estimated for at that

yard could be dispensed with. This property is especially required for the accommodation of coal for the navy and for additional wharf facilities.

Adjoining the New York yard is a valuable property, recently owned by Mr. Ruggles, who, some few years since, obtained a grant from the legislature of New York to extend his wharf out into the channel, to the great detriment of the yard, and which, if carried out, would have seriously if not wholly interfered with the use of the Wallabout waters for naval purposes. The right of Mr. Ruggles was contested by the department, and progress was suspended. Mr. Ruggles has died, and his executors and heirs have agreed to dispose of this property to the government at an appraisal ordered by this bureau, the amount of which was \$90,000. These premises are now rented to government at \$6,000 per annum, to continue until the action of Congress shall decide on the purchase, and are now full of government stores which cannot be accommodated in the navy yard. I have inserted an amount for this purchase, and most earnestly recommend the appropriation.

An arrangement has been made with the authorities of Brooklyn for an exchange of grounds, and awaits the confirmation of the city councils, which, when consummated, will accommodate both parties.

The purchase of an addition to the Philadelphia navy yard, for which funds had been appropriated, has been consummated, the money paid, and the property taken possession of.

The Norfolk yard, which had been made a heap of ruins, is now partially improved, and affords limited facilities for the repairs of vessels and machinery. This yard will require a large outlay when it shall be permanently organized; it was one of our most extensive and important depots.

At Pensacola the navy yard was reduced by the rebels to a waste of ruins. It is the only naval establishment on the Gulf, and will require large appropriations to rebuild and restore it to its former state of efficiency.

The department desires more accommodations for officers stationed at navy yards, and also barracks for seamen. It will be observed that the estimates submitted for these improvements cover nearly half the amount of the whole estimates of the bureau. It is desirable, and would prove advantageous to the service, to have more of the officers quartered in the yards; the only obstacle seems to be want of space, especially for the barracks, and, as the quarters, under the present rule, would have to be furnished, the outlay would be large.

During the war most of our machinery and engines have been constructed by contract with private establishments; this has been in consequence of the want of facilities in the yards, and shows the necessity of erecting proper works for the purpose; some such works are now in progress, and hence the reason why the estimates for machinery are so large.

I desire to explain why the estimate under the head of contingent is so large. The great demand for tools of all kinds, supplies for foundries, support of teams, contingent labor, &c., has been so urgent that the fund has been exhausted before the year expired, notwithstanding the bureau has cut off and curtailed many of the charges, and sometimes, when practicable, charged some of these expenses to other objects; still it has been impossible to keep the expenditures within the appropriation.

The naval asylum has been judiciously managed; the few decrepit veterans who occupy it are generally worthy objects, and have conducted themselves as well as could be expected, located as they are within reach of the temptations of a large city.

The purchase of a cemetery for the naval hospital and asylum has been consummated, and the grounds enclosed and laid out in Mount Moriah Cemetery, where we now bury the dead from those institutions.

I would mention that trespassers will probably soon be found on our reserved live-oak and pine timber lands in the south, and I submit whether timber

agencies shall again be established as formerly for the protection of the government's timber. Those agencies are somewhat expensive, but they in a great measure prevent much plunder of public property.

I again ask leave to present the claims of some of the clerks at navy yards, viz: commandants' and storekeepers' first clerks and clerks of the yards, which are, at the principal yards, now fixed by law at \$1,200; and if modified, it must be done by Congress. These clerks are hard-working men, and perform as responsible duties as those in the departments of the government receiving much higher pay. This class of clerks should receive the pay of second-class clerks in the departments—\$1,400.

It will be observed that some of the minor officers' pay on the civil list has been slightly advanced. They are not estimated at a higher rate, if as high, as the duties of the offices, if properly filled, merit.

The law regulating wages of workmen in navy yards by outside rates causes great embarrassment, as it is often impossible to ascertain the wages uniformly paid by private establishments, the principals in many cases refusing to give the information sought, and I recommend that the law be repealed.

I also beg leave to state that the salaries of the clerks of bureaus in some of the departments, particularly the Navy, are less than those of the department proper, and of bureaus in other departments; and yet, I venture to say they perform as responsible duties and labor as sedulously as any others; therefore I beg to draw your attention to the increase I have submitted for the clerks of the Bureau of Yards and Docks in the bureau's estimate, and trust it will meet your approval. It is unquestioned that all kinds of subsistence and supplies are now held at higher rates than at any time during the war, and at least double the rates prevailing at the time these salaries were established by law. It should also be borne in mind that these salaries, fixed when the cost of living was moderate, have remained the same, while the wages of mechanics and others in public and private employment have been advanced in proportion to the cost of living. It will therefore be perceived that men with small salaries and no other resources, especially those with families, have a hard struggle to live within their means.

I now proceed to remark on the improvements and repairs at navy yards, commencing with

PORTSMOUTH, N. H.

The improvements which have been completed at this yard during the fiscal year ending June 30, 1865, are, machine-shop and smithery, fitting and furnishing machine shop and smithery, capstan for shears, ordnance machinery and shops, boat-house and carpenter's shop, iron store and barracks, &c., on Seavey's island. The amount expended upon these objects during the fiscal year is, for materials \$10,431 77, and for labor \$16,522 60, making an aggregate of \$26,954 27. These works have been in successful use during a portion of the year, and have added much to the efficiency of the yard. The improvements which have been in progress, but are not yet completed, are: plumbers', coppersmiths', and tin shops, quay wall, moving pier, extension of ship-house S, machinery and tools, repairs of floating dry dock, shop for iron-clading, condenser, extension of ship-house R, launching slips, widening road, timber shed No. 28, and for repairs of all kinds. On these several objects there has been expended during the year, for materials, \$97,018 87, and for labor, \$105,834 07, making an aggregate of \$202,852 94. The work upon these objects has been prosecuted with vigor; some of them are nearly completed, and others well advanced towards completion.

There has been expended during the year, for objects coming under the head of contingent, the sum of \$152,845 02.

Plans and estimates are submitted for the fiscal year ending June 30, 1867, for the following objects, viz: iron foundry, shop for iron-clading, condensers,

road and timber slips, raising timber sheds Nos. 28 and 29 one story, enlarging office building, officers' quarters, quay wall, fitting and furnishing plumbers', coppersmiths', and tin shop, machinery and tools, completing plumbers', coppersmiths', and tin shops, repairs of all kinds, and for the purchase of Seavey's island, amounting in the aggregate to \$505,988.

Iron foundry, shop for iron-clading, condensers, and road and timber slips.—During the past year the exigencies of the service have been such as to render the construction of the above objects absolutely indispensable, and to meet the pressing demands upon the yard it became necessary to use funds which had been allotted to other objects. The works have been completed and have proved of immense service, and an appropriation is now asked to replace the funds to the credit of the objects from which they were taken.

Raising timber sheds Nos. 28, 29.—At this yard there is a great want of addition at store-room, and as there is no available site on the yard for the erection of a new storehouse, it is proposed to supply the deficiency by raising two of the timber sheds another story; this improvement will be an important and valuable addition to the yard, furnishing room for the storage and safe-keeping of a large quantity of stores, and the appropriation is strongly recommended.

Enlarging office building.—The present office building is not of sufficient capacity to accommodate all the officers of the yard, and it is desirable that the offices should be concentrated. The most economical mode of procuring the necessary office room is to raise the wings of the building one story, and for that purpose an estimate is submitted.

Officers' quarters.—There are several officers attached to this yard, for whom no houses have yet been provided, and the department deems it necessary that all the officers attached to the station should reside within the limits of the yard, so that their services may be had at all times. An estimate is submitted for supplying dwellings for such officers as are without quarters.

Quay wall.—The extension of the quay wall on the northerly side of the yard is of the utmost importance, to furnish wharf and landing space for materials, and is much needed at this yard.

Fitting and furnishing plumbers', coppersmiths', and tin shop.—This important building is now in progress, and before it can be occupied it will be necessary to provide the requisite forges, benches and fixtures for the accommodation of the workmen. An appropriation for this object is highly necessary.

Machinery and tools.—The quantity of machinery and tools at this yard is quite inadequate for the execution of the large amount of work required to be done upon the iron-clads, and an estimate is submitted for the purchase of such as are deemed of the first importance. This item is an important one and cannot be urged too strongly.

Completing plumbers', coppersmiths', and tin shop.—This building is far advanced towards completion, but owing to the great increase in the cost of labor and materials since the original estimate was made, it is found that the funds allotted are not sufficient for its entire completion, and a small additional appropriation is therefore asked.

Repairs of all kinds.—The amount estimated under this head will be required for the necessary repairs of the various buildings, docks, wharves, boats, roads, walks, fences, &c., and is such as a proper regard to economy would dictate.

Purchase of Seavey's island.—The area of this yard is entirely too limited to afford sites for the necessary buildings, and working ground for the workmen engaged in the construction of vessels; an estimate is therefore submitted for the purchase of Seavey's island, for reasons hereinbefore stated.

BOSTON

The works of improvement which have been completed at this yard during the past fiscal year are, machinery for machine-shop, repairing machine for rope-

walk, and temporary storehouse. The amount expended in these objects during the year is, for labor \$16,563 57, and for materials \$7,211 48, making an aggregate of \$23,775 05.

The works which have been in progress, but which are not yet completed, are, paving and drains at new shops, coal-house for foundry, smithery, &c., house and foundation for heavy hammer, joiners' shop and paint-loft, extension of shear wharf, repairs around dry dock and surface drains, railroad tracks, and repairs of all kinds. The progress made upon these objects is satisfactory, and the amount expended during the year is \$250,562 77.

There has been expended at this yard during the past year for objects coming under the head of contingent the sum of \$447,323 48. Plans and estimates are submitted for the fiscal year ending 30th June, 1867, for the following objects, viz: for commencing building for all heavy wood-work; officers' quarters; for the purchase of the right of drainage through the yard, now held by the city of Charlestown; one steam fire-engine; widening main entrance; tools for machine and forge shops; machinery for ropewalk; filling in a portion of timber dock; pile wharf; addition to stable; building for offices; barracks for 5,000 seamen; repairs of all kinds, and purchase of Oakman and Eldridge's wharf; amounting in the aggregate to \$1,883,753.

Commencing building for all heavy wood-work.—A large part of the sawing of ship timber is now done by hand at an enormous expense, and as much of the work upon this class of timber may be done by machinery, it is proposed to erect a building of sufficient size to accommodate the sawing, planing, and turning machinery, with the necessary engines, to perform all the work upon heavy ship timber; the building will also afford sufficient room for the carpenters, coopers, and the fire-engines and hose, and will be located conveniently near to the ship-houses and building-slips, and will add greatly to the facilities for the economical execution of work.

Officers' quarters.—A number of the officers attached to this yard have no quarters provided for them, and as it is considered good policy to have all officers on the station located within the yard, an estimate is submitted for an additional number of houses.

Purchase of the right of drainage through the yard, now held by the city of Charlestown.—When the lands upon which this yard is located were purchased, the city of Charlestown reserved the right of drainage for a portion of the city through the yard, and the drains discharge into the timber dock. Since that part of the city has been built up and improved, this drainage has become a great nuisance, the filth from the city discharging into the timber dock, located near the centre of the yard, and it is very desirable that the right of the city should be extinguished.

Steam fire-engine.—There is but one steam fire-engine at this yard; and where there is so much valuable property stored, it is important that the fire apparatus should be as efficient as possible; an estimate is therefore submitted for an additional engine.

Widening main entrance.—The main entrance to the yard is contracted to about one-half the width of the principal avenue, by the adjoining estate. Convenience and symmetry both require that this should be opened to the width of the avenue, and as the buildings upon the required land are now in a very dilapidated state, no better opportunity for making the improvement is likely ever to occur. An estimate is therefore submitted for the purchase of this property, as marked on the plan.

Tools for machine and forge shops.—An additional number of tools is required for the different shops; great delays have occurred in consequence of the insufficient number of tools, and it has been very difficult to procure them during the past two or three years. This object is one of great importance, and is strongly urged.

Machinery for ropewalk.—During the past four years the machinery in this building has been worked to its utmost capacity; some of it requires renewing and several new machines are very necessary.

Filling in a portion of timber dock.—This dock is located near the centre of the yard, and the space occupied by it is much needed for other purposes; it is proposed to commence filling it up, and for that purpose an estimate is submitted.

Pile wharf.—Great delays and much inconvenience and loss have been experienced from want of wharf room for vessels bringing supplies to the yard. To remedy these difficulties it is proposed to build out a pile wharf near the foundries. This improvement is much needed, and the appropriation is strongly urged.

Addition to stables.—The present stables are insufficient to accommodate all the cattle now employed in the yard; some of them are quartered in temporary sheds, and for the comfort of the cattle, security against fire, and the appearance of the yard, it is required that an addition should be made to the main stable and these temporary sheds be removed.

Building for offices.—For the convenience of the business of the yard, as well as for the safety of the public records and other property of a similar nature, it is desirable to have a substantial building conveniently located and reasonably safe against fire. The present offices are in temporary buildings, inconveniently located and unsafe.

Barracks for 5,000 seamen.—In compliance with your instructions, plans and estimates are submitted for the erection of barracks to accommodate 5,000 seamen on shore.

Repairs of all kinds.—The amount submitted under this head will be required for the proper repairs and preservation of the various buildings, offices, docks, wharves, roads, walls, fences, and other improvements.

Purchase of Oakman and Eldridge's wharf.—An estimate is again presented for the purchase of this property; the reasons for this purchase which have been heretofore stated still exist, and it is considered of much importance that this property should be obtained.

NEW YORK.

The works of improvement which have been completed at this yard during the past fiscal year are, iron fence for officers' houses, repairs and increase of ordnance machinery and shops, and officers' houses. Upon these objects there has been expended during the year the sum of \$25,225 12.

The works which have been in progress during the year, but which are not yet completed, are hoisting apparatus, dredging channels, repairs to dry dock, new derrick, removing small shears, repairs to ship-houses, extension of sewer, quay wall at saw-mill, new foundry, chain-cable shop, railways, drains, paving and flagging, filling low places, improvements on cob dock, machine shop, extension of quay wall near new derrick, iron plating shop, receiving store, machinery for machine shop, &c., repairs of machinery and boilers, repairs of engines in machine shop, machinery for iron plating shop, machinery for new foundry, machinery for smithery and joiner's shop, three steam hammers, water pipes and hydrants, and repairs of all kinds. Upon these various works there has been expended during the fiscal year the sum of \$590,350 29. The work upon the above improvements has been prosecuted as vigorously as possible, and executed in the most substantial and satisfactory manner. There has been expended during the year for objects coming under the head of contingent the sum of \$310,435 99. Plans and estimates are submitted for the fiscal year ending June 30, 1867, for the following objects, viz: machine shop, main building, boiler shop, iron plating shop, receiving store, quay wall, dredging channels, office building, officers' houses, barracks for 6,000 seamen, filling low places on new

purchase, machinery for new machine shop, boiler shop, pattern shop and smithery, special repairs, repairs of all kinds, and purchase of the Ruggles property, amounting in the aggregate to the sum of \$2,597,080.

Machine shop, main building.—A partial appropriation was made for this building, and the work commenced; but the experience of the past four years has demonstrated that the building as first proposed would not be of sufficient size to meet the wants of the yard. The plans have therefore been revised and the building enlarged, and, consequently, the expense increased. To meet this increase and complete the building, the sum now estimated will be required.

Boiler shop.—This building is much needed, the present shop being entirely too small for the work required. It is proposed to build a large boiler shop in connexion with the machine shop, and this item is considered one of much importance.

Iron plating shop.—A small appropriation was made for this building, but, owing to the immense increase in the cost of materials and labor, it was found impossible to erect a proper building for the money. An additional estimate is therefore submitted for the construction of such a building as will supply the facilities for executing this important work in an economical and expeditious manner.

Receiving store.—This building has been authorized, and is in rapid progress; but owing to the great advance in the cost of materials and labor since the estimate was made, as well as from the fact that a portion of the site has proved of such a character as to require heavy piling, it becomes necessary to ask for an additional appropriation. An estimate is therefore submitted.

Quay wall.—This important work is in progress, and an estimate is submitted for its continuation. The old wharves are fast decaying, and this work is to replace them and build a front to the new purchase in a permanent manner.

Dredging channels.—The constant deposits in the Wallabout channel render the frequent use of the dredging machine necessary to maintain a sufficient depth of water for the vessels at the yard. No appropriation was made last year for this object, and the estimate now submitted will be required to continue the dredging machine in operation.

Office building.—The office accommodations are entirely insufficient for the large number of officers now attached to this yard; they are inconveniently arranged, having been increased from time to time to meet the wants of the yard. It is proposed to erect a building for the purpose, so arranged that those officers having frequent business together may be located near to each other. The building is much needed, and an estimate is therefore submitted.

Officers' houses.—This yard is also deficient in quarters for the officers on duty; their presence is often required at night, and it is deemed important that they should be provided with houses in the yard, so that their services may be always available. An estimate is submitted for such houses as are necessary to supply deficiencies.

Barracks for 6,000 seamen.—In compliance with your directions, plans and estimates are submitted for the construction of barracks at this yard for the accommodation of six thousand seamen.

Filling low places on new purchase.—A large part of this new purchase has been filled in and appropriated to useful purposes; a large area yet remains to be filled, and it is proposed to fill it in part from the mud excavated by the dredging machine, and in part with gravel. An estimate for this important object is submitted.

Machinery for machine-shop, boiler-shop, pattern-shop, and smithery.—These new buildings are now in progress, and as much time is generally consumed in the building and preparing of machinery and tools, it is deemed wise to have them in progress so that they may be ready to put in place when the buildings are finished. An estimate is therefore submitted for this important object.

Special repairs.—An appropriation was made some time since for certain special repairs—such as long dock, ship-houses, and old docks; the exigencies of the service since then have not permitted these repairs to be made except in a temporary manner, and the great increase in the cost of labor and materials renders it now impossible to complete them with the funds in hand. The repairs are much needed, and an estimate is submitted for their completion.

Repairs of all kinds.—The amount estimated under this head will be required for the necessary repairs of the various buildings, docks, wharves, and other improvements.

Purchase of the Ruggles property.—The acquisition of this property would be of vast benefit to the yard, and it is believed that no more favorable opportunity will present itself for its purchase.

PHILADELPHIA.

At this yard no works of improvement have been completed during the past year. The expenditures for improvements have been made for dredging channels, repairs, and working of floating dock, and repairs of all kinds. Upon these objects there has been expended during the year \$120,102 06. These are current expenses, and were required to meet the wants of the service. There has been expended for objects coming under the head of contingent during the past year the sum of \$131,813 83. Plans and estimates are submitted for the fiscal year ending 30th June, 1867, for the following objects: dredging channels, dry dock, houses for officers, Bulkley's patent dryer, with building complete, saw-mill, extending south pier 100 feet, and for repairs of all kinds, amounting in the aggregate to the sum of \$349,508.

Dredging channels.—The amount asked for this object is for cleaning out around the wharves, and maintaining a proper depth for the working of the floating dock.

Dry dock.—For the necessary repairs and for operating the dock the amount estimated will be required. This dock has been kept in very active service during the past year, and a very large number of vessels has been raised and repaired upon it. The dock is of the utmost importance, and being of perishable materials, requires constant care and attention.

Officers' houses.—At this yard there are but four houses for officers, and many of the officers are without quarters in the yard, and reside in remote parts of the city. As it is deemed important that all the officers should be within the yard and ready to render service at all times, estimates are submitted for building quarters for such as are not now provided for.

Bulkley's patent dryer, with building complete.—This plan of drying timber has been tested at the Washington yard with very satisfactory results, and it is considered very desirable to introduce it in other yards. At this station one is much needed, and an estimate is therefore submitted.

Saw-mill.—Appropriation has been made for the machinery for this mill, and the machinery obtained, but the amount remaining on hand is not sufficient to complete the building. It is an important appendage to the yard, and will effect a great saving in the execution of work. The appropriation is strongly urged.

Extending south pier 100 feet.—For some time past the deep water has been receding from the yard front, and as the wharves can be extended out into the river, thereby adding to the area of the yard, it is more economical to extend them than to keep the dredging machine constantly employed. Besides, there is no good site in front of the yard for the new floating dock, unless it is placed alongside the old dock; and to do this, the extension of the pier is necessary for the protection of the dock.

Repairs of all kinds.—This estimate embraces the usual amounts required for the proper repairs of the different buildings, docks, wharves, roads, walls, fences, &c., and is necessary for their preservation.

WASHINGTON.

There has been no object of improvement completed at this yard during the past fiscal year. The works upon which progress has been made, but which are not yet completed, are dredging channels, machinery and tools, coal depot, extension of copper-rolling mill, storehouse for provisions and clothing, rail tracks in yard, and repairs of all kinds. The amount expended upon these objects during the year is—for materials, \$128,187 61; for labor, \$63,125 37, making an aggregate of \$191,312 98. These works have been constructed in a substantial and satisfactory manner.

There has been expended at this yard during the past year for objects coming under the head of contingent the sum of \$209,816 01.

Plans and estimates are submitted for the fiscal year ending 30th June, 1867, for the following objects, viz: new paint shop, smithery, extension of iron foundry, machinery, tools, officers' quarters, and for repairs of all kinds, amounting in the aggregate to the sum of \$254,690.

New paint shop.—The building formerly used as a paint shop having been turned over to the Ordnance bureau, it became necessary to use a temporary building for this purpose. The present shop is entirely unsuitable, as the paints, oils, &c., are exposed to the dust and smoke from the smithery. It is proposed to erect a new shop similar to the old paint shop, and an estimate is submitted for the purpose.

Smithery.—The number of forges in the smiths' shop is not sufficient for the execution of the large quantity of work required at this yard. It is proposed to remove the chain-proving and testing machine to another building conveniently near, and thus make room for an additional number of forges, and an estimate for this object is submitted.

Extension of iron foundry.—The foundry facilities are too limited for the performance of the large amount of work required from the foundry, and it is proposed to extend them by erecting sheds along the rear for the accommodation of additional cupolas, for which a small appropriation will be required.

Machinery and tools.—Appropriations have been made from time to time for machinery and tools, but the quantity already obtained is not sufficient for the execution of the large amount of work required in building engines and machinery for steamers. An estimate is therefore submitted for the purchase of such as are most needed.

Officers' houses.—Several of the officers attached to this yard are without quarters in the yard, and by your direction estimates are submitted for providing the houses necessary for their accommodation.

Repairs of all kinds.—The amount submitted under this head will be required for the necessary annual repairs of the different buildings, docks, wharves, and other improvements.

NORFOLK.

The works of improvement which have been completed at this yard during the past fiscal year are, rebuilding machine-shop, mast-house, smithery, and offices. On these several objects there has been expended for materials \$93,645 29, and for labor \$111,227 54, making an aggregate of \$204,872 83. The amount expended under the head of repairs of all kinds, for repairs of dock, engine, foundry, dry dock, marine barracks, provision store, yard cranes, officers' quarters, wharves, saw-pits, carpenters' shop, and other miscellaneous objects, is, for materials \$59,501 37, and for labor \$89,917 11, making an aggregate of \$149,418 48. The amount expended during the year under the head of contingent is \$81,752 46. The work upon these objects has progressed in a satisfactory manner, and from a heap of ruins this yard has already been put in

condition to afford facilities for the repairs of a very large number of vessels. Estimates are submitted for the fiscal year ending 30th June, 1867, for repairing dry dock, masonry, iron and copper store No. 11, timber shed and joiners' shop No. 12, furniture and galley storehouse No. 13, storehouse No. 14, completion of stables, railway tracks and cars, wharves, new dredging machine, scows, and dredging, new masting shears, Ames's wharf crane, building for offices, officers' quarters, machinery and tools, and repairs of all kinds, amounting in the aggregate to the sum of \$484,500. Most of these items are for the repairs of buildings destroyed by the rebels, and all of them are needed at this important station. The walls of these buildings are generally in very good condition, and the cost of repairing them will be moderate compared with the original expense.

PENSACOLA, FLA.

Operations at this yard during the past year have been confined to the repairs of such objects as were absolutely necessary for the performance of such work as was required in the repairs of the vessels of the Gulf squadron; expenditures have been made upon the saw-mill, machine-shop, smith-shop, foundry, officers' quarters, storehouse, cisterns, and miscellaneous objects, the aggregate amount of which is, for labor \$34,615 79, and for materials \$11,779 18, making an aggregate of \$46,394 97. The works have been temporarily repaired, so as in a degree to meet the demands upon this important station. There has been expended during the year, for objects coming under the head of contingent, the sum of \$40,942.

Estimates are submitted for the fiscal year ending 30th June, 1867, for the following objects, viz: for repairing muster office, gate to dock basin, pile engine, officers' quarters, and repairs of all kinds, amounting in the aggregate to the sum of \$422,887.

This being the only naval station on the Gulf, it is highly important that a part of the workshops should be repaired as soon as practicable. The estimates now submitted are such as the immediate wants of the service require, and it is hoped that the appropriation will be made by Congress.

MARE ISLAND.

At this yard none of the objects of improvement have been completed during the past fiscal year. The works which have been in progress, but which are not yet completed, are wharf, grading and paving, drainage and sewerage, tar and pitch house, foundry and boiler establishment, wharf cranes, scows, lighters, and stages, boiler-house in smithery, steam hammer and tools for smithery, cistern and holder for gas-works, saw-mill, stables, coal-house and wharf, repairs of sectional dock, and repairs of all kinds. The amount expended on these objects during the year is \$190,059 78. Under the head of contingent there has been expended during the year the sum of \$102,456 47.

Plans and estimates are submitted for the fiscal year ending 30th June, 1867, for foundry and boiler establishment, houses for officers, cisterns, barracks for sailors, quay wall, grading, cistern and holder for gas-works, and for repairs of all kinds, amounting in the aggregate to the sum of \$484,800.

Foundry and boiler establishment.—This important work has been some time in progress, and parts of it are nearly completed. The amount now asked for is believed to be sufficient for its final completion.

Houses for officers.—This yard being located on an island, it is important that the officers should be provided with quarters in the yard; some of them are already furnished with quarters, and an estimate is now submitted for building houses for the paymaster and ordnance officer.

Cisterns.—In consequence of the absence of good water on the island, it is in-

dispensably necessary to construct cisterns for receiving the rain water, and the estimate submitted is much needed.

Barracks for sailors.—By your direction an estimate is submitted for the erection of barracks to accommodate 7,000 sailors.

Quay wall.—This work is of the utmost importance for the protection of the foundry establishment, and to furnish landing places and wharf room near the foundry and machine shop. The appropriation is strongly urged.

Grading.—This work must continue with the other improvements, and will require annual appropriations for some time to come.

Cistern and holder for gas-works.—The amount allotted to this object is not sufficient for its completion; the object is one of great importance, and a further appropriation is asked for its completion.

Repairs of all kinds.—The amount estimated under this head is such as will be required for the necessary annual repairs of the various buildings, docks, wharves, and other improvements.

SACKETT'S HARBOR.

The expenditures at this station during the past year have been confined to the necessary repairs of the buildings, &c., and the preservation of the public property. The amount expended during the year is \$797 62. The unexpended balance to the credit of this station will be sufficient to meet all necessary expenditures for the next fiscal year.

MISCELLANEOUS STATIONS.

For the erection of wharves, storehouses, and workshops at Port Royal, S. C., there has been expended during the past year the sum of \$76,106 17. This became a very important station as the place of deposit for the vast amount of stores, ammunition, and coal, and as a place for the repairs of the vessels composing the South Atlantic squadron.

At Key West the expenditures upon the coal depot and landing wharf have amounted during the year to the sum of \$38,382 21. This station was made the principal deposit for stores and coal for the East Gulf squadron, and has been of much importance during the war.

At Mound City there has been expended during the year, for temporary buildings, the sum of \$25,382 21. This point was made the place of deposit for stores for the Mississippi squadron, and for repairs of vessels belonging thereto.

The amount appropriated by the last Congress for these miscellaneous stations will be sufficient for the present.

NAVAL ASYLUM.

The increase in the number of beneficiaries, and the greatly advanced cost of all supplies, has caused a deficiency in the amount allotted for their support. There were on the first of July, 1864, one hundred and sixty-four persons, including officers and attendants, borne on the rolls of the asylum. Seventeen beneficiaries have been admitted and fourteen have died.

The expenses of the institution for the year ending June 30, 1865, are as follows:

Subsistence	\$26,972 47½
Clothing, tobacco, &c.	8,053 46
Miscellaneous items	9,411 29
Officers and attendants	21,511 65
Total	65,948 87½

FLOATING DRY DOCKS.

Under authority of Congress, contracts were made for the construction of two floating dry docks, of size sufficient for docking monitors of the largest class. One of these was for the navy yard at New York, and the other for the navy yard at Philadelphia. Both have been completed and delivered at the yards, and arrangements are now being made to test their strength and capacity.

All of which is respectfully submitted.

JOS. SMITH, *Chief of the Bureau.*

HON. GIDEON WELLES,
Secretary of the Navy,

BUREAU OF NAVIGATION.

Annual report and estimates for the fiscal year ending June 30, 1867.

BUREAU OF NAVIGATION, NAVY DEPARTMENT,
Washington, October 28, 1865.

SIR: I have the honor respectfully to submit the annual report from this bureau, to which will be found appended the annual report of the superintendents of the Naval Observatory and the Nautical Almanac; also the estimates of the bureau proper, and those of the Naval Academy, Naval Observatory, and Nautical Almanac, for the fiscal year ending June 30, 1867.

BUREAU OF NAVIGATION.

At the date of the last annual report from this bureau Rear-Admiral Charles Henry Davis was chief. That officer, having been assigned to the superintendency of the Naval Observatory upon the sudden death of Captain James M. Gilliss, (whose official life had been prominently connected with that institution,) was succeeded in the Bureau of Navigation by the late lamented Captain Percival Drayton. The duties of the Bureau of Navigation have, therefore, been mainly performed, during the past year, under the direction of the former of the two chiefs, up to about the close of the rebellion, while Captain Drayton, my immediate predecessor, was only spared to the service and country to commence the important duty of carrying out the order of the department of the 6th of May, for a general, and as rapid as possible, reduction of expenses in the branch of the service confided to this bureau.

Prior to the cessation of hostilities with the rebels the duties of the bureau differed in no material respect from those of the previous years of the war. The constantly increasing naval force, and the wear and tear of war, made it necessary to provide large supplies of nautical instruments and navigation stores of all kinds for distribution. The dawn of peace brought with it your order for retrenchment, cessation of purchases, and for husbanding all materials adapted to the future wants of a more limited naval establishment.

Although the damage to vessels, frequently in conflict with forts and batteries and land forces of the enemy was very great, it is believed that many of the articles turned into store, under the care and charge of the Bureau of Navigation, may, with judicious management, be made to supply the place of new ones, and that much of the material now on hand may be reissued to cruising vessels. In some of the branches, however, the articles were, from circumstances beyond control, of inferior quality, having been selected mainly for coasting and inland navigation, rendering them, for the most part, unfit for reissue; while in the department of foreign charts and the more expensive instruments, such as chronometers, &c., but few, comparatively, were required or purchased during the continuance of the rebellion.

The nautical instruments, flags, books, and all other articles of navigation supplies, except charts, sailing-directions, and the finer instruments requiring repair, (which are sent to the Observatory,) are stored at the five principal naval stations, in charge of officers, by whom they are distributed upon requisitions, corrected and approved at the bureau, to the vessels as they are put in commission.

The experience of the war proved, if proof were necessary, the great importance of being independent of foreign manufactories for naval supplies. The article of bunting, apparently an insignificant item, in the large expenditures of a four years' war, became one of considerable consequence, both on account of the difficulty of procuring it seasonably, and in suitable quantities and qualities, and of the exorbitant prices demanded for it abroad.

Happily the efforts (to which reference was made in the report from the bureau in 1864) to induce American manufacturers to undertake the fabrication of this necessary article, have resulted so far beneficially as to lead to the reasonable hope that ultimately these attempts will be crowned with complete success. Specimens and samples of American bunting have been presented, which lead to the conclusion that, at no distant day, it will be manufactured in this country of a quality and at a price that cannot be rivalled by the European establishments.

The system heretofore adopted and reported, of confining the purchases of the bureau, as far as possible, to articles of American growth and manufacture, will be sedulously adhered to.

Considerable attention has hitherto been given by the bureau to the compass department of the service. The large number of vessels, constructed wholly of iron, and the daily increasing introduction of large quantities of that metal in the construction of vessels-of-war, render it imperative that every possible appliance which science, experience, and the mechanic arts afford, be employed to lessen the risks of shipwreck arising from defective compasses and ignorance of the causes of local deviation of the magnetic needle on board of our ships.

It is of the greatest importance that all commanding, navigating, and other line-officers should give more attention than formerly to the practical means employed for determining the local deviation, and to applying the corrections to the compasses on board the ships to which they are attached. Ships should not only be swung, as at present required by the regulations of the department, in the first fitting, before going to sea, but no opportunity should be omitted for re-examining and correcting local deviations in every port they visit, and after every material change of latitude or longitude at sea.

These provisions relate to the practical rules and methods in use determining the actual deviation of the compass, and applying it in the ordinary processes of navigation. The more simple these rules the better. Nothing is gained by multiplying forms, or elaborating discussions that make no essential addition to our knowledge, and lead to no valuable result. But it is desirable to push our inquiries beyond these fluctuations in the local attraction, which are due to accidental causes, and to devote our attention to those changes, more obscure perhaps, which gradually bring about that state of the local deviation which is normal in every iron vessel, and also those changes dependent on geographical situation.

With these objects in view, a skilful observer has been placed on board of the *Monadnock* on her voyage to San Francisco to measure the vertical and horizontal deviations under all the variety of circumstances and changes through which she will pass in both hemispheres.

HYDROGRAPHY.

A chart of the Ochotsk sea, which includes the mouth of the Amoor river, has been in progress for some time, but it is found that it cannot be published until

some additional data in respect to certain points in that quarter are obtained by actual observation. The danger chart of the Pacific ocean, which originated with Commander (now Commodore) John Rodgers, while in command of the North Pacific surveying expedition, has had many additions and corrections made to it, and it is believed that the correction of the plate and printing of a new edition may be effected very soon.

In connexion with the subject of the "danger chart" of the Pacific ocean, I would respectfully but earnestly invite the attention of the department to the wide field for nautical discovery and usefulness in that ocean. A glance at that chart (which was compiled from all the most reliable data existing in the hydrographic offices of every maritime nation) will show the great importance to all commerce, and especially our own, of either establishing beyond doubt or cavil the correct positions of the numerous dangers to navigation laid down on the charts used by seafaring men (of which this is a compilation) when they are actually found, or, after having been diligently searched for and not found, and all doubt removed in regard to them, of erasing them, once for all, from the charts.

The simple fact that the position of a supposed danger in the track of a vessel is not accurately laid down not only embarrasses the navigator and delays him in his passage, but may prevent him from using his knowledge or experience in avoiding approaching cyclones and hurricanes, thus leaving his vessel in great danger of being wrecked while endeavoring to avoid a danger that may not exist.

European nations have contributed largely to nautical knowledge in distant seas, while we have mainly confined our surveys to our own coasts and harbors.

The interests of our people on the Pacific coast, those of our projected lines of steamers to China, Japan, &c., and of our large whaling fleet, would seem to demand some attention at this time from the government in this respect. The advantages which steam affords in making these proposed explorations and surveys over former attempts, added to the increased facilities arising from the possession of the Pacific sea-coast, would greatly lessen the force necessary to be employed, and the time required to perform the service.

A gnomonic projection of a chart of the North Atlantic ocean has been in preparation for some time, for the purpose of practically testing the supposed advantages of this mode of projection in the construction of charts, which should offer greater facilities for laying down courses and distances in great circle sailing or steaming. The problem seems to have been satisfactorily solved theoretically; and, although seamen are not generally the first to perceive and seize advantages, it is deemed, nevertheless, just to the navigating interests that they should not be deprived of any benefits which nautical science may afford.

HYDROGRAPHIC OFFICE.

Some efforts have been made heretofore to establish a hydrographic office in the Navy Department, similar in principle to the hydrographic office of the British Admiralty, the hydrographic office of the Russian government, and the depot of charts and plans in France.

The subject was brought before Congress in 1863 by petition of the "American Shipmasters' Association." A report was made by the Senate committee, and a bill reported and passed that body June 24, 1864. (Senate Rep. Com. No. 85, 1st session 38th Congress.)

That the Navy Department should have it in its power to give to the ships of the navy and of commerce of the United States, in a reliable and authentic form, the results of the explorations, surveys, and all other nautical information obtained from the officers commanding our squadrons and ships in foreign waters, would seem hardly to admit of a doubt; but in the absence of any general authority of law, all the information thus obtained, except in a few special

cases, for which special appropriations have been made, has proved of very little benefit to either our own navy and commerce, or that of other nations.

In the absence of such an office and authority, the department is debarred the official correction by publication of any error that may be discovered in charts by our vessels-of-war, and the consequence is, that all such information, if used at all, must be confided to hands for promulgation in such manner and at such time as may suit the interest of the private publishers, to whom it may be given, and who are not always the most skilful in the art of chart-making.

The hydrographical department of the British Admiralty has been administered with so much ability and energy, that the charts, instructions, sailing-directions, &c., issued from that office, have nearly superseded all others; and it is believed that, notwithstanding the comparatively low price at which the charts, &c., are sold in London, the actual outlay from year to year is comparatively small.

It is not proposed that we should commence as rivals of either the British Admiralty hydrographic office, or the French depot of charts in Paris, but that authority be given by Congress to establish an office, attached to the Bureau of Navigation of the Navy Department, with a small appropriation, to enable the department to order the publication, from time to time, of such charts, sailing-directions, &c., as may become necessary, and for which sufficient reliable data may be available, and that such charts and other publications be sold to navigators at prices that will cover the expenses of paper and press-work, leaving the expense of preparation only to the government, for which the benefits to the navy and commerce of the country will be more than an equivalent.

PUBLICATIONS.

Of the work referred to in the last annual report of this bureau, of "Special Instructions in the Sciences of Observation," for the use of officers of the navy it may be remarked, that several of the articles prepared for it have been communicated in manuscript, and others are in course of preparation.

New editions of the Signal Code and Telegraphic Dictionary of the United States navy have been completed, and copies have been distributed to vessels at sea.

NAVAL ACADEMY.

In conformity to the act of Congress, approved May 21, 1864, providing for the return of the Naval Academy to the State of Maryland, the academy buildings and grounds at Annapolis were vacated by the War Department in the month of May last, when immediate steps were taken to provide for their restoration and refitment, in order to adapt them for the reception of officers and pupils. The academy was re-established at Annapolis in the early part of September, and the opening session of the current year commenced at the regular period of time.

This institution, which has been a source of solicitude and pride to the naval service since its organization, has recommenced its work at Annapolis under auspices more than ordinarily favorable. An adequate number of instructors, fresh from the great experimental school of war, are now attached to that institution as professors and assistant professors, under the superintendence of Rear-Admiral David D. Porter.

It may be reasonably expected that a judicious system of combined theoretical and practical instruction, under the rules and regulations approved by the department, will not be departed from, and that the discipline which is indispensable to the formation of reliable, efficient, and accomplished navy officers will never be relaxed to the detriment of the academy or service.

An adequate number of naval engineers of different grades has been ordered to the academy to instruct the midshipmen in steam and its application.

A correct knowledge of the steam-engine, its several parts and accessories, the management of the steam-engine on board ship, and of the general principles upon which steam is applied to machinery as a motive power, having become a highly essential if not an indispensable part of the education of naval officers at the present day, great benefits to the service may be reasonably anticipated from the wise provision made by the department for instructing the midshipmen at the academy in that branch of naval studies.

NAVAL OBSERVATORY

I respectfully refer to the report of the superintendent for a detailed statement of the service of that institution during the last year, and for his views in regard to it.

AMERICAN EPHEMERIS AND NAUTICAL ALMANAC.

The report of Professor Winlock, hereto appended, gives a detailed account of that work and its accessories.

It will be observed that the work is in a satisfactory state of progress as compared with previous years.

It is very gratifying to be able to report the increased demand for this valuable national work, and it is not doubted that its intrinsic value to the scientific reputation of the country, to astronomy throughout the world, and to the naval and commercial marine of the country, will at no distant day be fully realized.

It is well understood that in this office, in the Observatory, in the Geodetic Surveys, and in all similar institutions, the labor of computation is very great. It has been, and will continue to be, one of the aims of this bureau to relieve and lessen this labor by furnishing to all gentlemen employed in large calculations, whether astronomical or statistical, in the service of the government, the most accessible and best arranged tables.

Experience teaches us our deficiencies in this respect. Profiting by its instructions, I am now engaged in having prepared tables of a more convenient form than those in use, designed to afford computers of great problems the most suitable instruments for their work.

NAVAL APPRENTICES.

The enlistment of naval apprentice boys of not less than 14 or over 18 years, to serve until they are 21 years of age, unless sooner discharged, as authorized by act of Congress, approved March 2, 1837, having been resumed by order of the department only very recently, there has not as yet been sufficient time to determine with what favor parents and guardians will regard the advantages thus offered to them. It is believed, however, that it is only necessary for the system to become generally known to insure the enlistment of as large a number of promising boys as may be required to provide, a few years hence, full complements of a superior class of leading men for the vessels of the navy.

The rules and regulations prescribed by the department for the instruction, drill, exercises, management and care of the apprentices, judiciously and zealously carried out, cannot fail to develop, for future usefulness, the mental and physical faculties of the apprentices, which, in all likelihood, would otherwise in many cases be lost, both to the boys themselves and to the country.

While the navy will be greatly benefited by the introduction into the service of a number of young men instructed and disciplined under the system prescribed by the department, those who prove themselves worthy, reliable, and capable will not be debarred the rewards due to merit.

Respectfully submitted,

THORNTON A. JENKINS,
Chief of Bureau.

BUREAU OF ORDNANCE.

BUREAU OF ORDNANCE, NAVY DEPARTMENT,

October 20, 1865.

SIR: I have the honor to submit the annual report of the Bureau of Ordnance

The very great stock of cannon, powder, projectiles, gun carriages, small-arms, and all the various equipments of naval armaments remaining on hand at the close of the rebellion, and the amount appropriated for ordnance purposes for the present fiscal year enable the bureau to dispense with all estimates except that which is necessary for its civil expenses during the year commencing July 1, 1866. Such expenditures, therefore, as may be necessary for specific objects during that year, can be met from the surplus which will remain to the credit of ordnance out of the appropriation for the present fiscal year; and this course is respectfully recommended to the department, if it is not inconsistent with its views nor contrary to any existing custom or law of Congress.

The expenditures of the bureau will be reduced, or cease entirely, during the present year, principally for cannon, projectiles, powder, gun-carriages, and equipments, and will be confined as closely as possible to ordinary repairs, experimental purposes, the erection of buildings and magazines, and the completion of the cob dock at New York.

The necessity for these limited expenditures will be explained elsewhere, but the bureau desires to call the attention of the department, in these introductory remarks, to the estimates presented last year for quarters for ordnance officers and the salaries of ordnance clerks at the navy yards, and respectfully request that Congress may be asked to authorize the expenditure called for by them, for it is considered of the greatest importance that the ordnance officers should be present at all times where their duty lies, and this can only be the case where quarters are provided for them in the navy yards. In an emergency their absence might result in serious consequences.

With regard to the policy of recompensing the ordnance clerks by giving them a fixed salary instead of a per diem pay, the bureau is of opinion that it is not only just and proper, but that the interests of the government will be better cared for, and a faithful class of men simply receive a fair remuneration for their labor.

If these suggestions meet the views of the department, I shall be prepared at any moment, during the session of Congress, to present the estimates and ask that authority may be granted to expend the money for these objects out of the appropriation for the present fiscal year.

GENERAL REMARKS.

It was the desire of the bureau to present in this report a full exhibit of all the ordnance and ordnance supplies purchased and used during the war, and now remaining on hand serviceable and available for current use in time of peace, or to meet any sudden emergency either at home or from abroad. But time has not permitted the assembling, inspection, and partition of the worthless from the good at any one of our navy yards, stations, or magazines, and therefore the necessary data are at this period wanting for such an exhibit. At an early day, however, the bureau proposes to survey and separate the serviceable and unserviceable of all kinds, and submit to the department for transmission to Congress a supplementary report showing the entire cost to the country, in this branch of the service, of suppressing the rebellion, and which will also serve as a basis for determining the wants of ordnance to meet any similar contingency.

It may be here stated, however, that an ample supply of good cannon remain,

together with an abundance of every requisite for naval warfare. Indeed, the difficulty now is to find room for the storage and preservation of all we have, which is known to be really good, and to dispose of, to the best advantage of the government, such as may be found unserviceable.

The navy yards at Portsmouth, Boston, New York, Philadelphia, and the ordnance yard in this city, are now filled with cannon and ordnance materials of various kinds returned from ships and the several depots established on the southern coast for our squadrons during the war; and to relieve as soon as possible the Fort Norfolk magazine, the bureau is now engaged in covering in one of the large storehouses at the Gosport navy yard, and otherwise preparing it for the reception of ordnance stores.

At the west it was found expedient to remove the supplies from Mound City and place them in suitable buildings, erected by sanction of the War Department on the grounds of the Jefferson Barrack reserve, near St. Louis, Missouri, while those at New Orleans are now being transferred to the navy yard at Pensacola; and only a sufficient stock to meet the current wants of the Atlantic and Gulf squadrons is left at each of the depots of Port Royal and Key West.

No doubt the proper policy will be to get rid of everything relating to ordnance which is not really serviceable, or which cannot be easily repaired from materials already on hand, and this can only be done in a satisfactory manner by a thorough survey after the stores are assembled and properly arranged at each of the several navy yards and stations. The bureau would therefore respectfully suggest that a board of not less than three ordnance officers be ordered to conduct this survey and report in detail with a recommendation to the department as to what disposition shall be made of all ordnance and ordnance materials and stores which they may find unserviceable and not fit for repairs, as above indicated; the bureau will then be enabled to present the exhibit mentioned in a preceding paragraph.

In this connexion, however, I may remark that the ordnance returns to date show that we have on hand at the several magazines, navy yards, and shore stations, in the aggregate, 4,025,178 pounds of powder, 491,026 shells, 233,818 shot, 84,301 shrapnell, 47,802 canister and 21,355 grape, made up, of course, of the different calibres, both smooth-bore and rifle, and of every description used during the war. How much of this immense stock is serviceable and worth preserving, the survey can alone determine.

With reference to the powder and its storage, the bureau has always been opposed to the present system of magazines throughout the country, and has not failed in its annual reports to bring the matter before Congress, and to urge that appropriations should be made for the erection of more suitable buildings in isolated localities in the interior, away from our cities but near some water course or railway, in order that supplies could readily be brought to smaller magazines on the seaboard.

The whole subject has been carefully considered, and, as stated in its two last annual reports, "whenever the necessary appropriation shall have been made, the bureau will be ready, with the information and data now in its possession, to proceed immediately with the erection of suitable buildings." This expenditure can be made from the appropriation of the present fiscal year if Congress will but authorize it, and this question, of such vital importance to the navy and the country, be settled at once.

The other questions of economy in guns, carriages, projectiles, and equipments can be more easily disposed of, and no difficulty will be found in preserving the stock, which may be pronounced serviceable by a board of survey, for any number of years. It will be simply necessary to clean, paint, park, and store them away in the yards and storehouses, and give them the ordinary attention and examination afterwards, which are called for by existing ordnance regulations.

The most important depot for such storage now is the gun park on the cob

dock, between Brooklyn and Williamsburg. This consists of four acres of made land, surrounded and supported by massive crib-work, and has a water-front of 600 feet, the average depth at low tide being 28 feet on the main front.

Upon this are granite skids, capped with iron, capable of parking at least 2,000 cannon, and it is proposed to erect buildings on the vacant spaces for the storage of equipments, and for performing the work of sighting and otherwise preparing the guns for service. The park is also provided with a derrick capable of lifting a XV inch gun to a height greater than the turrets of a monitor, and the work of putting on board or removing any ship's battery, with all its appurtenances, can therefore be executed with promptness and despatch. It is believed that this important work will be entirely completed during the present fiscal year, and the Brooklyn navy yard relieved of all the ordnance and ordnance materials which now encumber it.

THE FOUNDRIES.

The presumption is that the number of serviceable cannon which will be found by survey, together with those now being received from the contractors will be amply sufficient to meet the wants of the navy for several years, and therefore the bureau does not contemplate entering into any new contracts for guns. The experience of the war has demonstrated that we can rely upon the private enterprise of our citizens to produce good cannon, and as rapidly as they are wanted. Therefore no apprehension need be entertained of any difficulty arising from the suspension of this work for the navy, and the return of these large workshops to producing machinery and tools for commerce and the arts; on the contrary, they will be better prepared with their acquired knowledge to enter at once upon the work, and to manufacture either such guns as are now in use, or upon any other models which future experiments may prove to be better adapted for naval use. I of course have now especial reference to cast-iron cannon, both smooth-bored and rifled, and to the manufacture of bronze howitzers; for the art of fabricating wrought-iron or steel cannon is yet in its infancy here, and remains an unsettled question abroad, only to be solved by a well-conducted series of careful experiments. So far, the results obtained by private enterprise in this country are very doubtful, and by no means to be relied upon. In fact, the difficulties of the problem are very much increased by the persistent efforts of inventors to produce wrought-iron or steel rifled ordnance of large calibre, instead of confining the preliminary trials to smooth-bore guns of the ordinary size.

It should be remembered also that the advantages claimed for rifled cannon over smooth bores are in many respects visionary, and do not bear the test of actual conflict, much less the more elaborate and quietly pursued experiments of the practice ground; and that whatever of extraordinary power or range may be obtained with them, is generally qualified in a great degree by the danger of premature rupture, under the strain of excessive charges and heavy projectiles necessary to produce such effects, and this whether the rifles are made of cast-iron, wrought-iron, or steel.

During the recent rebellion the cast-iron smooth bore guns of the navy endured all of the severe service to which they were subjected, and proved their excellence everywhere and under all the conditions of actual war. Not a single gun of the Dahlgren system has burst prematurely; and none of the XV-inch guns, even when fired with their heaviest charges, have ever failed except in the case of two or three which had their muzzles ruptured by the premature explosions of shells, the body of the gun even then remaining uninjured. For the ordinary warfare of wooden ships against each other, or against forts, these smooth bore guns are undoubtedly the best of their kind; while the practice at the test battery against armor plating shows that even the XI-inch at close quarters is capable of piercing any thickness of iron or steel with which the sides of an ordinary cruiser intended to keep the seas could be covered with safety, and

this without any danger of rupture from the use of increased charges, unless the gun has been very much weakened by previous service.

The cast-iron rifled ordnance, manufactured by Mr. Parrott, of the West Point foundry, for the navy, did also good service within their sphere, and justly merited all the confidence placed in them, until it was rudely shaken by the disastrous rupture of several 100 and 150 pounders during the naval bombardment of Fort Fisher.

Prompt measures were immediately taken to ascertain, if possible, the cause of these failures, and a board of ordnance officers, convened by order of the bureau, investigated the subject in all its bearings. Their final report is hereto appended.

Without waiting, however, for the decision of this board, the bureau directed the removal of the 150-pounders from service entirely, and reduced the charge of the 100-pounders to 8 pounds of powder, and a shell of 80 pounds. This reduction, and the gun confined to the work for which it was intended, and not used for every occasion, especially where the smooth-bores are more available, will, it is believed, prevent the occurrence of premature rupture in future, *provided, however, that the express and oft-repeated injunctions in relation to the use of rifled guns are strictly observed.*

The settled policy of the bureau is, at present, to arm our vessels with a mixed battery of pivot and broadside smooth-bore guns, governed with reference to calibre by the capacity and deck accommodation of individual ships. The rifled guns are exceptional, and are intended simply as chase guns where long range is required, or to be used at great distances in repelling the attack of smaller and swifter opponents armed with similar pieces.

The idea of a broadside armament composed exclusively of rifled guns is by no means warranted by the experience of the past war, and with the gathered strength and prestige of our navy we can afford to await the results of the trials now going on in England, and elsewhere, to bring forward a rifled gun of large calibre which can be trusted and used as a substitute for the smooth-bores in broadside or pivot.* Time, and a prodigious expenditure, with corresponding successful results, are needed to satisfy ordnance men that the progress of science in the fabrication of "built-up" guns, whether composed wholly of wrought-iron, or of steel and wrought-iron combined, can produce either a rifled or smooth bored cannon which will take the place of our present comparatively inexpensive cast-iron ordnance so far as endurance even is concerned. And when this, the first essential, is determined conclusively, there remain the other important questions between the smooth-bore and rifle of accuracy at all available ranges, penetration, shock, and the certainty of ricochet fire. And in illustration of the advantage of this latter condition of ricochet fire, as being peculiarly the property of the smooth-bore, I may refer to the published report of the army operations against Charleston, in which the commanding general bears testimony to the magnificent practice made by the iron-clad frigate New Ironsides with her XI-inch guns against Fort Wagner. He says, in speaking of the final operations against that work: "Thirteen of our heavy Parrott rifles, 100, 200, and 300 pounders, pounded away at short though regular intervals at the southwest angle of the bomb proof, while, during the day-time, the New Ironsides, with remarkable regularity and precision, kept an almost incessant stream of eleven-inch shells from her eight-gun broadside ricocheting over the water against the sloping parapet of Wagner, whence, deflected upwards with a low remaining velocity, they dropped vertically, exploding within or over the work, and rigorously searching every part of it except the subterranean shelters."

A ricochet fire of this kind is simply impossible from rifled guns with elongated projectiles, whatever may be said of their superior powers of penetration.

* Breech-loading cannon made of steel, by Krupp, are now being tried in Prussia and Russia, but they find no favor in England.

But the first essential of *endurance* in these "built-up" guns is by no means an accomplished fact, and in the development of any great power which they ought to possess by using heavy charges, they have hitherto developed also an inherent weakness which the greatest care in the preparation and fabrication of the materials of which they are composed is unable to overcome. A single gun may now and then be made which will show remarkable endurance under protracted firing; but a second or a third, fabricated apparently like the first, yields prematurely, and disappoints the inventor when he least expects it. With cast-iron ordnance, however, uniformity of endurance can be obtained even with rifles, as is exemplified by the trials of the three 100-pounders by the board on rifled ordnance, at Cold Spring, New York.

We may, therefore, content ourselves with the possession at least of a system of smooth-bore and rifled ordnance which has stood the test of no ordinary conflict; and that we have every reason to expect that ample leisure will be afforded us in the future for the examination and trial of any new theories which may be presented for investigation.

For this state of things we are mainly indebted to the enterprise of our citizens who own and have so ably conducted the cannon foundries of the north.

GUN-CARRIAGES.

In the last annual report mention was made of a proposition to substitute, to a certain extent, iron gun-carriages for wooden ones in the armament of vessels; and this idea has met with such favor as to induce the bureau to mount the new classes of 8-inch and 32-pounder broadside guns upon them. The design is very simple, and a battery thus mounted presents a unique and light appearance in contrast with the cumbersome and heavy-looking broadside carriage of wood. A few also of the IX-inch guns have been mounted in this way, but the bureau awaits the result of a trial in actual cruising before finally determining the question of adopting them exclusively for guns of that calibre and weight.

For the carriages and slides of pivot guns there can be no question regarding the utility of iron over wood, provided the compression can be satisfactorily adjusted, so as to meet all the conditions of service. The only example so far is to be found in the carriages of the New Ironsides, which have only been tried in smooth water and never in a rolling sea. Hence a more complete and careful experiment is needed to satisfy all the conditions of the problem before determining whether the present wooden pivot carriages shall be dispensed with and iron ones substituted for them.

At this time, also, the ingenuity of ordnance men is exercised in producing a proper iron carriage upon which to mount the guns of the *Dunderberg*, which, unlike the turreted monitors, is expected to roll to such an extent as to make it doubtful whether they can be controlled even by a resort to machinery and steam. In England the attempt to govern the movement of the 12-ton guns on board the *Minotaur* in a sea-way proved a failure, and we may therefore be compelled to enter into an elaborate series of experiments before deciding a question of so much importance. I refer more particularly now to the iron carriages for the XV-inch guns, for if they can be controlled in recoil and other movements, there will be no difficulty with the XI-inch guns.

Ultimate success may, however, be reasonably expected, for the genius which originated the system of monitors for harbor defence and sea-service has, it is hoped, already devised some method of governing and using with safety the guns which are their chief element of offence, even when applied to another system. The bureau has therefore every reason to expect that ere long a uniform system of iron carriages for broadside and pivot guns will be established for all our vessels, the durability of which will add very much to the economy of our naval armament.

COMPOSITION OF BATTERIES.

At present no change is contemplated in the distinctive features of our naval armament, for there does not appear any good reason for departing from the established system of a mixed battery of broadside and pivot guns, the IX-inch being the principal of the former and the XI-inch of the latter, wherever it can be carried; and in the lighter vessels the new 8-inch of 6,500 pounds, or 32-pounders of 4,500 pounds, with one or two 100-pounder rifles in pivot.

It has also been adopted as a general rule to give every vessel a rifled gun, mounting in some the 60-pounders and 30-pounders on Marsilly carriages, in order that they may be shifted from side to side, or fore and aft, if necessary. This, it is true, complicates the service of the magazines with different charges and projectiles, but not to such an extent as to make it inconvenient or cause delay in action. Unity of calibre is no doubt of very great importance, but no ship would in these days be considered properly armed that had not one or two rifles in her battery.

It is a question, however, whether it is not sound policy for us to adhere to at least three distinct methods of armament, in order that we may be prepared for any danger which may arise; and these are represented by the batteries of our cruisers, such as the Brooklyn and Canandaigua, of the monitors for harbor defence, and of the double-enders and light gunboats for blockade and river work. These three different classes, with their appropriate armaments, have met every contingency during the rebellion, and, with such modifications as experience has shown us to be necessary, will no doubt answer better than any other yet known for offensive and defensive warfare. The days of the heavy line-of-battle ships, with their tiers upon tiers of guns—none of which were half so powerful as the ordinary broadside IX-inch—are passed, and henceforth the swift and light draught steamer must be the vessel for all ordinary work in cruising and blockading, while the powerful monitor and iron-clad will defend our harbors and sea-coasts.

But in speaking of "iron-clads," I do not mean such as are represented by the huge and unwieldy models of Europe—for instance, the Solferino, Magenta, or Royal Sovereign—the latter vessel an acknowledged copy of our Roanoke, being the only one which it is believed could cope with any of our monitors. Her present armament consists, however, of only three 10-inch smooth-bore guns.

TORPEDOES.

With reference to coast defence it may not be amiss to notice another terrible agent—the torpedo—which has been successfully tried in many instances during the war. There seems to be, no doubt, a want of fair play and manly courage in using a concealed and destructive weapon against an enemy, while you are secure from danger and quietly waiting for the catastrophe which launches hundreds of human beings into eternity without a warning; but it is nevertheless perfectly legitimate in warfare, and the danger must be met, and can only be overcome by caution, skill, and the free use of similar means.

To originate and perfect a complete system of torpedoes, both stationary and movable, is perhaps more properly the province of the engineer; but as everything connected with gunpowder, and its use for naval purposes, belongs also to the Bureau of Ordnance, I have taken pains to collect samples of our own and the rebel torpedoes, and have now in course of preparation a history of each, illustrated with drawings in detail. These will be valuable for future reference in preparing these terrible auxiliaries, but the art, if I may so term it, of using them is in its infancy, and I would therefore recommend that an elaborate course of experiments be instituted, and a corps of operators established,

in order to avail ourselves of all the improvements which may be suggested during the trials, and have a body of trained men ready to use them whenever a necessity arises for their employment.

SMALL-ARMS.

There can be no doubt that the minds of military men in this country and in Europe are fully convinced of the necessity and advantages of substituting the breech-loading musket or carbine for the muzzle-loader, and the consequent use of metallic cartridges.

During the past year a series of elaborate experiments have been made by the army ordnance at Springfield with various models of breech-loaders, but as yet no definite conclusion has been reached regarding the most appropriate one for general use in the field; and this has prevented the bureau from carrying out its cherished idea of establishing a breech-loading system for the navy, to include also a pistol of the same calibre as the carbine, so as to have but one cartridge for each arm. As soon, however, as the bureau is advised of the action of the army authorities, it will be prepared to enter at once upon such trials as will determine whether the one selected is suitable for naval purposes, and if so, to place it on board our ships and get rid of the several varieties of muskets, rifles, and carbines which are now in use. The best results are especially anticipated from the adoption of a single-barrel breech-loading pistol in the hands of seamen, in lieu of the revolver, which should only be used by officers as a belt weapon.

A number of arguments in favor of the changes here alluded to were given in my last annual report, and it is needless to repeat them here. The outlay necessary to carry out the plan will be but trifling, as the whole number of arms required for the peace establishment will not exceed 10,000, and the cost of these will be partly met by the proceeds of the sale of the arms set aside.

GUNNERY PRACTICE SHIP.

The foregoing remarks naturally lead to a consideration of the best means of perfecting a system of training for our men and officers in everything which belongs to ordnance and its uses in naval warfare.

The bureau has not failed, in each of its annual reports, to call attention to the necessity for establishing a thoroughly organized gunnery ship, and again respectfully, but earnestly, brings the subject to the notice of the department. Every element required for its immediate commencement is at hand, and it only needs the authority of Congress to make the expenditure from the existing appropriations. It is true that we have our practice ships attached to the Naval Academy for the education of midshipmen and apprentices, but these are merely elementary schools, and by no means represent the idea of a gunnery ship, in which not only the exercise of great guns and small-arms will be taught to our officers and men, but also every new improvement in ordnance and its details fairly tried, and adopted or rejected upon its merits.

In connexion with such a ship, there should also be established a regular proving ground and experimental battery, with an uninterrupted range of at least six miles. This is deemed indispensably necessary, if we are to continue our progress in the science of gunnery, and keep pace with the improvements made abroad. At present we have no such ground for conducting experiments anywhere, even the limited facilities afforded from the experimental battery at Washington having been stopped by the occupation of Giesboro' Point, at the mouth of the Anacostia, by the army for a cavalry camp.

In this connexion, I would also recommend that officers of acknowledged merit and practical ability be sent abroad from time to time, and for brief periods,

to observe the progress made in the science of gunnery, and the improvements which are introduced in naval batteries, and report the results of their inquiries and observations. In no other way can we obtain direct and positive information and be enabled to advance our own ordnance correspondingly.

During a recent unofficial tour I had an opportunity of briefly examining the magazines at Spandau, the works of Krupp, in Prussia, the magazines at Purfleet, and the practice ground at Shoeburyness, in England, where I was received in the most cordial manner and every opportunity afforded me for inspection.

I had also the pleasure of meeting Major General Bormann, of the Belgian artillery, the distinguished officer to whom we are indebted for the excellent fuze which bears his name; and for the extensive use of which I would respectfully recommend that Congress be asked to make some suitable acknowledgment, in the way of an appropriation of money, to be presented to the General by the department.

I have the honor to be, with high respect, your obedient servant,

H. A. WISE, *Chief of Bureau.*

Hon. GIDEON WELLES,
Secretary of the Navy.

BUREAU OF ORDNANCE, NAVY DEPARTMENT,
Washington City, December 30, 1864.

SIR: The bureau desires you to direct Mr. Parrott to suspend the manufacture of his one hundred-pounder (100) rifled guns for the navy, until further directions.

H. A. WISE, *Chief of Bureau.*

Commodore ROBERT B. HITCHCOCK,
U. S. Navy, West Point Foundry, Cold Spring, N. Y.

BUREAU OF ORDNANCE, *December 30, 1864.*

By the first opportunity request Admiral Porter to transmit, as soon as possible, a detailed report of the breaking of the Parrott rifles in the fleet, as a board is ordered to assemble here on the fifth of January, to consider the question.

H. A. WISE, *Chief of Bureau.*

SENIOR NAVAL OFFICER, *Hampton Roads.*

BUREAU OF ORDNANCE, NAVY DEPARTMENT,
Washington City, January 4, 1865.

SIRS: You are hereby appointed a board to consider and report upon the subject of rifle cannon for the navy.

In consequence of the unfortunate failure of a number of the Parrott guns in the recent operations near Wilmington, the report of which will be submitted to you, and the loss of life attendant thereon, the confidence of the service has been seriously shaken in the guns of this manufacture, and some change or modification of the system is thus rendered necessary.

You will, therefore, investigate, as fully as possible, the causes of the failure of the Parrott guns in service generally, and state whether, in your judgment, they are still worthy of confidence, and should be continued as the rifle guns of the navy, or whether they shall be abandoned and some other gun substituted.

If you should decide upon retaining the Parrott system, you will state whether

the present calibres shall still be used; and if not, what calibres shall be rejected; also, whether it be advisable to reduce the charge and weight of projectiles for the several classes of the guns you may propose. If, however, you decide to abandon the Parrott system entirely, you will then designate either a new rifled gun or a new mode of manufacturing rifled guns, which, in your opinion, will be the safest and best for the naval service, keeping in view the question of economy in manufacture relatively with the results anticipated from the charge.

Having thus decided upon a rifled gun, or a mode of manufacturing them, you will state in what proportion they shall be placed in the batteries of our ships.

A full record of your proceedings must be kept, and a detailed report made to this bureau of the results of your deliberations; to aid you in which, the files of this office are placed at your disposal.

I am, sirs, your obedient servant,

H. A. WISE, *Chief of Bureau.*

Commodore J. S. MISSROON, *United States Navy.*

Commodore R. B. HITCHCOCK, *United States Navy.*

Commodore T. A. HUNT, *United States Navy.*

Lieutenant Commander R. AULICK, *United States Navy.*

Lieutenant Commander W. N. JEFFERS, *United States Navy.*

NAVY DEPARTMENT,
Washington City, January 18, 1865.

SIR: In accordance with your order of the 4th instant, we have carefully considered the points therein submitted for investigation, and have the honor to report as follows:

We find that seven hundred and three (703) Parrott guns of all calibres have been issued to the naval service, (as shown in table A,) and that of this number twenty-one (21) have burst or been otherwise injured by explosion.

Several of the injuries have appeared in fractures or rents, enabling the withdrawal of the guns from service in time to avoid casualties, and many of them have occurred in the chase or at the muzzle, and not, as is customary with other guns, at the breech; thus affording evidence that they arose from the premature explosion of shells within the guns—a fact which is proven by the direct testimony of several officers in charge at the time.

Such premature explosions of shells within rifle guns have frequently occurred without apparently injuring the guns, while in other cases causing their instant rupture. But although the guns were apparently not injured, there is no proof that they were not really so, and much presumptive evidence that they were, for, although we find by the records that many premature explosions of shells have been reported to the bureau at different times, by which the gun was not apparently injured, yet on no occasion has it seemed to occur to the officer so reporting that an examination of the gun itself was necessary to determine what effect had been produced by such premature explosions.

Thirty-three (33) premature explosions in one hundred and twelve (112) rounds have been reported in target practice with guns of all calibres, and not one word said of any examination of the guns. There is, however, one instance that occurred, in the proof of a 100-pounder at Cold Spring, which is conclusive on this point. At the second fire of this gun a shell exploded prematurely, and the gun showed no apparent injury, and stood the ten proof rounds without bursting; but a subsequent examination showed it to be seriously cracked in the bore, and it was rejected.

Brigadier General Turner, chief of artillery in the department of the south,

during the operations against Charleston, states (see General Gillmore's report, p. 155) that "a most serious matter was the premature explosion of shells, of which so many have occurred in our firing. The shock produced by an explosion of a shell within a gun cannot but tend rapidly to destroy it; indeed, in instances which have come under my personal observation, I am confident it was the direct and immediate cause. In one instance of the bursting of a 100-pounder, where the breech had been blown from the reinforce, I found the base of the shell in the gun. The shell had prematurely exploded, leaving the base in the gun; it had taken the grooves, and was left perpendicular to the axis of the piece, and some inches in the rear of its first position, showing that the last force acting upon it was from the explosion of the powder in the shell."

The same report says, page 139, that "the frequent instance of premature explosions which occurred with shells (from the Whitworth guns) made it necessary to abandon the use of shells entirely."

The records show that this subject of the frequent premature explosions of shells in the rifled guns has been fully appreciated by the bureau, and that experiments for the purpose of obviating it, by coating the interior surface of the shells, have been made for more than a year past.

These experiments show that as the coating became more and more perfect, the premature explosions of the shells decreased, until they ceased entirely; seven hundred (700) rounds having been fired without a single instance of such explosion of the shells, or injury to the guns.

This result has only been obtained within the last few weeks, and consequently is not known to the service generally—nor were the shells which have heretofore been issued for service coated inside, because until now no substance was found for coating them which seemed to fill all the required conditions, though some few have been partially protected.*

As these experiments may not, however, be considered sufficiently extended to be conclusive, and as the premature explosion of shells is shown to be certainly one cause of the failure of the Parrott guns, and is, in the opinion of the inventor, the principal one, we think that this subject should be so fully tested as to place the question of this cause of bursting of those guns beyond dispute, and also whether it be possible to obviate it entirely or not.

We therefore recommend that a series of experiments be at once instituted at Cold Spring, (or such other point as the bureau may designate,) to be conducted in the following manner:

Three guns, say 100-pounders of exactly the same character in every respect, that is, made of the same iron, melted at the same time and in the same manner, and cast all at once from the same pool, should be placed side by side and fired 1,000 rounds each, with service charges of powder and shells of the same description and weight; the shells from one gun to be unloaded, (but brought up to weight by filling them with sand or some other non-explosive material;) then those from the second gun to be loaded and fuzeed, but not coated on the interior; and those from the third gun to be coated on the interior with the new composition, and loaded and fuzeed exactly as those from No. 2. In every other respect the conditions of firing should be exactly the same, including, for a certain number of rounds, rapidity of firing.†

* Extract from letter of Lieutenant Commander Temple, steamer *Pontoon*, January 7, 1865, engaged in the bombardment of Fort Fisher, December 25 and 26: "I have taken care to provide myself entirely with asphaltum lined shells; and, although every other vessel about us had repeated premature explosions, we had not a single one."

† Some of the 150-pounders and 100-pounders recently made have been cast hollow on the Rodman plan, but very few—five 100-pounders—have been issued to the service. As, therefore, the great majority of these guns in service were cast solid, we are of opinion this experiment should be made with solid cast guns, as more fully representing the guns now in service.

It is believed that these experiments will fully test both guns and projectiles under all the circumstances that are like to occur.

We are of the opinion that from the result of these experiments it should be decided whether the Parrott guns are to be retained or withdrawn from service; for, after a minute and careful investigation of all the information we have been able to obtain, as well as from the records of the bureau, the testimony of Mr. Parrott (see paper marked D) and our own personal experience, we find it impossible to decide at present.

Pending this decision we considered it proper to recommend to the bureau (see letter of January 11, marked E) that a general circular should be issued directing certain reductions of the charge of 100-pounders, and other precautionary measures to be taken, by which it is hoped that serious accidents may be hereafter obviated.

That these guns have in some instances been injured by other causes than the premature explosion of shells, such as the use of compressed powder, projectiles deemed by Mr. Parrott unsuitable for guns of his construction; by keeping guns loaded for a great length of time, and also by neglect in the heat of battle to lubricate the projectiles as required by the Ordnance instructions, a most necessary and important precaution, having for its object not only the free movement of the projectile, but particularly as a means of neutralizing the tenacious deposit from the powder, which is admitted in some cases to have been done, there seems little doubt but they are exceptional cases.

The compressed powder used at one time in the Parrott guns was authorized by the bureau on the recommendation of Mr. Parrott and the ordnance officer stationed at his foundry, but having proved injurious its use has been discontinued.

That premature explosion of shells will burst rifle guns of wrought-iron as well as those of cast-iron is shown by an instance stated in the *English Army and Navy Gazette*, of December 24, 1864, to have recently occurred in England in the trial of an Armstrong gun.

Table B, appended hereto, shows the extreme endurance of Parrott guns in proof and in service as far as we have been able to obtain it. The reports of service are, however, by no means full, and some reports date more than a year back. It may be assumed, therefore, that many guns stood more firing than is shown by the table.

Table C shows the number, manner, and cause of failure of these guns in service as far as reported. In this case, also, it should be remarked that the reports are very incomplete, and in some instances give no data on which to found an opinion as to the cause of failure.

In consideration of the endurance exhibited by the Parrott rifle guns in proof and in service, we deem it proper to state that, in our opinion, the bureau was fully justified in adopting them for the naval service as the best guns to be obtained to meet its immediate wants, various other systems of cast-iron rifled ordnance having either failed, or been withdrawn from service as unreliable.

We therefore, in the belief that the guns of this description which have burst or failed may have been affected by one or more of the causes heretofore enumerated, especially the explosion of shells within them at the time of bursting or previously, recommend the retention of all classes of those guns, except the 150-pounders, until the experiments herein recommended shall have been made.

We would also suggest the immediate withdrawal of such of the Parrott guns as may have been subjected to any of the deteriorating causes indicated above, and that they be issued to vessels of the navy only as chase guns, not to exceed two for large and one for small vessels, exclusive of rifled howitzers.

With respect to wrought-iron cannon all the official information to which we have access shows that the results in large calibres have not been favorable to their endurance, and in many cases they have shown less strength than cast-iron guns. Instance the original gun of the *Princeton*, the *Oregon*, which

cracked, and the second gun, the Peacemaker, which burst explosively, causing great damage.

The 13 inch gun, made within the past year by Mr. Ericsson, has been able to sustain but a very limited number of rounds.

An 80-pounder, constructed in the Washington navy yard, also a gun of the same calibre, made by Messrs. Seyfert, McManus & Co., at Reading, showed decided flaws before proof.

Several wrought-iron cannon, of the manufacture of Mr. Horatio Ames, have been subjected to trial; one, of the calibre of a 50-pounder, enduring 1,600 rounds; and, although showing deep fissures at the bottom of the bore, yet might still endure an indefinite number of rounds, the experiments having been suspended on account of excessive enlargement of the vent.

A cast-iron 50-pounder of the same model endured 2,000 rounds. These calibres have sufficient endurance in cast-iron or the banded guns of Mr. Parrott.

The semi-steel guns of Mr. Norman Wiard, of the calibre of 50-pounders, were experimented upon; but the very limited and unequal endurance of these guns, one bursting after nine rounds, caused the abandonment of experiments in this direction.

Nor have the published official and semi-official accounts of the endurance of foreign rifled ordnance of heavy calibres always been so satisfactory as to lead us to recommend the entire adoption of the wrought-iron, or any other system, to the exclusion of the banded cast-iron. The Armstrong 10-inch 5, and other heavy calibres of various makers, have endured but a limited number of rounds, and then the former burst explosively by blowing out the breech.

A Whitworth 70-pounder rifle gun, now at the ordnance yard, has commenced to unscrew at the breech, and the trunnion band is badly cracked after thirty-two rounds. Two others, captured in a blockade-runner and placed in battery on Morris Island, were disabled after a hundred and ten fires. Even the 110-pounder Armstrong does not appear to be exempt from serious defects as a naval gun, as the rupture of a shell in the bore of one appears to be capable of destroying the gun. (Vide Army and Navy Gazette, December 24, 1864.)

The Ames gun, lately submitted to proof before a joint commission of the army and navy, a member of this board being also a member of that commission, has shown great strength and endurance, although fissures were developed at an early stage of firing; but in its present shape it is of too small a calibre and unsuitable form and weight for any service in any class of vessels in the navy. But as the inventor does not claim any peculiarity of form, but only in the mode of manufacture, and asserts his ability to make guns in any form, we recommend that a gun be designated by the bureau of suitable calibre, form, and weight for the turreted vessels, and submitted to proof, and that the 150-pounders in those vessels be immediately withdrawn, as the effect of an explosion in vessels of that class could not fail to be most disastrous.

Until the opinions herein expressed have been verified by the experiments which we recommend, we do not feel prepared to make a final decision upon the questions submitted to us; and we therefore respectfully suggest that further consideration of them be, for the present, suspended.

According to the requirement of your order, we have kept a daily record of our proceedings, a copy of which, with other papers relating thereto, is hereto appended.

We are, sir, very respectfully, your obedient servants,

J. S. MISSROON, *Commodore U. S. N.*

R. B. HITCHCOCK, *Commodore U. S. N.*

T. A. HUNT, *Commodore U. S. N.*

R. AULICK, *Lt. Commander U. S. N.*

WM. N. JEFFERS, *Lt. Commander U. S. N.*

Commander H. A. WISE,

Chief of Bureau of Ordnance.

A.

Table of Parrott rifled guns now in use in the navy—January 1, 1865.

Calibre.	Number issued for service.	Number failed.	MODE OF FAILURE.				Known to be cracked by premature explosion of shells.
			Cracked or breech blown out.	Cracked or burst through band.	Cracked or burst between band and trunnion.	Cracked or burst at muzzle.	
150-pounder	35	2				2	2
100-pounder	176	14	2	4	1	5	4
60-pounder	9						
30-pounder	302	3		2		1	1
20-pounder	181	2			1	1	2
Total	703	21	2	6	2	9	9

* No data of the bursting of two of these guns. Besides the five 100-pounders reported to have burst in the attack on Fort Fisher, unofficial information has been received that thirteen other guns of different calibres were so injured as to be unserviceable; but no details of any kind are known, upon which to form an opinion of the cause or character of the injuries.

B.

Extreme endurance of Parrott guns in proof and service.

Calibre.	10-inch.	8-inch.	100-pounders.	60-pounders.	30-pounders.	20-pounders.	10-pounders.	Where used.
Proof firing		420†	1,000	500			1,000	Foundry.
Subsequent			300				300	Do.
In service	1,206*	1,400*	1,500*		4,650*			Morris Island.
Do			1,150*					Do.
Do		600						Naval battery.
Do		660						Morris Island.
Do		522						Monitor turret.
Do		517						Do.
Do			740					U. S. steamer Genesee.
Do		483						U. S. steamer Ottawa.
Do		368						U. S. steamer Monongahela.
Do		599						Morris Island.
Do			445					U. S. steamer Southfield.
Do			430					U. S. steamer Pawnee.
Do			411					U. S. steamer Octorara.
Do					380			U. S. steamer Black Hawk.
Do					347			U. S. steamer Granite.
Do					267			U. S. steamer Estella.
Do						2,000*		Vicksburg.
Do						713		U. S. steamer Nippon.
Do						409		U. S. steamer Owasco.

* Burst in service.

† With Hotchkiss Schenkl shell of 200 pounds.

Vessel on which mounted.	Date of injury.	Class.	Number.	Charge.	Kind of powder.	Kind of projectile at time of explosion.	Place of fracture.	Shells lined or not.	Premature explosion of shells at time of injury.	Previous premature explosion of shells.	Total number of fires.	Cause of failure.	Remarks.
Palapaco.....	July 22, 1861.	VIII in.	6				Slight crack at muzzle.				1	Probable explosion of shell.	Projectiles not greased.
Pequot.....	Sept. 13, 1864.	do.	50	16 lbs. No. 7.	Dupont	Parrott's P. F.	3 ft. 10 in. from muzzle.		1	5	57	Explosion of shell.	Burst at breech and opened the band in several places; lost 18 rounds compressed powder.
Hutchinson.....	Sept. 13, 1864.	100-pdr.	2	10 lbs. No. 7.	Dupont	Schenkl.	25 in. from muzzle.		1	1	220	do.	From 6th to 18th fire four premature explosions.
Westfield.....	Oct. 31, 1863.	do.	4	Dorem's compressed powder.			Burst.				138	Use of compressed powder.	At 6th and 11th rounds premature explosion broke muzzle both times.
Malakka.....	1863.	do.	6	10 lbs. No. 7.	Dupont	Schenkl shell.	36 in. from muzzle.		1	4	350	Explosion of shell.	Schenkl shell had been in the gun 40 days.
Com. Barney.....	Apr. 10, 1862.	do.	11				At muzzle.		2			do.	Fracture from trunion to rear of band.
Cimarron.....	Feb. 15, 1863.	do.	16				203 in. from muzzle.		1		118	do.	Projectiles not greased; band broken in 3 places. 1 killed, 5 wounded.
Paul Jones.....	July 18, 1864.	do.	24				Burst.	Not lined.			78	Insufficient data.	
Junilda.....	Dec. 25, 1864.	do.	30				Burst.					do.	
Com. Perry.....	June 17, 1864.	do.	34	10 lbs. No. 7.	Dupont	Parrott L. S. Per. shell.	Burst at breech.		1		177	No details to show cause, other than failure of gun from want of endurance.	
Quaker City.....	Dec. 20, 1864.	do.	127	10 lbs.			Burst; breech blown out.				19	Explosion of shell.	
Madkinaw.....	Dec. 20, 1864.	do.	141				Burst.				159	No details to show cause, other than failure of gun from want of endurance.	
Ticonderoga.....	Nov. 14, 1864.	do.	163	10 lbs.	Dupont	Parrott L. S. Per. shell.	Burst at muzzle.		1			do.	At the time of injury the shell exploded 24 miles from gun. Hotch, percussion fuze projectiles greased.
Yankee.....	Dec. 24, 1864.	do.	166	10 lbs. No. 7.	Dupont	Per. shell.	Breech blown out.					do.	
Mendota.....	July 24, 1864.	do.	238	10 lbs. No. 7.		Parrott shell.	Cracked from trunion to band.					do.	

C—Continued.

Vessel on which mounted.	Date of injury.	Class.	Number.	Charge.	Kind of powder.	Kind of projectile at time of explosion.	Place of fracture.	Shells lined or not.	Premature explosion of shells at time of injury.	Previous premature explosion of shells.	Total number of fires.	Cause of failure.	Remarks.
Ticonderoga.....	Dec. 24, 1864.	100-pdr.	311	10 lbs. No. 7.	Hazard.	Shrapnel.					49	Want of endurance.	Burst at 37th fire. 8 killed, 12 wounded.
Montgomery.....	May 3, 1864.	30-pdr.	11				Cracked at vent.				47	Unknown.	Crack from vent, transverse.
Calypso.....	Nov. 8, 1864.	do.	59	34 lbs. Dorem's comp'd powder.		Unload'd shell.	Cracked thro' breech; band also cracked.				168	Compressed powder.	Projectiles greased.
Quaker City.....	Feb. 4, 1865.	30-pdr.	92	Dorem's compressed.		Shot.	Burst.					Probably from striking of shot.	This gun had been struck on band by a shot or shell. Had been in Monticello. 20 rounds fired on Calypso.
Union.....	Jan. 16, 1865.	do.	240	2 lbs.		Schenkl shell.	Over seat of shell.	Not lined.	1			Explosion of shell.	At same exercise a premature explosion occurred in another 30-pounder.
							18 in. muzzle off.					do.	Navy time fuze. 8 rounds had been provisionally fired at the time of injury to the gun.

D.

Questions asked Mr. R. P. Parrott, with his answers thereto.

Question 1. How do you know in banding your guns that the band may not be shrunk on too tight; or, in other words, that the shrinkage may not be so great as to compress the cast-iron beneath it, thus changing its structure by upsetting or displacing the crystals, and consequently diminishing or destroying its strength?

Answer. In my opinion it is not sufficient to do so. Every gun is turned, and band bored to the same gauge—that is, the difference between the diameter of the band and gun, *cold*, before band is put on, is always equal to one-sixteenth of an inch to the foot.

Question 2. Has it not actually occurred in practice at the foundry that the band has been shrunk on too tight?

Answer. No. In the first 30-pounder, in putting on the band, the bore was found to be reduced about 0 inch .01. A similar result was also found with a 100-pounder gun. On this account I prefer to do the finishing out and rifling of the bore after banding the gun. I have, however, finished bores entirely before banding, as was the case with all the old army guns banded for experimental purposes.

Question 3. If it should occur, will it not, in your opinion, be sufficient to account for the blowing out of the breech of so many of your guns?

Answer. If too much compressed it might damage the gun; but I do not think that a *band of the thickness we use* could be put on with sufficient force to do so. I think that if any excess in shrinkage exists the band would adjust itself. It is always put on at a uniform heat—what is called “red in the dark.” I do not think that in any case the bands have been put on so as to weaken the guns. The band is intended to guard against longitudinal splitting, which is the manner in which guns usually fail; and, of course, if this is prevented, the gun fails in the next weakest place. We banded a lot of old army guns, and all the banded guns stood well, whilst several of the unbanded ones failed.

Question 4. Have you any experimental results relative to the amount or difference of shrinkage in similar bands? Have you any means of securing uniformity?

Answer. I have no experimental results to determine shrinkage, beyond daily practice in making guns. They are all prepared with a uniform difference of one-sixteenth of an inch to the foot. This difference is absorbed partly by the extension of the band, and partly by compression of the cast-iron. The band would be of no use if its effect was not felt at the bore.

Question 5. Would any modification of the form of the band, or method of putting it on, make it more uniform in its action, or give it greater strength?

Answer. I do not think it would be well to change the form of the band. Of course a longer and heavier band would be stronger; but I do not think the difficulties lie in that direction. I should be unwilling to depend on the band for giving longitudinal strength. It has not much strength in that direction. Bands shrink more in the centre than at the ends, and consequently there can be no “nip” at those places. I do not think that there would be any difficulty in lengthening the forward part of the band a little; but I think it would do little or no good in obviating the accidents in that part, which are caused by the explosion of shells. I think it would be a confession of weakness in that direction, which does not exist.

Question 6. Have you ever tried to band one of your guns cold—that is, by simple pressure, hydrostatic or otherwise?

Answer. I have never tried banding cold, because I do not think it so good and certain as banding hot. It is fully practicable, but the abrasion of the iron,

if the band were forced on with the same tension as I obtain by putting it on hot, would deprive it of the expected accuracy.

Question 7. What is your opinion of the premature explosion of shells, and its effect upon the gun?

Answer. In rifle cannon there are many new elements and things to learn, which have not yet been solved by direct experiment. I think that the premature explosion of shells is the great cause, if not almost the only cause, of the bursting of these guns. Sand or dirt would wedge the shell in the gun, the windage being so small, which I have no doubt caused a few guns to burst at Morris Island.

Question 8. What security have you that the shells are not frequently crushed in the gun by the shock of the discharge, independently of any premature explosion of the powder in the shells? Have no unloaded shells ever been broken in the guns?

Answer. I have no evidence that the shells want strength, after the experience of many thousand fires, to stand the direct shock of the discharge. No unloaded shells, so far as I recollect, have ever broken in the guns. A great many unfilled shells have been fired, and none broken in the gun. One hollow shot did break; but in these projectiles the cavity is in the rear end, and the base not quite so strong as that of the shells. Bands of shells sometimes fly off, or break, but I do not think that this endangers the gun. I think that imperfect forces may have sometimes caused accidents, but I have no knowledge that the spelter rings have ever failed; though, as first made, they might have been a source of accident by flame getting down alongside the thread of fuze-hole into the shell. I have never known, after hundreds of fires, a fuze of any kind to be driven into the shell.

Question 9. What advantage do you expect to derive by an increasing twist in the rifling, over the regular or uniform twist? Is there any danger of wrenching off the muzzle by the “nip” the projectile receives at that point?

Answer. The principal advantages to be gained by the increasing twist are that the projectile takes the grooves more readily, that a higher rotation may be more easily obtained, and a stronger band used with the projectile. Bands of hard metal take the grooves fairly, which they would not do so well with a regular twist. If the groove is straight, the band enters it directly; but if curved, it has a tendency to ride over the grooves before complete expansion. No gun has ever broken at the muzzle, except by the premature explosion of a shell, within my knowledge.

Question 10. Could the weight of the projectile, and the charge of powder for the 100-pounder, be reduced, say to eighty pounds for the former and eight pounds for the latter, without materially diminishing the efficiency of the guns, and would not such reductions increase materially the endurance of the gun?

Answer. The short shell is a good projectile, and its use would not materially diminish the efficiency of the gun, while the endurance would certainly be increased by such reductions. The heavy shell, and ten-pound charge, give greater power, of course, and in cases where very long range and great shell power are required it may be necessary to use them, and they were designed for such purposes.

Question 11. Are Parrott shells cast with a hole in the base, for the purpose of more readily cleaning them? If so, by what means is the hole plugged, or closed?

Answer. The Parrott shells, above 60 pounders, are now cast with a hole in the base for steadying and centring the core in the flask. This hole affords facility for cleaning them, and is filled by a rivet, having a head, which effectually prevents them being driven into the shell; no instance of it having been driven in, in many hundred recovered after having been fired.

Question 12. May not premature explosions be caused by the crushing of shells in the bores of rifled guns, when the shells are porous?

Answer. I do not believe that premature explosions occur by the crushing of my shells within the bores. By the mode of casting them with the base downward, the liability to have porous metal at the base is removed. There is a solitary instance known to me of crushing a projectile within a gun (a hollow shot) in many thousands that have been fired.

Question 13. May not the imperfect adjustment of the fuze, the weakness of the spelter rings, or the imperfect manufacture of the time-fuze, be another cause of premature explosion?

Answer. I think that the original spelter ring (cast) did admit the probability of the gas entering the shell and exploding it; but those now made by being *cut*, and having a "shoulder," removes that probability. Imperfect fuzes, or imperfect adjustment of fuzes, would, of course, be liable to admit gases into a shell; but not more so in the Parrott than in any other shell.

I would respectfully submit to the board the following remarks as due to the importance of the subject and to my own position.

R. P. PARROTT.

WASHINGTON, January 16, 1865.

I am unable to find, on revising my correspondence, that I have failed to express, on all proper occasions, my opinion that most of the accidents to my guns have resulted from premature explosions of loaded shells taking place within the bore; although I believe that the sand blown, or otherwise accidentally carried into the guns, was an operating cause of bursting at some of the positions on Morris island.

But I do find that I have failed to give as decided an expression to my views as the importance of the subject required. The partial success of the trials made experimentally at this place to prevent premature explosions of shells, and the prospect that means entirely efficacious would soon be found, have induced me to look upon the difficulty as one which would shortly be remedied; and indeed I can say that it has been by the precautions now taken in firing loaded shells, which consist in lining the interior with a substance effectually covering the rough surface of the iron.

The great danger connected with these premature explosions is the injury which the gun may suffer from a single one, not, probably, fatal at the instant, but leaving the gun impaired, and causing its destruction under subsequent firing. Thus doubt and distrust are thrown upon the character of the guns, which burst without any cause assignable at the time of failure. I do not suppose that one or many shells could not explode in the bore of rifled cannon without serious danger to the gun, but have no doubt that it *might* be destroyed by a single explosion of a shell, and fear that irreparable damage would be caused by some one out of not a very large number of such accidental explosions.

I must say that the apprehensions I have expressed on this subject have been received with not a little doubt, and that I found most persons skeptical in regard to the *causes* of the explosion of shells in the bores of rifle cannon, and some as to the *danger* of such explosions, from whatever cause.

In referring the premature explosions of rifle shells to the friction or attrition to the powder contained in them, I do not, of course, deny that such explosions may sometimes be the result of defects of the shells or of the fuzes; but I do say that with ordinary care taken in respect to the inspection and other points, few, if any, of my shells will explode prematurely, except by the friction of the powder within; and that, if the interior surface of the shell is effectually covered, these explosions will cease.

What I state has been derived from actual trial, and is substantiated by facts officially noted in the proof and inspection of rifle guns.

It has often been asked why should the rifle shell explode prematurely more frequently than the spherical? It may be answered that if the rifle shell is charged with only the same quantity of powder as suffices to fill the spherical of the same calibre, explosions will rarely, if ever, take place. But as the rifle shells hold from three to four times as much powder as the spherical, the greater weight of powder, and that in a long column, must, by its reaction on the firing of the gun, press with much greater force, and by friction, either on the bottom or along the sides of the cavity of the shell, (if left rough as cast,) cause an explosion.

Such being the facts in respect to the explosions of rifle shells, and the means of preventing them, are they the causes of the unequal endurance and unlooked-for bursting of the guns?

I am unable to trace any connexion between the bursting of guns and the time of manufacture. The difficulties of procuring supplies of material and of labor have been unexampled within my experience; but I am not aware of any deterioration in the work, and feel confident that there has been none which can possibly account for the failure of guns, though the supposed necessity for assigning *some* cause, such as would be applicable to ordinary cannon, has led to the supposition that a gun which fails must have been bad from the beginning.

It would be as unjust to expect of me to foresee all the difficulties which may arise in the use of a system of ordnance so new as that of rifle cannon, as it would be presumptuous on my part to pretend to do it. I cannot think, however, that the merits which mine have exhibited are merely accidental, but believe that, from the uniformity of plan and the results with the extreme sizes, no intermediate class can be wrong in principle. I know of no possible cause, other than the explosion of the shells, which would account for the bursting of my guns *near the muzzle*. It has been known to happen the very first round fired from the gun after a very few, after some hundreds; and in the two 10-inch guns destroyed in this way—one after twenty-seven, and the other after one thousand and four fires in actual service. In a very few instances it has happened with the 30-pounder guns after quite moderate use, and in one it did not take place up to four thousand six hundred and fifteen fires.

Again, as to those peculiar modes of bursting, by which portions of the cast-iron are blown off forward of the wrought-iron reinforce, or near the trunnions, after leaving all the rest of the gun still connected together, how can it be supposed that these accidents, occurring after very irregular periods of service, can be the results of any uniform and natural action of the charge? The explosion of so much additional powder as the shells contain, though undoubtedly adding materially to the strain upon the gun, might not seriously damage it; but as the base of the shell will probably be in one piece, with the ring connected, and the sides of the projectile driven laterally against the bore, it is not surprising that partial jamming of these should take place, and try the gun to a dangerous point.

I have portions of the front or curved end of a shell burst in the gun, which are so marked as to show these fragments to have been violently forced into the grooves. Although I conceive that the failure of the guns at any part forward of the reinforce is certainly due to accidents occurring with the projectile, I cannot conclude that similar accidents might not cause the bursting of the gun in another part depending on the position of the shell at the time. In one instance, at Morris island, the base of the shell was actually found in the gun after the blowing off the breech.

In other cases the cast-iron may be so injured by previous explosions as, in bursting, to carry the band with it.

In conclusion, I would express my belief that I have correctly assigned the causes of the bursting of my heavy guns. I do not consider that they are less safe than ordinary cannon when subjected to the same regularity of strain.

On account of the very uncertain action of shells prematurely exploded in the bores of rifle guns, we are unable to determine the extent of injury, therefore, and cannot judge of the number of rounds which the guns can subsequently be expected to endure with safety.

At the same time I am satisfied that the means now used do effectually prevent the premature explosion of the shells, and thus remove the greatest cause of danger to the guns, it is due to the subject and to myself that I should advert to the firing of other projectiles than my own in my heavy guns. I cannot but think that many shells much inferior to those which the same makers would now supply have been used in my rifle guns, as well as many projectiles of an experimental kind.

The action of powder in the rifle takes place under circumstances very different from those existing with the spherical projectile, and, in my judgment, far too little consideration has been heretofore given to this point as connected with the durability of the guns.

R. P. PARROTT

NAVY DEPARTMENT,
Washington City, June 30, 1865.

SIR: In accordance with the order of the Navy Department of the 12th instant, reconvening the board on rifle ordnance, (adjourned on the 18th January last, to await results of certain experiments suggested by said board, which have since then been conducted by Captain Joseph F. Green, under the particular instructions of the Bureau of Ordnance, hereto appended, and marked 1,) we have the honor to state that we reassembled here on the 27th instant, after having conducted several additional experiments, and inspected the condition of the guns and projectiles used in the recent trials at Cold Spring, New York, under the orders of the Bureau of Ordnance.

It appears by the course of the experiments of Captain Green that one thousand (1,000) rounds were fired from each of three 100-pounder Parrott rifle guns of nearly similar weight, density, and specific gravity of metal, and cast nearly about the same period of time, which were selected by the chief of the Bureau of Ordnance, and assumed to fairly represent the guns of that class and calibre now in service. One-half or five hundred rounds from each gun were fired with full charges of ten pounds Hazard rifle powder and the long shell of 100 to 104 pounds weight, and the remaining five hundred rounds with eight pounds of same powder and shells of 80 pounds weight, by your special order to Captain Green.

From one of these guns (No. 242) 1,000 shells "coated" were fired.

From another of these guns (No. 256) 1,000 shells not coated were fired.

From another of these guns (No. 239) 1,000 shells brought to weight by sand and sawdust were fired, and with the following results in premature explosions:

Coated shells, (long,) 8 exploded within the bore; coated shells, (long,) 3 exploded without the bore; coated shells, (short,) 3 exploded within the bore; coated shells, (short,) 9 exploded without the bore; not coated, (long,) 7 exploded within the bore; not coated, (long,) 1 exploded without the bore; not coated, (short,) 4 exploded within the bore; not coated, (short,) 18 exploded without the bore; and the same number (viz: 1,000) were fired from No. 239, filled with sand and sawdust, for the purpose of testing the relative endurance of this class of gun, independent of premature explosion of shells, and also to test the resistance of the shells themselves to rupture under the effect of the charge of the gun.

Four thousand and eighty (4,080) Parrott shells of 20, 30, 60, 100-pounder

and VIII-inch calibre, have been fired since the 24th June, 1863, in the proof of navy guns at Cold Spring foundry. These shells were either not loaded or had only a blowing charge—in no instance did any one of the shells break. The army during the same time fired a larger number of shells with the same results.

From this it may be fairly inferred that the Parrott shells are never crushed or broken in the gun by the shock of the discharge.

Of all these premature explosions thirty-four (34) occurred with shells prepared with the navy metal-stock time fuze, and ten (10) with the navy time fuze, with the safety plugs removed, in Parrott's metal stocks, and eleven (11) with the Parrott percussion fuze.

The annexed table gives a synopsis of the report of Captain Green:

Date.	Gun No. 239, coated shell—No. of fires.	Gun No. 256, uncoated shell—No. of fires.	Premature explosions of shells		Enlargement of bore, in. from muzzle.	Enlargement of bore.	Temperature of air.	Kind of fuze—percussion.	Kind of fuze—time.	Remarks.
			In.	Out.						
1865.										
April 17	3	1			66½	.000	51	1		
20	35	1			82½	12	60	1		
24	37	1			87	9	55	1		
25	80	1			85½	5	45		1	No fuze in P. stocks.
26	158			1	64½	8	67	1		
26	166	1			69½	12	65	1		
27	244		1		58					
28	294			1	115½	5	82		1	
29	278			1		0	75		1	
May 8	332		1		117	4	58		1	
15	343			1	112	4	70		1	
15	403		1		39	4	70		1	N. M. S. F. fuze.
16	415		1		71	8	76	1		
16	416	1			44½	0	74	1		
16	427	1			59½	19	72	1		N. fuze in P. stocks.
17	432	1			35½	4	80		1	
17	438	1			33	8	80½		1	
16	430	1			36½	5	79		1	
20	447	1			64½	6	87		1	
20	526		1		27	4	93		1	
22	552		1		118½	5	79		1	N. M. S. F. fuze.
22	575	1			82½	72	1			
23	599	1			81	5	67	1		
25	681				and 93	7	66		1	
26	681	1			56	4	64		1	Doubtful if in or out.
26	755	1			118½	5	64		1	
27	777		1		95½	2	74	1		
27	783		1		100	2	68		1	
29	791		1			5	64		1	
29	796	1				0	62		1	
30	789		1		118	3	68		1	
30	793		1		82	4	62		1	
30	833				40	6	62		1	
30	845	1			64	3	72		1	Doubtful if in or out.
						0	76		1	

SYNOPSIS—Continued.

Date.	Gun No. 239, coated shell—No. of fires.	Gun No. 256, uncoated shell—No. of fires.	Premature explosions of shells.		Enlargement of bore, in. from muzzle.	Enlargement of bore.	Temperature of air.	Kind of fuze—percussion.	Kind of fuze—time.	Remarks.
			In.	Out.						
1865.										
May 30	848	847	1	119	5	72	72	1		
		847	1	80	1,006	76	76	1		
31		880	1	79	4	82	82	1		
		882	1	113	0	82	82	1		
		881	1	113	5	78	78	1		
		886	1	83	6	80	80	1		
		891	1	1	0	82	82	1		
		892	1	115	6	82	82	1		
		897	1	110	8	84	84	1		
June 2		891	1	81	5	70	70	1		
		894	1	68	8	70	70	1		
		933	1	1	0	70	70	1		
		939	1	120	9	76	76	1		
		947	1	1	0	78	78	1		
3		926	1	1	0	80	80	1		
		939	1	51	4	80	80	1		
		941	1	114	6	80	80	1		
		950	1	1	0	80	80	1		
5		992	1	114	4	74	74	1		
		993	1	87	5	74	74	1		
		996	1	88	5	74	74	1		

Gun No. 239:

From 1 to 200 rounds, Parrott shells, percussion case, from metal stock.
 201 to 334 rounds, Parrott shells, percussion case, from New York.
 335 to 401 rounds, ordnance shells, metal-stock fuzes.
 402 to 476 rounds, Parrott shells, percussion case, from New York.
 After 476 rounds, navy metal-stock fuzes.

Gun No. 256:

From 1 to 200 rounds, Parrott shells, percussion case, from metal stock.
 201 to 333 rounds, Parrott shells, percussion case, from New York.
 334 to 400 rounds, ordnance shells, percussion case, from New York.
 401 to 475 rounds, Parrott shells, percussion case, from New York.
 After 475 rounds, navy metal-stock fuzes.

In all the firing there were fired alternately twenty-five rounds from each gun fitted with percussion and time fuzes.

The board added the following experiments (by authority of the bureau) to the foregoing:

Fifty (50) rounds were fired with loaded long shells without fuzes, and securely plugged with wood and metal to exclude from the shells the flame of the discharge, of which number forty-three (43) exploded by concussion in striking the bank, at 1,760 yards distant, one (1) in the gun, six (6) failed to explode on striking the bank, and but one, therefore, exploded prematurely.

Five of these shells had one to five 6d nails placed in them to determine the effects of fragments of iron therein; the one having five nails exploded within the gun, and the remainder exploded on striking the bank at 1,760 yards distant. (Appendix A.)

The board also fired ten (10) loaded 100-pounder Parrott shells *without* fuzes, and with the fuze-holes open; seven of which exploded *outside* the muzzle, and none *inside*, and three by concussion on striking the bank, at 1,760 yards distant. (Appendix B.)

There have also been fired by the board several series, consisting, in all, of one hundred and eight 100-pounder shells, placed successively at 5, 10, 15, 20, up to 75 inches, from the full charge of 10 pounds of powder, (as per appendix,) which show that the position of the projectiles so placed lessen the recoil, and does not endanger the gun, while it does materially lessen the range of the projectiles.

It also fired ten 100-pounder Parrott long shells, loaded with the fuze-hole securely plugged, and the base-hole open, each of which (of course) exploded within the gun, near the seat of the charge, and were found in each instance, by "star gauge," to have produced an expansion of the bore equal to .028 of an inch. Recovered fragments of shells were also found to have been deeply indented by the grooves of the bore, into which they had been pressed, (as per appendix D,) thus showing the immense lateral pressure which an exploding shell exerts upon the walls of a gun, and its tendency to rupture it explosively when it occurs in discharging a gun. This tendency to rupture, we conceive, must always be reduced to certainty when the fragments of the broken shell wedge within the bore, as was the case on a recent occasion at Cold Spring with a 100-pounder fired for proof in presence of a member of this board. A fragment of the shell which burst this gun was recovered and inspected by all the members of the board, and its forward rounded end was indented by the rifling of the gun to the depth of .08 of an inch, clearly showing the great force with which it had been turned and jammed into the grooves.

In the foregoing trials all the precautions prescribed by the Bureau of Ordnance for loading rifle guns were carefully practiced, and impressions and measurements of vents and bores made at every twenty-five fires, and always after an explosion within the bore, to ascertain the commencement and progress of defects. And it further appears that all of these trial-guns have withstood the tests of the thousand fires and more to which they have been subjected, under rapid and, when circumstances permitted it, of very rapid firing, frequently averaging two to the minute, and seldom less than one to the minute, which is far in excess of action firing in ships-of-war.

Of the three guns used in these trials all were more or less scored or cracked around the lower part of the bore, while No. 239, that from which the sand-loaded shells were fired, was the most deeply so. This gun (by the authority of the Bureau of Ordnance) has been opened, and found to have four cracks, as per appendix annexed (E) clearly demonstrating that the wrought iron band materially aided in its endurance.

That this gun should have exhibited deeper cracks than those subjected to the straining effects of premature explosions of shells within the bores in addition to the strain of 1,000 fires, we attribute to a slight variableness in the qualities of the metals composing them, although their fabrication and composition, as exhibited by their recorded history, (appendix F,) and by mechanical tests, show them to be as exactly alike in every respect as it is possible to make them.

After due deliberation upon all the facts elicited by these experiments, and especially on the effect produced upon the three 100-pounder rifle Parrott guns used in this series of firing, with the former trials of this class of gun, where due care has always been observed in loading, we are of the opinion that the Parrott rifle guns of 6 4 inches calibre, and those of lesser calibres, are as reliable as any

guns at present within our reach, especially as the 100 pounder, as now used, with the short shell of 80 pounds, and 8 pounds of rifle powder, which charge and projectile have been verified in practice (upon the enemy since the report of the first attack upon Fort Fisher) as having been very accurate and free from accident, during a course of 15 hours' firing, as appears from the reports of Rear-Admiral Porter, of February 10 and 22, 1865. (Appendix G.)

The subject of wrought-iron guns, and other methods of manufacture, have not yet reached that point of perfection in this country as would justify our recommendation of their introduction into the naval service in substitution of the Parrott system—the Ames gun, heretofore recommended to the bureau for experiment, having failed to meet the expectations heretofore formed of them.

The method of Mr. Ames, although producing a gun of great strength, appears, from the results of the trials already made, to be deficient in certainty of welding, and no means exist of discovering or remedying these defective welds; two out of fifteen of these guns having burst explosively, in proof, by blowing out the breech.

When the board was at West Point foundry the members inspected a wrought-iron gun in progress of manufacture, which was very favorably considered, as the parts of which it is composed can be examined in all the stages of manufacture, and defective parts rejected or replaced. For this reason we recommend that a trial be made of a gun on this principle, with a view to test its endurance, under the supervision of ordnance officers.

With respect to foreign rifled cannon of wrought-iron, a semi-official notice has appeared, that the charge of the English naval 110-pounder has undergone a further reduction, and is now established at 10 pounds of powder, with a shell of 80 pounds, reducing this gun to the equivalent, in power, of the Parrott 100-pounder, so far as we have any information.

With regard to the accidents to the 100-pounder Parrott rifle-guns, which have elicited the convention of this board, the board can only say that where a failure to lubricate occurs, a residuum (of a slaty texture) of the powder forms so rapidly as to soon afford a means of jamming the projectile, and so completely, as to resemble the iron itself.

It is within the knowledge of the board that guns have been returned from service with their bores decreased by that cause, and where it was extremely difficult to detect a difference between the highly polished residuum and the iron itself, thus inducing error as to the actual condition of the bore.

As a point, having a direct bearing on the premature explosion of shells, we think it proper to here refer to some experiments conducted at Cold Spring since the first meeting of the board, by authority of the bureau, with a view to determine the effect produced on the powder charge of the shell in firing.

A 60-pounder shell (recovered) filled with powder, the fuze hole plugged with wood, was cut lengthwise, and exhibited perfectly the action that takes place at the moment of discharge while the shell is in the gun. The powder is driven to the base of the shell (or, strictly, the shell is driven upon the powder) with such violence as to compress it to the hardness of slate, the form of the grains almost entirely disappearing.

Fortunately, the driving in of the wood plug and sand, when the shell struck the bank, retained the powder almost entirely in the place it occupied after the first action of the charge of the gun, being only broken a little towards the fuze hole. The coating remained perfect between the hard mass of powder and the shell.

In shells recovered, where the powder had not been retained in its place by the driving in of the sand and plug on striking the bank, the powder was found completely pulverized.

This would, in our opinion, indicate that the heat generated by the compression of the powder in the shell by the shock of the discharge must be sufficient

to raise the temperature of the powder nearly to the explosive point, viz: 600° Fahrenheit, and that but little more would be needed to produce explosion, which may be effected by any slight abnormal cause, such as unusual friction, &c.

From the great number of premature explosions which occurred in shells fuzed with the navy metal-stock time fuzes, referred to, page 4, the board tried a number of unloaded shells fuzed in this manner, in which, on their being recovered, the safety plug was found in all cases at the bottom of the shell flattened, (having passed through an inch of the composition lining,) which may be another cause of premature explosions.

All of which is respectfully submitted.

J. S. MISSROON, *Commodore U. S. N.*

R. B. HITCHCOCK, *Commodore U. S. N.*

T. A. HUNT, *Commodore U. S. N.*

R. AULICK, *Commander U. S. N.*

WILLIAM N. JEFFERS, *Commander, U. S. N.*

Commander HENRY A. WISE,

Chief of Bureau of Ordnance, Washington, D. C

BUREAU OF EQUIPMENT AND RECRUITING.

NAVY DEPARTMENT, BUREAU OF EQUIPMENT AND RECRUITING.

November 6, 1865.

SIR: I have the honor to submit herewith the estimates for this bureau for the fiscal year ending 30th June, 1867. The cessation of hostilities and the consequent reduction of the naval forces will leave a surplus in the appropriations at the end of the present fiscal year, which enables the bureau to ask for comparatively small appropriations for the ensuing year.

An appropriation for fuel is not required. The contract price of coal the present fiscal year is \$5 21 per ton, at Philadelphia, against \$8 42 per ton last year. The cost of coal for the navy, including the incidental expenses of freight, demurrage, and payment of war risks for captured and destroyed coal vessels, during the past two years, is \$11,452,155 49. Three coal vessels have been captured and destroyed by the enemy. The number of coal vessels, during the past two years lost, destroyed and never heard of, was twenty-one (21.)

Notwithstanding the extent of coast blockaded, the interruptions of winter, disturbances at the mines, want of vessels at times, and large quantity supplied to the army, no serious inconvenience has been experienced from want of coal. A coal depot has been established at St. Thomas, W. I. Supplies of coal for the use of the Brazil squadron will have to be sent from the United States. The commanding officer of the Brazil station has been directed to examine the Falkland islands with the view to establish a depot there for the supply of coal to vessels on that station and to those bound to the Pacific. Coal can be purchased on the Pacific station cheaper than to transport it, and the same probably with the East Indies. The bureau is not yet advised as to the necessity of a coal depot for the Mediterranean squadron.

The ropewalk has consumed during the last year 2,204 tons of Russian and other hemp, amounting to \$971,442 67, and has supplied the greater part of cordage for the navy.

The rendezvous and recruiting stations have been reduced to correspond with the present requirements of the service. Reviving commerce is absorbing the seamen and firemen, and although at present there is no particular want of men, it may be that an increase of pay will be required to induce skilful firemen to enlist in the navy.

The general introduction of the use of wire rope in the navy for rigging in

duces me to refer to your consideration the propriety of establishing a manufactory of this rope at one of the navy yards.

Fraudulent withholding of bounties, and deceptions practiced upon enlisted men, especially in the west, have given rise to much complaint and dissatisfaction. A board of naval officers, recently convened at Cairo, Illinois, to investigate claims for bounty, have recommended reimbursements in many cases, which are being speedily settled, and it is believed that the amount of these claims will not exceed the amount of bounty money left by deserters and credited to the appropriation for bounty.

The number of men enlisted in the naval service from the 4th of March, 1861, to the 1st of May, 1865, was one hundred and eighteen thousand and forty-four, (118,044.)

Very respectfully, your obedient servant,

A. N. SMITH, *Chief of Bureau.*

HON. GIDEON WELLES,
Secretary of the Navy

BUREAU OF CONSTRUCTION AND REPAIR.

NAVY DEPARTMENT, BUREAU OF CONSTRUCTION AND REPAIR,
November 3, 1856.

SIR: In compliance with your instructions, I have the honor herewith to enclose the estimates of the appropriations necessary for the civil purposes of this bureau.

I would respectfully state that, in consequence of the prompt reduction of expenditures resulting from the close of the war, no further appropriations for construction and repairs will be required, as there will remain an unexpended balance amply sufficient for the fiscal year ending June 30, 1867.

A considerable number of the vessels on the navy list are unsuitable for foreign war, should the country be engaged in one; and to supply this deficiency, new classes of steamers adapted to that purpose have been authorized and are in course of construction, for all of which the steam machinery is under contract and in progress of manufacture. Nine vessels of these classes are now launched, and there are thirty-two others of similar classes, as well as four wooden vessels, to be iron clad, that have not been launched, but are in various stages of construction. It is obligatory on the part of the government to provide these vessels, on account of the contractors for their machinery; but they will not be pressed to speedy completion, and those vessels for which the machinery is being manufactured in the navy yards will be still more retarded, giving an opportunity for selecting more seasoned materials.

The appropriations that have been made from year to year have been strictly limited to the maintenance of the vessels in commission, and to those actually building, and there has been no surplus fund from which a stock of materials for future use could be provided; so that our vessels, particularly those built within the last eight or ten years, have been mostly made with unseasoned timber. The supply of yellow pine in the navy yards is quite exhausted, and the white oak is but little else than the refuse of the past years. Of white-oak knees we have no supply, as they are procured with much difficulty, and at exorbitant prices. If means are not provided for the manufacture of these knees, as has been already suggested, the work on some of the vessels must be suspended.

Our navy yards are liberally provided with shops and storehouses for all the other bureaus, but the timber sheds and shops connected with and necessary for building ships are far from adequate to the wants of the navy which we now have and will be compelled hereafter to maintain.

Vessels built of timber, and particularly of unseasoned timber, much of which we are compelled to use, will, when plated with iron, soon decay, and they cannot be repaired at a reasonable cost; and notwithstanding some of the disadvantages that attend iron vessels, ultimate economy will lead to their adoption, more especially for the heavily armored vessels intended for sea service.

There are many purposes to which vessels of wood are adapted, and they will form no inconsiderable part of our navy for years to come; and for them it is proper that materials should be collected and stored, so that in case of a foreign war we may not be found unprepared.

It is earnestly recommended that preparations be made at some suitable place for the construction of iron vessels, as it will require several years for the proper tools and appliances to be gradually collected.

The tools, machinery, and appliances used by the Bureau of Construction and Repair in building and repairing ships in the navy yards are nominally provided by another bureau; and it is submitted that hereafter all those articles actually used for the purposes of the construction and repair of vessels be estimated for and provided by this bureau. The estimates for these objects have always been insufficient, and the deficiency has been supplied from the appropriations for this bureau, and thus the estimates and expenses of one bureau appear light, because a considerable portion of the expenses are paid by another.

It is again respectfully suggested that the corps of naval constructors be placed by law in respectable connexion with the navy, there being no class of persons employed in the naval service on whom a greater responsibility is thrown, or who influence the expenditure of so large a sum of money, and on whose skill the efficiency of the navy more depends.

I would again respectfully recommend an increase of compensation to the clerks employed in this bureau.

Very respectfully, your obedient servant,

JOHN LENTHALL, *Chief of Bureau.*

HON. GIDEON WELLES, *Secretary of the Navy.*

BUREAU OF STEAM ENGINEERING.

NAVY DEPARTMENT, BUREAU OF STEAM ENGINEERING,
October 12, 1865.

SIR: I have the honor to submit to the department the following remarks on the present condition of the operations of this bureau:

Of new work, there was contracted for in October and November of 1863 twenty pairs of screw engines, with cylinders of sixty inches diameter and three feet stroke of piston, all of which were to have been completed within eighteen months from date of contract. None of them have been erected in a vessel at this date, with the exception of the pair for the United States steamer Pensacola, which will be ready for steam in about six weeks; of the remainder, about six are ready for erection in the vessels, and the balance are in every stage of construction, from the rough casting to erection in the shop.

The screw engines of the United States steamer Madawaska, designed and contracted for by Mr. John Ericsson, are now being erected in the vessel. They have cylinders of 100 inches diameter, with a stroke of piston of four feet.

Of the four pairs of screw-gear engines, contracted for in September and October, 1863, with cylinders of 100 inches diameter and a stroke of piston of four feet, none are completed. They were to have been finished in twelve months from date of contract. They are in every stage of construction, from the rough castings to erection in the shop.

The screw engines of the wooden turreted vessels, Passaconomy, Quinsigamond, Kalamazoo, and Shackamaxon, are in progress of construction, and may be considered about half finished. They were contracted for in December, 1863, and are built from the designs of Mr. John Baird, who is employed by the contractors for that purpose, they being responsible for their successful operation.

New boilers are also in progress of construction for the Lancaster, Iroquois, Minnesota, three screw gunboats, and three paddle-wheel steamers of the Paul Jones class.

The above is all the contract work remaining unfinished.

The new work in progress at the navy yards consists of two pairs of screw gunboat engines, with cylinders of thirty-six inches diameter and three feet stroke of piston, at the Kittery navy yard; four pairs of screw engines, with cylinders of fifty inches diameter and three feet six inches stroke of piston, at the Boston navy yard; four pairs of screw engines, with cylinders of fifty inches diameter and three feet six inches stroke of piston, at the New York navy yard; and at the Washington navy yard, one pair of screw-gear engines, with cylinders of 100 inches diameter and four feet stroke of piston, and one pair of screw engines, with cylinders of sixty inches diameter and three feet stroke of piston. This latter pair of engines is to replace the present ones in the United States steamer Richmond, condemned by a board of survey.

The new work at the navy yards is being very slowly prosecuted. The repairs of the machinery of vessels in commission require a certain number of workmen to be retained permanently, but as the amount of repairs fluctuates from time to time, it is judicious economy to have new work ready on which the men can be employed during the intervals of repairs.

The experiments which are being made at the New York navy yard by the board of civilian experts, under the direction of the department, on a horizontal fire-tube boiler and a vertical water-tube boiler, of the best proportions which practice has thus far determined, both having the tubes arranged above the furnaces to ascertain their relative efficiency for the naval service, are rapidly progressing. A very great number of experiments has already been made, and the results are of the most valuable character. The board has not confined itself to simply ascertaining the relative evaporative efficiency of the two types of boilers as constructed, but have modified their proportions in every possible way to determine the effect of such modification. It has also extended its inquiries into the effect of different modes of managing the fires, of different rates of combustion, of different forms and locations of steam jets in the smoke-pipe, of different proportions of heating to grate surface, and of calorimeter to grate surface. In brief, it aims, by means of these experiments, to treat the subject in an exhaustive manner, resolving in a purely practical way all the questions connected with the generation of steam in marine boilers of the two types experimented on, and which are conceded to be the only two proper for the naval service.

It will be some time before these experiments can be finished, and a final report rendered; but it is believed that the value of the results not only to the navy, but to the whole world, will be so great as to warrant any amount of time, labor, and money that may be required to complete them in a thorough and unexceptionable manner, for the efficiency of the boiler is the real basis of all successful steam-engineering.

The experiments directed by Congress for ascertaining, by practical means, the relative economic efficiency of steam used in a steam engine with different measures of expansion, are making fair progress; but considerable time must necessarily elapse before they can be completed and a report rendered. They are being made by a board composed of gentlemen unconnected with the navy, and of the highest scientific and practical talent. The apparatus used is so admirably adapted for the purpose, that it is believed the results will be hypercritically accurate. It was devised by Mr. Horatio Allen, the president of the

board, and the experiments are conducted by him at the "Novelty Works," New York, assisted by a number of assistant engineers of the navy. The determination of this question is the solution of the most important problem in steam-engineering, and really underlies the whole industrial interest of the world. Steam power is so extensively used for abridging manual labor, and for producing effects to which no amount of manual labor would be competent, that it may be said to be the basis of modern society and civilization; and everything which cheapens its cost, adds to the comfort and development of the whole human race. If an important economy of fuel can be obtained by high rates of expansion, it is of the utmost consequence to the navy and mankind to know both the fact and the amount; if no considerable economy of fuel can be thus obtained, it is none the less necessary to know it, in order that the steam-engine may be simplified, and its cost reduced.

The solution of this problem in a manner so complete as to produce conviction in all is tedious, laborious, and expensive. It cannot progress rapidly, nor be done cheaply, and to those causes must be ascribed the fact that no experiments of the kind have ever before been instituted. It is believed the present experiments will give an answer to every question that can be put on the subject. They will be made with both high and low pressure steam, with steam saturated and with steam superheated, with steam used with condensation and without condensation, and with different kinds of valves. This brief enumeration will show the extent and completeness to which it is designed to carry them, and from it will easily be understood the labor and time involved.

While the above described special experiments on boilers and on the expansion of steam are in progress, the bureau has lost no opportunity in experimenting largely in the same direction with the boilers and engines of such of the naval steamers as could be used for the purpose without interfering with their regular service.

These experiments have the great advantage of being made on the largest scale, and under the exact conditions of actual practice. They have extended to almost every type of marine boiler, and to every variety of boiler proportion, kind of coal, and manner of consuming it; also, to a great variety of steam-engines and valve gear, using steam with widely varying rates of expansion, with great differences of pressure, and in both the saturated and superheated states. A complete record of these experiments will be found published in two quarto volumes, with the title of "Experimental Researches in Steam Engineering." The bureau has been greatly governed in designing steam machinery by the practical information thus obtained, and the results given by that machinery in competition with the numerous machinery designed by others for the naval service has been such as to fully sustain the soundness of the principles deduced from the experiments.

The accommodations at the navy yards for the repairs and construction of steam machinery are not sufficient for the requirements of the service. There is a want of proper facilities for moving large masses about the yard and for placing them on board vessels. The accommodations for engineer's stores are very deficient, so much so that no proper storage can be made, or account kept of them, and great inconvenience, deterioration, and delays result. The necessity for storehouses and special storekeepers is pressing; and it is respectfully suggested whether, in view of the very limited space occupied by the navy yards, and of the enormous increase in the engineer department of the yards, caused by the transformation of a sailing into a steam navy, the space and building now appropriated to the paymaster's department could not, with great advantage, be transferred to the engineer department. All that is wanted for the paymaster's stores is ordinary storehouses, and they can be provided outside the yards, as well as inside. The articles are neither heavy nor bulky, and are easily transported. There is not only not the slightest necessity for

their storage in the yards, but it is believed they could be more advantageously stored in more convenient locations outside. The steam machinery must be repaired, constructed, and placed on board the vessel in the yard. The yards are large workshops, about equally divided between the hulls and the machinery. These cannot be separated, and are the objects of paramount importance, to which all others are very secondary. The experience of the last few years has shown that the marine engines of the navy, as well as the vessels, can be built by the department at the yards cheaper and better than by contract; and it is recommended that the yards be, as far as practicable, adapted for the execution of the largest possible quantity of such work.

I would respectfully call the attention of the department to the inadequate pay and position of the chief engineers of the navy. Marine machinery, costing enormous sums, and on whose efficient performance the national honor and interest may depend, must, of necessity, be confided to their skill for construction, repair, and proper management. The management and supervision of the engineer department of the navy yards—each of which is a first-class manufacturing establishment for steam machinery—is, and must continue to be, under their supervision and control. Not only are the highest professional talents and experience needed, but spotless integrity; for immense expenditures must be made on faith in both. The importance of the engineer to the navy is second to none in any point of view; but unless the pay and nominal position be made in some way commensurate with the responsibility and real position, the best talent of the engineer corps will continue to resign from it as fast as superior attraction is discovered on more appreciative fields, leaving only mediocrity for the service of the government. If the pay and position be below the level of the talent, the talent will inevitably fall to the level of the pay and position. I would respectfully suggest, therefore, that the pay and rank of chief engineers be made to increase more rapidly, and to a greater degree, than at present, so that the prize in this lottery will be of sufficient value to induce first-class abilities to continue through the drudgery and small pay of the lower grades, in order finally to attain it. I also suggest to the consideration of the department the appointment of fleet engineers to all the squadrons. I am certain the advantage to the government would far overbalance any inconvenience it might cause, and it would not only perfect the organization of steam squadrons, but greatly increase their efficiency. The experience of the war demonstrated the necessity of such an officer; he was then found to be indispensable; and although the omission of him in peace may not produce the disastrous results it would in war, because the squadrons are smaller, and bad management both less apparent and of less importance, yet, *pro tanto*, the loss due to a want of proper organization and selected abilities for the performance of a duty so important that its responsibilities can scarcely be exaggerated, will be theirs. I conceive the public interest absolutely requires each squadron to have a fleet engineer, wholly disconnected personally with the different steamers, and uninfluenced by their movements, to determine on the necessity of repairs, and when and how they shall be made. This is the only means of preventing the return of vessels to port, on pretexts for unnecessary or trivial repairs to the machinery, and to secure the most efficient discharge of their duties by the engineers of the respective steamers.

Respectfully submitted by, sir, your obedient servant,

B. F. ISHERWOOD, *Chief of Bureau.*

HOB. GIDEON WELLES,
Secretary of the Navy.

BUREAU OF PROVISIONS AND CLOTHING.

BUREAU OF PROVISIONS AND CLOTHING,
October 25, 1865.

SIR: I have the honor to submit estimates marked A to E, inclusive.

APPROPRIATIONS.

The appropriations made at the last session of Congress for provisions, clothing and contingent, being deemed ample for the probable wants of the reduced forces of the navy for two years, no estimates are sent in except for the salaries of the chief of the bureau and its clerks, and for the small contingent fund of the bureau proper.

STORES ON HAND.

When the late rebellion was brought so suddenly to its end, the navy was in a better condition to continue its efforts with vigor than it had been at any previous period.

In the department under my charge there was a supply of all kinds of stores adequate to the wants of the large naval force afloat. Northern navy yards, and southern depots for the blockading fleets, were furnished with sufficient stocks of provisions, clothing and other stores. But happily they were not all needed; and immediately upon the surrender of Lee's insurrectionary forces, the work of reduction was, by your directions, commenced.

No new contracts were made, and the purchases in open market were restricted to the immediate wants of the service.

Ships returning in great numbers from their long and arduous cruises turned in their remaining stores and swelled the stocks on hand in the northern depots, while the consumption was greatly diminished by the discharge of so many men.

FOREIGN DEPOTS.

Soon after the commencement of our difficulties at home the depots on foreign stations were either discontinued or their stores were materially reduced. The re-establishment of our foreign squadrons has made it necessary to send storeships to various ports, where supplies are kept, under charge of the paymasters of the stationary storeships.

The old mode of hiring storehouses in foreign ports is obnoxious to grave objections. The difficulty and expense of transporting stores from the shore are much greater than from storeships. Custom-house regulations frequently cause delay and embarrassment, and duties are demanded in many ports upon goods landed only for reshipment. Our own storekeepers residing on shore have too often, in former times, made their offices a means for traffic for their individual advantage, and the public interests have been made entirely secondary to and promotive of their own. But there have been many honorable exceptions to this rule.

In a national point of view, we have always been indebted to the courtesy of foreign nations for allowing our stores to be kept on shore, and more than once have been required to give up our establishments and remove to other ports.

These disadvantages may all be avoided, and our independence be fully preserved in future, by establishing at convenient points stationary store-vessels whose paymasters shall perform all the duties of naval storekeepers, and whose operations will be performed under the immediate control of the commanders of

squadrons. This plan has, with your sanction, been inaugurated by sending store-vessels to remain stationary at Cadiz, Spezzia, Callao, and Rio Janeiro, and measures are in progress to substitute a storeship for the storehouse now rented at Macao.

When that shall have been accomplished, the duties of storekeepers abroad will be done by naval paymasters, and doubtless the system will prove more convenient and economical, as it will be certainly more independent, than the one formerly pursued.

DEPOTS AT HOME STATIONS.

Early and active measures were also taken to reduce the number of depots for supplies as well as the expenses of those which must necessarily be retained. The surplus stores at Mound City have been shipped to northern ports, and the small quantity necessary to be kept on hand has been transferred to the charge of the paymaster of the station. The stores at New Orleans and Key West have been ordered to Pensacola, or (if not needed there) to New York or Boston. From Beaufort and Newbern the supplies have been sent to Norfolk and New York, and all the stations on the southern coast have been abandoned as depots of supplies, excepting Norfolk, Pensacola, and Port Royal, at which last place there is still a small stock kept for the use of the Atlantic squadron, but it is hoped that the large amount of naval property at that point will soon be disposed of in such a manner as to authorize the discontinuance of that depot, which has been of such vital importance to the operations of the late South Atlantic squadron, and which is now the only depot which did not exist previous to the rebellion.

SUPPLY STEAMERS.

It is a noteworthy fact that during the long and arduous cruises of blockading vessels stationed along a hostile and insalubrious coast the health of the ships was remarkably good. This was owing, in part, to the admirable hygienic system obtaining in the navy, as well as to the vigilant care of the Bureau of Medicine and Surgery under its late able and distinguished chief, and to the attention and skill of individual medical officers afloat.

But doubtless the kinds and quality of the provisions furnished had great influence in bringing about this highly favorable result. All officers concur in their testimony as to the excellence of the ration, and especially to the marked improvement in the quality of the bread baked under naval inspection, which has entirely superseded the contract bread formerly procured.

But the great, though of course temporary, improvement in the supplies for the blockading squadron, was made through the instrumentality of supply steamers, which formed an entirely new feature in naval organizations. These steamers were large, fast vessels, provided with capacious ice-houses, which would hold 35,000 pounds of fresh beef and sufficient ice to preserve it for many weeks. The vessels also carried six or seven hundred barrels of vegetables, besides ample supplies of mess stores. They took out and brought home mails and passengers, and communicated with all vessels of the squadrons visited by them. Running almost with the regularity of steam packets between the blockading squadrons and the ports of Boston, New York, and Philadelphia, they added greatly to the comfort and health of officers and men. With some modifications, but with equally beneficial results, the same system was pursued in the Mississippi squadron. Officers whose position gave them opportunity to know and to enjoy the advantages of these regular supplies, all give their testimony to their inestimable value to officers and men.

INCREASE OF CORPS.

The law of March 3, 1863, ratifies and confirms the temporary acting appointments of acting assistant paymasters until the return of the vessels in which they are respectively employed, or until the suppression of the present insurrection, as may be deemed necessary. If this law be carried out great embarrassment must ensue. There are not nearly enough pay officers in the regular service to perform the duties of paymasters at stations on shore and on board vessels in commission, yet the moment the rebellion is declared to be suppressed the department will have no legal power to retain in office any acting assistant paymaster who has returned from sea, nor to appoint any others, however great may be the need of their services. There are now authorized by law, upon the active list, one hundred regular pay officers, viz: sixty-four paymasters and thirty-six assistant paymasters. But the law authorizing the last provides that the whole number is to be reduced to seventy-five within six months after the expiration of the present insurrection.

It would seem to be indispensable that both the laws referred to be modified, or that the regular corps should be at once sufficiently increased to supply officers for the suitable performance of the duties of the pay department of the navy.

I beg leave to renew the recommendation made in my last annual report for the creation of the intermediate grade of acting assistant paymasters, that the pay corps may be more nearly assimilated to the medical and engineer corps in rank and pay, and that its officers may have the additional encouragement which more frequent promotions offer. The examinations which must by law precede all naval promotions would oftener give the opportunity to investigate the official record of the officers and determine upon their personal fitness for promotion. I take great pleasure in referring to the high character which the pay corps of the navy has maintained during the progress of the late rebellion. With fewer exceptions than might reasonably have been anticipated, they have performed their own responsible duties faithfully and satisfactorily, though often when surrounded by difficulties and danger. And it is believed that the officers of no other corps have shown themselves more ready to volunteer for any duty, nowever hazardous, in which their services could be made useful.

PURCHASE OF THE RUGGLES PROPERTY

One of the most embarrassing difficulties experienced by this bureau in supplying squadrons has come from the want of storage room at navy yards and wharf accommodations for shipping and receiving supplies. This was especially felt at New York. The limited wharf room was used for the men-of-war receiving and discharging stores; for merchant vessels bringing or taking away cargoes for different departments, and for supply-steamers and store-ships. These came to the same wharves indiscriminately, and often interfered with and hindered each other. Vessels were sometimes detained weeks solely for want of opportunity to load or discharge, and heavy demurrages were paid which might have been saved had there been another wharf. By your direction, in May last, a valuable wharf and lot, with a large brick storehouse upon it, were rented at the yearly rent of six thousand dollars, and they are now most usefully employed receiving and storing the large quantity of stores returned from vessels going out of commission, and from depots where they are no longer needed. This property was rented from the executors of an estate who, in the lease, gave to the government the privilege of purchasing, at any time during the next session of Congress, at the price of \$90,000. The property includes a small lot, with a water front of fifty feet, lying on the northwest side of Little street, which is thirty feet wide. If

the government should become the owner of lots on both sides of this street, it is not improbable that the legislature of New York would allow the street to be closed as far as the government should own on both sides of it, and this would, together, give the navy yard an increased water front of about 350 feet.

I had the honor to recommend in my last annual report that arrangements should be made at navy yards to keep the storehouses and wharves to be used for provisions and clothing as much as possible separate from those of other departments. The purchase of the Ruggles property, and its appropriation to the uses of this bureau, would go far to show, practically, the advantages of the proposed plan. The wharf and buildings being beyond the present limits of the yard, and opening upon a public street, (if desired,) seem admirably fitted for the uses of a victualling establishment.

I am, sir, very respectfully, your obedient servant,

H. BRIDGE, Chief of Bureau.

Hon. GIDEON WELLES,
Secretary of the Navy.

BUREAU OF MEDICINE AND SURGERY.

NAVY DEPARTMENT,

Bureau of Medicine and Surgery, November 1, 1865.

SIR: In compliance with your instructions of the 18th August last, I have the honor to submit estimates of the amount required for the support of the Bureau of Medicine and Surgery, and the medical department of the navy, for the fiscal year ending June 30, 1867.

The condition of the medical department is represented as follows:

Balance of appropriation for surgeons' "necessaries and appliances" remaining in the treasury November 1, 1865.....	\$155,559 01
Amount of hospital fund in the treasury November 1, 1865....	64,165 92
Balance of appropriation, contingent Bureau of Medicine and Surgery, remaining in the treasury November 1, 1865.....	76,040 30
Amount required for the support of the Bureau of Medicine and Surgery for the year ending June 30, 1867, (schedule A)....	11,620 00
Amount required for the medical department of the navy, on ship-board and all naval stations, with the exception of hospitals, for the year ending June 30, 1867, (schedule B)	168,750 00
Contingent.....	75,000 00

Pursuing the system adopted heretofore of per capita estimates, and assuming the number to be employed during the term covered by the estimates to be 22,500, an appropriation will be required of \$168,750, upon the basis of an expenditure of \$7 50 per man, for all causes involving the disbursement of the funds of this bureau.

The estimate for contingent is \$75,000, in consequence of the advanced cost of every article to which this appropriation is applied.

I submit tabular statements of sick, &c., compiled from the reports of sick from the different naval stations within the United States, and from vessels on home and foreign service, for the year ending December 31, 1864.

Statement of sick, compiled from reports of sick from the naval stations in the United States, and from vessels in commission on home and foreign stations, for the year ending December 31, 1864.

	Average number on board during the year 1864.	Remaining sick December 31, 1863.	Admitted in 1864.	Discharged in 1864.	Died in 1864.	Total treated in 1864.	Remaining sick December 31, 1864.	Percentage of deaths to the whole number of cases treated.
HOSPITALS.								
Chelsea.....		91	812	784	43	903	76	
New York.....		296	1,839	1,753	117	2,135	161	
Philadelphia.....		72	746	713	43	818	62	
Washington.....		38	367	353	14	405	38	
Norfolk.....		171	1,920	1,835	61	2,091	195	
Pensacola.....		19	824	740	47	843	56	
Mound City.....		190	1,146	1,015	106	1,336	215	
New Orleans.....		46	809	672	78	855	105	
Newbern.....		7	122	109	8	129	12	
Hospital barge Fitch, Smithland, Ky.....			58	17	3	58	38	
Port Royal, S. C.....			86	24	5	86	57	
Beaufort, S. C.....			31	31		31		
		930	8,760	8,046	525	9,690	1,015	.054
RECEIVING SHIPS.								
Portsmouth, N. H.....	520		67	59		67	8	
Boston.....	1,090	24	773	776	9	797	12	
New York.....	1,696	6	726	717	7	732	8	
Philadelphia.....	458	11	429	423	11	440	6	
Baltimore.....	279	11	222	211	11	233	11	
Mare Island, Cal.....		11	214	199	7	225	19	
	4,043	63	2,431	2,385	45	2,494	64	.018
NAVY YARDS, ETC.								
Portsmouth, N. H.....	33	533	550	7	566	9		
Boston.....	3	145	145		148	3		
New York.....	4	201	201	3	205	1		
Philadelphia.....	5	230	232		235	3		
Washington.....	23	527	521	7	550	22		
Norfolk.....	1	309	305		310	5		
Mound City, Ill.....	3	285	278		288	10		
Naval Academy.....	42	894	927	1	936	8		
	114	3,124	3,159	18	3,238	61		.005

RECAPITULATION.

	Aggregate number of officers and men on board of vessels in 1864.	Remaining sick December 31, 1863.	Admitted in 1864.	Discharged in 1864.	Died in 1864.	Total treated in 1864.	Remaining sick December 31, 1864.	Proportion of cases to number of persons on board.	Proportion of deaths to whole number of persons on board vessels.	Percentage of deaths to whole number of cases treated.
Hospitals.....	930	8,760	8,046	525	9,690	1,015	.....	.....	.054	.....
Navy yards, &c.....	114	3,124	3,159	18	3,238	61	.....	.....	.005	.....
Receiving-ships.....	4,043	63	2,431	2,385	45	2,494	64	.61	.011	.018
Vessels in commission at sea.....	39,744	988	57,145	55,817	785	58,133	1,531	1.46	.014	.013
	43,787	2,095	71,460	69,407	1,373	73,555	2,671	1.67	.023	.018

At the close of the year 1863 there were reported 2,111 cases remaining under treatment. The reports of sick for 1864, however, brings forward but 2,095; a discrepancy of sixteen to be accounted for by casualties similar to the one on board the Housatonic—destroyed by a torpedo, and whose reports were therefore never transmitted to this office.

The total number of deaths from all causes reported at the Navy Department from October 1, 1864, to September 30, 1865, is 1,750.

The average force of the navy, (officers, seamen, engineer service, coast survey, &c.,) for the year was about 43,787.

The proportion of cases to the whole number in service was about 1.70, or each person was on the sick list $1\frac{70}{100}$ times during the year.

The proportion of deaths to the whole number in the service was about $\frac{1}{100}$, and the percentage of deaths to the whole number of cases treated is 0.18, or less than two per cent.

Summary of prevalent forms of diseases on foreign and home service for the year 1864.

Squadron.	Average number of men.	Total.		Fever diseases.		Diseases of digestive system.		Diseases of respiratory system.		Diseases of circulatory system.		Diseases of brain and nervous system.		Diseases of cutaneous and cellular system.		Diseases of fibrous, serous and muscular system.		Diseases of genito-urinary organs.		Malignant diseases.		Diseases of the eye and ear.		Wounds and injuries.	
		Cases treated.	Deaths.	Cases treated.	Deaths.	Cases treated.	Deaths.	Cases treated.	Deaths.	Cases treated.	Deaths.	Cases treated.	Deaths.	Cases treated.	Deaths.	Cases treated.	Deaths.	Cases treated.	Deaths.	Cases treated.	Deaths.	Cases treated.	Deaths.	Cases treated.	Deaths.
North Atlantic.....	10,665	13,903	122	2,270	14	3,275	19	2,684	33	211	3	435	7	973	1	1,152	.....	879	.....	946	2	250	.....	1,474	57
South Atlantic.....	6,735	7,359	84	940	12	1,929	6	1,446	33	103	4	258	2	851	1	919	4	273	.....	190	1	189	.....	876	30
East Gulf.....	2,190	2,605	32	661	19	507	1	318	6	95	2	92	1	307	.....	229	.....	114	.....	22	.....	46	.....	270	3
West Gulf.....	6,968	8,561	137	2,169	28	2,032	17	945	27	122	1	193	6	591	.....	657	.....	564	.....	174	2	141	.....	959	56
Mediterranean.....	6,569	14,235	354	5,723	113	3,818	76	1,230	90	87	8	246	12	665	2	441	.....	646	.....	334	4	155	.....	816	45
Pacific.....	1,304	2,127	23	737	5	271	2	120	7	31	2	59	2	187	.....	305	1	153	.....	64	.....	51	.....	176	4
Potomac.....	1,812	1,117	11	226	.....	286	.....	185	9	6	.....	30	.....	81	.....	65	.....	88	.....	13	.....	25	.....	100	3
Special service.....	3,771	3,648	29	504	11	637	3	449	11	43	1	67	.....	442	.....	308	.....	354	.....	33	.....	83	.....	423	3

The foregoing tabular statements do not show the whole strength of the navy for the year 1864; several small vessels in every squadron were, necessarily, without medical officers, and from these no sick reports were received. We have reports from 443 vessels, with an aggregate of 39,744 officers and men.

CASUALTIES OF THE NAVY DURING THE REBELLION.

Since the termination of the rebellion I have caused to be carefully prepared a statement of the casualties incurred by the navy during the war, (see appendix No. 1,) and it cannot be otherwise than gratifying to know that the great results achieved by the navy have been brought about, as far as has yet been ascertained, with but 1,406 killed, 1,638 wounded, and 176 missing, making an aggregate of 3,220. Of the wounded, the majority have recovered and either resumed their duties on shipboard or returned to civil life.

But 71 artificial limbs have been furnished, (34 of the lower and 37 of the upper extremity,) though every means have been used to acquaint the victims of the war with the liberality of Congress in setting aside an adequate sum for the purchase of artificial limbs to supply the place of those lost in battle. Hence it would appear that the number of those who have been permanently maimed is almost incredibly small.

NAVAL HOSPITAL FUND.

The condition of this fund is represented as follows:

Balance on hand June 30, 1864.....	\$122,264 10
Transferred to the fund by the Fourth Auditor in settlement of accounts, &c., from June 30, 1864, to October 31, 1865.....	93,566 82
Transferred to the fund on account of supplies from the naval laboratory to vessels and navy yards, from June 30, 1864, to October 31, 1865.....	193,447 61
Total amount of fund October 31, 1865.....	409,278 53
Deduct amount expended from June 30, 1864, to October 31, 1865,.....	345,112 61
Balance on hand October 31, 1865.....	64,165 92

The inmates of naval hospitals are subsisted exclusively from this fund, which is maintained by a monthly deduction of twenty cents from the pay of officers, seamen and marines, by the transfer of pensions of such persons as are allowed to commute their pensions for support in the Naval Asylum and the cost price of the rations.

Government contributes little or nothing directly to the support of hospitals or their inmates; and from the enhanced price of provisions, fuel, medicines, and other articles of necessity, the hospital fund is being reduced day by day, rendering an early appropriation by Congress necessary, unless some means are adopted by which the yearly credits of the fund will at least equal the disbursements under that head.

NAVAL LABORATORY.

The necessity for the erection of a suitable building in which to conduct the business of the naval laboratory was so cogently urged by my predecessor in his last annual report, that it is now deemed only necessary to call your attention to the matter, and say that the whole of the duties of the establishment are carried on in an unoccupied wing of the naval hospital at New York. In it the machinery, apparatus, manufacturing department, storerooms, packing and dispensing rooms are all crowded; and the whole work of providing the medical outfits of vessels during the entire war was carried on in this place.

The demands of the service are such that it is absolutely necessary to keep on hand large stocks of medical stores and appliances, to supply calls, and it is found well nigh impossible to conduct properly the daily operations of the establishment within its present contracted limits. The energies of the able director of the laboratory, and of his assistant, have been taxed to the utmost to successfully meet the demands of the navy, with the present limited means, and though their efforts have hitherto been crowned with success, I beg to submit to the department whether it may not deem it proper to ask an appropriation of the sum of \$80,000, wherewith to build a suitable laboratory. I have not included the amount in my estimates.

For repairs of the present establishment and appendages, instruments, apparatus and machinery, furniture, &c., there will be required \$3,500.

INSANE OF THE NAVY

On the 30th September, 1864, 5 officers, 9 seamen, 1 marine, 1 fireman, 1 pensioner, 2 landsmen, 1 coal-heaver, and 1 boy, twenty-one in all, remained under treatment in the government hospital for the insane near this city.

During the year ending September 30, 1865, there were admitted 1 officer, 5 seamen, and 2 landsmen—total 8; the whole number under treatment during the year.....	29
The discharges in the course of the year were, by recovery, 3 seamen, 1 landsman, 1 fireman, 1 boy—total.....	6
By death, 1 officer, 6 seamen, 2 landsmen, and 1 coal-heaver—total....	10
Removed by friends, (improved,) officer.....	1

Total.....	17
Leaving in the institution on the 30th September, 1865, 4 officers, 1 marine, 5 seamen, 1 landsman, and 1 pensioner—total.....	12

NAVAL HOSPITALS.

Portsmouth, N. H.—During the summer the building which has so long been used for the accommodation of the sick and wounded on this station has been thoroughly repaired, at a very trifling outlay, and will for the present answer the immediate wants of the navy.

Boston, Mass.—The extension of the building at this place was completed early last summer, and on the 1st June, 1865, was ready for occupancy. The heating, cooking, and laundry apparatus was also completed early in the season and has been working with entire satisfaction. The total number of sick treated during the year was 903, and daily average sick 903 $\frac{2}{3}$.

For various repairs, improvements, furniture, &c., there will be required the sum of \$10,000.

New York.—During the year the accommodations of this hospital, owing to the large number of vessels and invalids arriving from the Gulf, have been taxed to its utmost capacity. The daily average sick during the year 1864 has been 229 $\frac{9}{16}$; the whole number treated, 2,135.

There will be required for the various incidental repairs, renovations of building, grounds, roads, cemetery, &c., \$10,500.

Naval Asylum, Philadelphia.—The erection of additional accommodations for the sick, as authorized by act of Congress, has not yet been commenced, although the architect is preparing plans at this time. The sick and wounded of the navy on the station continue to be treated in one wing of the Naval Asylum. During the year, the daily average sick was 691 $\frac{1}{2}$; the whole number treated, 818.

Annapolis.—The re-establishment of the Naval Academy at Annapolis necessitated numerous repairs, which were consequently made, and also the re-furnishing of the hospital building. It was re-occupied on the 30th ultimo.

For necessary repairs, renovations, furniture, &c., there will be required \$5,000.

Washington.—The work of erecting the hospital building is progressing with as little delay as practicable, though many interruptions have occurred which prevented its being completed as rapidly as was desirable. Owing to the enormous increase in the price of labor, material, &c., the amount hitherto appropriated has proved totally inadequate to complete the work, and although the building is a plain brick structure, devoid of ornament or other costly features, the further sum of \$30,000 will be required to finish properly the main buildings, to surround the entire lot with a suitable wall, to grade the sidewalk, and to erect the necessary outbuildings.

Norfolk.—When this establishment was re-occupied, after having been deserted by the rebels, it, together with its appendages, was found in a most dilapidated condition; all parts of the building and appurtenances had been abused, and in many instances the destruction was total. The wharves, seawall, enclosure, &c., all require thorough repair, and in some instances to be entirely rebuilt; for these purposes the sum of \$20,000 will be required.

Port Royal, S. C.—The hospital at this place answers all the wants of the navy. The number of patients admitted during the year was 349; the daily average sick, 43+.

Pensacola, Fla.—During the year 843 patients have been admitted into this establishment; the daily average sick has been 58 $\frac{1}{2}$.

For various repairs, improvements, furniture, &c., \$10,500 will be required.

Key West, Fla.—The Treasury Department generously continues to the navy the use of the marine hospital at this place, which, with the frequent visits of the supply steamers, meets all the medical wants of this part of the Gulf.

Memphis, Tenn.—In consequence of the reduction of the Mississippi squadron, the necessity for a naval hospital at Memphis ceased to exist, and orders were given to close the establishment the 1st of August last, and to notify the owner of the building that he could resume possession of it on that day.

Mare Island, Cal.—Owing to the present scarcity and high price of labor and all building material, and also to the derangement of the currency, causing a depreciation of government funds in California, it has not been deemed advisable to commence the erection of the hospital at this place, for which Congress appropriated \$100,000. A temporary building is being used at the navy yard for hospital purposes, and will answer the object until it is deemed expedient to erect the more permanent establishment.

For repairs of building and appendages, painting, glazing, furniture, &c., there will be required \$7,500.

New Orleans, La.—Orders were issued on the 5th June to Acting Rear-Admiral Thatcher to close the hospital at this place as soon as the fleet was reduced to its minimum number; the great reduction of the west Gulf squadron rendering an establishment of the kind unnecessary.

COMPARATIVE HEALTHINESS OF IRON-CLADS AND WOODEN VESSELS.

The recent introduction into the navy of the monitor class of vessels, which must for all fighting purposes completely supplant the wooden walls that heretofore protected our coast and commerce, has thrown on this bureau a most important inquiry.

The advantages of the floating forts of the monitor pattern have been demonstrated by practical experience beyond a doubt, and their superiority for attack and defence over all other vessels is now conceded by the ablest and most skillful commanders. It has been doubted, however, whether it is possible, looking

at the construction and the mode of fighting of the iron-clads, to preserve the health of the men on board, and, therefore, to maintain the fighting material in that condition, without which alone actual naval success must be problematical. Two questions are hence presented for solution:

1st. What is the sanitary condition of an iron-clad as compared with a wooden vessel?

2d. What is the best mode of ventilating iron-clads and preserving the health of those on board?

Feeling the importance of these inquiries, I have caused a careful examination to be made of the quarterly report of sick, from the beginning of 1863 to the end of June, 1865, of all the iron-clads employed in active service from James river, Virginia, to Mobile, Alabama, and tables to be prepared therefrom, (see appendix No. 2.) and compared the results with those derived from reports of wooden vessels upon the same stations, engaged in the same labor, and whose complements were identical.

These comparisons have been instituted—

1st. By taking the eleven (11) iron-clads of 1863, with an aggregate complement of fifteen hundred, (1,500), and comparing the total sick, deaths, daily average, &c., with that of twelve (12) wooden vessels of the same squadron, with an aggregate complement of fifteen hundred and thirty-nine, (1,539); the eighteen (18) iron-clads of 1864, with complement of twenty-four hundred and fifty-eight, (2,458), and eighteen (18) wooden vessels, with complement of twenty-four hundred and seventy-one, (2,471); and seventeen (17) iron-clads of 1865, (first six months,) with complement of twenty-three hundred and seventy, (2,370,) and fourteen (14) wooden vessels, with twenty-four hundred and thirty-five (2,435) all told.

2d. By tabulating the diseases said to be of most frequent occurrence on board the iron-clads, taking each vessel by herself, and giving the number reported in each quarter, year by year; doing the same with twelve (12) wooden vessels of 1863, twenty-seven (27) of 1864, and twenty-seven (27) of 1865.

3d. By a consolidated statement showing the numbers of these diseases in all the iron-clads, quarterly and yearly; forming comparison with a similar statement from the wooden vessels first selected on account of average complement.

The iron-clad frigate *New Ironsides* has been included in these statements, although not of the monitor pattern, and possessing, indeed, some advantages over those vessels, such as being enabled, when fighting one battery, to keep the ports on the other side open, &c.; but as she does not appear to have enjoyed any greater immunity from disease, I have thought it well to include her on the one side, as well as the dry, well-ventilated frigate *Wabash* on the other.

In an interesting report from the iron-clads off Charleston, made during the month of May, 1863, to the fleet-surgeon of the South Atlantic blockading squadron, the medical officers of those vessels complain, 1st, of the ventilation of the vessels, and, 2d, of the dampness.

Up to this time the iron-clads were an experiment, and more attention had been given, in their construction, to their fighting qualities than to their fitness for keeping men on board in first-rate physical condition. The ventilation was no doubt imperfect and based in a wrong principle, that of forcing fresh air through the hold, instead of pumping out the foul air and allowing the fresh air to rush in from all the openings above.

The dampness complained of is probably inevitable in an iron vessel submerged to within two feet of the surface of the water.

With time and experience, however, the means of ventilation were improved, and instead of having the air-ports closed when at anchor, with a sea just sufficient to wash the deck, iron tubes, some three or four feet in height, were provided, that could be trimmed to the wind and thus send a steady stream of cool, fresh air, below.

By this means the health of those on board was greatly improved, as will be seen by referring to the table No. 1, where it will be found that the average percentage sent to hospitals in 1863 was .25+; in 1864 was .10+; and in 1865 was .05+.

In the report above alluded to it is said, "the principal diseases we have to deal with are rheumatism, debility, fever, and pleurisy." I have, accordingly, tabulated those diseases, for both monitors and wooden vessels, for two and a half years, from January 1, 1863, and find, contrary to my own expectations, that the iron-clads had the greater number, only in the instance of debility, in the fourth quarter of 1864.

In the daily average of sick for the thirty (30) months above stated, we find the advantage again with the monitors, the proportion being 4.04 in 1863; 3.4 in 1864; and 2.9 in 1865; to the wooden vessels 4.9 in 1863; 4.6 in 1864; and 5.7 in 1865.

In looking over the quarterly reports of sick of different vessels, it is found that the armed schooner T. A. Ward, with a complement of forty, (40,) had, in the third quarter of 1864, two hundred and sixty-nine (269) "sick days," or entries, on the journal; whilst the Patapsco, with eighty-eight (88) men, had two hundred and sixty (260) "sick days;" the Passaic, of eighty, (80,) had one hundred and sixty-seven, (167,) and the Sangamon, of eighty, (80,) had one hundred and thirty-one (131) only; yet the T. A. Ward, with her daily average of $2\frac{1}{2}$, was not considered an unhealthy vessel.

In the fourth quarter of 1864 the T. A. Ward, with fifty-five (55) men, had two hundred and thirty-one (231) "sick days," a daily average of $2\frac{1}{2}$; the brig Perry, of sixty-nine (69) men, had four hundred and ninety-nine, (499,) or an average of $5\frac{3}{4}$; while the Lehigh, with one hundred (100) men, had one hundred and thirty (130) "sick days;" and the Sangamon, of eighty (80) men, had only seventy-two (72) in that quarter.

During the fourth quarter 1864, and the first quarter 1865, the monitors, under Admiral Porter, had a severe experience; twice they were in battle under the walls of Fort Fisher, with an interval of unusually bad weather off Beaufort, North Carolina; yet we find with them, as with those further south, a marked freedom from disease.

The Saugus, from November 25 to December 23, 1864, had but one entry upon the journal, reporting "none sick" for twenty-six (26) consecutive days; from December 23, 1864, to January 7, 1865, but one case, that of an accidental contusion; from January 7 to January 12, "none sick;" and from January 13 to January 20, but two patients, both wounded by the bursting of a gun in action against Fort Fisher. From January 20 to February 12, but three (3) patients, two of whom had for years suffered from epilepsy and asthma. From February 13 to March 7, twenty-two (22) days, "none sick," when the case of asthma again presented itself, daily, until the 15th. From that date to the 22d of March, six days, "none sick;" and from March 22 to April 1, but one patient.

The Montauk, one of the three that in the early part of 1863 had "already sent 20 per cent. of their respective complements to hospitals," is found in such improved sanitary condition as to have, from December 16, 1864, to February 16, 1865, no entries upon the journal of practice other than two men who had come on board with diseases unfitting them for duty, and were immediately sent to the hospital-ship, and one man of the old crew who had returned, still disabled, from hospital-ship, with an injured hand. With the exception of this last, the surgeon reports, under date of March 15, 1865, "up to to-day have had a clear list." Still, from that date until the 29th May, 1865, the ship remained without a case of disease or injury worthy of notice, save one of accidental gunshot wound, and one of varioloid. This last was the only case of disease occurring on board (in all likelihood contracted ashore) for the last one hundred and sixty-

five (165) days of the Montauk's cruise, and that in the unhealthy region of Charleston roads, South Carolina, and in presence of the enemy.

On board the Lehigh there appeared no case worth recording from February 11, 1865, to March 2, 1865, when one of consecutive syphilis presented itself. In the latter part of this (first) quarter, the Lehigh came north and joined the squadron in James river, near Richmond, Virginia; yet we find in the journal of practice no evidence of the great inconvenience and suffering endured by those who first served on board the monitors. Her record, indeed, shows that for the second quarter of 1865 there was a daily average sick of 1.06, and this on board a monitor in the miasmatic region of James river, with a crew presumed to be somewhat debilitated by long continued active service in the waters of South Carolina.

On board the Sangamon we find "all well" from February 16, 1865, to the 28th of the same month, when a case of primary syphilis presented itself as the only patient, until March 16. From that date until June 3 we meet only with one case of sore throat and three cases of injury—one resulting in inflammation of the brain, with recovery, on board. From June 3 to July 23, fifty (50) days, there are no sick reported. From July 24 until August 17, (end of cruise,) there were but seven (7) cases admitted, none of a grave aspect.

The Passaic, from the 1st of June, 1865, off Charleston, South Carolina, until her going out of commission at Philadelphia, June 15, had but two (2) sick men; and while at sea, for five days, reports upon each day, "no sick."

There are, probably, no wooden vessels in any squadron throughout the world that can show such immunity from disease as the foregoing.

In concluding this subject it is proper to refer to the fact, well known to the department, that the order, issued in the summer of 1863, providing for the periodical transfer of men on board the iron-clads of the South Atlantic blockading squadron to wooden vessels, was not availed of by their officers and crews; they preferred remaining on board the vessels to which they were attached to being transferred elsewhere.

NAVAL PENSIONS.

The intimate relation that subsists between this bureau and the Pension Office induces me to ask your attention to an interesting and important subject. In order that the extent of that intimacy may be understood, it may be well to state that during the year ending October 31, 1865, not less than 337 cases were referred from the Commissioner of Pensions to this office; and that during the same period not less than 254 cases were finally adjusted by this bureau, and the necessary certificates forwarded to the claimants.

The act of Congress by which naval pensions are regulated was enacted prior to the rebellion, and, therefore, prior to the creation of the new grades of vice-admiral, rear-admiral, commodore, lieutenant-commander, &c.

The highest grade recognized by that act was that of captain, whose family was allowed a pension of only \$30 per month, and which was the amount also allowed the families of commanders, lieutenant-commanders, lieutenants, and masters commanding; so that, by the provision of the law as it now stands, the family of a vice-admiral is allowed a pension no greater than the family of a master commanding; and that sum was reduced \$20 upon the amount previously allowed the family of a captain.

As by law pensions are only granted in cases wherein it is satisfactorily established that death has resulted from exposure in the performance of duty, it would seem but just that a better provision should be made for the widows and orphans of those who have lost their lives in their country's service, than that now made by the act of Congress referred to. Thirty dollars a month to the family of such an officer is certainly not adequate.

Now, it appears to me, is the time for increasing the amount of the pension, and for making it proportionate to the rank of the officer.

The great war that has maintained the integrity of the nation is over, it is hoped and believed, forever, and, therefore, it is possible to ascertain the amount required to provide properly for the families of those who, in their manly efforts to preserve the government from destruction, lost their own lives, and left their wives and children without any other protector than the republic.

No fear need now be felt that the amount needed will be increased. On the contrary day by day, it will be diminished. There is also a still stronger reason why this should be done at once. At the time of the enactment referred to there existed no pension fund, and the expenditure was a burden on the public treasury. Now, however, it is otherwise. The navy, during the war, won for itself a pension fund of \$11,000,000, the annual interest of which will amount, at the present rates, to \$660,000 in gold. Is it not eminently proper that the wives and offspring of the bold men, whose prowess accumulated this noble fund, should at least enjoy a portion of its profits?

The whole amount of pensions paid out during the last year did not exceed \$250,000. It is manifest, therefore, that a proper increase in the annual pensions allowed to the families of officers, with due regard to the rank of the deceased, may be made without absorbing the whole of the interest on the present pension fund, and I would, therefore, strongly urge that the subject be presented to the early attention of Congress.

By an act of Congress of July 4, 1864, "it is provided that all persons now entitled to a less pension, who shall have lost both feet in the military service, shall be entitled to a pension of \$20 per month; and those who, under the same conditions, have lost both hands, shall be entitled to \$25 per month."

As this law is construed in accordance with its phraseology, it dooms to painful inequality those persons in the navy who have suffered equal loss, and receive, under the present naval pension bill, but eight or ten dollars per month.

It cannot be supposed that this distinction was intended, and it is presumed that it requires but a notice of the fact to secure for the sailor the same reward as is bestowed on the soldier.

MEDICAL CORPS OF THE NAVY

It would be a source of the deepest gratification to this bureau to know that the medical corps of the navy offers sufficient inducements to attract the best talent to its ranks, and to feel that those ranks would always be filled. I am reluctantly, however, compelled to say that in my judgment there is no vocation above the humblest laborer that does not at the present time offer greater inducements to the youthful aspirant, and moreover to express the earnest conviction that, if Congress does not, by apt legislation, increase the compensation and elevate the position of the medical officer, the corps which has so recently, during the rebellion, rendered such eminently valuable and efficient service, may soon consist, with but few exceptions, of those who are either too old for active service, or too young to be intrusted with important duties.

My able predecessor has demonstrated that in point of position and relative rank there is scarcely a power on the face of the earth in whose navy the medical officer is not treated with more consideration, and whose position and rank are not superior to that held by him in this country. The importance of his duties, the years of anxious study required to make him an honorable member of his profession, his previous education, the clear, intelligent, and prompt judgment that he should possess, have impressed other nations with the necessity of rewarding such talents and acquirements with at least a corresponding position in the service. But this subject has been so fully and ably brought to the consideration of the honorable Secretary of the Navy by my

immediate predecessor, that I deem it unnecessary to do more than refer to his reports of 1863 and 1864 on that branch of the subject. There is, however, another branch demanding the immediate and most earnest attention of Congress.

In the present state of affairs in this country, with the deranged condition of the currency and the enormous prices of food and clothing, the medical officer cannot subsist on the pay now allowed him by law. The consequence is, that the corps is rapidly diminishing in numbers. The price is not sufficient to induce the medical talent of the country to give up the actual or anticipated emoluments of private practice, and undertake the perilous duties of a naval medical officer, with but little position and less pay, and at the same time subject himself to the dangers of the sea and to the hazards of noxious climates. The mechanic is better paid, and a clerk of skill and reputation can earn double the amount of an assistant surgeon's salary.

What is there, then, to prevent the corps from gradually dwindling into such small proportions that we shall be compelled to take into the service any who may apply, without requiring of them any previous examination, or expecting in them any but the most ordinary qualifications? The consequences will be felt in the future condition of the corps itself, in the increased mortality on ship-board, and at naval hospitals, and, in the event of a war, in the want of the most efficient elements of that "problem of sanitary science." Then, it is true, promotion and pay will be freely offered, but it will be impossible at once to build up a medical corps, and all the experience and advantage that we might have gained will be lost to us.

I beg, therefore, most earnestly to bring to your notice the absolute necessity for prompt action on the part of Congress, to save the medical corps of the navy from apparent disintegration. Immediate and efficient legislation can alone do justice to the services and ability of the present members of this valuable corps, and guarantee its future efficiency.

Very respectfully, your obedient servant,

P. J. HORWITZ, *Chief of Bureau.*

HON. GIDEON WELLES,
Secretary of the Navy.

List of eleven iron-clads and twelve wooden vessels of 1863; showing average complement, number of days in commission, number of sick admitted, sent to hospital, &c.

IRON-CLADS										WOODEN VESSELS.							
Names of iron-clads, (11.)		Average complement.	Days in commission.	Number of sick admitted.	Sent to hospital.	Died.	Remaining end of 1863.	Daily average sick.	Names of wooden vessels, (12.)		Average complement.	Days in commission.	Number of sick admitted.	Sent to hospital.	Died.	Remaining end of 1863.	Daily average sick.
Catskill	81	311	161	21	b 2	1	21	21	Dawn	84	210	44	...	...	g 1	...	11.0
Lehigh	89	290	115	20	...	4	21	11	Flambeau	100	365	103	...	...	...	...	21.0
Montauk	86	365	120	44	...	1	21	21	Huron	95	365	187	9	...	...	1	21.0
Nahant	80	365	224	58	c 1	...	2	2	Madre	57	273	37	6	...	...	...	11.0
Nantucket	83	308	141	40	...	3	2	2	Marblehead	96	365	66	40	h 3	1	...	31.0
New Ironsides	443	365	774	50	d 2	7	17	17	Ottawa	100	365	147	4	...	...	...	31.0
Passaic	85	346	127	17	...	...	1	1	Peterson	87	365	69	...	...	...	...	11.0
Patapsco	82	364	75	33	e 3	...	1	1	Seneca	80	365	83	3	...	...	...	21.0
Rancho	316	184	174	51	...	8	6	6	Stettin	90	365	103	10	...	...	3	31.0
Saugamon	78	322	77	34	f 1	...	1	1	Unadilla	569	365	66	30	...	...	1	21.0
Wheelwright	77	259	77	10	...	...	2	2	Wabash	88	365	1,049	95	i 8	15	...	26.0
Total	1,500	3,469	2,065	378	9	25	4.04	4.04	Wisahickon	1,539	4,133	2,124	198	j 1	4	...	4.04

a Foundered, at anchor, Charleston Roads, S. C., December 6, 1863; thirty drowned. b Both killed in battle. c Killed in battle. d One death from colic and exhaustion; one shot by rebel enemy. e Two killed, by premature explosion, in battle; one died of heart disease. f Killed in battle. g From acute dysentery. h Killed in battle. i Three from disease; five from gunshot wounds. j From epilepsy.

List of eighteen iron-clads and eighteen wooden vessels of 1864; showing average complement, number of days in commission, number of sick admitted, &c.

IRON-CLADS.							WOODEN VESSELS.								
Names of iron-clads, (18.)	Average complement.	Days in commission.	Number of sick admitted.	Sent to hospital.	Died.	Remaining end of 1864.	Daily average sick.	Names of wooden vessels, (18.)	Average complement.	Days in commission.	Number of sick admitted.	Sent to hospital.	Died.	Remaining end of 1864.	Daily average sick.
Canonicus	107	260	145	26	.....	4	4.18	Canandaigua.....	200	366	241	16	h 1	9	7.5
Catskill	81	366	102	12	.....	.....	1.11	Chippewa	85	157	25	2	.....	1	1.11
Dictator	174	50	14	4	.....	2	2.50	Cimarron	145	366	153	11	h 2	3	3.56
Lehigh	89	366	94	12	.....	.....	1.11	Dal Chung	90	366	86	6	.....	2	2.22
Mahopac	92	92	44	4	.....	3	3.33	Ethan Allen	97	366	160	8	i 1	6	3.33
Manhattan	96	209	146	8	h 1	2	6.56	Flambeau	109	213	101	2	.....	6	3.33
Monadnock	170	92	56	10	.....	6	4.00	Harvest Moon	80	366	84	13	.....	2	2.22
Montauk	81	366	123	18	e 1	.....	2.77	John Adams	98	366	211	18	j 2	1	6.66
Nahant	82	366	93	25	.....	2	1.11	Norwich	96	366	58	7	.....	1	1.11
Nantucket	83	366	118	16	d 1	1	1.11	Ottawa	96	366	94	2	.....	.....	1.11
New Ironsides	483	314	536	32	e 4	16	15.11	Pawnee	282	366	179	6	k 1	3	4.44
Onondaga	150	283	206	24	.....	3	4.33	Seneca	80	233	60	2	.....	1	1.11
Passaic	83	366	108	8	.....	5	1.11	South Carolina	117	366	172	7	.....	9	3.33
Patapsco	91	366	154	13	.....	3	3.33	Sisseton	82	294	102	8	.....	2	2.22
Rancho	369	366	283	24	.....	6	6.66	Wabash	485	366	736	52	m 13	16	9.11
Saugamon	80	366	90	8	.....	.....	1.11	Wamsutta	88	275	31	6	.....	5	3.33
Saugus	102	275	53	16	f 2	1	1.11	Winona	96	338	139	7	n 1	1	3.33
a Tecumseh	100	72	20	8	.....	.....	1.11	Wisshickon	195	366	128	6	o 1	.....	2.22
Total.....	2,458	4,941	1,779	268	9	54	3.44	Total.....	2,471	5,902	2,760	179	24	76	4.88
							(3.4)								(4.6)

a Destroyed by rebel torpedo in action of Mobile bay, Alabama, August 5, 1864. b Drowned. c From typhoid fever. d Drowned. e One of typhoid fever; one of heart disease; one of chronic diarrhoea, and one of concussion of brain. f One drowned by accident, and one drowned by suicide. g From disease. h Drowned. i Drowned. j Drowned. k From disease. l From disease. m Ten from disease; three from injuries. n Accidentally shot. o From disease.

THE MARINE CORPS.

HEADQUARTERS MARINE CORPS.

Washington, October 20, 1865.

SIR: I have the honor to report that during my recent absence upon duty I visited the marine posts at Portsmouth, Charlestown, Brooklyn, Philadelphia, and Norfolk, Virginia, and from personal inspection of the several commands take pleasure in saying that the order and discipline observed at each was alike creditable to officers and men; and though it has been my unpleasant duty several times during the past year to bring to the notice of the department the escape of prisoners under sentence of court-martial, I desire now to express the opinion that the escapes referred to were not in consequence of inattention to duty, but more from a want of appreciation of the ingenuity sometimes shown by prisoners in releasing themselves from confinement. I trust, however, the experience thus gained will enable us to guard against similar escapes in the future.

The barracks at Portsmouth in process of re-construction at the period of my last report have since been completed, and now offer very comfortable quarters for officers and men. The out-buildings to which I then referred as being old and of wood, unsafe and unsuitable, were soon after torn down by authority of the department, and though much inconvenienced in consequence, I have not yet thought it advisable to direct special estimates to be submitted, with a view to replacing them, but have improved the premises as much as possible out of the annual appropriation for repairs of barracks. At some future time the subject of the construction of proper out-buildings will be brought to your notice.

At Boston the quarters for officers and men are in good condition, but will require considerable painting to keep them in a proper state of preservation.

At Brooklyn the barracks will require only the usual attention to repairs, to keep them in good order. The barrack-grounds have been much improved during the year, and though much is still to be done to make them conform to the present plan of improvement, their present condition and appearance reflects much credit upon the continued efforts of the commanding officer, to make them all that is desirable.

The barracks at Philadelphia are too contracted to afford comfortable accommodation for the usual strength of that post, but until the question of a change of location of the yard is definitely settled, I do not deem it advisable to recommend any addition to, or enlargement of the building, but will endeavor to make such disposition of the forces ashore as will prevent too much crowding of the men. The building can be kept in its present condition without any reference to special appropriation.

At Norfolk the quarters occupied by the troops, though of a temporary character, can be kept comparatively comfortable with the means at our disposal. If, however, it should be in contemplation soon to deprive us of these quarters, or if it has been fully determined by the department to re-establish the yard upon its former basis, it would then be desirable to submit to the department for consideration a plan for the construction of proper barracks, with a view to asking for such an appropriation as would be necessary for that purpose.

In my last annual report, the fact of Congress not having passed the appropriation for constructing officers' quarters, guard-house, &c., at Mare island, California, was mentioned, and the hope expressed that the subject might again be brought to the notice of that body. The objection then presented to quartering officers and men in the same building is still entertained, and in view alone of the pernicious effects thus likely to be produced upon discipline, the department is asked to favor the legislation necessary to correct that evil, and

at the same time give more comfortable homes to officers having to serve at such isolated points.

During the past year the strength of the corps has not changed materially, the ordinary means of recruiting having been sufficient to replace the loss occasioned by special discharges and by expiration of service; and though the number of men on shore at present is somewhat greater than is usual, owing to the many vessels having guards aboard that have recently gone out of commission, this temporary accession to the shore force is well employed in being constantly instructed in the duties of soldiers, and in giving additional security to the vast amount of government property at the several navy yards. Most of the year, however, the greater part of the corps have been actively employed in the operations of the several squadrons, and have thus borne an humble part in the gallant deeds of the navy.

In closing this brief report I desire to allude for a moment to the great struggle for the Union through which we have just passed, and in behalf of my corps tender my congratulations that during that struggle, and in the final triumph of the government over all its enemies, the navy has borne so honorable a part as to give it new claims to the confidence and support of a great and free people.

Respectfully submitted by your obedient servant,

J. ZEILIN,
Colonel Commandant.

Hon. GIDEON WELLES,

Secretary of the Navy, Washington, D. C.

HEADQUARTERS MARINE CORPS.

Paymaster's Office, September 30, 1865.

SIR: I enclose herewith estimates, in triplicate, for pay and subsistence of officers, and pay of non-commissioned officers, musicians, privates, &c., of the United States marine corps, for the fiscal year ending June 30, 1867.

These estimates exhibit an increase of \$66,201 50 over the sum appropriated for the present fiscal year; of which amount \$51,201 50 will be required for payment of the increase in commutation for officers' rations and servant allowance, authorized by an act approved March 3, 1865, and \$15,000 for undrawn clothing, rendered necessary by the advance in the price of clothing.

I am, very respectfully, your obedient servant,

J. C. CASH,
Paymaster Marine Corps.

Colonel JACOB ZEILIN,

Commandant U. S. Marine Corps, Headquarters.

Detail estimate of pay and subsistence of officers and pay of non-commissioned officers, musicians, privates, &c., of the United States marine corps, from July 1, 1866, to June 30, 1867.

	Number.	PAY.			SUBSISTENCE.			Aggregate.
		Pay per month.	Number of servants at \$37.50 per month.	Number of servants at \$31.50 per month.	Number of rations at 50 cents per ration.	Number of rations at 30 cents per ration.	Total.	
Colonel commandant	1	\$95	2		12		\$4,230 00	\$4,230 00
Colonels, one retired but retained on duty	2	95	2		6		2,190 00	6,270 00
Lieutenant colonels, one retired but retained on duty	3	80	2		5		2,737 50	8,317 50
Lieutenant colonels retired	12	80			4		1,460 00	3,380 00
Majors	4	70	2		4		2,920 00	9,880 00
Majors retired	2	70			4		1,460 00	3,140 00
Adjutant and inspector, paymaster and quartermaster	3	80	2		4		1,314 00	6,462 00
Assistant quartermasters	2	70	1		4		876 00	3,312 00
Captains, one retired but retained on duty	16	70	1		4		11,620 00	32,320 00
Captains	5	70	1		4		2,190 00	8,280 00
Captains retired	1	60					720 00	720 00
First lieutenants	23	50	1		4		16,720 00	40,940 00
First lieutenants retired	7	50	1		4		3,032 00	9,898 00
Second lieutenants	25	45	1		4		739 00	1,330 00
Second lieutenants retired	5	45	1		4		18,250 00	43,000 00
Second lieutenants retired	1	45			4		2,180 00	6,770 00
Leader of the band	1	75					730 00	1,270 00
Sergeant major	1	30					900 00	900 00
Quartermaster sergeant and drum major	2	24					360 00	360 00
Orderly sergeants	70	26					576 00	576 00
Sergeants	90	20					21,840 00	21,840 00
Sergeants	80	22					21,600 00	21,600 00
Corporals	140	18					21,120 00	21,120 00
Corporals	120	20					30,240 00	30,240 00
Musicians of the band	30						28,800 00	28,800 00
Drummers and fifers	64	16					9,492 00	9,492 00
Drummers and fifers	56	18					12,288 00	12,288 00
Privates	2,300	16					12,096 00	12,096 00
Privates	700	18					441,600 00	441,600 00
Bounty for enlistment, (second instalment)	1,000						151,200 00	151,200 00
Clerks and messengers to colonel commandant and staff	13						100,000 00	100,000 00
Steward and nurse in hospital at headquarters	2						12,440 45	12,440 45
Additional rations to officers for five years' service							1,095 00	1,095 00
Undraws clothing					120		21,900 00	21,900 00
							30,000 00	30,000 00
Total							984,417 45	1,107,066 95

Respectfully submitted,

HEADQUARTERS MARINE CORPS,
Paymaster's Office, September 30, 1866.

J. C. CASH, Paymaster Marine Corps.

No. 29.

HEADQUARTERS MARINE CORPS,
Quartermaster's Office, Washington, October 3, 1866.

SIR: I have the honor to transmit triplicate estimates for the support of the quartermaster's department, marine corps, from July 1, 1866, to June 30, 1867.

These estimates vary from the appropriations for the fiscal year ending June 30, 1866, as follows:

Contingencies has been increased	\$20,000 00
Clothing has been reduced	13,848 95
And fuel has been reduced	2,509 75

The increase in contingencies is made necessary by the high prices of everything chargeable to that appropriation, and the heavy expenditures under that head during the present and past fiscal years. The reduction in clothing is believed to be justified by a decrease in the cost of material, and on fuel by the present condition of that appropriation.

The aggregate amount asked for exceeds the appropriation of last year \$3,578 30.

I am, very respectfully, your obedient servant,

W. B. SLACK,
Quartermaster Marine Corps.

Colonel JACOB ZEILIN,
Commandant Marine Corps, Headquarters.

Estimate of the expenses of the quartermaster's department of the marine corps for one year, from July 1, 1866, to June 30, 1867.

There will be required for the support of the quartermaster's department of the marine corps for one year, commencing on the 1st of July, 1866, in addition to the balances then remaining on hand, the sum of six hundred and fifty thousand six hundred and eighty-seven dollars and fifty-five cents.

For provisions	\$169,907 50
For clothing	314,663 05
For fuel	30,117 00
For military stores, viz: Pay of mechanics, repair of arms, purchase of accoutrements, ordnance stores, flags, drums, fife, and other instruments	16,000 00
For transportation of officers, their servants, troops, and for expense of recruiting	25,000 00
For repair of barracks and rent of offices where there are no public buildings	15,000 00
For contingencies, viz: Freight, ferriage, toll, cartage, wharriage, purchase and repair of coats, compensation to judge advocates, per diem for attending courts-martial, courts of inquiry, and for constant labor, house rent in lieu of quarters, burial of deceased marines, printing, stationery, postage, telegraphing, apprehension of deserters, oil, candles, gas, repair of gas and water fixtures, water rent, forage, straw, barrack furniture, furniture for officers' quarters, bed-sacks, wrapping-paper, oil-cloth, crash, rope, twine, spades, shovels, axes, picks, carpenters' tools, keep of a horse for messenger, pay of matron, washerwomen and porter at hospital headquarters, repairs to fire-engine, purchase and repair of engine-hose, purchase of lumber for benches, mess tables, bunks, &c., repairs to public carryall, purchase and repair of harness, purchase and repair of hand-carts and wheel-barrows, scavenging, purchase and repair of galleys, cooking stoves, ranges, &c., stoves where there are no grates, gravel, &c., for parade grounds, repair of pumps, furniture for staff and commanding officers' offices, brushes, brooms, buckets, paving, and for other purposes	80,000 00
Amount required	650,687 55

Respectfully submitted:

W. B. SLACK,
Quartermaster Marine Corps.

Summary statement of appropriations required for the navy and marine corps for the fiscal year ending June 30, 1867.

Objects.	Office of the Secretary of the Navy.	Bureau of Yards and Docks.	Bureau of Equipment and Recruiting.	Bureau of Navigation.	Bureau of Medicine and Surgery.	Marine corps.	Aggregates.
Pay of the navy.....		\$217, 166	\$4, 500, 000	\$4, 517, 262	\$102, 210		\$9, 336, 638 00
Bounties to discharged seamen.....			800, 000				800, 000 00
Equipment of vessels.....			1, 000, 000				1, 000, 000 00
Surgeons' necessaries.....					168, 750		168, 750 00
Navigation and navigation supplies.....				132, 500			132, 500 00
Contingent.....	\$250, 000	2, 070, 000	800, 000	5, 000	75, 000		3, 200, 000 00
Naval Academy.....				198, 429			198, 429 00
Naval Observatory.....				20, 000			20, 000 00
Nautical Almanac.....				25, 850			25, 850 00
Navy yards, &c.....		7, 039, 306					7, 039, 306 00
Pay of superintendents.....		146, 230			97, 000		146, 230 00
Hospitals.....							97, 000 00
Marine corps—							
Pay.....						\$1, 107, 066 95	
Provisions.....						169, 907 50	
Clothing.....						314, 663 05	
Fuel.....						30, 117 00	
Military stores.....						16, 000 00	
Transportation.....						25, 000 00	
Repairs of barracks.....						15, 000 00	
Contingent.....						80, 000 00	
	250, 000	9, 472, 702	7, 100, 000	4, 959, 041	442, 960	1, 757, 754 50	23, 982, 457 50

REPORT OF THE BOARD OF VISITORS TO THE UNITED STATES NAVAL ACADEMY.

SIR: The visitors appointed for 1865 to attend the examinations at the Naval Academy at Newport, and to inspect the discipline and general management of the institution, having attended to the prescribed duties, have the honor to submit the following report:

Although all the members of the board were not present at the time designated in your letters of appointment, the organization was effected on that day, (May 20,) and under the direction of the president, Vice-Admiral D. G. Farragut, the work was begun.

The board was divided into committees, each of which took in charge some special subject for investigation, while each member was also expected to make such general examinations into any department as time and opportunity might permit. Upon the reports of these committees the opinions of the whole board were expressed, and in this manner the material was provided from which a final report could be drawn, that would express without danger of material error the general sentiment of the visitors.

In the natural order of investigation, the condition of the buildings and ships, and in general the whole material equipment of the academy, presented itself as the first subject to be considered. Although this was assigned to the naval officers who were members of the board, the importance of this branch of the examination was such that the committee was often joined in its inspections by all the other visitors, so that a full and free interchange of sentiments was had from the first in regard to every important feature of this branch of our work. Inasmuch as the academy is soon to be removed to Annapolis, any statement of the unfitness of the buildings at Newport for a national naval school would be entirely out of place, were it not that it may be made the occasion of expressing the opinions of the board in regard to the great importance of the academy, and the necessity of providing for it such edifices, and in general such a material equipment, as will be suitable for a truly national institution, one befitting a naval power of the first rank, and which will suitably represent to other nations our resources and our power.

The condition of the buildings now used for the academy is, upon the whole, creditable to those who have them in charge. Erected as they were for an entirely different purpose, they are wholly unsuitable for an educational institution of any kind, and only some such emergency as that which caused them to be occupied could justify even their temporary use. So inadequate are the accommodations even in regard to room, that about one-half of the midshipmen are necessarily quartered on board the frigates *Santee* and *Constitution*, and this separation of the school not only causes serious inconvenience in its management, but tends to arrange the pupils into two bodies, divided in interests and feeling, as well as by position.

The *esprit du corps* so necessary to the highest condition of such an institution cannot thus be maintained, and some of the noblest influences which are ever brought to bear upon young minds are in a great measure lost. The board is unable to perceive any advantages from this location on the ships which compensate for the evils, as even in the matter of health, though the cases of sickness are less in number than on shore, those which do occur are more severe.

The quarters of the midshipmen on shore, the recitation rooms, the dining hall, and the various other apartments of the buildings were cleanly, though something of the usual lack of order at the close of a term was here and there visible, and the walls from the somewhat ancient date of the paint and paper had a dingy and faded aspect that was far from agreeable, and this, with the

ordinary character of the furniture of the recitation rooms, would give a stranger an unfavorable impression of the estimation in which the government holds the academy.

In regard to the character of the buildings which will be needed hereafter, the board offers some suggestions more willingly because of the abundant evidence that has been given by the Navy Department of its settled purpose to create a truly American navy, and make it worthy of the nation which it represents and defends, and because of the readiness which it has shown to meet with new methods and instruments, the demands of a war in whose progress the whole art of naval attack and defence was so suddenly and completely changed.

The visitors do not doubt, therefore, that the same wise foresight, the promptitude and liberality of action will be used to the extent of the power of the department to adapt this national nursery of our naval officers to the altered condition of the nation and of the science of war.

In forming an opinion of what our Naval Academy should be hereafter, it is wise to consider the new relations into which the war has brought us with foreign powers, and to study our probable future. We have been enabled, by the help of God, to subdue completely a rebellion more formidable than was ever put down by any government before, and restore the supremacy of the nation over every foot of our territory.

Not by our own choice, but by a necessity which foreign powers have imposed upon us, by aiding the rebellion, we have become a great military power, and the attitude of western Europe will compel us to remain so, if we would maintain our national rights and honor, and these must be intrusted hereafter in a great degree to the navy.

Hence the importance of a naval school on a scale commensurate with the rank and power of the country, and adequate to meet not only the present, but prospective wants of the nation.

The visitors see no reason to suppose that the number of midshipmen will be less hereafter in proportion to population than it now is; and the buildings to be erected should, therefore, be of sufficient extent to meet the natural increase of the school for some years to come, or at least the plan should be such that additions can be made without breaking the harmony of the design.

The plan of the structures and the architecture should combine whatever is most excellent in the educational establishments both of our own country and of Europe, not from any spirit of idle display, or for the gratification of national pride, but because such an establishment will be one important representative to other nations of the character of American institutions, and because young men catch the tone and spirit of their surroundings, and would go forth from a noble academy with a character elevated to the rank of the institution itself.

Without proposing to assume the office of the architect, it seems to be within the proper province of the visitors to present some general views in regard to the arrangement of the rooms. The rooms of the cadets should be large enough to give ample accommodations to three individuals, so that beds and furniture should not be too closely packed and without regard to order. Habits almost necessarily formed in small, inconvenient rooms often affect the character for life. The latest improvements which science has devised should be used to secure the best possible ventilation. Very few of all the public buildings of our country are so supplied with pure air as not to be injurious to health, and the utmost possible care should be taken in regard to apartments where so many hours of every day are spent, either in sleeping or in severe mental labor. For this reason, among others, the board would suggest the propriety of large and well-furnished halls for study, instead of using for this purpose the private sleeping apartments of the scholars. It is thought that much more would be accomplished in a given time if the cadets, while engaged in study, were under the

eyes of the proper teachers, and that the hours of daily study might thus be somewhat shortened, and an opportunity be given for outdoor recreation, or some form of gymnastic exercises.

For this latter purpose a gymnasium of the very best description, and other means of athletic sports, should form an important department of the institution, because the object is not merely to produce scholars, but educated men, whose physical education should be as complete as their mental training.

The condition of the library and philosophical apparatus at Newport shows the necessity of providing, in any buildings to be erected hereafter, a library and lecture room adjacent to each other, supplied with all the apparatus needed to illustrate the lectures upon natural science, and a small observatory, with the suitable instruments, such as several of our colleges have, would be a very valuable addition to the academy. Some certain provision should be made for the regular increase of the library, so that the cadets should have access not only to such works as are directly connected with their several studies, but also to the best of the current literature of the day, especially that of our own language. It is scarcely necessary, perhaps, to add that in what may be called the domestic and household arrangements of the academy, upon which the health and comfort of the scholars largely depend, special attention should be given to the many important improvements which science and art have introduced, the use of which is recommended both by a true economy and a due regard for the physical and moral welfare of the cadets. In short, the board is unanimous in the opinion that the United States should have a national naval school superior to any in existence now, and which shall rank with the first educational institutions of the world; one in which our officers should not only be made thorough seamen, but American gentlemen, the breadth and finish of whose education should fit them to move with credit in the most polished society of the world.

THE DISCIPLINE OF THE SCHOOL.

Upon this point the opinion of the board is expressed by the following extract from the report of Vice-Admiral Farragut, to whom this subject was specially committed:

"With respect to the discipline of the school I will state that, so far as I can ascertain, it appears to be good. The young gentlemen are orderly and obedient, and I hear no complaints from any quarter, of irregularities or a want of proper observance of decorum on their part, or of necessary precaution and regulations to keep them in a proper state of subordination."

The board would only add to this testimony the gratifying fact that the institution seemed to be pervaded by a moral influence, and under whatever circumstances the cadets were seen, there was clear evidence that the external propriety of conduct sprung from self-respect, a due regard for what is right, and from true manliness, rather than the mere force of authority; and the officers of the academy deserve great credit for the successful exercise of this highest form of government. In this connexion the visitors desire to bear their decided testimony to the faithfulness, efficiency, and success with which the superintendent has administered the affairs of the academy for so many years. Feeling that in an important sense the presiding officer of such an institution stands in the place of a parent to each cadet, he has not been satisfied with maintaining purely official relations with those under his charge, but has also held with them that familiar private intercourse by which an influence almost paternal could be exerted over each individual, by the kindly use of unofficial reproof or encouragement; and it cannot be doubted that much of what is admirable in the deportment of the cadets is due to the unseen power, which thus quietly moulded them more by the gentleness of love than the sternness of authority.

The fact that this officer has written with his own hand more than one thousand letters a year to the parents of these young men, shows that he has spared no pains in the performance of the duties of his office, and probably much of his success may be due to the use he has thus made of the sweet, strong influences of home. It was apparently owing to such causes that the cadets seemed to be guided more by an inner sense of propriety than by the external restraints of law. Such an office has doubtless less attractions for most naval officers than active service, and brings as its reward far less of popular applause, but he who yearly aids in training those who are to command our ships and fight our battles may justly feel that he has a right to share in the victory and the honor. Nor could the board do justice in this case without expressing a cordial approval of the manner in which the commandant of midshipmen performs his duties, mingling kindness with firmness with a judgment so accurate that it is seldom at fault, and causing the whole machinery of discipline to move with exactness and regularity.

The work of the subordinate officers and teachers is less open to observation, but so far as results can furnish a guide to opinion, the various performances of the cadets induced the belief that those officers and teachers are worthy of the confidence reposed in them by the government.

RELIGIOUS INSTRUCTION.

Application was made through a committee of the board to the chaplain of the academy for such a statement of facts as would enable the visitors to judge of the religious condition of the school, and the means used for the instruction of the midshipmen in this branch of their education; but no reply having been received, the board is able to communicate only such facts as are known to all.

A short service for reading the Scriptures and for prayer is held each morning in the hall on shore, and also on board the school-ships, and the cadets and officers meet also for divine service every Sabbath morning at eleven o'clock. Attendance upon these services is obligatory, except in cases where a reasonable excuse is rendered in writing. These daily Sabbath services are conducted by the regular chaplain of the academy, assisted from time to time by other chaplains, who are attached to the school as assistant professors. It would be interesting to know what influence the course of education appears to exert upon the religious life of those who profess to be Christians. It is certainly a matter of the highest moment to inquire whether the religious element is neglected, or bears its due proportion in the education of our young officers, and nothing would so increase the interest and confidence of millions in the academy, or endear it so much to their hearts, as to know that those who are to be the future guardians of our country, and interests, and honor, are being duly instructed in the principles of the gospel, and that in any contest hereafter they will appeal not alone to arms, but also to the God of battles.

SANITARY ARRANGEMENTS AND HOSPITAL ACCOMMODATIONS.

In reporting upon this department, it is but justice to the surgeon in charge to state that no hospital accommodations have been provided for his use except a suit of rooms intended for quite another purpose, and that these, by care and due attention to cleanliness, have been made as comfortable as could be expected. Everything considered, the appearance of the apartments was highly satisfactory. It was also very gratifying to the board to learn from the hospital reports that none of the diseases mentioned are of a character which would indicate any vicious habits or moral obliquities on the part of the midshipmen, and that the report of the surgeon in charge, like all the reports from the different officers of the academy, speaks well for the purity and morality of the young gentlemen connected with the school.

The number of midshipmen connected with the academy from 1857 to 1864, inclusive, is as follows:

Academic year ending June, 1857.....	177
Do.....do.....1858.....	193
Do.....do.....1859.....	174
Do.....do.....1860.....	288
Do.....do.....1861.....	267
Do.....do.....1862.....	456
Do.....do.....1863.....	471
Do.....do.....1864.....	514

The number of deaths and sickness among these from 1858 to 1864, inclusive, is as follows:

Deaths in the academy from June, 1858, to June, 1861.....	1
Deaths in the academy from June, 1861, to June, 1865.....	10
Sick-leaves from academy from June, 1858, to June, 1861.....	5
Sick-leaves from academy from June, 1861, to June, 1865.....	40

The increase in the number of sick-leaves is attributed by the surgeon to the want of suitable hospital accommodations, in consequence of which the invalids have been sent home. The increase in the number of deaths during the last period named above is due to an epidemic fever in 1863. The percentage of sickness in the year last past was but 12, of which the greater portion occurred in the earlier months of the year. The first quarter of each year shows a report of sickness, which, compared with other quarters, is notably large, and it is found that each first quarter records the same disorders, and shows a percentage of sickness which almost exactly corresponds with the same quarter of other years. For example, the average of patients during the first quarter of 1864 was 293 $\frac{3}{4}$, and for the first quarter of the current year, 284 $\frac{3}{4}$. The leading disorders in each case were catarrh, headache, tonsillitis, and kindred diseases. The total number of sick-days during the first quarter of 1864 was 2,678, that for the first quarter of the current year was 2,588, the number of scholars in each case being nearly the same, while the total of sick-days for the last three months of 1864, with about the same average attendance, was only 984. These facts are of course due chiefly to climatic influences which prevail with slight modifications along the whole of the northeastern part of the Atlantic coast.

GENERAL COURSE OF STUDY.

That portion of this subject which refers to the proper qualifications for admission to the academy will be considered under another head of the report. The visitors found that an impression has been somewhat widely spread abroad that the terms of admission are such as to exclude from the school a large class of boys who are justly entitled to its privileges, and also that the course of study is so severe, and the examinations so rigid, that large numbers fail, who, under a different system, might finish their studies with credit to themselves and profit to the government. Upon investigation the board ascertained the following facts from tables covering twelve years. During this time 1,522 candidates were nominated and conditionally appointed. Of these, 313 were rejected as unqualified. Of the remaining 1,209, who were admitted, 466 failed in the first year's course. Three hundred and thirty-one of those who failed in the first year were turned back for a second trial, and of these but few succeeded in graduating. Of the whole number admitted, (1,209,) only 269 graduated, including 93 who were received into the service from 1861 to 1864, before completing their studies. Judging from these facts alone, the inference would be a very natural one that the standard of admission is too high, the studies in the course too severe, and the examinations too rigid. But the other facts in the case show conclusively that such an

inference would be altogether wrong. The candidates are required to have only a fair knowledge of the elementary portions of the most rudimentary parts of a common English education, a preparation far below that of any high school; and the fact that one-fifth of the number nominated failed even in this, shows, not that the standard of admission is too high, but that the selection of candidates has been made with no proper regard either for the fitness of the candidate for the place, or the wants and interests of the government.

Again: the studies of the first year belong only to a good English education, and are simply preliminary to the specific scientific and naval training, and yet two-fifths of all admitted fail even in these. These two facts show clearly that the large number of rejections and failures is due neither to too high a standard of admission nor to the severity of the mathematical studies, since they occur before this part of the course is reached. The visitors are of opinion that, instead of lowering the standard of admission to the level of those who were rejected, it should rather be so elevated as to exclude those who, for want of suitable preparation, fail in the first year of the course.

These facts and results have led the board to an earnest consideration of the course of study, in view of the object of the government in the establishment and support of the academy. In a general sense, the purpose of the government is to provide competent and educated officers for the navy. But this proposition conveys a different meaning to different minds: some understand by a naval education only that professional training which makes the officer an accomplished seaman and commander; while others suppose that the peculiar knowledge which the sailor requires—the professional education—should be added to a general culture of the highest character, so that an officer of the American navy should be, both at home and abroad, the fit associate of educated men. This last is doubtless the true idea, and it seems to be the one which has shaped the course of study in the academy. The important question then arises, Is this purpose attained by the present system, or can it be by any effort on the part of the academic board? The visitors believe that no such result as the most thoughtful friends of the academy desire is possible, unless the system of appointments, the rules for admission, and the course of study are all materially changed. Taking the students as a majority of them now are when they enter, altogether too much is required of them during the course. An English education almost from the rudiments, a scientific education, and the professional attainments of the seaman, are all included in the course; and many of those who are expected to master this in four years are scarcely more than boys when they are expected to graduate. Manifestly, one of three results must follow as the general rule: either there will be a total failure, as is actually the case with so many, or seamanship will be neglected in favor of general culture, or the cadet will become a sailor at the expense of scientific and literary attainments, or, which is perhaps more common than either, he will be found deficient in each branch of his education. The actual results verify these suppositions. One cadet becomes a student, and his commanding officer on shipboard finds him more attached to books than to his duties as a seaman; another graduates with the proper knowledge of his profession, but perhaps his lack of general culture is so marked as to bring reproach upon the navy both at home and abroad. As a general rule, such results are due not to the scholar or the teachers, but are inseparable from the system itself.

As has been already intimated, the board is unable to discover any remedy for these except by some material alterations in the general plan for admission and instruction; and the visitors have therefore agreed to make the following suggestions: They recommend that the qualifications for admission be so changed as to require of the candidate an amount of previous study about equal to that of the first year of the present course in the academy. To show that this is not without precedent with those who have had experience in naval

education, the following list is presented of the studies required for admission at the French Naval School at Brest: arithmetic, algebra, geometry, plane trigonometry, applied mathematics, natural philosophy, chemistry, geography, English language, and drawing. This system requires two years of preparatory study, two years in the Naval Academy, then one year at sea, making in all a five years' course, three of which are under the supervision of the government. The board is clearly of opinion that an amount of study about equal to that of the first year in the academy should be required of candidates for admission. Some object to raising the standard of admission on the ground that it would exclude the great majority of the youth from large sections of the country where parents would find it difficult to give their sons the necessary preparation, and thus the advantages of the academy would be unequally distributed among the people. This reasoning is based upon a false conception of the purpose for which the school was founded. Its chief object, to which all else must be subordinate, is, not to give the young men an education, but to provide suitable officers for the navy. The government is under no obligation so to arrange its system as to place the privileges of the school equally within the reach of all classes of persons and all sections of the country, as if it were a national university intended for popular education. On the contrary, it will best serve the interests of the whole nation by selecting the very best material, wherever it may be found, from which to prepare the officers who are to be intrusted with the honor and safety of the state as commanders of our navy. The government is bound to expend the people's money by educating only such, so far as may be, as are best fitted for its purposes. Under the present system, very large sums are annually expended upon those who render no service whatever to the government in return. This is so manifestly wrong as to require no argument. No parent has a right to ask that his child shall be educated at the public expense, either for his own advantage or that of his son; but, on the other hand, when the government offers education, rank, honor, and emolument to a young man, it is right in demanding that his elementary studies should be pursued previous to his entering the national school. Should this suggestion in reference to the admission of scholars be acted upon, it would of course render necessary some corresponding changes in the subsequent studies.

At this point the board would ask attention to another unsatisfactory feature of the present system. In the examinations upon seamanship, the naval officers at once observed, what indeed could not escape the notice even of a landsman, that the answers of the cadets appeared to be in large measure recitations from the language of text-books; and nothing is more evident than that a scholar might commit to memory whole volumes of text-books on seamanship, and yet know little or nothing of the actual working of a ship, and that such a young man, with a midshipman's commission in his pocket, would rather be an incumbrance than otherwise to a commanding officer. But it must be remembered that this deficiency, whatever it may be, is due not to the teachers or the cadets, but to the fact that the present system gives the scholar far too little opportunity for gaining a practical knowledge of seamanship before he enters the service. This fact has had much weight with the board in recommending a change in the terms of admission; for such a change would render it possible to give the cadets a longer time on board ship, and remove the objection now properly made by naval officers that the cadets, when they enter the service, are not thoroughly educated seamen.

To sum up these opinions in regard to the course of study, the visitors recommend—

First. That the amount of study required for admittance should be about equal to that of the first year's course in the academy, as now arranged.

Second. That a corresponding change should be made in the subsequent course.

Third. That after graduation from the academy the cadets should spend one

year at sea, and then pass a satisfactory examination in seamanship before receiving a midshipman's commission.

It is also recommended that the entering class should be put on board a school-ship, with one or more professors to instruct them, and should be well drilled at the great guns, in the use of small-arms, and in seamanship, until the return of the school-ships from their summer cruise. A portion of the summer cruise should be used to give the cadets a knowledge of our coast by sending the ships up and down the coast, and allowing them to visit the points of the various attacks made by our forces, and by explaining to them the advantages and disadvantages under which the operations were conducted. It is also thought that the system of leave should be modified in some such way as this. The school-ships would sail by the first of June, with all the cadets on board, and return from the cruise from the 20th of August to the 1st of September, and then all the cadets should have leave of absence until the 1st of October.

COMPETITIVE EXAMINATIONS.

Although the evils connected with the present system of appointments, and which are, apparently, inseparable from it, have been so often and so earnestly dwelt upon in previous reports, the board feels that it would fail in one very important duty should it neglect to ask attention to it once more. If the recommendation already made in regard to raising the standard of study for admission should be complied with, a change in the method of appointment would necessarily be made, because, as such, there would be an examination by some authorized board; but the visitors believe that whatever may be the standard of the entrance examination, there should be a radical change in the system of appointments. From the tables already quoted it appears that one-third of the whole number appointed for twelve years were rejected as unqualified, although nothing is required more than should be learned in a common school, and this is quite sufficient to show that the mode of selection is one which should no longer be tolerated. How far the influence by which candidates are appointed can be brought to bear upon their admission is unknown to the board; but the important fact appears that, after one-third of all appointed for twelve years had been rejected, that 466 of the 1,209 admitted failed on the first year's course. Then 331 of those who thus failed were allowed a second trial, and most of these failed again, so that only a small per cent. of them graduated, and only 269 of the 1,209 admitted succeeded in completing their studies.

Now, the annual expenses of a cadet is more than \$1,500, and allowing the average of the time spent at the school to be one year, then the government has expended upon these about two millions of dollars, for which it has received no return. Nor is the money lost the most important feature. Through the deficiencies of this system the government fails to obtain that number of suitable officers to which it is entitled, the places in the academy being constantly filled, in a large degree, by those who are unwilling or unable to profit by the advantages which the government so liberally offers.

In view of these results, so mortifying to the friends of the academy, and so injurious to the public interests, the board desires to submit, as its decided opinion, that the academy cannot long be maintained under the present system against the increasing dissatisfaction of the country; and that the only choice really lies between adopting important changes, and the not remote loss to the nation of this important school. The board, therefore, with great unanimity and earnestness, recommends that the system of appointments be so changed that the selections shall be made according to merit, by some plan of competitive examination, conducted in such manner as Congress may prescribe. Such a system would open the doors of the academy to the whole country upon the only proper terms of equality, while it would impartially draw out from the whole body of American

youth those only whose natural aptitude or fondness for sea life, or proper ambition for distinction, should impel them to seek admission to the school, and would select from among such those best adapted to and prepared for the government service.

The board confidently believes that such changes as have been proposed in the preparatory studies and in the mode of admission would remove at once, and effectively, the most formidable difficulties which the academy has hitherto had to encounter; would relieve it from a dead weight of useless material which now clogs its operations and sinks it in public estimation; would save the government from a very large and quite useless expenditure; would elevate its tone and character; and would supply the navy with officers from the very best material which the country affords.

AGE OF THE CANDIDATES.

In addition to the changes which have been mentioned, the board would recommend that cadets should not be admitted to the academy before the age of sixteen (seventeen) years. This alteration is suggested because if the elementary studies, now pursued in the early part of the course, are required previous to admission, then the scholar would naturally reach about the age of seventeen in his preparatory studies. There are, however, other important reasons why an age more advanced and greater maturity of mind are desirable in the candidates. The conditions and methods of naval war have been so completely changed ever since the beginning of our recent conflict that mere courage or skill in seamanship, as that term has hitherto been understood, will no longer secure a victory. The profoundest science, the highest art, the nicest skill, and the inventive power which have filled the world with wonder-working machinery, have been applied to the art of war; they have produced ships and weapons bearing little resemblance to anything known before, while the more scientific application of steam to the ordinary vessel, and the new and more formidable character of the armament, have made the management of a war-ship quite a different matter from what it was even four years ago.

The man who would fight a successful battle in such ships as will hereafter compose the American navy should possess, not only all the qualifications needed by an officer years ago, but should add to these both a scientific and practical knowledge of the new instruments placed in his hands, so that he may comprehend, not only the manner of their working, but also the principles on which their successful operation depends. It is an imperative necessity that the officers of our navy should hereafter be thoroughly educated in everything connected with the structure and working of modern war-ships, and with the manufacture and use of the new weapons employed; for the science and skill, the wealth and the inventive genius of Europe will be brought into requisition to discover some form of a ship and some weapon that shall be more than a match for our own. The powers of western Europe are not yet ready to concede to Americans the control of this continent and the adjacent seas, and it is wise to prepare for the issue which is sure to be presented to us, by providing young men, with minds somewhat mature, instead of boys, for the lower ranks of the navy. Hereafter the navy will, of course, be composed entirely, or nearly so, of steamships; but economy in fuel, and other reasons, will, in many cases, render necessary a combination of steam and sails, and it is deemed, therefore, very important that the practice-ship in which the summer cruise is made, should be a steam-propeller and a full-rigged ship, so that the study of seamanship and of steam-engineering may be united.

The importance of having a full-rigged ship is shown by the fact that some of those who have graduated, and have spent some time at sea, have no practical knowledge of certain matters relating to full-rigged ships, which it is absolutely

necessary for an officer to know. The practical exhibition by the cadets of their knowledge of seamanship was on board the sloop-of-war Marion. There were on board 290 cadets, who, for the occasion, formed the crew of the ship. She is an old vessel, and, in the opinion of the board, unfit, both by her style of rigging and her condition, for the purpose for which she is used. The cadets cannot be taught on such a vessel to handle quickly and gracefully a first-class modern ship. The Marion was got under way from single anchor, under topsails, jib, and spanker; the anchor was catted and fished and the courses set, all of which was fairly performed; but the board was less favorably impressed by the exercises on the Marion than by any other which they witnessed; and these defects in seamanship show the necessity of spending more time on shipboard than the summer cruise affords, giving weight, as is thought, to the suggestion already made, that the cadets, after graduation at the academy, should spend a year at sea, as in the French service, before they receive a midshipman's commission.

It is quite unreasonable to expect that a boy entering the academy at the age of fourteen or fifteen, and with only the attainments now required for admission, should, during the course, so lay even the foundation of the knowledge he will need that, after entering upon actual service, he may rear the proper superstructure. But with proper previous study, and by delaying the entrance to the school until a more advanced age, when the mind is more mature, and with a year on board a ship after graduation, before receiving a commission, the young officers of the navy would not only enter the service thorough seamen, but would be able to meet, with credit to themselves and the country, the grave responsibilities which henceforth are to be laid upon them as the representatives of the nation's power and civilization, and the guardians of her honor.

PROOF OF THE LOYALTY OF PARENTS OR GUARDIANS SHOULD BE REQUIRED.

There being now no rule requiring evidence of the loyalty of the parents or guardians of applicants for admission, it is recommended that the parent, if there be one, or if none, the guardian, shall be required by oath, or in such other manner as may be directed by the Secretary of the Navy, to give evidence of his or her loyalty before the examination of the candidate. It is evident that the government cannot safely rely upon the oath of an inexperienced boy, if after he is educated he is to be placed under the influence of disloyal parents, or friends, as has sometimes been the case heretofore, so that the education which the government has bestowed has been used as a powerful instrument for its destruction. Knowledge is a power which the nation cannot afford to place gratuitously in the hands of its enemies.

RECITATIONS AND EXERCISES ON SHORE AND ON BOARD THE SHIPS.

As a general thing the board was well satisfied with the recitations of the different classes and sections. The recitations in seamanship have already been mentioned. In mathematics and natural science, in ethics and moral philosophy, in international and constitutional law, in gunnery and steam-engineering, and in the modern languages, the cadets showed a proficiency which was very gratifying to the visitors, and honorable both to teachers and scholars.

The exercises both on board the ships and on shore were varied and interesting, and gave the visitors an opportunity to judge of the amount of practical knowledge which the cadets had gained. The first visit of the board was to the two practice-ships, Constitution and Santee, where, for the want of suitable accommodations on shore, the third and fourth classes have their quarters. Both these vessels were inspected from the spar-deck to the keelson, and in every part of the ships good order and perfect cleanliness were found. The vessels are probably as convenient for the purpose as ships of this kind can be made, but the many disadvantages which are inseparable from keeping the

cadets apart are so many and so great that arrangements will soon be made by which the whole school will be located on shore.

These ships are not fully rigged, and lack many of the appliances necessary for making the cadets accomplished sailors. It is believed that it would be a material improvement on the present plan if one of these vessels were kept partly manned and fully officered, and the routine of the navy were daily observed so as to render the cadets familiar with every duty of an officer on board a man-of-war.

ORDNANCE PRACTICE ON BOARD THE MACEDONIAN.

This ship was manned by the cadets, and in the management of the guns, and in the exercise of boarding and repelling boarders, and in the various manoeuvres of actual battle, their performances were highly satisfactory, and, in the opinion of the naval officers present, were equal to those of the best vessel in the navy. Some of the guns and equipments were of an old pattern; and it is deemed a matter of importance that the scholars should be supplied with guns and equipments of the latest and best forms, so that they may become familiar with the very instruments which will be put into their hands when they enter the service. No mechanic learns to become a first-rate workman by the use of poor tools, no one is made a marksman by an inferior gun, nor can one become a perfect sailor in an old unseaworthy ship.

INSPECTION OF THE SABINE.

While the examinations were going on at the academy, the frigate Sabine, the school and practice-ship for naval apprentices, under the command of Captain R. B. Lowry, came into the harbor, and an order was received from the Navy Department directing that she should be inspected by the board of visitors. This fine frigate was fully manned by the apprentices, and all were greatly surprised and gratified at the scene presented on board. It did not seem possible that a ship of this class, with her battery, could be so finely handled by boys so young. In the various exercises of loosening and fastening the heavy sails, in working the guns, and in the drill with small-arms, the board found only what was worthy of praise. The complete order and the perfect neatness of the vessel in every part were worthy of the highest commendations, and great credit is due to Captain Lowry for this most gratifying exhibition of what the apprentice system may do for the navy when worked by firm and skilful hands. The board deems it worthy of consideration whether a larger number might not be annually selected from these boys for admission to the academy.

The howitzer drill and the target practice by the cadets were very creditable performances, and secured the decided approval of the board. The target was placed at a distance of eleven hundred yards, and was struck five times and completely demolished. The accuracy of the firing elicited much praise from the naval officers present.

FISCAL AFFAIRS.

The paymaster, storekeeper, and commissary produced their books, with original vouchers, to the committee of the board of visitors appointed to examine into the condition of this department, and furnished every facility for the investigation of their respective accounts. It is due to these officers to report that a careful scrutiny of their accounts for the year proved that they had been accurately kept, and in the forms prescribed by the regulations of the academy. The cost of everything needed by the midshipmen was higher than in former years, yet the means of inquiry and comparison at the command of the committee satisfied them that it was just, and as moderate as the state of the market would permit.

The present arrangement with the commissary requires that the cost price be charged for such supplies as he contracts to furnish; and he is allowed to add thereto the sum of \$250 per month for the eight months of the session, as commission, in lieu of the profit which he formerly derived from the contract then existing, by which board was furnished to midshipmen at a stipulated sum per month. His accounts are rendered monthly, and after examination by the committee of officers appointed for the purpose by the superintendent, and approved by him, they are referred for payment to the paymaster. The committee were satisfied that the provisions were excellent, and ample in quality. They were often present in the mess-room at the hours of meals, and ever found the arrangements of the tables, and the cooking, neat and wholesome, and both officers and midshipmen testified that the food and furniture on these occasions, when the committee were present, were such as were uniformly provided.

Under this system the commissary's bills have fluctuated largely with the condition of the country, and of the currency, and corresponding changes have necessarily followed in the rate of board. The following statement drawn from the monthly bills shows the frequency and extent of these fluctuations for seven months, viz:

November 19, 1864.	Number of midshipmen..	498	Board per month, each.....	\$19 46
December 19, 1864.	do.....	461	do.....	19 70
January 16, 1865.	do.....	464	do.....	20 99
February 17, 1865.	do.....	437	do.....	20 16
March 23, 1865.	do.....	399	do.....	20 06
April 26, 1865.	do.....	391	do.....	21 29
May 15, 1865.	do.....	398	do.....	20 40
Average.....		432.6	Average.....	20 29

To the board bill is added \$3 per month for washing and sundry small items, amounting to \$1 25.

The goods kept by the storekeeper, and exhibited with the invoice thereof, were carefully examined and the quality generally found to be good; they seemed also to be fairly charged.

During the year, owing to the derangements of the currency, the contractors for midshipmen's clothing demanded increased prices for every article furnished. This led to an attempt by the superintendent to procure cloths at cheaper rates from the wholesale dealers in New York and Boston. On comparison by skillful dealers of the new offers with the old contract, it was obvious that this, considering both quality and price, was the cheapest. Therefore no change was made in the contracts.

The total of all expenditures from July 1, 1864, to May 1, 1865, as reported by the paymaster, is as follows, viz:

Pay of commissioned and warrant officers, midshipmen, seamen, and others.....	\$309,487 81
Pay of professors and assistants.....	36,258 29
Expenses of the academy, school and practice ships, surgeons' necessities, contingent expenses, and repairs of all kinds....	107,736 98
	<u>453,483 08</u>

As statistical information, and for the convenience of reference, the following statement is made of the total of all expenditure by the paymaster, since May 8, 1861, when the Naval Academy was removed to Newport, to March 31, 1865, viz:

For the pay of commissioned and warrant officers, civil professors, assistant professors and others.....	\$1,093,692 00
For the wages of watchmen, and contingent expenses of the Naval Academy.....	241,231 38
For the current expenses and repairs of the school and practice ships, for provisions, surgeons' necessities, mileage, &c....	80,594 50
Total.....	<u>1,415,517 88</u>

The cost of educating each student who finally enters the naval service seems to the board to be enormous, and not over-rated in the report of 1864; and this waste of the public money, and loss of the highest advantages to the country that might be derived from the Naval Academy, can hardly be obviated, so long as the present system of introducing new pupils with inadequate preparation shall be allowed to exist.

The report upon the financial condition of the academy is herewith submitted as it was presented by the committee. (See No. 36.)

The board, having completed its examination and expressed its opinions upon the various topics which came up for consideration, adjourned on the — day of June, with the understanding that the final report should be held open for a time, with the expectation that the visitors might be ordered to reassemble at Annapolis after the return of the school-ships from the summer cruise, when any additional matter might be considered, and the report be submitted for final action.

Contrary to expectation no order was given to reassemble at Annapolis, and the board, therefore, concludes its report by expressing the confident hope that, if the proper authorities should see fit to adopt the suggestions which have been made, the academy will at once be regarded by the people with new interest and favor, and will become, within its sphere, a fit representative to other nations of the naval power and resources of our country.

All of which is respectfully submitted in behalf of the board.

D. G. FARRAGUT,

Vice-Admiral and President.

Hon. GIDEON WELLES,

Secretary of the Navy.

REPORT OF THE SECRETARY OF THE TREASURY.

TREASURY DEPARTMENT,
Washington, December 4, 1865.

In conformity with law, the Secretary of the Treasury has the honor to submit to Congress his annual report.

Next in importance to the great questions involved in the restoration of the federal authority over the southern States, and the re-establishment of civil government therein under the Constitution, are the financial questions, embracing—

The currency
The public debt; and
The revenue;

all of which demand the early and careful attention of Congress.

In presenting these important subjects, with their various connexions, the Secretary is painfully conscious of his own inability properly to discuss them, difficult as they are, and involving as they do the national honor and the pecuniary interests of thirty millions of people. He will, however, offer as clearly and definitely as he can his own views in relation to them, not doubting that Congress will sustain and carry out by appropriate legislation those that are approved by their superior wisdom, and reject those which are regarded as either impracticable or unsound.

The fact that means have been raised, without foreign loans, to meet the expenses of a protracted and very costly war, is evidence not only of the great resources of the country, but of the wisdom of Congress in passing the necessary laws, and of the distinguished ability of the immediate predecessors of the present Secretary in administering them. It is hardly necessary to suggest, however, that the legislation which was proper and wise during the progress of hostilities may not be appropriate or even justifiable in a time of peace.

The right of Congress, at all times, to borrow money and to issue obligations for loans in such form as may be convenient, is unquestionable; but their authority to issue obligations for a circulating medium as money, and to make these obligations a legal tender, can only be found in the unwritten law which sanctions whatever the representatives of the people, whose duty it is to maintain the government against its enemies, may consider in a great emergency

necessary to be done. The present legal-tender acts were war measures, and while the repeal of those provisions which made the United States notes lawful money is not now recommended, the Secretary is of the opinion that they ought not to remain in force one day longer than shall be necessary to enable the people to prepare for a return to the constitutional currency. It is not supposed that it was the intention of Congress, by these acts, to introduce a standard of value, in times of peace, lower than the coin standard, much less to perpetuate the discredit which must attach to a great nation which dishonors its own obligations by unnecessarily keeping in circulation an irredeemable paper currency. It has not, in past times, been regarded as the province of Congress to furnish the people directly with money in any form. Their authority is "to coin money and fix the value thereof;" and, inasmuch as a mixed currency, consisting of paper and specie, has been found to be a commercial necessity, it would seem also to be their duty to provide, as has been done by the National Currency act, that this paper currency should be secured beyond any reasonable contingency. To go beyond this, however, and issue government obligations, making them by statute a legal tender for all debts, public and private, is not believed to be, under ordinary circumstances, within the scope of their duties or constitutional powers.

The reasons which are sometimes urged in favor of United States notes as a permanent currency are, the saving of interest and their perfect safety and uniform value.

The objections to such a policy are, that the paper circulation of the country should be flexible, increasing and decreasing according to the requirements of legitimate business, while, if furnished by the government, it would be quite likely to be governed by the necessities of the treasury or the interests of parties, rather than the demands of commerce and trade. Besides, a permanent government currency would be greatly in the way of public economy, and would give to the party in possession of the government a power which it might be under strong temptations to use for other purposes than the public good—keeping the question of the currency constantly before the people as a political question, than which few things would be more injurious to business.

But the great and insuperable objection, as already stated, to the direct issue of notes by the government, as a policy, is the fact, that the government of the United States is one of limited and defined powers, and that the authority to issue notes as money is neither expressly given to Congress by the Constitution, nor fairly to be inferred, except as a measure of necessity in a great national exigency. No consideration of a mere pecuniary character should induce an exercise by Congress of powers not clearly contemplated by the instrument upon which our political fabric was established. The government, in the great contest which has been recently closed, has not sought to increase its own powers, nor to interfere with the rightful powers of the States. The questions decided by the war are, that the Union is indissoluble; that whatever is essentially opposed to it must be removed; that the federal authority, within its proper sphere, is supreme; and that the validity of acts of Congress is

not to be determined by the States, but by that tribunal which the complex character of the government made a necessity. It is the crowning glory of the Constitution that this great war has been waged and closed without the powers of the government being enlarged or its relations to the States being changed.

The issue of United States notes as lawful money was a measure expedient, doubtless, and necessary in the great emergency in which it was adopted, but this emergency no longer exists, and however desirable may be the saving of interest, and however satisfactory these notes may be as a circulating medium, these considerations will not, it is respectfully submitted, justify a departure from that strict construction of the Constitution given to it previous to the war by patriotic men of all parties, and which is essential to the equal and harmonious working of our peculiar institutions. The strength of the government has been proved by the manner in which it has carried on the greatest war of modern times; it only remains, for the vindication of its excellence and the perfection of its triumphs, that all powers exercised for its preservation, but not expressly granted by the Constitution, be relinquished with the return of peace. While, therefore, the Secretary is of the opinion that the immediate repeal of the legal-tender provisions of the acts referred to would be unwise, as being likely to affect injuriously the legitimate business of the country, upon the prosperity of which depend the welfare of the people and the revenues which are necessary for the maintenance of the national credit, and unjust to the holders of the notes, he is of the opinion that not only these provisions but the acts also should be regarded as only temporary, and that the work of retiring the notes which have been issued under them should be commenced without delay, and carefully and persistently continued until all are retired.

In speaking of the legal-tender acts, reference has only been made to those which authorized the issue of United States notes. The interest-bearing notes which are a legal tender for their face value were intended to be a security rather than a circulating medium, and it would be neither injurious to the public, nor an act of bad faith to the holders, for Congress to declare that, after their maturity, they shall cease to be a legal tender, while such a declaration would aid the government in its efforts to retire them, and is therefore recommended.

The rapidity with which the government notes can be withdrawn will depend upon the ability of the Secretary to dispose of securities. The influences of funding upon the money market will sufficiently prevent their too rapid withdrawal. The Secretary, however, believes that a decided movement towards a contraction of the currency is not only a public necessity, but that it will speedily dissipate the apprehension which very generally exists, that the effect of such a policy must necessarily be to make money scarce and to diminish the prosperity of the country.

It is a well-established fact, which has not escaped the attention of all intelligent observers, that the demand for money increases (by reason of an advance of prices) with the supply, and that this demand is not unfrequently most pressing when the volume of currency is the largest and inflation has reached

the culminating point. Money being an unprofitable article to hold, very little is withheld from active use, and in proportion to its increase prices advance; on the other hand, a reduction of it reduces prices, and as prices are reduced the demand for it falls off; so that, paradoxical as it may seem, a diminution of the currency may in fact increase the supply of it.

Nor need there be any apprehension that a reduction of the currency—unless it be a violent one—will injuriously affect real prosperity. Labor is the great source of national wealth, and industry invariably declines on an inflated currency. The value of money depends upon the manner in which it is used. If it stimulates productive industry, it is a benefit, and to the extent only to which it does this it is a benefit. If, on the other hand, it diminishes industry, and to the extent to which it diminishes it, it is an evil. Even in the form of the precious metals, it may not prove to be wealth to a nation. The idea that a country is necessarily rich in proportion to the amount of gold or silver which it possesses, is a common and natural but an erroneous one, while the opinion that real prosperity is advanced by an increase of paper money beyond what is absolutely needed as a medium for exchanges of real values, is so totally fallacious, that few sane men entertain it whose judgment is not clouded by the peculiar financial atmosphere which an inflation is so apt to produce.

An irredeemable paper currency may be a necessity, but it can scarcely fail, if long continued, to be a calamity to any people. Gold and silver are the only proper measure of value. They have been made so by the tacit agreement of nations, and are the necessary regulator of trade, the medium by which balances are settled between different countries and between sections of the same country. As a universal measure of value they are a commercial necessity. The trade between different nations and between sections of the same country is carried on by an exchange of commodities, but is never equally balanced by them; and unless credits are being established, the movements of coin unerringly indicate on which side the balance exists.

If the United States buy of other nations—as they now and too generally do—more than they sell to them, it is evident that a balance is thus created which must either be settled in coin or continued as a debt.

That balances between nations should be promptly paid is the dictate of wisdom, because by prompt payment the adverse current is checked before the debtor nation becomes seriously involved; while, on the other hand, if they are permitted to accumulate, they may, when the day of payment can no longer be deferred, prove not only disastrous to the debtor, but greatly disturb the business of the creditor nation. Even with the vast increase of gold and silver which has taken place within the last quarter of a century, the specie which is possessed by commercial nations is a very inconsiderable sum in comparison with their foreign and domestic property exchanges; and no nation can afford to continue a traffic which leaves it with a heavy debt to be paid in the precious metals, unless these metals are a part of its productions, and then only to the extent that they are productions. When there are no artificial obstacles in the

way, and balances between nations are promptly settled, the flow of coin from one to the other produces but little embarrassment to the debtor nation. The nation that loses coin either diminishes its purchases, or, by a reduction of the prices of its commodities which the loss occasions, becomes a more inviting market than before, and, by attracting purchasers, reverses the current and draws again to itself the coin of which it had been deprived.

All this is well understood; and if trade between nations were carried on by an exchange of products and a prompt payment of balances in specie, no nation would ever become indebted to another to an extent seriously to affect its prosperity.

All serious embarrassment growing out of commercial intercourse between the people of different nations results from failure in the prompt payment of balances, and the carrying forward of these balances by extensions of credits.

The trade between the different sections of the United States is subject to the same laws. If one section, in the course of trade, becomes a debtor to another, the balances must be carried in the form of debt—always expensive, and generally dangerous to the debtor section—or settled with money. If the measure of value is a convertible currency, and trade and exchanges are left to the natural laws that govern them, settlements take place promptly and without embarrassment to business. The banks of the debtor section are drawn upon by their depositors and note-holders for coin or exchange. This return of notes and withdrawal of deposits, if considerable in amount, produce a contraction of discounts; and this contraction either checks overtrading, or so reduces the price of products as to increase the demand for them until the current changes and the equilibrium is restored.

This brief statement of the well-known laws of trade not only illustrates the necessity of prompt payment of balances between the United States and foreign nations and between the different sections of the United States, but the necessity of having everywhere the same standard of value.

It is admitted that on a coin basis there will be periods of expansion. Times of the greatest expansion and speculation in the United States have been, indeed, when the banks were nominally paying specie. This was the case prior to the revulsions of 1837 and 1857, the expansion of credits having, in both instances, preceded suspension; but this does not militate against the theory just stated.

The great expansion of 1835 and 1836, ending with the terrible financial collapse of 1837, from the effects of which the country did not rally for years, was the consequence of excessive bank circulation and discounts, and an abuse of the credit system, stimulated in the first place by government deposits with the State banks, and swelled by currency and credits until, under the wild spirit of speculation which pervaded the country, labor and production decreased to such an extent that the country which should have been the great food-producing country of the world became an importer of breadstuffs.

The balance of trade had been for a long time favorable to Europe and against

the United States, and also in favor of the commercial cities of the seaboard and against the interior, but a vicious system of credits prevented the prompt settlement of balances. The importers established large credits abroad, by means of which they were enabled to give favorable terms to the jobbers. The jobbers, in turn, were thus, and by liberal accommodations from the banks, able to give "their own time" to country merchants, who, in turn, sold to their customers on an indefinite credit. It then seemed to be more reputable to borrow money than to earn it, and pleasanter, and apparently more profitable, to speculate than to work; and so the people ran headlong into debt, labor decreased, production fell off, and ruin followed.

The financial crisis of 1857 was the result of a similar cause, namely, the unhealthy extension of the various forms of credit. But, as in this case the evil had not been long at work, and productive industry had not been seriously diminished, the reaction, though sharp and destructive, was not general, nor were the embarrassments resulting from it protracted.

Now, in both these instances the expansions occurred while the business of the country was upon a specie basis, but it was only nominally so. A false system of credits had intervened, under which payments were deferred, and specie as a measure of value and a regulator of trade was practically ignored. Everything moved smoothly and apparently prosperously as long as credits could be established and continued, but as soon as payments were demanded and specie was in requisition, distrust commenced, and collapse ensued. In these instances the expansions preceded and contractions followed the suspensions, but it will be recollected that while the waves were rising specie ceased to be a regulator, by reason of a credit system which prevented the use of it.

The present inflation, following the suspension of 1861, is the result of heavy expenditures by the government in the prosecution of the war and the introduction of a new measure of value in the form of United States and treasury notes as lawful money. The country, as a whole, notwithstanding the ravages of the war, and the draught which has been made upon labor, is, by its greatly developed resources, far in advance in real wealth of what it was in 1857, when the last severe financial crisis occurred. The people are now comparatively free from debt; the banks, with their secured circulation and large investments in government securities, although not in an easy condition, and doubtless too much extended, are, it is believed, generally solvent; but the same causes are at work that produced the evils referred to. There is an immense volume of paper money in circulation—under the influence of which prices, already enormously high, are steadily advancing, and speculation is increasing—which must be contracted if similar disasters would be avoided.

If the war could have been prosecuted on a specie basis, there would doubtless have been a considerable advance in the prices of those articles which were in demand by the government; but inasmuch as, in the condition of our political affairs, extensive credits could not have been established in Europe, the tendency in this direction would have been kept within reasonable check by the outflow of coin to other nations, which would have been the natural result of the advancing prices in the United States. On a basis of paper money, for which

there was no outlet, all articles needed for immediate use, of which it became the measure of value, felt and responded to the daily increase of the currency; so that rents and the prices of most articles for which there has been a demand have been, with slight fluctuations, constantly advancing from the commencement of the war, and are higher now, with gold at forty-seven per cent. premium, than they were when it was at one hundred and eighty-five. Even those which were affected by the fall of gold upon the surrender of the confederate armies, or by the increased supply or diminished demand, are advancing again to former if not higher rates. The expansion has now reached such a point as to be absolutely oppressive to a large portion of the people, while at the same time it is diminishing labor, and is becoming subversive of good morals.

There are no indications of real and permanent prosperity in our large importations of foreign fabrics; in the heavy operations at our commercial marts; in the splendid fortunes reported to be made by skilful manipulations at the gold room or the stock board; no evidences of increasing wealth in the facts that railroads and steamboats are crowded with passengers, and hotels with guests; that cities are full to overflowing, and rents and the prices of the necessities of life, as well as luxuries, are daily advancing. All these things prove rather that a foreign debt is being created, that the number of non-producers is increasing, and that productive industry is being diminished. There is no fact more manifest than that the plethora of paper money is not only undermining the morals of the people by encouraging waste and extravagance, but is striking at the root of our material prosperity by diminishing labor. The evil is not at present beyond the control of legislation, but it is daily increasing, and, if not speedily checked, will, at no distant day, culminate in wide-spread disaster. The remedy, and the only remedy within the control of Congress, is, in the opinion of the Secretary, to be found in the reduction of the currency.

The paper circulation of the United States on the 31st of October last was substantially as follows:

1. United States notes and fractional currency.....	\$454, 218, 038 20
2. Notes of the national banks.....	185, 000, 000 00
3. Notes of State banks, including outstanding issues of State banks converted into national banks.....	65, 000, 000 00
	<hr/> 704, 218, 038 20

The amount of notes furnished to the national banks up to and including the 31st of October was a little over \$205,000,000, but it is estimated that \$20,000,000 of these had not then been put into circulation.

In addition to the United States notes, there were also outstanding \$32,536,900 five per cent. treasury notes, and \$173,012,140 compound interest notes, of which it would doubtless be safe to estimate that \$30,000,000 were in circulation as currency.

From this statement it appears that, without including seven and three-tenths notes, many of the small denominations of which were in circulation as money, and all of which tend in some measure to swell the inflation, the paper money

of the country amounted, on the 31st of October, to the sum of \$734,218,038 20, which has been daily increased by the notes since furnished to the national banks, and is likely to be still further increased by those to which they are entitled, until the amount authorized by law (\$300,000,000) shall have been reached, subject to such reduction as may be made by the withdrawal of the notes of the State banks.

The following is a statement of the bank note circulation of the country at various periods of highest and lowest issues prior to the war:

January, 1830.....	\$61,324,000
" 1835.....	103,692,495
" 1836.....	140,301,038
" 1837.....	149,185,890
" 1843.....	58,564,000
" 1856.....	195,747,950
" 1857.....	214,778,822
" 1858.....	155,208,344
" 1860.....	207,102,000

It will be noticed by this statement that the bank note circulation of the United States increased from \$61,324,000 to \$149,185,890 between the 1st of January, 1830, and the 1st of January, 1837, in which latter year the great financial collapse took place; fell from \$149,185,890 in 1837, to \$58,564,000 in 1843, and rose to \$214,778,822 on the 1st of January, 1857, in which year the next severe crisis occurred; falling during that year to \$155,208,344, and rising to \$207,102,000 on the 1st of January, 1860.

The following is a statement of bank deposits and loans in the same years:

Years.	Deposits.	Loans.
January 1, 1830.....	\$55,560,000	\$200,451,000
" 1835.....	83,081,000	365,163,000
" 1836.....	115,104,000	457,506,000
" 1837.....	127,397,000	525,115,000
" 1843.....	56,168,000	254,544,000
" 1856.....	212,706,800	634,183,000
" 1857.....	230,351,000	684,456,000
" 1858.....	185,932,000	583,165,000
" 1860.....	253,802,000	691,945,000

On the 30th of September, the date of their last quarterly reports, the deposits and loans of the national banks (the Secretary has no reliable returns of these items from the few remaining State banks) were as follows:

Deposits, individual and government.....	\$544, 150, 194
Loans.....	\$485, 314, 029

To which should be added—

Investments in United States bonds and other United States securities.....	427, 731, 600
	<hr/> 913, 045, 629

These figures are a history in themselves, exhibiting not only the past and present condition of the country in matters of exceeding interest, but indicating unerringly the dangerous direction in which the financial current is sweeping.

On the 1st of January of the memorable year 1837 the bank note circulation of the United States was \$149,185,890, the deposits were \$127,397,000, the loans \$525,115,000. In January, 1857, the year of the next great crisis, the circulation was \$214,778,822, the deposits were \$230,351,000, the loans \$684,456,000. There are no statistics to exhibit the amount of specie actually in circulation in those periods, but it would be a liberal estimate to put it at \$30,000,000 for 1837, and \$50,000,000 for 1857.

These were years of great inflation, the effects of which have been already referred to—the revulsion of 1837 not only producing great immediate embarrassment, but a prostration which continued until 1843, at the commencement of which year the bank note circulation amounted only to \$58,564,000, deposits to \$56,168,000, loans \$254,544,000—flour having declined in New York from \$10 25 per barrel on the 1st of January, 1837, to \$4 69 on the 1st of January, 1843, and other articles in about the same proportion.

The reaction in 1857 was severe, but, for the reason before stated, less disastrous and protracted.

On the 30th of September last the deposits of the national banks alone amounted to \$544,150,194; their loans—estimating their national securities as a loan to the government—to \$913,045,629; both of which items must have been increased during the month of October; while on the 31st of that month the circulation, bank and national, had reached the startling amount of upwards of \$700,000,000. Nothing beyond this statement is required to exhibit the present inflation or to explain the causes of the current and advancing prices. If disaster followed the expansions of 1837 and 1857, what must be the consequences of the present expansion unless speedily checked and reduced?

It is undoubtedly true that trade is carried on much more largely for cash than was ever the case previous to 1861, and that there is a much greater proper demand for money than there would be if sales were made, as heretofore, on credit. It is also true that there is a larger demand than formerly for money on the part of manufacturers for the payment of operatives. But, making the most liberal allowances for the increased wholesome demand arising from these causes and from the advance of the country in business and population, it is apparent from the foregoing statements, if the advance in prices did not establish the fact, that the circulating medium of the country is altogether excessive.

Before concluding his remarks upon this subject, it may be proper for the Secretary, even at the expense of repetition, to notice briefly some of the popular and plausible objections to a reduction of the currency:

First. That by reducing prices it would operate injuriously, if not disastrously, upon trade, and be quite likely to precipitate a financial crisis.

To this it may be replied, that prices of articles of indispensable necessity are already so high as to be severely oppressive to consumers, especially to persons of fixed and moderate incomes and to the poorer classes. Not only do the

interests, but the absolute necessities of the masses, require that the prices of articles needed for their use should decline.

Nor is there any reason to apprehend, by any policy that Congress may adopt, so rapid a reduction of prices as to produce very serious embarrassment to trade. The government currency can only, to any considerable extent, be withdrawn by a sale of bonds, and the demand for bonds will be so affected by the state of the market that a rapid contraction will be difficult, if not impossible, even if it were desirable. There is more danger to be apprehended from the inability of the government to reduce its circulation rapidly enough, than from a too rapid reduction of it. It is, in part, to prevent a financial crisis, that is certain to come without it, that the Secretary recommends contraction. Prices are daily advancing. The longer contraction is deferred, the greater must the fall eventually be, and the more serious will be its consequences. It is not expected that a return to specie payments will bring prices back to the standards of former years. The great increase of the precious metals and high taxes will prevent this; but this consideration makes it the more important that all improper and unnecessary influences in this direction should be removed.

Again it is urged, that a contraction of the currency would reduce the public revenues.

It is possible that this might be the immediate effect, but it would be temporary only. The public revenues depend upon the development of our national resources, upon our surplus productions; in other words, upon labor. The revenues derived from transactions based upon a false standard of value, or from interests that can only flourish in speculative times, are not those upon which reliance can be placed for maintaining the public credit. What a healthy and reliable business requires is a stable basis. This it cannot have as long as the country is afflicted with an inconvertible currency, the value of which, as well as the value of the vast property which is measured by it, is fluctuating and unreliable, and may be, in no small degree, controlled by speculative combinations.

It is also urged that the proposed policy would endanger the public credit, by preventing funding; and that it would compel the government and the people, who are in debt, to pay in a dearer currency than that in which their debts were contracted.

The Secretary is unable to perceive any substantial ground for this objection. He cannot understand how the process of funding is likely to be aided by the continuance of prices on their present high level, or how the credit of the government is to be restored by the perpetuation of an irredeemable currency, especially as that currency consists largely of its own notes. While it is hoped that early provision will be made for the commencement of the reduction of the national debt, an early payment of it is not anticipated. Nor is it understood that those who are apprehensive of the effects of contraction entertain the opinion that the present condition of things should be continued until any considerable portion of this debt shall be paid.

So far as individual indebtedness is regarded, it may be remarked that the people of the United States, if not as free from debt as they were six months ago, are much less in debt than they have been in previous years, and altogether

less than they will be when the inevitable day of payment comes round, if the volume of paper money is not curtailed. A financial policy which would prevent the creation of debts and stimulate the payment of those already existing, so far from being injurious, would be in the highest degree beneficial.

It is further urged that a reduction of the government notes would embarrass the national banks, if it did not force many of them into liquidation.

To which it may be said that it is better that the banks should be embarrassed now than bankrupted hereafter. Their business and their customers are now under their control. What will be their condition in these respects if the expansion continues and swells a year or two longer it is not difficult to predict. While there has been no unhealthy expansion of credits in the United States for which the banks have not been largely responsible, there has been none by which they have not been ultimately the losers. Unless their sentiments are misunderstood by the Secretary, the conservative bankers of the country are quite unanimously in favor of a curtailment of the currency, with a view to an early return to specie payments.

Again, it is said that the excessive bank deposits have as much influence in creating and sustaining high prices as a superabundant currency. This is unquestionably true; but it is also true that excessive deposits are the effect of excessive currency, and that whenever the currency is reduced there will be, at least, a corresponding if not a greater reduction of deposits.

The last objection which will be noticed to the measure recommended is that it would, by reducing the rate of foreign exchanges, reduce exports and increase imports.

It is doubtless true that a high rate of exchange did for a time increase the exportations of our productions, and diminish the importation of foreign articles, but this advantage was much more than counterbalanced by the largely increased expenses of the government and of the people resulting from the very cause that produced the high rate of exchange. Besides, this apparent advantage no longer exists. The advance of prices in the United States, notwithstanding the continued high rate of European exchange, is now checking exports and inviting imports, and is creating a balance in favor of Europe that is likely to be the greatest obstacle in the way of an early resumption of specie payments. Nor must it be forgotten, that while the export of our productions was stimulated by the high rate of exchange, this very high rate of exchange enabled Europe to purchase them at exceedingly low prices.

Unless an unusual demand for our products is created in Europe by extraordinary causes, it will be ascertained, by reference to the proper tables, that our imports increase, and our exports diminish, under the influence of a redundant currency. But reference to figures is hardly necessary to substantiate this proposition. It is substantiated by the statement of it. A country in which high prices prevail is an inviting one for sellers, but an uninviting one for purchasers. Such a country is unfortunately the United States at the present time. In order, however, that there may be no misapprehension on this point,

the attention of Congress is respectfully called to a clear and interesting paper from Dr. Elder, statistician of this department, accompanying this report.

Every consideration, therefore, that has been brought to the mind of the Secretary confirms the correctness of the views he has presented. If the business of the country rested upon a stable basis, or if credits could be kept from being still further increased, there would be less occasion for solicitude on this subject. But such is not the fact. Business is not in a healthy condition; it is speculative, feverish, uncertain. Every day that contraction is deferred increases the difficulty of preventing a financial collapse. Prices and credits will not remain as they are. The tide will either recede or advance; and it will not recede without the exercise of the controlling power of Congress.

The Secretary, therefore, respectfully but earnestly recommends—

First. That Congress declare that the compound interest notes shall cease to be a legal tender from the day of their maturity.

Second. That the Secretary be authorized, in his discretion, to sell bonds of the United States, bearing interest at a rate not exceeding six per cent., and redeemable and payable at such periods as may be conducive to the interests of the government, for the purpose of retiring not only compound interest notes, but the United States notes.

It is the opinion of the Secretary, as has been already stated, that the process of contraction cannot be injuriously rapid; and that it will not be necessary to retire more than one hundred, or, at most, two hundred millions of United States notes, in addition to the compound notes, before the desired result will be attained. But neither the amount of reduction, nor the time that will be required to bring up the currency to the specie standard, can now be estimated with any degree of accuracy. The first thing to be done is to establish the policy of contraction. When this is effected, the Secretary believes that the business of the country will readily accommodate itself to the proposed change in the action of government, and that specie payments may be restored without a shock to trade, and without a diminution of the public revenues or of productive industry.

At the close of a great war, which has been waged on both sides with a vigor and energy, and with an expenditure of money, without a precedent in history, the people of the United States are incumbered with a debt which requires the immediate and careful consideration of their representatives.

Since the commencement of the special session of 1861, the most important subject which has demanded and received the attention of Congress has been that of providing the means to prosecute the war; and the success of the government in raising money is evidence of the wisdom of the measures devised for this purpose, as well as of the loyalty of the people and the resources of the country. No nation within the same period ever borrowed so largely, or with so much facility. It is now to be demonstrated that a republican government can not only carry on a war on the most gigantic scale, and create a debt of immense magnitude, but can place this debt on a satisfactory basis, and meet every engagement with fidelity. The same wisdom which has been exhibited

by the national councils in providing the means for preserving the national unity, will not be wanting in devising measures for establishing the national credit.

The maintenance of public faith is a national necessity. Nations do not and cannot safely accumulate moneys to be used at a future day, and exigencies are constantly occurring in which the richest and most powerful are under the necessity of borrowing. The millennial days, when nations shall beat their swords into ploughshares and their spears into pruning-hooks, and learn war no more, are yet, according to all existing indications, far in the future. Weak and defaulting nations may maintain a nominally independent existence, but it will be, by reason of the jealousies, rather than the forbearance, of stronger powers. No nation is absolutely safe which is not in a condition to defend itself; nor can it be in this condition, no matter how strong in other respects, without a well-established financial credit. Nations cannot, therefore, afford to be unfaithful to their pecuniary obligations. Credit to them, as to individuals, is money; and money is the war power of the age. But for the unfaltering confidence of the people of the loyal States in the good faith of the government, the late rebellion would have been a success, and this great nation, so rapidly becoming again united and harmonious, would have been broken into weak and belligerent fragments.

But the public faith of the United States has higher considerations than these for its support. It rests not only upon the interests of the people, but upon their integrity and virtue. The debt of the United States has been created by the people in their successful struggle for undivided and indivisible nationality. It is not a debt imposed upon unwilling subjects by despotic authority, but one incurred by the people themselves for the preservation of their government—by the preservation of which, those who have been leagued together for its overthrow are to be as really benefited as those who have been battling for its maintenance. As it is a debt voluntarily incurred for the common good, its burdens will be cheerfully borne by the people, who will not permit them to be permanent.

The public debt of the United States represents a portion of the accumulated wealth of the country. While it is a debt of the nation, it becomes the capital of the citizen. The means of the merchant, the manufacturer and farmer, and also those of the workingman and the soldier, have been liberally invested in it; and it is an interesting fact—a practical evidence of the great resources of the country—that so large an amount of their wealth could be loaned by the people to the government without embarrassing industrial pursuits. Notwithstanding more than two thousand millions of dollars of the means of the people of the United States have been thus loaned, no branch of useful industry has suffered by the investment. It is undoubtedly true, that, if the wealth which has been invested in United States securities could have been employed in agriculture, in commerce, in mining and manufactures—in opening farms and the better improvement of those already under cultivation, in building railroads and ships, in working the mines, and in increasing the variety and amount of our manufactures—the nation would have been far in advance of what it now is in material prosperity. But it is also true, that, notwithstanding the large invest-

ments by the people of the United States in the securities of their government; notwithstanding, also, more than two millions of men, in the northern States alone, were, for longer or shorter periods, in the military service, and at least seven hundred thousand for a good part of the time the war continued were constantly under arms; and notwithstanding the immense waste of life, consequent upon operations so extensive and battles so sanguinary as characterized this memorable struggle, the larger part of the country has still, since eighteen hundred and sixty, progressed both in wealth and population. The loyal States have advanced in material prosperity in spite of the great drain that has been made upon them; and now that the war is closed, the Union is no longer in peril, and the men that made the armies on both sides so effective and formidable are to be again employed in profitable pursuits, the onward march of the country—even if a temporary reaction, as a result of the war, and the redundancy of the currency, shall be experienced—will be decided and resistless.

The debt is large; but if kept at home, as it is desirable it should be, with a judicious system of taxation it need not be oppressive. It is, however, a debt. While it is capital to the holders of the securities, it is still a national debt, and an incumbrance upon the national estate. Neither its advantages nor its burdens are or can be shared or borne equally by the people. Its influences are anti-republican. It adds to the power of the Executive by increasing federal patronage. It must be distasteful to the people because it fills the country with informers and tax-gatherers. It is dangerous to the public virtue, because it involves the collection and disbursement of vast sums of money, and renders rigid national economy almost impracticable. It is, in a word, a national burden, and the work of removing it, no matter how desirable it may be for individual investment, should not be long postponed.

As all true men desire to leave to their heirs unincumbered estates, so should it be the ambition of the people of the United States to relieve their descendants of this national mortgage. We need not be anxious that future generations shall share the burden with us. Wars are not at an end, and posterity will have enough to do to take care of the debts of their own creation.

Various plans have been suggested for the payment of the debt; but the Secretary sees no way of accomplishing it but by an increase of the national income beyond the national expenditures. In a matter of so great importance as this, experiments are out of place. The plain, beaten path of experience is the only safe one to tread.

The first step to be taken is, to institute measures for funding the obligations that are soon to mature. The next is, to provide for raising, in a manner the least odious and oppressive to taxpayers, the revenues necessary to pay the interest on the debt, and a certain definite amount annually for the reduction of the principal. The Secretary respectfully suggests that on this subject the expression of Congress should be decided and emphatic. It is of the greatest importance, in the management of a matter of so surpassing interest, that the right start should be made. Nothing but revenue will sustain the national credit, and nothing less than a fixed policy for the reduction of the public debt will be likely to prevent its increase.

On the 31st day of October, 1865, since which time no material change has taken place, the public debt, without deducting funds in the treasury, amounted to \$2,808,549,437 55, consisting of the following items:

Bonds, 10-40's, 5 per cent., due in 1904,	\$172,770,100 00
Bonds, Pacific Railroad, 6 per cent., due in 1895.....	1,258,000 00
Bonds, 5-20's, 6 per cent., due in 1882, 1884, and 1885.....	659,259,600 00
Bonds, 6 per cent., due in 1881.....	265,347,400 00
Bonds, 5 per cent., due in 1880.....	18,415,000 00
Bonds, 5 per cent., due in 1874.....	20,000,000 00
Bonds, 5 per cent., due in 1871.....	7,022,000 00
	<hr/>
	\$1,144,072,100 00
Bonds, 6 per cent., due in 1868.....	8,908,341 80
Bonds, 6 per cent., due in 1867.....	9,415,250 00
Compound interest notes, due in 1867 and 1868.....	173,012,141 00
7-30 treasury notes, due in 1867 and 1868.....	830,000,000 00
	<hr/>
	1,021,335,732 80
Bonds, Texas indemnity, past due....	760,000 00
Bonds, treasury notes, &c., past due..	613,920 09
	<hr/>
	1,373,920 09
Temporary loan, ten days' notice....	99,107,746 46
Certificates of indebtedness, due in 1866	55,905,000 00
Treasury notes, 5 per cent., December 1, 1865.....	32,536,901 00
	<hr/>
	187,549,646 46
United States notes.....	428,160,569 00
Fractional currency.....	26,057,469 20
	<hr/>
	454,218,038 20
	<hr/>
	2,808,549,437 55

The following is a statement of receipts and expenditures for the fiscal year ending June 30, 1865:

Balance in treasury agreeably to warrants, July 1, 1864,	\$96,739,905 73
Receipts from loans applicable to ex- penditures.....	\$864,863,499 17
Receipts from loans applied to pay- ment of public debt.....	607,361,241 68
	<hr/>
	1,472,224,740 85
Receipts from customs.....	84,928,260 60
Receipts from lands.....	996,553 31

Receipts from direct tax.....	\$1,200,573 03
Receipts from internal revenue.....	209,464,215 25
Receipts from miscellaneous sources....	32,978,284 47
	<hr/>
	\$329,567,886 66
	<hr/>
	1,898,532 533 24

EXPENDITURES.

Redemption of public debt.....	\$607,361,241 68
For the civil service.....	\$44,765,558 12
For pensions and Indians.....	14,258,575 38
For the War Department.....	1,031,323,360 79
For the Navy Department.....	122,567,776 12
For interest on public debt.....	77,397,712 00
	<hr/>
	1,290,312,982 41
	<hr/>
	1,897,674,224 09

Leaving a balance in the treasury on the 1st day of July, 1865, of..... \$858,309 15

The following statement exhibits the items of increase and decrease of the public debt for the fiscal year 1865:

Amount of public debt June 30, 1865.....	\$2,682,593,026 53
Amount of public debt June 30, 1864.....	1,740,690,489 49
	<hr/>
Total increase.....	941,902,537 04

Which increase was caused as follows, by—

Bonds, 6 per cent., act July 17, 1861..	\$29,799,500 00
Bonds, 6 per cent., act February 5, 1862..	4,000,000 00
Bonds, 6 per cent., act March 3, 1863..	32,327,726 66
Bonds, 6 per cent., act June 30, 1864..	91,789,000 00
	<hr/>
	\$157,916,226 66
Bonds, 5 per cent., act March 3, 1864.....	99,432,350 00
Bonds, 6 per cent., acts July 1, 1862, and July 2, 1864, issued to Central Pacific Railroad Company, interest payable in lawful money.....	1,258,000 00
Treasury notes, 7-30, acts June 30, 1864, and March 3, 1865, interest payable in lawful money.....	671,610,400 00
Compound interest notes, 6 per cent., act June 30, 1864.....	\$178,756,080 00
Temporary loan, 6 per cent., act July 11, 1862.....	17,386,869 90
	<hr/>
	196,142,949 96

United States notes, acts February 25, 1862, July 11, 1862, and January 17, 1863.....	\$1,509,295 16
Fractional currency, act March 3, 1863.....	7,363,098 85

Gross increase..... 1,135,232,320 63

From which deduct for payments—	
Bonds, 6 per cent., act July 21, 1842....	\$1,400 00
Treasury notes, 6 per cent., acts December 23, 1857, and March 2, 1861.....	158,800 00
Bonds, 5 per cent., act September 9, 1850, (Texas indemnity).....	1,307,000 00
Treasury notes, 7-30, act July 17, 1861..	30,212,300 00
Certificates of indebtedness, 6 per cent., act March 1, 1862.....	44,957,000 00
Treasury notes, 5 per cent., one and two- year, act March 3, 1863.....	111,132,740 00
United States notes, acts July 17, 1861, and February 12, 1862.....	308,396 25
Postal currency, act July 17, 1862.....	5,252,147 34
	193,329,783 59
Net increase.....	941,902,537 04

In the report of the Secretary for the year 1864, there was excluded from the public debt the sum of \$77,897,347 02, which amount had been paid out of the treasury, but had not been reimbursed to the Treasurer by warrants, and was not reimbursed until after the commencement of the next fiscal year. This explains the difference between \$18,842,558 71, assumed in that report as the balance in the treasury July 1, 1864, and \$96,739,905 73, the balance according to the warrant account, as above stated.

The following is a statement of the receipts and expenditures for the quarter ending September 30, 1865:

Balance in treasury, agreeable to warrants, July 1, 1865..	\$858,309 15
Receipts from loans applicable to expendi- tures.....	\$138,773,097 22
Receipts from loans applied to payment of public debt.....	138,409,163 35
	277,182,260 57
Receipts from customs.....	47,009,583 03
Receipts from lands.....	132,890 63
Receipts from direct tax.....	31,111 30
Receipts from internal revenue.....	96,618,885 65
Receipts from miscellaneous sources....	18,393,729 94
	162,186,200 55
	440,226,770 27

EXPENDITURES.

For the redemption of public debt.....	\$138,409,163 35
For the civil service.....	10,571,460 99
For pensions and Indians.....	6,024,241 86
For the War Department.....	165,369,237 32
For the Navy Department.....	16,520,669 81
For interest on the public debt.....	36,173,481 50
	\$373,068,254 83

Leaving a balance in the treasury on the 1st day of Oc-
tober, 1865, of..... \$67,158,515 44

The Secretary estimates that the receipts for the remaining three quarters of the year ending June 30, 1866, will be as follows:

Balance in treasury October 1, 1865.....	\$67,158,515 44
Receipts from customs.....	\$100,000,000 00
Receipts from lands.....	500,000 00
Receipts from internal revenue.....	175,000,000 00
Receipts from miscellaneous sources....	30,000,000 00
	305,500,000 00
	372,658,515 44

The expenditures, according to the estimates, will be:

For the civil service.....	\$32,994,052 38
For pensions and Indians.....	12,256,790 94
For the War Department.....	307,788,750 57
For the Navy Department.....	35,000,000 00
For interest on public debt.....	96,813,868 75
	484,853,462 64
Deficiency.....	112,194,947 20

The receipts for the year ending June 30, 1867, are estimated as follows:

From customs.....	\$100,000,000 00
From internal revenue.....	275,000,000 00
From lands.....	1,000,000 00
From miscellaneous sources.....	20,000,000 00
	\$396,000,000 00

The expenditures, according to the estimates, will be:

For the civil service.....	\$42,165,599 47
For pensions and Indians.....	17,609,640 23

For the War Department.....	\$39,017,416 18
For the Navy Department.....	43,982,457 50
For the interest on the public debt....	141,542,068 50
	<hr/> \$284,317,181 83

Leaving a surplus of estimated receipts over estimated expenditures, of.....	<hr/> 111,682,818 12
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The debt of the United States was increased during the fiscal year ending June 30, 1865, \$941,902,537 04, and during the first quarter of the present fiscal year \$38,773,097 22. The Secretary has, however, the satisfaction of being able to state that during the months of September and October the public debt was diminished to the amount of about thirteen millions of dollars.

If the expenditures for the remaining three quarters of the present fiscal year shall equal the estimates, there will be a deficiency, to be provided for by loans, of \$112,194,947 20, to which must be added \$32,536,901 for the five per cent. treasury notes, (part of the public debt,) which become due the present month, and are now being paid out of moneys in the treasury, and all other payments which may be made on the public debt.

The heavy expenditures of the last fiscal year, and of the months of July and August of the present fiscal year, are the result of the gigantic scale on which the war was prosecuted during a portion of this period, and the payment of the officers and men mustered out of the service. The large estimates of the War Department for the rest of the year are for the payment of troops which are to remain in the service, and of those which are to be discharged, and for closing up existing balances.

The statement of the probable receipts and expenditures for the next fiscal year is, in the highest degree, satisfactory. According to estimates which are believed to be reliable, the receipts of that year will be sufficient to pay all current expenses of the government, the interest on the public debt, and leave the handsome balance of \$111,682,818 12 to be applied toward the payment of the debt itself.

By the statement of the public debt on the 31st of October, it appears that, besides the compound interest, the United States, and the fractional notes

The past-due debt amounted to.....	\$1,373,920 09
The debt due in 1865 and 1866, to.....	187,549,646 46
The debt due in 1867 and 1868, to.....	848,323,591 80

During the month of October about \$50,000,000 of the compound interest notes were funded in 5-20 six per cent. bonds under the provisions of the act of March 3, 1865.

The Secretary would be gratified if the treasury could be put at once in a condition to obviate the necessity of issuing any more certificates of indebtedness, or raising money by any kind of temporary loans; but he may, for a short period, be obliged to avail himself of any means now authorized by law for meeting current expenses and other proper demands upon the treasury.

Of the debt falling due in 1867 and 1868, \$830,000,000 consist of 7 3-10 notes. It may be regarded as premature to fund any considerable amount of these notes within the next year; but in view of the fact that they are convertible into bonds only at the pleasure of the holders, it will be evidently prudent for Congress to authorize the Secretary, whenever it can be advantageously done, to fund them in advance of their maturity.

The Secretary has already recommended that he be authorized to sell bonds of the United States, bearing interest at a rate not exceeding six per cent., for the purpose of retiring treasury notes and United States notes. He further recommends that he be authorized to sell, in his discretion, bonds of a similar character to meet any deficiency for the present fiscal year, to reduce the temporary loan by such an amount as he may deem advisable, to pay the certificates of indebtedness as they mature, and also to take up any portion of the debt maturing prior to 1869 that can be advantageously retired. It is not probable that it will be advisable, even if it could be done without pressing them upon the market, to sell a much larger amount of bonds within the present or the next fiscal year than will be necessary to meet any deficiency of the treasury, to pay the past-due and maturing obligations of the government, and a part of the temporary loan, and to retire an amount of the compound interest notes and United States notes sufficient to bring back the business of the country to a healthier condition. But no harm can result from investing the Secretary with authority to dispose of bonds, if the condition of the market will justify it, in order to anticipate the payment of those obligations that must soon be provided for.

When the whole debt shall be put in such a form that the interest only can be demanded until the government shall be in a condition to pay the principal, it can be easily managed. It is undeniably large, but the resources of the country are even now ample to carry and gradually to reduce it; and with the labor question at the south settled on terms just to the employer and to the laborer, and with entire harmony between the different sections, it will be rapidly diminished, in burden and amount, by the growth of the country, without an increase of taxation.

The following estimate of the time which would be required to pay the national debt (if funded at five per cent. and at five and one-half per cent.) by the payment of two hundred millions of dollars annually on the interest and principal, and also of the diminution of the burden of the debt by the increase of productions, may not be without interest to Congress and to tax payers.

The national debt, deducting moneys in the treasury, was, on the 31st of October, 1865, \$2,740,854,750. Without attempting a nice calculation of the amount, it may reach, when all our liabilities shall be accurately ascertained, it seems safe to estimate it, on the 1st of July, 1866, at three thousand millions of dollars. The amount of existing indebtedness yet unsettled, and the further amount that may accrue in the interval, are not now capable of exact

estimation, and the revenue of the same period can be only approximately calculated; but it will be safe to assume that the debt will not exceed the sum named.

The annual interest upon three thousand millions, if funded at five and one-half per cent. per annum, would be one hundred and sixty-five millions; but if funded at five per cent., it would be one hundred and fifty millions.

Now, if two hundred millions per annum should be applied, in half-yearly instalments of one hundred millions each, in payment of the accruing interest and in reduction of the principal funded at the higher rate of five and one-half per cent., the debt would be entirely paid in thirty-two and one-eighth years. At five per cent. per annum it would be extinguished, by the like application of one hundred millions every six months, in a little over twenty-eight years.

At the higher rate, the sum applied in the first year in reduction of the principal of the debt would be thirty-five millions of dollars; in the last or thirty-second year, when the interest would be diminished to a little over nine millions, about one hundred and ninety-one millions of the uniform annual payment would go to the reduction of the principal.

On the assumption that the debt may be funded at 5 per cent., fifty millions would be applicable to the reduction of the principal in the first year, and in the twenty-eighth or last year of the period—the interest falling to less than eight millions—one hundred and ninety-two millions of the annual payment would go to the principal.

The annual interest accruing upon seventeen hundred and twenty-five millions of the debt on the 31st of October last averages 6.62 per cent. A part of this sum is now due, another portion will be payable next year; and the balance will be due or payable, at the option of the government, in 1867 and 1868. If these seventeen hundred and twenty-five millions shall be funded or converted into five per cents by the year 1869, the average interest of the whole debt will be 5.195 per cent. In the year 1871, if the debt then maturing should be funded at the same rate, the average interest would be reduced to 5.15, and in 1881 to 5 per cent., excepting the bonds for fifty millions to be advanced in aid of the Pacific railroad at 6 per cent., which will have thirty years to run from their respective dates. The interest of these bonds, added to the supposed 5 per cents, would, in 1881, make the average rate of the entire debt five and three one-hundredths of one per cent. until the whole should be discharged.

In these calculations of the average rate of interest upon the funded debt the outstanding United States notes and fractional currency are not embraced. Whatever amount of these four hundred and fifty-four millions may eventually be funded at five per cent. per annum will proportionally reduce the average rates of interest upon the whole debt.

By the terms and conditions of some portion of the debt, the interest on the whole cannot be reduced to exactly five per cent. unless money may be borrowed at some stage of the process at a trifle below 5 per cent. A bonus of one-tenth of one per cent., paid by the bidders for five per cent. loans, would more than

cover the excess, the probability of which fully warrants the calculation submitted as to the payment of the total debt at this rate.

It must be observed, also, that the assumed principal of the debt in July, 1866, must undergo some diminution before the funding in 1867, 1868, and 1869 begins. If only one hundred millions shall be paid off in these three years, the principal, thus reduced to twenty-nine hundred millions, would be extinguished by the process already stated in twenty-nine years, if funded at $5\frac{1}{2}$ per cent., and if at 5 per cent. in something less than twenty-seven years. And it is well worthy of attention that one hundred millions less principal at the commencement of the process of payment will save four hundred millions in round numbers in the end if the rate is $5\frac{1}{2}$ per cent., and three hundred millions if 5 per cent.

The burden of a national debt is, of course, relative to the national resources, and these resources are not, strictly speaking, capital, but the current product of the capital and industry of the country. The annual product, however, is found to bear a certain ratio to capital, and this ratio may be conveniently and safely used in computing the probable resources which must in the future meet the national requirement for the payment of interest and extinguishment of the debt.

It has been estimated by one who has made this subject a study, that the products of agriculture, manufactures, mining, mechanic arts, commerce, fisheries, and forests, in the year 1850 were at 28.9 per cent. of the value of the real and personal property of the United States. A similar calculation makes the products of 1860 26.8 per cent. of the wealth of the country in that year, as fixed by the census returns. In the calculation submitted, the annual products of capital and industry are taken, for convenience, at 25 per cent. of the capital wealth of the country, and the capital of each decennial year of the thirty that our national debt may run before its extinguishment by the application of two hundred millions per annum to the payment of its principal and interest, is here estimated upon the basis of its amount and increase as given by the census of 1860. In the year 1860 the real and personal property of the Union was valued (slaves excluded) at fourteen thousand one hundred and eighty-three millions of dollars. Of this amount the States lately in insurrection held three thousand four hundred and sixty-seven millions, being an increase upon the like property in 1850 of 139.7 per cent. The property of the loyal States was valued at ten thousand seven hundred and sixteen millions, an increase of 126.6 per cent. over 1850; together, averaging a decennial increase of 129.7 per cent.

Now, taking the increase of wealth in the loyal States in the ten years from 1860 to 1870 at 125 per cent., we have, as their capital in 1870, twenty-four thousand one hundred and eleven millions; and if we put the wealth of the other States at the same figure as in 1860, without allowing anything for increase, we have a capital for 1870 of twenty-seven thousand five hundred and seventy-eight millions. This sum gives us the product of the year at six thousand eight hundred and ninety-four and a half millions, upon which a payment on the debt of two hundred millions is 2.9 per cent. If we add but 25 per cent. to the wealth of 1860 for the States lately in insurrection, as their probable

valuation in 1870, the charge of two hundred millions upon the products of that year will be 2.81 per cent. But, allowing all that can be claimed in this respect, and taking the lowest estimate for 1870 as the basis for calculating the wealth and products of the year 1880, 125 per cent. increase in this period gives a capital of sixty-two thousand and fifty millions, and a product of fifteen thousand five hundred and twelve millions, upon which sum a charge of two hundred millions falls to 1.29 per cent. In 1890, the wealth, estimated at an increase of only 100 per cent. upon that of 1880, gives the year's products at thirty-one thousand and twenty-five millions, upon which two hundred millions amounts to only 0.644 per cent., or less than two-thirds of one per cent., and in the year 1900 the tax upon the products of the year would fall to 0.322 per cent., or less than one-third of one per cent.

To this charge upon the resources of the country if there be added one hundred and forty millions of 1870 for all other expenditures, one hundred and fifty millions in 1880, one hundred and sixty millions in 1890, and one hundred and seventy millions in 1900, the estimated total expenditure will be 4.93 per cent. of the products of capital and industry in 1870, 2.26 per cent. in 1880, 1.17 per cent. in 1890, and barely seven-tenths of one per cent. in 1900. Or, in general statement, the total estimated charges of the national government for the payment of the debt in thirty years, and all other ordinary expenses, begin at less than 5 per cent. of the resources of the country, and end in seven-tenths of one per cent.

These estimates, and the basis upon which they rest, are sustained by the result of English experience upon a debt one-third larger than ours, with ordinary and extraordinary expenses at least one-half larger than ours are likely to reach, and borne through a period of much less wealth-producing power. The government charges for all expenditures fifty years ago took one pound in six of the products of Great Britain, but these charges have now fallen to one pound in nine. We commence our national burdens with resources that, in the very first year, will be required to bear an aggregate of less than 5 per cent., or one dollar in twenty.

It is true that many circumstances may occur to prevent the accomplishment of these anticipated results; but the estimates have been made upon what are regarded as reliable data, and are well calculated to encourage Congress in levying taxes, and the people in paying them.

After careful reflection, the Secretary concludes that no act of Congress (except for raising the necessary revenue) would be more acceptable to the people, or better calculated to strengthen the national credit, than one which should provide that two hundred millions of dollars, commencing with the next fiscal year, shall be annually applied to the payment of the interest and principal of the national debt. The estimates for the next fiscal year indicate that a very much larger amount could be so applied without an increase of taxes.

Before concluding his remarks upon the national debt, the Secretary would suggest that the credit of the five-twenty bonds issued under the acts of Feb-

ruary 25, 1862, and June 30, 1864, would be improved in Europe, and, consequently, their market value advanced at home, if Congress should declare that the principal, as well as the interest, of these bonds is to be paid in coin. The policy of the government in regard to its funded debt is well understood in the United States, but the absence of a provision in these acts that the principal of the bonds issued under them should be paid in coin, while such a provision is contained in the act under which the ten-forties were issued, has created some apprehension in Europe that the five-twenty bonds might be called in at the expiration of five years, and paid in United States notes. Although it is not desirable that our securities should be held out of the United States, it is desirable that they should be of good credit in foreign markets on account of the influence which these markets exert upon our own. It is, therefore, important that all misapprehensions on these points should be removed by an explicit declaration of Congress that these bonds are to be paid in coin.

In view of the fact that the exemption of government securities from State taxation is, by many persons, considered an unjust discrimination in their favor, efforts may be made to induce Congress to legislate upon the subject of their taxation. Of course, the existing exemption from State and municipal taxation of bonds and securities now outstanding will be scrupulously regarded. That exemption is a part of the contract under which the securities have been issued and the money loaned thereon to the government, and it would not only be unconstitutional, but a breach of the public faith of the nation to disregard it. It would also, in the judgment of the Secretary, be unwise for Congress to grant to the States the power, which they will not possess unless conferred by express congressional enactment, of imposing local taxes upon securities of the United States which may be hereafter issued. Such taxation, in any form, would result in serious, if not fatal, embarrassment to the government, and, instead of relieving, would eventually injure the great mass of the people, who are to bear their full proportion of the burden of the public debt. This is a subject in relation to which there should be no difference of opinion. Every taxpayer is personally interested in having the public debt placed at home, and at a low rate of interest, which cannot be done if the public securities are to be subject to local taxation. Taxes vary largely in different States, and in different counties and cities of the same State, and are everywhere so high that, unless protected against them, the bonds into which the present debt must be funded cannot be distributed among the people, except in some favored localities, unless they bear a rate of interest so high as to make the debt severely oppressive, and to render the prospect of its extinguishment well-nigh hopeless. Exempted from local taxation, the debt can, it is expected, be funded at an early day at five per cent.; if local taxation is allowed, no considerable portion of the debt which falls due within the next four years can be funded at home at less than eight per cent. The taxpayers of the United States cannot afford to have their burdens thus increased. It is also evident that the relief which local taxpayers would obtain from government taxation, as the result of a low rate of interest on the national securities, would at least be as great as the increase of

local taxes to which they would be subjected on account of the exemption of government securities; while if those securities should bear a rate of interest sufficient to secure their sale when subject to local taxes, few, if any of them, would long remain where those taxes could reach them. They would be rapidly transferred to other countries, into the hands of foreign capitalists, and thus at last the burden of paying a high rate of interest would be left upon the people of this country without compensation or alleviation.

The present system of internal revenue is one of the results of the war. It was framed under circumstances of pressing necessity, affording little opportunity for careful and accurate investigation of the sources of revenue. Its success, however, has exceeded the anticipations of its authors, and is a most honorable testimonial to their wisdom, and to the patriotism of the people who have so cheerfully submitted to its burdens.

With the restoration of peace, industry is returning again to its former channels, and a revision of the system now becomes important to accommodate it to the changed and changing condition of the country.

Every complicated system of taxation opens the way to mistakes, abuses, and deceptions. Temptations to dishonesty and fraud are placed before the revenue officers and the taxpayers, and both are often thereby demoralized. Honest men, who pay their taxes in full, are injured, if not ruined, by the ingenuity of those who successfully evade their share of the public burdens.

The multiplicity of objects at present subject to taxation is one of the most serious objections to the present system. Many of these yield little revenue, while its collection is troublesome to the collector, and irritating and offensive to the taxpayers. This multiplicity also involves as many temptations to fraud, and as many difficult questions for decision, as the objects from which large revenue is derived.

To impose taxes judiciously, so as to obtain revenue without repressing industry, is one of the highest and most difficult duties devolved upon Congress. Taxation which in one year may be scarcely felt may the next year be oppressive; and that which may not be burdensome to those who are well established in business may be fatal to those just commencing. Every branch of industry has its infancy, and ought to be encouraged by liberal legislation. Whatever of industry or enterprise is destroyed, by injudicious taxation or otherwise, is a damage to the national welfare.

Heavy taxation may drive capital from our shores, or prevent its employment in the manner most advantageous to the country, and thus prevent that demand for labor which is the best security for its proper reward.

The taxation which is now extremely productive may in a few years become unproductive, or engender a spirit of opposition and discontent which may endanger the national credit.

It is important, therefore, that our revenue system should be frequently and carefully revised, in order that it may be accommodated to the habits and character of the people, to the industry of the country, to labor and capital, to wages at home and wages abroad. It is also of the highest importance that

there should be a careful adjustment of our internal to our external revenue system.

That views somewhat similar to these were entertained by Congress, is indicated by the provision in the amendatory act of March 3, 1865, by which the Secretary of the Treasury was authorized to "appoint a commission, consisting of three persons, to inquire and report, at the earliest practicable moment, upon the subject of raising by taxation such revenue as may be necessary in order to supply the wants of the government, having regard to and including the sources from which such revenue should be drawn, and the best and most efficient mode of raising the same."

This subject received the early attention of the Secretary, and under the authority of the act, after careful deliberation, a commission was organized, consisting of Messrs. David A. Wells, Stephen Colwell, and S. S. Hayes, representing, to a certain extent, different sections and interests, and also different political sentiments. The commission was fully organized in June, and has since then been actively engaged in the prosecution of its labors.

An investigation of the character of the revenue, contemplated by the act authorizing this commission, necessarily involves a careful and comprehensive inquiry into the condition of every industry, trade, or occupation in the country likely to be affected by the national revenue system, and, in the absence of nearly all previously compared and exact data, must necessarily be protracted and laborious. From a preliminary report made to the Secretary by the commission, he has reason to infer that enough has already been accomplished by them to indicate the value of an investigation like that in which they are now engaged, and to demonstrate the necessity of the accumulation of a correct and accurate knowledge, properly digested and presented, as a basis for our future revenue legislation.

The plan pursued by the commission has been, to take up, specifically, those sources of revenue which our own experience, and the experience of other countries, have indicated as likely to be most productive under taxation and most capable of sustaining its burdens. In pursuance of this plan, a large number of witnesses have been examined, and much valuable testimony put upon record.

It is understood to be the opinion of the commissioners that it would be inexpedient at once to make any radical and violent changes in the nature and working of the present revenue system, and that we should rather seek, through experience and study, to perfect the present system by degrees, so as to gradually adapt it to the industrial habits and fiscal capacity of the people. The Secretary is also informed by the commissioners that it seems certain to them that, without any increase in the rate of taxation, but by the enactment of some modifications and amendments of the present law, coupled, positively, even with some reduction in the rates, an increase of revenue from comparatively few sources to the extent of some fifty or sixty millions of dollars per annum over and above that now obtained, may be confidently relied on. If this should be the case, an early repeal of a multitude of small taxes which,

from the inquisitorial character of their method of collection, have become extremely odious and objectionable, will be advisable.

Although the work of the commission has been thus far mainly directed to the sources likely to be most productive of revenue, the consideration of the subject of the administration of the law has not been omitted by them; and in this department it is believed that some valuable recommendations will be submitted for the consideration of Congress.

As a gratifying feature of their work, the commission report a most cheerful and prompt co-operation on the part of nearly all the representatives of the industrial interests of the country in the procurement of exact information, and a universal expression of ready acquiescence in any demands upon them which the future necessities of the government may require, united, at the same time, with a request that the government should, on its part, seek to equalize, so far as practicable, and fairly distribute the apportionment of its requirements.

In view of the fact that the revision of the whole revenue system has been committed to this commission, the Secretary does not consider it proper for him to present his views upon this important subject in advance of their final report, which it is hoped will be made early in the session.

There are some subjects, however, presented in the report of the Commissioner of Internal Revenue which require the attention of Congress before the report of the commission is received, and in relation to which there should be early action.

In putting into operation the system of internal revenue in the recently rebellious States, it became necessary for the Secretary to decide whether or not an effort should be made to collect the taxes which accrued prior to the establishment of revenue offices therein. After giving the subject due consideration, the Secretary, in view of the facts that there were no federal revenue officers to whom payment of taxes could be made, that the people (many of them involuntarily) had been subject to heavy taxation by the government which was attempted to be established in opposition to that of the United States, and had been greatly exhausted by the ravages of war, issued a circular, under date of the 21st of June, declaring "that, without waiving in any degree the right of the government in respect to taxes which had before that time accrued in the States and Territories in insurrection, or assuming to exonerate the taxpayer from his legal responsibility for such taxes, the department did not deem it advisable to insist, at present, on their payment, so far as they were payable prior to the establishment of a collection district embracing a territory in which the taxpayer resided."

For substantially the same reasons that induced the Secretary to issue this circular, he deemed it to be his duty to suspend all further sales under the direct tax law. Tax commissioners, however, have been appointed for each State, and collections have been made, as far as it has been practicable to make them, without sales of property. Some sales had, however, been previously made in many of the States, and large amounts of property had been purchased

for the government. In South Carolina a portion of the lands thus purchased have since been sold under the 11th section of the act of August, 1863.

During the war the laws in regard to stamps have been, of course, in the insurrectionary States, entirely disregarded; and, as a consequence, immense interests are thereby imperilled.

In view, therefore, of the recent and present condition of the southern States, the Secretary recommends—

First. That the collection of internal revenue taxes which accrued before the establishment of revenue offices in the States recently in rebellion be indefinitely postponed.

Second. That all sales of property in those States, under the direct tax law, be suspended until the States shall have an opportunity of assuming (as was done by the loyal States) the payment of the tax assessed upon them.

Third. That all transactions in such States, which may be invalid by the non-use of stamps, be legalized as far as it is in the power of Congress to legalize them.

What action, if any, should be taken for the relief of persons in those States, whose property has been sold under the direct tax law, and is now held by the government, it will be for Congress to determine. The Secretary is decidedly of the opinion that liberal legislation in regard to the taxes which accrued prior to the suppression of the rebellion will tend to promote harmony between the government and the people of those States, will ultimately increase the public revenues, and vindicate the humane policy of the government.

The Secretary is happy in being able to state that the affairs of the Bureau of Internal Revenue are being satisfactorily administered, and the working of the system throughout the country is being gradually improved.

For want of proper accommodations in the Treasury building the bureau has been removed to the large and commodious building on Fifteenth street, which has been secured for such time as the government may require its use, at an annual rent of \$23,000.

The reciprocity treaty with Great Britain will expire on the 17th of March next, and due notice of this fact has been given by circulars to the officers of customs on the northern frontier.

There are grave doubts whether treaties of this character do not interfere with the legislative power of Congress, and especially with the constitutional power of the House of Representatives to originate revenue bills; and whether such treaties, if they yield anything not granted by our general revenue laws, are not in conflict with the spirit of the usual clause contained in most of our commercial treaties, to treat each nation on the same footing as the most favored nation, and not to grant, without an equivalent, any particular favor to one nation not conceded to another in respect to commerce and navigation.

It appears to be well established that the advantages of this treaty have not been mutual, but have been in favor of the Canadas. Our markets have been strong, extensive, and valuable; theirs have been weak, limited, and generally far less profitable to our citizens. The people of the Canadas and provinces

have been sellers and we buyers of the same productions for which we are often forced to seek a foreign market. It is questionable, in fact, whether any actual reciprocity, embracing many of the articles now in the treaty, can be maintained between the two countries. Even in regard to the fisheries, it is by no means certain that, instead of equivalents having been acquired under the treaty, more than equal advantages were not surrendered by it. But, whatever the facts may be, this subject, as well as that of inter-communication through rivers and lakes, and possibly canals and railroads, are proper subjects of negotiation, and their importance should secure early consideration.

It is certain that, in the arrangement of our complex system of revenue through the tariff and internal duties, the treaty has been the cause of no little embarrassment. The subject of the revenue should not be embarrassed by treaty stipulations, but Congress should be left to act upon it freely and independently. Any arrangement between the United States and the Canadas and provinces, that may be considered mutually beneficial, can as readily be carried out by reciprocal legislation as by any other means. No complaint would then arise as to subsequent changes of laws, for each party would be free to act at all times, according to its discretion.

However desirable stability may be, an irrevocable revenue law, even in ordinary times, is open to grave objections, and in any extraordinary crisis is likely to be pernicious. The people of the United States cannot consent to be taxed as producers while those outside of our boundaries, exempt from our burdens, shall be permitted, as competitors, to have free access to our markets. It is desirable to diminish the temptations now existing for smuggling, and if the course suggested, of mutual legislation, should be adopted, a revenue system, both internal and external, more in harmony with our own, might justly be anticipated from the action of our neighbors, by which this result would be most likely to be obtained.

The attention of Congress is again called to the importance of early and definite action upon the subject of our mineral lands, in which subject are involved questions not only of revenue, but social questions of a most interesting character.

Copartnership relations between the government and miners will hardly be proposed, and a system of leasehold, (if it were within the constitutional authority of Congress to adopt it, and if it were consistent with the character and genius of our people,) after the lessons which have been taught of its practical results in the lead and copper districts, cannot of course be recommended.

After giving the subject as much examination as the constant pressure of official duties would permit, the Secretary has come to the conclusion that the best policy to be pursued with regard to these lands is the one which shall substitute an absolute title in fee for the indefinite possessory rights or claims now asserted by miners.

The right to obtain a "fee simple in the soil" would invite to the mineral

districts men of character and enterprise; by creating homes, (which will not be found where title to property cannot be secured,) it would give permanency to the settlements, and, by the stimulus which ownership always produces, it would result in a thorough and regular development of the mines.

A bill for the subdivision and sale of the gold and silver lands of the United States was under consideration by the last Congress, to which attention is respectfully called. If the enactment of this bill should not be deemed expedient, and no satisfactory substitute can be reported for the sale of these lands to the highest bidder, on account of the possessory claims of miners, it will then be important that the policy of extending the principle of pre-emption to the mineral districts be considered. It is not material, perhaps, how the end shall be attained, but there can be no question that it is of the highest importance, in a financial and social point of view, that ownership of these lands, in limited quantities to each purchaser, should be within the reach of the people of the United States who may desire to explore and develop them.

In this connexion it may be advisable for Congress to consider whether the prosperity of the treasure-producing districts would not be increased, and the convenience of miners greatly promoted, by the establishment of an assay office in every mining district from which an annual production of gold and silver amounting to ten millions of dollars is actually obtained.

The attempts at smuggling, stimulated by the high rates of duties on imports, have engaged the attention of the department, and such arrangements have been made for its detection and prevention as seemed to be required by the circumstances, and available for that purpose.

It is quite apparent, however, that, with our extensive sea-coasts and inland frontier, it is impracticable entirely to prevent illicit traffic, though checks at the most exposed points have, doubtless, been put to such practices.

In this connexion it may be remarked that the revenue cutters are diligently and usefully employed in the preventive service, within cruising limits so defined as to leave no point of sea and gulf coasts unvisited by an adequate force.

A similar arrangement will be extended to the lakes on the reopening of navigation, the cutters built for that destination not having been completed in time to be put in commission before its close.

The cutters are an important auxiliary to the regular customs authorities, in the collection and protection of the public revenue, by the examination of incoming vessels and their manifests of cargo; affording succor to vessels in distress; aiding in the enforcement of the regulations of harbor police, and otherwise preventing or detecting violations or evasions of law. A service of this description is unquestionably useful, if not indispensable, to the administration of the revenue system of a maritime and commercial country with such extensive sea, lake, and gulf coasts as our own.

There are now in the service twenty-seven steamers and nine sailing vessels. Of the steamers, seven are of the average tonnage of 350 tons, and draw nine feet of water. These large vessels were constructed during the progress of the late rebellion, and were designed for the combined purpose of a naval force

and a revenue coast guard. Their heavy armaments, large tonnage, and crews, however well fitted for such purposes, are not adapted for the revenue service in a time of peace. In consequence of their great draught of water, they must be used mainly as sea-going vessels, and are incapable of navigating the shallow waters of the coasts and their tributaries, which afford the most favorable opportunities for contraband trade. Independently of these considerations, they are so constructed as to be unable to carry a supply of fuel for more than three, or possibly four days, at the furthest.

It is recommended, therefore, that this department be vested with authority to sell the vessels of this description, and expend the proceeds in the purchase of others of a different character and lighter draught, and, on that account, better fitted to accomplish the purposes of a preventive service, and which can be kept in commission at a cost more than one-third less than those of the former class.

For example, the difference in the cost of running for twelve months the "Mahoning," one of the first named class, and the "Nansemond," one of the latter class, is \$27,606. The "Mahoning," with twelve tons of coal per diem, can make but eight knots per hour; while the "Nansemond," with eight tons of coal per diem, will make twelve knots per hour. The "Nansemond," drawing but six feet nine inches, is enabled to cruise in waters entirely inaccessible to the "Mahoning."

To render the service effective and economical, cutters should be of light draught, manned by a small crew, and able to navigate the shoal waters and penetrate the inland bays, rivers, and creeks with which our sea, lake, and gulf coasts abound, but of sufficient tonnage to enable them to perform efficiently and safely the duties of a coast guard at sea, and to furnish succor to vessels in distress; and at the same time to navigate the interior waters for the prevention of smuggling, and reach readily a port of refuge in the tempestuous weather prevailing at times along our coast, should they be forced to do so.

The working of the marine hospital system, as at present constituted, is not altogether satisfactory. The erection and repair of numerous expensive buildings, and the support of the establishments necessarily connected with their operations, have entailed upon the government a yearly expense far beyond the amount contributed by the seamen, which has been met by large annual appropriations by Congress.

The act of July 16, 1798, by which the system was created, and the rate of contribution fixed at twenty cents per month, confined the action of the government to the simple expenditure, for the benefit of the seamen, of the amounts thus contributed by themselves, and contemplated laying no burden on the public treasury. If it is deemed advisable to continue any system of relief, under control of the government, it is respectfully suggested that the original intent of the law should be carried into effect, and the fund made self-sustaining. With this view, it will be necessary to increase the fund, and to make a material reduction in the expenses.

Experience has shown, and former Secretaries have at various times, and with entire unanimity, represented to Congress that the system of public marine hospitals, maintained and managed by the government, is the least economical method that has been devised for the administration of this fund, and affords the least comparative benefit to the seamen. The expenses of these establishments are large, independently of the number of seamen received in them. When the patients are numerous, the average rate of expense per man is not unreasonable; but where they are few, as at most of the public institutions, the expense per capita is very largely in excess of the cost of maintaining them under contract at private, State, or municipal institutions, where they would be better accommodated, at an expense exactly proportioned to the services rendered.

Mention may be made, in illustration, of one of these public hospitals, which is maintained at an annual expense of upwards of \$4,000, and which accommodates an average of less than a single patient, at a daily cost per capita of more than \$14 50; while quite as satisfactory relief can be had under contract for about \$1 per day.

There are, moreover, several hospital buildings, erected at great cost, now lying idle, out of repair, and not available for their intended use. Some of these have never been occupied, and one, at least, is situated at a point remote from any port, and where relief is never demanded. Others now occupied are in a condition requiring large and immediate outlay to preserve them.

In view of these facts, it is strongly recommended that authority be conferred by law upon this department to sell such hospitals as experience has shown are not needed; retaining only those situated at important ports where, by the course of commerce, demands for relief are likely to be most frequent and pressing, and where contracts, on favorable terms, cannot be procured with private or municipal institutions. The proceeds should either be returned into the treasury in repayment of their cost, or invested for the benefit of the hospital fund.

In favor of the contract system it may be remarked that it is in operation most successfully at New York, where demands for relief are far the heaviest—~~at~~ Baltimore, Philadelphia, St. Louis, Louisville, and Cincinnati; and it is believed that quite as advantageous and satisfactory arrangements might be made at other ports where government hospitals are now located. Even at ports where it may be deemed best to retain the ownership of the hospital buildings it might be advisable to lease them to private or municipal hospitals, which would gladly receive the seamen on favorable terms. Such an arrangement was formerly in force at Charleston, South Carolina, much to the advantage of the patients and the fund.

Should these suggestions be adopted, and, at the same time, the rate of contribution fixed at thirty cents a month, instead of twenty, as at present, the proceeds of the tax, thoroughly collected and economically administered, would be ample to meet every demand which a judicious discrimination in affording relief would make upon them; and the seamen would receive far more substantial and efficient benefit than under the present system.

As to the increased rate of contribution, it may be said that the existing rate has stood unchanged through all the fluctuations of prices and wages since 1798; that it is quite disproportioned to the benefit derived by the seamen from the marine hospital system; and that persons of this class are, as a general thing, otherwise free from federal taxation. In this view there can be no hardship or injustice in making the moderate increase suggested.

By the report of the Comptroller of the Currency, it appears that sixteen hundred and one banks had been, on the 31st of October last, organized under the National Banking act. Of these, six hundred and seventy-nine were original organizations, and nine hundred and twenty-two conversions from State institutions.

The Comptroller recommends several amendments to the acts, which will arrest the attention of Congress.

The recommendation that the banks shall be compelled to redeem their notes at one of the three cities named is heartily indorsed. At some future day it may be advisable that redemptions shall be authorized at western and southern cities; but as long as exchange continues to be in favor of the seaboard, it is not expedient to permit banks to redeem at interior points. There are very few country banks or banks in the interior cities that do not keep their chief balances in either Boston, New York, or Philadelphia, there being a regular demand for exchange on these cities. Where the current of trade requires the banks to keep accounts for their own accommodation and that of their customers and the public, there should their redemptions be made. Notes that are par in either of these cities will very rarely be at a discount in any part of the United States, and will be as nearly of uniform value as is, perhaps, ever to be expected in a paper currency.

The Secretary is hopeful that the time is not far distant when redemptions will be something more than nominal. Experience and observation have taught him that frequent redemptions are essential to the solvency of banks of circulation. Nothing so well teaches a bank the necessity of keeping its loans in the hands of prompt customers, and its means under its own control, as the certainty of being frequently called upon to meet its own obligations. It is quite important that inexperienced bankers, under the national banking system, should learn that their notes are not money, but promises to pay it; and the sooner and the more effectively this lesson is impressed upon them, the better will it be for their stockholders and the system.

The national banking system was designed not only to furnish the people with a sound circulation, but one of uniform value; and this is not likely to be fully accomplished until the banks, by compulsion or their own voluntary act, keep their notes at par in the principal money markets of the country.

The establishment of the national banking system is one of the great compensations of the war—one of the great achievements of this remarkable period. In about two years and a half from the organization of the first national bank, the whole system of banking under State laws has been superseded, and the people of the United States have been furnished with a circulation bearing upon it the seal of the Treasury Department as a guarantee of its solvency. It only

remains that this circulation shall be a redeemable circulation—redeemable not only at the counters of the banks, but at the commercial cities—to make the national banking system of almost inconceivable benefit to the country.

The present law limits the circulation of the national banks to three hundred millions of dollars; and it is not probable, when the business of the country returns to a healthy basis, that a larger paper circulation than this will be required. Indeed, it is doubtful whether a larger bank note circulation can be maintained on a specie basis. Should an increase, however, be necessary, it can be provided for hereafter. It is, perhaps, unfortunate that a greater restriction had not been placed upon the circulation of the large banks already organized, in view of the wants of the southern States. It is quite likely, however, that the anticipated withdrawal of a portion of the United States notes (not to speak of the effect of the restoration of specie payments) will so reduce the circulation of the northern banks as to afford to the south, under the present limitation of the law, all the paper currency which will be required in that quarter.

The act of March 3, 1865, authorized the Secretary to borrow any sums not exceeding six hundred millions of dollars, and to issue therefor bonds or treasury notes of the United States in such form as he might prescribe.

Under this act there was issued during the month of March \$70,000,000 of notes payable three years after date, and bearing an interest payable semi-annually in currency at the rate of seven and three-tenths per cent. per annum, and convertible at maturity, at the pleasure of the holders, into five-twenty gold-bearing bonds.

Upon the capture of Richmond and the surrender of the confederate armies it became apparent that there would be an early disbanding of the forces of the United States, and consequently heavy requisitions from the War Department for transportation and payment of the army, including bounties. As it was important that these requisitions should be promptly met, and especially important that not a soldier should remain in the service a single day for want of means to pay him, the Secretary perceived the necessity of realizing as speedily as possible the amount—\$530,000,000—still authorized to be borrowed under this act. The seven and three-tenths notes had proved to be a popular loan, and although a security on longer time and lower interest would have been more advantageous to the government, the Secretary considered it advisable, under the circumstances, to continue to offer these notes to the public, and to avail himself, as his immediate predecessors had done, of the services of Jay Cooke & Co., in the sale of them. The result was in the highest degree satisfactory. By the admirable skill and energy of the agent, and the hearty co-operation of the national banks, these notes were distributed in every part of the northern and some parts of the southern States, and placed within the reach of every person desiring to invest in them. No loan ever offered in the United States, notwithstanding the large amount of government securities previously taken by the people, was so promptly subscribed for as this. Before the first of August the entire amount of \$530,000,000 had been taken, and the Secretary had the unexpected satisfaction of being able, with the receipts from customs

and internal revenue and a small increase of the temporary loan, to meet all the requisitions upon the treasury.

On two hundred and thirty millions of these notes the government has the option of paying the interest at the rate of six per cent. in coin, instead of seven and three-tenths in currency. The Secretary thought it advisable to reserve this option, because he indulged the hope that before their maturity specie payments would be restored, and because six per cent. in coin is as high a rate of interest as the government should pay on any of its obligations.

The receipts of coin have been for some months past so large that there have been constant accumulations beyond what has been required for the payment of the interest on the public debt. The Secretary has, therefore, deemed it to be his duty to sell, from time to time, a portion of the surplus for the purpose of supplying the wants of importers and furnishing the means for meeting the demands upon the treasury for currency. The sales have been conducted by the assistant treasurer in New York in a manner entirely satisfactory to the department and, it is believed, to the public. The sales, up to the first of November, amounted to \$27,993,216 11, and the premium to \$12,310,459 76; thus placing in the treasury for current use the sum of \$40,303,675 87, without which there would have been a necessity for the further issue of interest-bearing notes.

The necessities of the treasury have been such that a compliance with the requirements of the act of February 25, 1862, for the creation of a sinking fund has been impracticable. As long as it is necessary for the government to borrow money, and to put its obligations upon the market for sale, the purchase of these obligations for the purpose of creating a sinking fund would hardly be judicious. After the expiration of the present year the income of the government will exceed its expenses, and it will then be practicable to carry into effect the provisions of the law. The Secretary is, however, of the opinion that the safe and simple way of sinking the national debt is to apply directly to its payment the excess of receipts over expenditures. He therefore respectfully recommends that so much of the act of February 25, 1862, as requires the application of coin to the purchase or payment of one per cent. of the entire debt of the United States, to be set apart as a sinking fund, be repealed.

By virtue of the authority conferred by the fifth section of the act of March 3, 1863, the Treasurer of the United States and the assistant treasurer in New York have been instructed to receive deposits of coin and bullion, and to issue certificates therefor in denominations of not less than twenty dollars.

Instructions were given for the issue of these certificates to promote the convenience of officers of customs and of the Treasurer and assistant treasurers, and for the accommodation of the public. Other considerations also prompted the Secretary to avail himself of the authority referred to. It is expected that the credit of the government will be strengthened by the coin which will be thus brought into the treasury, and that the effect of the measure will be to facilitate to some extent a return to specie payments. If the experiment should be satisfactory in New York, it will be extended to other commercial cities.

For a full explanation of the condition of the mints and their operations during the past year, attention is requested to the report of the director of the mint at Philadelphia.

The total value of the bullion deposited at the mint and branches during the last fiscal year was \$32,248,754 97, of which \$31,065,349 74 was in gold and \$1,183,405 23 in silver. Deducting the redeposits, there remain the actual deposits, amounting to \$27,982,849 09.

The coinage for the year was, in gold coin, \$25,107,217 50; gold bars, \$5,578,482 45; silver coin, \$636,308; silver bars, \$313,910 69; cents, including the two and three-cent pieces, \$1,183,330; total coinage, \$32,819,248 64.

Of the bullion deposited, \$5,570,371 27 was received at the assay office in New York. Of the gold bars, \$4,947,809 21, and of silver bars, \$165,003 45, in value, were stamped at the same office.

At the branch mint in San Francisco the gold deposits were \$18,608,318 49, and the silver deposits and purchases \$540,299 20 in value. The value of the gold coined was \$18,570,840; of silver coined, \$320,800; and of silver bars, \$145,235 58; total coinage, \$19,144,875 58.

At the branch mint in Denver the total deposits were \$548,609 85, of which \$541,559 04 was in gold, and \$7,050 81 was in silver.

The survey of the coast, which is under the administrative direction of this department, has been for the past year prosecuted with vigor. Under special assignments most of the field assistants have co-operated with the naval and military forces of the government, and in that way important service was rendered quite up to the close of the war. Since the termination of hostilities the regular operations of the survey have been pushed forward as rapidly as the available means would permit.

The national importance of this work was clearly evinced during the war, and now seems to be generally appreciated. It is therefore recommended that the necessary appropriations be made for the efficient continuance of the work.

The attention of Congress is called to the report of the Solicitor of the Treasury, which exhibits the satisfactory results of the litigation under his supervision; and also the condition of the measures adopted by him and the officers of the customs for the suppression of frauds upon the revenue.

Attention is also specially called to so much of his report as relates to the administration of the fund appropriated to defray the expenses of detecting and bringing to punishment counterfeiters of the securities and coin of the United States. The measures which have been adopted have been attended with important results, and such as to indicate the wisdom of Congress in creating the fund, and the expediency of continuing appropriations. The Solicitor has been requested to cause a thorough revision of the laws relating to counterfeiting to be made, and a bill to be prepared for the consideration of Congress, with a view to remedying defects in existing statutes.

Operations under the several acts of Congress concerning commercial intercourse with the States declared to be in insurrection, the execution of which was

confided to this department, have been nearly brought to a close, partly by the restoration of peace, and partly by Executive proclamations. The provisions of those acts were carried out, as far as it was possible in the disturbed condition of the country, under the rules and regulations adopted by the department, with the approval of the Executive, not only without cost to the government, but in such manner as to add considerably to its revenues.

The regulations adopted in conformity with the requirements of the second section of the act of July 2, 1864, relative to abandoned lands, houses, and tenements, and freedmen, were, at the request of the military authorities, and from considerations of public policy, suspended by orders of August 11, 1864. Since then, from time to time, as it was ready to assume the charge of them, the duties appertaining to these subjects have been transferred to the Bureau of Refugees, Freedmen, and Abandoned Lands, according to the provisions of the act of Congress approved March 3, 1865.

By Executive orders, all operations under sections 8 and 9 of the act approved July 2, 1864, authorizing the purchase, by agents of this department, of the products of the insurrectionary districts, were closed, on the east of the Mississippi river, on the 13th of June last, and west of it on the 24th of the same month. The accounts of the different purchasing agents have not been settled, but it is thought that the net profits of the government, by these purchases, will amount to a million and a half dollars.

Since the suspension of purchases by the government the duties of the agents of this department have been confined to securing the property (chiefly cotton) captured by our military forces in pursuance of the acts of March 12, 1862, and July 2, 1864, relative to captured and abandoned property. Up to the 31st of March last there had been received at New York, Cincinnati, and St. Louis, the places designated for sale—including 38,313 bales obtained at Savannah, 4,151 bales at Charleston, and 2,331 at Mobile—about eighty thousand bales.

The general rule under which agents have been acting since the surrender of the forces which had been waging war against the government of the United States, is to collect and forward, as captured property, all cotton described upon the books and lists of the pretended confederate government, or which there was sufficient reason to believe was owned or controlled by it, and that which belonged to companies formed for the purpose of running the blockade, in support of, if not in direct co-operation with, the league which had been formed to overthrow the government of the United States, leaving individual claimants of the property to their recourse before the Court of Claims, as provided by the third section of the act approved March 12, 1863. In the performance of their duties, the agents have had great difficulties to encounter, from the unwillingness of the planters to surrender the captured property in their possession, from extensive depredations upon it after it was collected, and from powerful combinations formed to prevent, under various pretexts, the property fairly captured from coming into the possession of the United States. In spite of all these obstacles, however, it is estimated, from the accounts already received, and from data furnished by the agents, that there will be secured to

the government not less than one hundred and twenty-five thousand bales of cotton, including the eighty thousand bales already referred to. What part of the proceeds of this property will ultimately be retained by the government will depend upon the success of the claimants before Congress and the courts. In collecting this cotton, there have been doubtless some instances of injustice to individuals who may be entitled to the consideration of the government; but the Secretary believes that the cotton which has been taken by the agents was rightfully seized, and that no equitable claims for the return of any considerable portion of it or the proceeds thereof can be presented.

It may be proper to add, in this connexion, that many and grave charges of corruption and improper practices have been made against agents employed in this branch of the public service. These charges, however, have been mostly vague in their character, and after such investigation as the Secretary has been able to make, he has concluded that they have been generally instigated by malice or disappointed cupidity, and usually without substantial foundation.

A copy of the several rules and regulations alluded to, which have been put in force since the last session of Congress, is appended hereto as a part of this report.

The various public buildings under the control and management of the Treasury Department are in a favorable condition; and it is to be hoped that only limited appropriations will be necessary for the coming year. On account of the difficulty of providing accommodations for the State Department, it has not been deemed advisable to proceed with the construction of the north wing of the Treasury building during the present year. The granite for the extension has, however, been contracted for and is being prepared, so that during the next season the work can be vigorously prosecuted. The grounds between the Treasury Department and the Executive Mansion are being graded and arranged with as great a regard to convenience and beauty as is practicable, considering the unfavorable location of the edifice, and it cannot be doubted that the Treasury building, when fully completed, will compare favorably, in the simplicity, solidity and beauty of its architectural appearance and proportions, with any structure in this country or in Europe.

The southern custom-houses are reported to be in a damaged and dilapidated condition, and an officer of the department has been sent to inspect them, and report what expenditures are necessary to fit them for the transaction of the public business. The appropriations which will be necessary for the purpose of making the repairs needed will be duly indicated.

By the terms of the lease of the premises occupied as a custom-house in New York, the government had the right, by giving three months' previous notice, to purchase the same at the expiration of the lease for one million of dollars. As the property was regarded as being worth a much larger amount, and was needed for custom-house purposes, it was thought advisable that the government should avail itself of the right to purchase. The property was therefore purchased for the sum named, and conveyed by proper deed to the United States.

The attention of Congress is earnestly called to the necessity of providing

for the more adequate compensation of some of the officers connected with the Treasury Department. The salaries of those who are required to furnish bonds with heavy penalties; and who are custodians of large amounts of money, and of others occupying very important positions, are altogether inadequate to the responsibilities which they incur and the services which they render.

For example, the Treasurer, who received and disbursed last year about four thousand millions of dollars, is paid a salary of five thousand dollars per annum. The assistant treasurer in New York, who has in his custody from twenty to forty millions of dollars in coin, and frequently as large an amount in currency, receiving and paying out in the course of the year more than two thousand millions of dollars, receives six thousand dollars. The assistant treasurer in San Francisco receives forty-five hundred dollars in currency, which is an entirely inadequate salary in that State for an officer of character and ability, holding a position of so great responsibility. The Commissioner of Internal Revenue, holding an office which requires in its administration as much executive ability, and as high an order of talent, as any connected with the Treasury Department, receives only four thousand dollars; the Deputy Commissioner twenty-five hundred dollars. The custody of the vast amounts of government securities printed and issued from the Treasury Department is imposed upon the chief of the First Division of the Currency Bureau, who receives an annual compensation of only three thousand dollars. The Comptrollers of the Treasury, whose functions are of supreme importance in the safe transaction of the business of the department, receive salaries which are no just compensation for that business ability and those legal attainments which are indispensable in the places they occupy. Many other officers might also be named whose compensation is entirely inadequate to their talent and services.

The Secretary is aware of the necessity of economy in the expenditure of the public moneys at the present time; but the government, in order to secure the services of competent and faithful officers, must pay salaries equal to those which are paid by private corporations and individuals; and if such salaries are not paid, the result will inevitably be highly injurious to the public service, because incompetent, unfaithful, and irresponsible men will be allowed to fill offices requiring the highest capacity and most reliable integrity.

The duties devolved upon the officers named are too important to be intrusted to persons less able and reliable than those who now hold them; and it is very questionable if the services of such men can be retained, without an increase of compensation. Expensive as living is in Washington and the other cities named at present, and is likely to be for some time to come, there is scarcely one of these officers who can support his family in a manner corresponding to his position, or even comfortably, on the salary which he receives.

It is not asked that there shall be an indiscriminate raising of salaries, but that provision be made for the payment of such salaries as may be necessary to secure the permanent services of the right men in the most important positions in this department. Unless this shall be done, the department will labor under

serious embarrassment in the transaction of its vast business during the coming year.

In this connexion the Secretary desires to advert to the disposition that has been made by the appropriation of the last Congress of the two hundred and fifty thousand dollars for compensation to temporary clerks and additional compensation to those permanently employed. Congress having declined to make any general and indiscriminate increase of the salaries of clerks, it was inferred that it was intended that such portion of the appropriation in question as might not be required to pay salaries of temporary clerks should be used carefully in increasing the compensation of those who were performing difficult and important duties, and whose services could not be dispensed with without injury to the government. Upon making the examination necessary to a proper decision as to the use to be made of the fund, it was ascertained that there was no lack of clerks in the lower grades, but that there was a scarcity of those of the higher grades competent to perform important and responsible duties. It appeared that many clerks receiving the highest salary allowed by law had resigned because they could obtain greater compensation elsewhere. The Treasurer's office had suffered largely in this manner, many of his most valuable clerks having left to accept situations in banks and commercial establishments where they could obtain permanent employment and higher pay. There were indications, also, that many others would do the same unless additional compensation should be made to them. Under these circumstances it was decided to use part of the fund in slightly increasing the salaries of clerks of this description until the intention of Congress in relation to its disposition should be more clearly indicated. The amount of the fund already expended in this way is about twenty-five thousand dollars. If the disposition which has been thus made of it is not in accordance with the intention of Congress, it is, of course, competent for them to provide a different expenditure of it. The Secretary, however, deems it to be his duty to say that the interests of the service imperatively require that the salaries of clerks who are acting as heads of divisions, or are employed in duties requiring in their performance a high order of ability, as well as the salaries of the officers referred to, should be considerably increased. It would doubtless be a true economy to diminish the number of clerks, and to increase the compensation of those who may be retained.

For information in regard to the condition and operations of the various bureaus of this department, reference is made to the accompanying reports of the proper officers, all of whom, with the Assistant Secretaries, merit the thanks of the country for the efficient manner in which they are discharging their onerous and responsible duties.

HUGH McCULLOCH,

Secretary of the Treasury.

HON. SCHUYLER COLFAX,

Speaker of the House of Representatives.

No. 1.

Receipts and expenditures for the fiscal year ending June 30, 1865.

The receipts into the treasury were as follows:

From customs, viz:	
During the quarter ending September 30, 1864.....	\$19,271,091 96
During the quarter ending December 31, 1864.....	15,123,928 78
During the quarter ending March 31, 1865.....	20,518,852 54
During the quarter ending June 30, 1865.....	30,014,387 32
	\$84,928,260 60
From sales of public lands, viz:	
During the quarter ending September 30, 1864.....	342,185 84
During the quarter ending December 31, 1864.....	287,835 26
During the quarter ending March 31, 1865.....	162,010 47
During the quarter ending June 30, 1865.....	204,521 74
	996,553 31
From direct tax, viz:	
During the quarter ending September 30, 1864.....	16,079 86
During the quarter ending December 31, 1864.....	843,380 34
During the quarter ending March 31, 1865.....	52,714 81
During the quarter ending June 30, 1865.....	288,398 02
	1,200,573 03
From internal revenue, viz:	
During the quarter ending September 30, 1864.....	46,562,859 92
During the quarter ending December 31, 1864.....	55,129,731 76
During the quarter ending March 31, 1865.....	65,262,803 28
During the quarter ending June 30, 1865.....	42,508,820 29
	209,464,215 25
From miscellaneous and incidental sources, viz:	
During the quarter ending September 30, 1864.....	9,020,171 44
During the quarter ending December 31, 1864.....	9,295,852 44
During the quarter ending March 31, 1865.....	4,159,223 73
During the quarter ending June 30, 1865.....	10,503,036 86
	32,978,284 47
Total receipts, exclusive of loans.....	329,567,886 66
From loans, viz:	
From 6 per cent. 20-year bonds, under act of July 17, 1861.....	108,573,534 55
From United States notes, under act of February 25, 1862.....	4,159,830 00
From 5-20-year bonds, under act of February 25, 1862.....	252,637 15
From temporary loans, under acts of February 25 and March 17, 1862.....	131,438,072 86
From certificates of indebtedness, under acts of March 1 and 17, 1862.....	130,975,200 63
From fractional currency, under act of March 3, 1863.....	14,614,563 15
From 6 per cent. 1881 bonds, under act of March 3, 1863.....	32,175,805 23
From 6 per cent. compound interest notes, under acts of March 3, 1863, and June 30, 1864.....	180,214,140 00
From 10-40-year bonds, under act of March 3, 1864.....	92,538,400 01
From 7-3-10 three-year treasury notes, under acts of June 30, 1864, and March 3, 1865.....	675,556,297 02
From 6 per cent. 5-20-year bonds, under act of June 30, 1864.....	91,706,250 25
	1,472,224,740 85
Total receipts.....	1,801,792,627 51
Balance in treasury on July 1, 1864.....	96,739,605 73
Total means.....	1,898,532,233 24

The expenditures for the year were as follows:

For civil, foreign intercourse, and miscellaneous.....	44,765,558 12
For pensions and Indians.....	14,258,575 38
For war.....	1,631,323,360 79
For navy.....	122,567,776 12
For interest on the public debt, including treasury notes.....	77,397,712 00
	1,290,312,982 41
For redemption of stock, loan of 1842.....	1,400 00
For redemption of Texas indemnity stock, under act of September 9, 1850.....	1,631,889 38
For reimbursement of treasury notes, acts prior to December 23, 1857.....	400 00
For payment of treasury notes, under act of December 23, 1857.....	1,100 00
For payment of treasury notes, under act of March 2, 1861.....	43,550 09
For redemption of United States notes, under act of July 17, 1861.....	370,599 09
For redemption of United States notes, under act of February 25, 1862.....	4,335,133 47
For redemption of 7-3-10 three-year coupon treasury notes, under act of July 17, 1861.....	138,411,050 00

For redemption of postage and other stamps, under act of July 17, 1862.....	\$4,739,387 34
For redemption of temporary loans, under acts of February 25 and March 17, 1862.....	118,488,838 19
For redemption of certificates of indebtedness, under acts of March 1 and 17, 1862.....	174,837,000 00
For redemption of fractional currency, under act of March 3, 1863.....	6,676,364 30
For redemption of one-year 5 per cent. treasury notes, under act of March 3, 1863.....	38,473,320 00
For redemption of two-year 5 per cent. treasury notes, under act of March 3, 1863.....	113,957,250 00
For redemption of three-year 6 per cent. compound interest treasury notes, under acts of March 3, 1861, and June 30, 1864.....	1,458,050 00
For redemption of three-year 7-3-10 treasury notes, under act of June 30, 1864.....	3,945,000 00
	\$900,977,160 83
Total expenditures.....	1,897,674,224 09
Balance in treasury July 1, 1865.....	858,309 15

No. 2.

Receipts and expenditures, as estimated for the year ending June 30, 1867.

RECEIPTS.

From customs.....	\$100,000,000 00
From internal duties.....	275,000,000 00
From lands.....	1,000,000 00
From miscellaneous sources.....	20,000,000 00
	\$396,000,000 00

EXPENDITURES.

For the civil service.....	42,165,599 47
For pensions and Indians.....	17,620,610 23
For War Department.....	39,017,416 18
For Navy Department.....	43,982,457 50
For interest on the public debt.....	141,542,008 50
	284,317,181 88
Leaving a surplus of estimated receipts over estimated expenditures of.....	111,682,818 12

No. 3.

Statement of duties, revenues, and public expenditures during the fiscal year ending June 30, 1865, agreeably to warrants issued, exclusive of trust funds.

The receipts into the treasury were as follows:

From customs, viz:	
During the quarter ending September 30, 1864.....	\$19,271,091 96
During the quarter ending December 31, 1864.....	15,123,928 78
During the quarter ending March 31, 1865.....	20,518,852 54
During the quarter ending June 30, 1865.....	30,014,387 32
	\$84,928,260 60
From sales of public lands, viz:	
During the quarter ending September 30, 1864.....	342,185 84
During the quarter ending December 31, 1864.....	287,835 26
During the quarter ending March 31, 1865.....	162,010 47
During the quarter ending June 30, 1865.....	204,521 74
	996,553 31
From direct tax, viz:	
During the quarter ending September 30, 1864.....	16,079 86
During the quarter ending December 31, 1864.....	843,380 34
During the quarter ending March 31, 1865.....	52,714 81
During the quarter ending June 30, 1865.....	288,398 02
	1,200,573 03
From internal revenue, viz:	
During the quarter ending September 30, 1864.....	46,562,859 92
During the quarter ending December 31, 1864.....	55,129,731 76
During the quarter ending March 31, 1865.....	65,262,803 28
During the quarter ending June 30, 1865.....	42,508,820 29
	209,464,215 25

From miscellaneous and incidental sources, viz:

During the quarter ending September 30, 1864	\$9,020,171 44
During the quarter ending December 31, 1864	9,295,832 44
During the quarter ending March 31, 1865	4,159,223 73
During the quarter ending June 30, 1865	10,503,036 86
	\$32,978,264 47

Total receipts, exclusive of loans 329,567,886 06

Receipts from loans, viz:

From 6 per cent. 20-year bonds, per act July 17, 1861	108,573,524 55
From United States notes, per act February 25, 1862	4,159,830 00
From 5-20-year bonds, per act February 25, 1862	332,657 15
From temporary loans, per acts February 25 and March 17, 1862	131,438,072 86
From certificates of indebtedness, per acts March 1 and 17, 1862	130,975,200 63
From fractional currency, per act March 3, 1863	14,614,563 15
From 6 per cent. 1881 bonds, per act March 3, 1863	32,175,805 23
From 6 per cent. compound interest notes, per acts March 3, 1863, and June 30, 1864	180,214,140 00
From 10-40-year bonds, per act March 3, 1864	99,558,400 01
From 7-3-10 three-year treasury notes, per acts June 30, 1864, and March 3, 1865	675,556,297 02
From 5-20-year 6 per cent. bonds, per act June 30, 1864	94,706,250 25
	1,472,224,740 85

Total receipts 1,801,792,627 51

Balance in the treasury on July 1, 1864 96,739,905 73

Total means 1,898,532,533 24

The expenditures for the year were as follows:

CIVIL.

For Congress, including books	\$3,585,171 86
For executive	4,923,328 02
For judiciary	1,612,562 36
For government in Territories	260,469 44
For assistant treasurers and their clerks	140,820 50
For officers of the mint and branches, and assay office at New York	91,714 88
For supervising and local inspectors, &c	72,462 44
For surveyors general and their clerks	77,475 37

Total civil list \$10,833,944 87

FOREIGN INTERCOURSE.

For salaries of ministers, &c	295,378 36
For salaries of secretaries and assistant secretaries of legation	35,458 82
For salaries of consuls general, &c, including loss by exchange	406,381 62
For salaries of secretaries of legation to China, Japan, and Turkey, as interpreters	1,181 39
For salaries of interpreters to the consulates in China and Japan	1,810 56
For interpreters, guards, and other expenses of consulates in the Turkish dominions	1,749 49
For contingent expenses of all missions abroad	55,474 85
For contingent expenses of foreign intercourse	136,722 61
For office rent for consuls not allowed to trade	32,545 59
For purchase of blank books, stationery, &c, for consuls	54,320 59
For salaries of marshals of consular courts in Japan, China, &c	5,471 58
For relief and protection of American seamen	125,476 00
For bringing home from foreign countries persons charged with crime	865 49
For expenses of acknowledging the services of masters and crews of foreign vessels in rescuing American citizens from shipwreck	5,178 30
For prosecution of work, including pay of commissioner, per first article of freetrade treaty with Great Britain	8,000 00
For rent of prisons for American convicts in Japan, China, Siam, and Turkey	8,220 80
To carry into effect convention between the United States and the republic of Peru of January 12, 1863, for settlement of claims	500 00
For defraying expenses consequent upon carrying into effect the act of Congress relating to "habeas corpus," and regulating judicial proceedings in certain cases	2,650 00
For an act to encourage immigration	13,000 00
For expenses incident to an act to carry into effect a treaty for the settlement of claims of the Hudson Bay and Puget Sound Agricultural Companies	7,570 00
For expenses incident to an act to carry into effect convention with Ecuador for the adjustment of claims	267 50
For the payment of the first annual instalment towards capitalization of the Scheldt dues	55,584 00
For consular receipts	7,001 53

Total foreign intercourse 1,260,818 08

MISCELLANEOUS.

For mint establishment	\$746,313 93
For contingent expenses under the act for safe-keeping the public revenue	160,450 23
For compensation to persons designated to receive and keep the public money	7,835 30
For compensation to special agents to examine books, &c, in the several depositories	5,128 75
For building vaults as additional security to the public funds in sixty-six depositories	34,135 19
For compensation to receiver at Santa Fé, acting as depository	2,000 00
For salary of clerk, watchman, and porter in office of depository at Santa Fé	2,484 02
For survey of the Atlantic and Gulf coasts of the United States	201,900 00
For survey of the western coast of the United States	127,500 00
For survey of the Florida reefs and keys	6,000 00
For publishing the observations of the survey of the coasts of the United States	3,000 00
For repairs of steamers used in the coast survey	4,600 00
For pay and rations of engineers for seven steamers used in the coast survey	8,600 00
For running a line to connect the triangulation on the Atlantic coast with that on the Gulf of Mexico, across the peninsula of Florida	5,000 00
For the services of the California central route	250,000 00
For facilitating communication between the Atlantic and Pacific States by electric telegraph	39,917 65
For collection of agricultural statistics	20,000 00
For payment for horses and other property lost or destroyed in the military service of the United States	754,380 32
For expenses of the Smithsonian Institution	30,910 14
For the continuation of the Treasury building	485,240 85
For constructing fire-proof vaults and file-cases for the collector and assistant treasurer at New York	3,570 55
For building vaults and fitting up offices in the custom-house at Philadelphia, for receipt and custody of such public money as may be deposited therein	50,000 00
For building post offices, court-houses, &c, including purchase of sites	68,758 83
For expenses incident to the issue and disposal of \$300,000,000 United States bonds	68,825 90
For compensation to prize commissioners, and other expenses connected therewith	300 00
For salaries of commissioners in insurrectionary districts in the United States	53,782 45
For contingent expenses of commissioners of direct taxes in insurrectionary districts in the United States	8,096 22
For Department of Agriculture	86,304 05
For expenses incident to carrying into effect national loans	6,588,641 81
For expenses incident to an act to provide a national currency	50,822 72
For expenses of engraving, printing, preparing, and issuing United States treasury notes, fractional notes, and bonds	14,522 03
For detection and bringing to trial persons engaged in counterfeiting coin, &c	46,595 59
For plates, paper, special dies, and the printing of circulating notes, and expenses necessarily incurred in procuring said notes, including miscellaneous items	441,230 00
For allowance or drawback on articles on which internal duty or tax has been paid	679,428 51
For lighting and ventilating the Treasury building	715 11
For constructing bridges and market-house in Georgetown	13,000 00
To pay taxes on lands owned by the United States	3,749 67
For payment of messengers of the respective States for conveying to the seat of government the votes of electors of said States for President and Vice-President of the United States	19,401 00
For a gold medal for Major General Grant	2,843 00
For a gold medal for Cornelius Vanderbilt	3,000 00
For expenses of collecting the revenue from customs	5,437,490 48
For repayment to importers of excess of deposits from unascertained duties	2,283,313 97
For debentures or drawbacks, bounties, or allowances	908,815 77
For refunding duties under the act extending the warehouse system	2,425 85
For debentures and other charges	21,638 54
For salaries of special examiners of drugs	5,748 18
For additional compensation to collectors, naval officers, &c	246,134 81
For support and maintenance of light-houses, &c	409,836 99
For building light-houses, &c, for beacons, buoys, &c	408,989 97
For light-boats, compensation of keepers of stations, &c	359,471 86
For marine hospital establishment	348,472 82
For building marine hospitals, including repairs, &c	6,172 71
For building custom-houses, including repairs, &c	1,069,302 18
For annual repairs of marine hospitals and custom-houses	17,831 75
For unclaimed merchandise	1,933 48
For proceeds of sale of goods, wares, &c	402 07
For purchase of steam or sailing revenue cutters	293,187 12
For purchase of products of States in insurrection	2,462,653 29

For rents of offices for surveyors general.....	\$13,149 70
For repayment of lands erroneously sold.....	9,117 89
For indemnity for swamp lands sold to individuals.....	216,186 33
For surveys of public lands.....	62,780 72
For surveys of public lands and private land claims in California, &c.....	28,084 15
For services of special counsel, &c., in defending the title to public property in California.....	4,200 00
For suppression of the slave trade.....	48,074 17
For expenses of taking the eighth census.....	28,979 02
For salaries and other expenses of the Metropolitan Police.....	116,680 88
For repairs, &c., for the President's House.....	12,000 00
For rebuilding the President's stable.....	2,000 00
For lighting the President's House, the Capitol &c., with gas.....	63,500 00
For fuel for the President's House.....	2,400 00
For alterations and repairs of buildings in Washington, improvement of grounds, &c.....	450,402 58
For compensation of public gardener, gate-keepers, laborers, watchmen, &c.....	23,857 55
For penitentiary in the District of Columbia.....	1,981 89
For Columbia Institute for Deaf, Dumb, and Blind in the District of Columbia.....	40,825 00
For completing the Washington aqueduct.....	144,612 67
For Potomac and Eastern Branch bridges, compensation of draw-keepers, &c.....	1,253 00
For support of transient paupers in the District of Columbia.....	6,000 00
For coal for the library of Congress.....	503 85
For expense of packing and distributing congressional journals and documents.....	6,000 00
For purchase of libraries for the Territories of Colorado, Dakota, and Nevada.....	6,275 27
For patent fund.....	259,217 88
For Patent Office building.....	63,800 00
For support of insane paupers of the District of Columbia, and army and navy of the United States.....	48,000 00
For preservation of collections of the exploring expedition.....	2,000 00
For drawings to illustrate the report of the Commissioner of Patents.....	6,000 00
For purchase of United States Statutes.....	2,765 00
For roads and canals, State of Michigan.....	9,445 44
For relief of the State of Wisconsin.....	225,276 83
For the relief of sundry individuals.....	70,930 35
For deposits by individuals for expenses of surveys of public lands.....	13,131 75
For compiling and supervising the Biennial Register.....	500 00
For purchase of gold coin, act of March 17, 1862, 1st section.....	5,072,900 11
	32,673,545 69
From which deduct repayments on account of appropriations under which there were no expenditures during the year.....	2,750 52
Total miscellaneous.....	\$32,670,795 17

UNDER THE DIRECTION OF THE INTERIOR DEPARTMENT

For the Indian department.....	3,802,393 00
For pensions, military.....	9,139,167 36
For pensions, naval.....	152,443 12
For relief of sundry individuals, including payments on account of depredations by Indians.....	1,164,571 30
Total Interior Department.....	14,258,573 38

UNDER THE DIRECTION OF THE WAR DEPARTMENT.

For the Pay department.....	331,573,554 62
For the Adjutant General.....	118,686 33
For the Surgeon General.....	19,584,634 38
For the Commissary General.....	147,085,231 32
For the Provost Marshal General.....	10,676,267 27
For the Quartermaster's department.....	446,585,474 54
For the Ordnance department.....	46,774,854 23
For the Engineers' department.....	6,183,587 15
For the Secretary's office, (army expenditures).....	2,733,823 96
Relief of sundry individuals.....	7,246 09
Total War Department.....	1,031,323,360 79

UNDER THE DIRECTION OF THE NAVY DEPARTMENT.

For pay of the navy.....	27,500,997 92
For prize money to captors.....	5,740,909 21
For miscellaneous.....	283,539 50
For provisions and clothing.....	10,588,882 75
For construction and repair.....	34,411,258 30
For ordnance.....	7,199,135 05
For equipment and recruiting.....	15,475,440 23
For yards and docks.....	4,046,706 07

For medicine and surgery.....	\$474,504 01
For marine corps.....	1,782,539 61
For navigation.....	566,729 47
For steam engineering.....	14,464,997 48
For relief of sundry individuals.....	52,116 52
Total Navy Department.....	\$123,567,776 12
To which add—	
For interest on the public debt, including treasury notes.....	77,397,712 00
Total expenditures, exclusive of principal of the public debt.....	1,290,312,982 41

PRINCIPAL OF THE PUBLIC DEBT.

For redemption of stock, loan of 1842.....	1,400 00
For redemption of Texan indemnity stock, act of September 9, 1850.....	1,631,889 38
For reimbursement of treasury notes, per acts prior to December 23, 1857.....	400 00
For payment of treasury notes, act December 23, 1857.....	1,100 00
For payment of treasury notes, act March 2, 1861.....	43,550 00
For redemption of United States notes, act July 17, 1861.....	370,599 00
For redemption of 7-3-10 3-year coupon bonds, act July 17, 1861.....	138,411,050 00
For redemption of postage and other stamps, act July 17, 1862.....	4,739,387 34
For redemption of United States notes, act of February 25, 1862.....	4,335,133 47
For redemption of temporary loans, acts of February 25 and March 17, 1862.....	118,488,838 19
For redemption of certificates of indebtedness, acts March 1 and 17, 1862.....	174,837,000 00
For redemption of fractional currency, act March 3, 1863.....	6,676,364 20
For redemption of 1-year 5 per cent. treasury notes, act March 3, 1863.....	38,473,320 00
For redemption of 2-year 5 per cent. treasury notes, act March 3, 1863.....	113,937,250 00
For redemption of 3-year 6 per cent. compound interest treasury notes, acts March 3, 1863, and June 30, 1864.....	1,458,060 00
For redemption of 3-year 7-3-10 coupon treasury notes, act June 30, 1864.....	3,945,900 00
Total principal of the public debt.....	607,361,241 68
Total expenditures.....	1,897,674,234 09
Balance in the treasury July 1, 1865.....	858,309 15

TREASURY DEPARTMENT, Register's Office, November 24, 1865.

S. B. COLBY, Register.

Statement of the receipts and expenditures of the United States for the quarter ending September 30, 1865, exclusive of trust funds.

RECEIPTS.	
From customs.....	\$47,009,583 03
From sales of public lands.....	132,890 63
From direct tax.....	31,111 30
From internal revenue.....	96,618,885 63
From incidental and miscellaneous sources.....	18,393,729 94
Total receipts, exclusive of loans.....	162,186,200 53
From loans:	
From 6 per cent. 20-year bonds, per act July 17, 1861.....	\$10,000 00
From United States notes, per act February 25, 1862.....	2,322,615 00
From temporary loans, per acts February 25 and March 17, 1862.....	50,015,576 12
From certificates of indebtedness, per acts March 1 and 17, 1862.....	26,054,799 37
From fractional currency, per act March 3, 1863.....	4,950,163 75
From 6 per cent. 1861 bonds, per act March 3, 1863.....	149,370 00
From 10-40-year bonds, per act March 3, 1864.....	5 00
From 6 per cent. compound interest notes, per acts March 3, 1863, and June 30, 1864.....	26,400,000 00
From 5-20-year bonds, (6 per cent.) per act June 30, 1864.....	9,211,000 00
From 7-10 3-year treasury notes, per acts June 30, 1864, and March 3, 1865.....	158,068,731 33
	277,182,260 57
	439,368,461 12
EXPENDITURES.	
Civil, foreign intercourse, and miscellaneous.....	\$10,571,460 59
Interior, (pensions and Indians).....	6,024,241 86
War.....	165,369,237 32
Navy.....	16,520,669 81
Interest on the public debt, including treasury notes.....	36,173,481 59
Total expenditures, exclusive of principal of public debt.....	234,659,091 48
Principal of public debt:	
Reimbursements of treasury notes, issued prior to December 23, 1857.....	\$200 00
Payment of treasury notes, per act of March 2, 1861.....	1,203 00
Redemption of Texan indemnity stock, per act September 9, 1850.....	94,000 00
Redemption of United States notes, per act July 17, 1861.....	80,533 25
Redemption of 7-10 3-year coupon bonds, per act July 17, 1861.....	85,150 00
Redemption of stock loan of 1842.....	10,100 00
Reimbursement temporary loan, per acts February 25 and March 17, 1862.....	33,677,413 29
Redemption certificates of indebtedness, per acts March 1 and 17, 1862.....	80,044,000 00
Redemption United States notes, per act February 25, 1862.....	6,365,700 00
Redemption postage and other stamps, per act July 17, 1862.....	1,003,257 02
Redemption fractional currency, per act March 3, 1863.....	2,897,989 79
Redemption 5 per cent. 2-year treasury notes, per act March 3, 1863.....	5,000,000 00
Redemption 5 per cent. 1-year treasury notes, per act March 3, 1863.....	7,000,000 00
Redemption 3-year 6 per cent. compound interest notes, per act March 3, 1863.....	2,149,629 00
	138,409,163 35
	373,068,254 83

TREASURY DEPARTMENT, Register's Office, November 24, 1865.

S. B. COLBY, Register.

No. 6.

Paper money circulation and domestic exports.

TREASURY DEPARTMENT, November 29, 1865.

An unprecedented increase in the quantity of breadstuffs and provisions exported from the loyal States to foreign countries in the fiscal years 1861, '62, '63 and '64, concurring with a vast increase in the amount of currency in circulation, and a consequent enhancement of the premium upon foreign bills of exchange, as measured by the currency, has been taken to prove that the increase of these exports is due to the excess of paper money in use, or to the high currency price of foreign bills corresponding to its rate of depreciation in gold value.

The history of our domestic exports and bank issues during thirty-five years preceding the outbreak of the rebellion affords no evidence that high prices at home, or an over-abundance of paper money, whether redeemable or irredeemable, ever had the effect of stimulating exportation. The official tables of domestic exports show a seeming concurrence of the kind in the years 1854, '55, '56 and '57, but other causes are readily found for the very considerable growth of our foreign commerce in this period, showing that it had no dependence upon the accompanying increase of paper money circulation.

For the purpose of presenting the facts as they bear upon this question, our export trade in domestic products with the contemporaneous movements in bank circulation are here given in groups of years, which most clearly exhibit their respective fluctuations. In this statement the exports of breadstuffs and provisions, those of cotton wool, all other than these, and the totals, exclusive of specie, are distinguished. The bank circulation of each period is stated in its average amount *per capita*, for the purpose of showing its relative supply, as well as this method of measuring the business requirements of the time can do; and the percentage of increase and decrease serves for a readier apprehension of the movements in the several divisions of commerce here adopted, and in the paper money circulation of the same periods.

Statement showing the fluctuations of bank note circulation in the United States, the exports of domestic produce, exclusive of specie, and the rates per cent. of increase and decrease in each, in periods, from the year 1825 to 1860.

GROUPS OF YEARS.	Average domestic exports, per annum, (exclusive of specie,) in millions of dollars.						Average circulation per capita.	Per cent. increase or decrease.
	Breadstuffs and provisions.	Per cent. increase or decrease.	Cotton.	Per cent. increase or decrease.	All other exports.	Per cent. increase or decrease.		
1825-'32, 8 years.....	12.9	.....	28.4	.....	16.4	.....	\$4.74	.....
1833-'36, 4 years.....	12.1	- 6.0	55.5	+ 95.0	21.8	+ 33.0	89.4	+ 53.0
1837-'38, 2 years.....	2.6	- 20.0	62.4	+ 12.0	22.9	+ 5.0	94.9	+ 6.0
1839-'45, 7 years.....	16.2	+ 68.0	54.6	- 12.0	17.0	- 26.0	87.8	- 7.0
1846-'47, 2 years.....	48.2	+ 300.0	42.6	- 21.0	35.3	+ 108.0	126.1	+ 43.0
1848-'53, 6 years.....	33.4	- 37.0	83.0	+ 100.0	36.1	+ 2.0	151.5	+ 20.0
1854-'57, 4 years.....	64.1	+ 111.0	110.4	+ 30.0	63.7	+ 76.4	238.3	+ 57.3
1858-'60, 3 years.....	41.7	- 43.5	161.5	+ 46.3	75.8	+ 18.0	282.0	+ 18.3

Exports of breadstuffs and provisions in connexion with the supply of bank currency.

During the eight years 1825-'32 the bank circulation never exceeded sixty-one millions, or an average *per capita* of the total population of \$4 74, and the average export of breadstuffs and provisions was twelve and nine-tenths millions of dollars. In the next four years (1833-'36) the circulation rose to \$7 10, an increase of 49 per cent.; but these exports fell to twelve and one-tenth millions, a decline of 6½ per cent. In the years 1837-'38 the circulation varied from \$9 46 to \$7 20, averaging \$8 35, an increase of 76 per cent. upon the first-mentioned period; yet these exports fell to nine and six-tenths millions, a decrease of above 25 per cent. The average exports of the next following seven years (1839-'45) were sixteen and two-tenths millions, an increase of 68 per cent. over the immediately preceding period; but the circulation averaged only \$5 16 *per capita*, a decrease of 38 per cent.

In the years 1846-'47 our exports of breadstuffs and provisions, under the great demand occasioned by the scarcity in Europe, which commenced in 1846 and amounted to a famine in Ireland in 1847, rose to forty-eight and two-tenths millions, or quite 200 per cent. above those of the next previous period, although the circulation declined 1 per cent.; and the next six years (1848-'53) show a decline of 37 per cent. in these exports, with an increase of 5 per cent. in the circulation.

The four fiscal years 1854-'57 present the first and last concurrence of an excessive currency and enhanced exports of food in any period previous to the rebellion, the former rising nearly 37 per cent. and the latter 111 per cent. upon the average of the preceding six years. But it must be recollected here that the Crimean war actually commenced in March, 1854, with preparation made in the preceding winter, and ended in April, 1856. France, England, Sardinia, Turkey, and Russia were all involved in it, which sufficiently accounts for the very considerable enhancement of all branches of our foreign commerce, except in cotton, the regular increase in which was naturally checked during the period. In 1857 these exports fell off about three millions, but were still at twenty-five millions, or 50 per cent. above those of the next following year, and during this year our chief customer had a war in Persia, another in China, and the great mutiny in India upon her hands. All this very well accounts for an increase of thirty-four millions a year in our provision exports over the undisturbed previous period from 1848 to 1853. In September, 1857, a general bank suspension showed that the circulation had been during four years in excess of legitimate business requirements, standing in the first three at full 40 per cent. above the safe average *per capita*, and rising to 43 per cent. nearly in the year of the explosion.

In the three years 1858-'60 the prices of American breadstuffs and provisions fell in the English market 33 per cent. below those of 1854-'57, and our exports declined 43½ per cent., although the currency was still at least 17 per cent. *per capita* above the safe supply, and tending again, as shown by its still further increase of about 3 per cent. more on the 1st of January, 1861, to an early revolution, if the rebellion had not brought with it a release of the banks from the obligation to redeem their notes in any better currency.

It will be noticed that from 1839 to 1853, inclusive, the average circulation did not vary more than 26 cents *per capita*, standing very uniformly through these fifteen years at about \$5 20. Now, in this period our domestic exports, exclusive of specie and cotton, rose from forty and four-tenths to eighty and four-tenths millions, or 100 per cent., while in the seven years, 1854 to 1860, when the circulation ranged near two hundred millions, and full 30 per cent. *per capita* above the average of the fifteen preceding years, the same kinds of

exports rose only from one hundred and twenty-one and a half to one hundred and twenty-four and a half millions, or 2½ per cent. Moreover, the exports of food included in these amounts fell from near sixty-six millions in 1854, the first year of the Crimean war, to forty-five and a quarter millions in 1860. It is true that cotton rose in the same time from ninety-three and a half to one hundred and sixty-two millions, swelling the total exports materially; but it will not be claimed that the state of the currency is to be credited with this result. A common cause could not have operated so unequally upon these different branches of our commerce, and the inquiry may be settled, after a fair examination of all the facts, in the clear conclusion that in all the fluctuations of our foreign commerce and bank circulation, occurring in thirty-five years before the rebellion, no fact sustains the notion that an excessive or depreciated currency favors exportation. The real causes of extraordinary increase in the exports we have found in an increased demand in the foreign markets, occasioned either by failures of their own crops or the increased demand of their wars, helped sometimes by the decline of prices arising from our own superabundance of agricultural products.

During the period of the rebellion our exports have been reported in irredeemable-currency prices. Any calculation made upon the figures in which the values are expressed, and any efforts made to ascertain the concurrent quantities of paper money in active circulation at the several stages of change in the produce movements, would be at once very difficult and unreliable; still, we have command of such data as may throw some light upon the question with which we are here concerned.

In the fiscal years 1862, '63, and '64 the exports of cotton have no proper bearing upon this inquiry. The leading manufactures, which, from their variety of kinds, have no common measure but their aggregate value, stood very evenly at thirty-five millions in each of the three years, the currency prices of 1863 and 1864 being reduced to the gold standard. In the years 1858, '59, '60, and '61 they averaged forty-one millions—so there was no increase in the quantity of these exports, but a falling off of about 15 per cent.

In the three years 1858, '59, and '60 all exports, other than specie, cotton, and breadstuffs and provisions, ranged from sixty-nine to seventy-nine millions in the year, averaging seventy-five and eight-tenths millions. In 1862, '63, and '64 they varied from sixty-one to seventy-two millions, giving an average of sixty-five and a half millions a year, the currency prices of 1863 and 1864 being, as before, reduced to the gold standard. Here again there is no increase of quantity, measured by values, but a decrease of over 13 per cent. These points settled, our question is cleared of its disturbing elements. The inquiry is now limited to the exports of breadstuffs and provisions, and the supposed effect of an enormously inflated currency upon them. We will take of these wheat and wheat flour, and hams and bacon, as the chief and the fair representatives of the whole.

In the fiscal years 1854, '55, '56, and '57 the exports of wheat, in grain and flour, amounted to ninety-four millions of bushels, and of hams and bacon to one hundred and sixty-nine and three-quarters millions of pounds. In 1858, '59, and '60 the wheat export was fifty-eight and three-quarters millions bushels; the hams and bacon fifty-eight and three-quarters millions of pounds. In the four fiscal years 1861, '62, '63, and '64 our total exports of wheat and wheat flour, reduced to wheat, rose to 214,135,710 bushels—an increase of 128 per cent., or two and a quarter times the quantity exported in the European war period, 1854, '55, '56, and '57; and of hams and bacon, 520,607,108 pounds—an increase upon the same period of 206½ per cent., or more than three times the quantity. If the first three of these years be compared with 1858, '59, and '60—three years of ordinary causes of demand in Europe—the wheat export rises to two and three-quarter times, and the hams and bacon to nearly eight times.

Once before, in the Irish famine year, we increased our total exports of breadstuffs and provisions in a single year 148 per cent., or two and a half times their value in the next preceding year. And again, in 1854, we doubled them in one year, and sustained them at this proportion for four years together, under the demand created by European wars on the continent and in Asia. But these instances only serve to show our ability to answer any demand that the rest of the world is occasionally compelled to make upon us. They do not explain the immense consumption of American food in the years under consideration.

Without looking to other causes, the prices at which these commodities were sold in the foreign markets show reasons for a largely increased consumption there. Great Britain and Ireland in the five years 1860-'64 took 71½ per cent. of our total exports of wheat and flour, and 84 per cent. of the hams and bacon. The prices at which these were sold in the United Kingdom may therefore be taken to indicate the gold value of the whole export of the period to foreign countries.

In the following table we give the imports of wheat, and wheat flour in its equivalent in wheat, with the computed real value, and the prices of hams and bacon, imported from the United States, as they are found in the publications of the British Parliament:

Calendar years	Wheat.	Price per quarter.	PRICE PER CWT.	
			Hams.	Bacon.
	Cwt.	s. d.	s. d.	s. d.
1854, '55, '56, and '57.....	20,771,740	71 0	66 1	49 6
1858 and '59.....	5,213,689	47 8	57 9	46 9
1860.....	9,315,125	57 8	68 9	53 5
1861.....	15,610,422	55 2	47 0	48 2
1862.....	21,765,087	50 3	35 5	35 1
1863.....	11,880,179	43 9	33 2	26 11
1864.....	10,077,431	38 0		
1865, (8 months).....	907,224	37 3		

NOTE.—The wheat may be approximately rendered into bushels by multiplying the hundred-weights by two, and into quarters by dividing the same figures by four. The changes in the quantities of hams and bacon correspond sufficiently well with those of flour and wheat for our purpose. The prices of these for 1864 and 1865 cannot be obtained with precision, but they seem to have fallen nearly in the same ratio as wheat and flour.

Previous to the year 1860, whenever wheat fell to forty-one or forty-two shillings per quarter in England, our exports to the United Kingdom were merely nominal. In 1859, the price being so low as forty-three shillings and tenpence, our exports fell off to 861,000 bushels. In 1858 the price was forty-eight shillings, and our exports were nine and a half millions of bushels. The price has ranged from forty-one to seventy-one shillings in an interval of four years. Among all the leading commodities of commerce, scarcely one can be found so variant in price as wheat and wheat flour, and very few whose prices so greatly affect the consumption in Europe. There are twenty millions of people in Great Britain and Ireland whose necessary expenditures are so near their income, that they must economize closely when prices rule but little higher than the lowest rates. These people can easily increase their consumption of wheat thirty millions of bushels per annum, when its cost declines as much as the above statement shows, in the period of the prodigious increase of our exports, which supplied two-thirds of the excess of consumption of the four years 1861, '62, '63, and '64.

The prices of nineteen years of peace, from 1829 to 1847, give fifty-seven shillings and tenpence as their average. We may therefore take 57.8 as it

stood in 1860 for the medium or fair and moderate rate, and from it estimate the constant and rapid decrease of price which we assume as the true cause of the inordinately large consumption in the four following years. Thus measured, the decrease of price is 4½ per cent. in 1860, 12½ in 1862, 24 in 1863, and nearly 34 in 1864; four years in which the aggregate American exports of wheat and wheat flour went to the prodigious figure of one hundred and eighteen and a half millions of bushels, or twenty-nine and a half millions per annum. The thing to be explained, however, is, how our farmers could afford to sell such enormous quantities of their produce at prices so much lower than they ever before touched in the foreign market, without either greatly diminishing or entirely stopping exportation.

The solution is found in the fact that while they sold at a very low price in gold, they were paid in an unusually high price in the currency in use at home, which, being a legal tender, was worth its face value, without any discount or depreciation, in the payment of debts contracted before this period at the gold standard of prices. A vast amount of such debt is known to have been discharged in this way. In 1864, when the foreign price of wheat went down to about four shillings and ninepence per bushel, covering freight, insurance, commissions, and all intermediate charges and profits, which still further reduced the gold price to the producers, they could still afford to send to England twenty million bushels, the premium upon gold, due to the depreciation of our currency, ranging from 51 to 185 per cent., and all that premium going dollar for dollar, to the extent so applied, in the discharge of old debts. Roughly averaged, the varying premiums of the year were equal to 104 per cent., which quite doubled the farmer's share of the four and ninepence per bushel paid for his wheat in England, when converted into currency at home.

But the agriculturists, owning the farms which they cultivated, and the stock and machinery which they used, had another advantage in the premium, whether they had debts to pay or not. They held their lands, buildings, stock, and implements of husbandry at the gold price of the previous period, and had no expenses of husbandry to meet in the high currency prices of the time, except wages, improvements, repairs, and taxes. These are but a small portion of their investment, and upon all the rest of it its proportion of the premium was clear gain, but in currency, whose purchasing power was measured by the ruling prices, unless invested in government bonds bearing gold interest. Farmers breeding their own stock had a similar profit on the premium to those who owned the lands which they cultivated. The same reasoning applies also to miners, in the proportion that their mines and machinery bear to their total outlay. But to manufacturers the profit of the premium upon foreign sales would only accrue in the proportion of their real estate and machinery bought at the gold prices of the preceding period; all other elements of production to them cost currency prices; and these are so considerable that their exports would bear but little reduction in gold prices—certainly not enough to make or command a foreign market, as we have already seen in the fact that the exports of the leading manufactures of the country actually fell off, while the products of agriculture so greatly increased.

It is held by the authorities on this subject that enhancement of the nominal exchange, or that portion of the expressed rate which is due to depreciation of the currency, can have no effect upon foreign trade, for the reason that where such depreciation exists, the premium which the exporter of commodities derives from the sale of a bill of exchange on a foreign customer is only equivalent to the increase of the price to the exporter occasioned by such depreciation. This is true, doubtless, where all the elements and the whole cost of production are equally enhanced and in equal proportion to the depreciation of the currency; but the facts of our recent history require a modification of this general proposition.

There is a limit, also, to the operation of the causes which we find stimulating exportation of our breadstuffs and provisions. When the foreign gold price falls below a given mark, the premium must hold a relatively high rate, or the trade is checked. In the first eight months of the current calendar year (1865) the imports of wheat, in grain and flour, from the United States into England, fell to a trifle more than one-eighth of the quantity imported in 1864, and to one-sixteenth of the year 1862. The British prices had gone down in these eight months to thirty-seven shillings and three pence per quarter, and the average premium on gold had fallen from 104 to 65 per cent.

The foreign market gorged, and the currency at home recovering itself, tend together to level exchange to its real rate, and as soon as the rate of premium fails to carry the foreign prices up to the actual cost of production exportation must stop.

Respectfully submitted:

Hon. HUGH McCULLOCH,
Secretary of the Treasury.

WILLIAM ELDER.

REPORT OF COMPTROLLER OF THE CURRENCY.

Since the last annual report from this office two hundred and eighty-three new banks have been organized, and seven hundred and thirty-one State banks converted into national associations, making the total number organized to November first sixteen hundred and one; of which six hundred and seventy-nine were new banks, and nine hundred and twenty-two were conversions from State banks.

A statement of the respective States and Territories in which each bank is located, the paid-in capital, the currency delivered to each, and the bonds deposited with the Treasurer to secure their notes is herewith submitted; also a detailed statement of the affairs of each bank on the first Monday of October last, with an abstract of their condition on that day, an abstract of the condition of all the banks on the first days of January, April, and July, 1865; together with the names and compensation of the clerks and other employes, and the total expenses of the bureau, for the fiscal year ending June 30, 1865.

One bank has voluntarily gone into liquidation, and has been closed under the provisions of the law, viz:

First National Bank, Columbia, Mo.:

Circulation outstanding	\$11,990
Circulation redeemed	78,010

Lawful money has been deposited with the Treasurer for the redemption of the outstanding notes of the above-named bank, and the bonds withdrawn.

The First National Bank of Attica, N. Y., has failed, and a receiver has been appointed to close up its affairs. Its outstanding circulation, none of which has been presented for redemption, is \$44,000, secured by \$31,500 of six per cent. and \$12,500 of five per cent. bonds.

By section 44 of the national currency act any bank incorporated by special law, or banking institution organized under a general law of any State, is permitted, on the performance of certain specified requirements, to be converted into a national association, with the same powers and privileges, and subject to the same duties, responsibilities, and rules as are prescribed for the associations originally organized under that law.

By the seventh section of the act amending the "Act to provide internal revenue to support the government," approved March 3, 1865, the privilege of conversion on the part of State banks was extended, so as to give a prefer-

ence to those which should apply prior to the first day of July, 1865, over new associations applying for the privileges of the national currency act.

The result has been that nearly all of the State banks have voluntarily changed into national associations, and it is a gratifying fact that this transformation has been accomplished without deranging the business of these institutions, or affecting essentially the volume of bank note circulation. Since the amendment of the act, no national currency has been delivered to a converted State bank, until the circulation issued by it under State laws, had been reduced below the amount to which its capital as a national bank would have entitled it under the law; and as many of the converted banks had a greater amount of State notes in circulation than they were entitled to under the national act, the result has been to diminish rather than increase the volume of bank note circulation.

This restrictive course in reference to State bank circulation, has been the cause of great complaint on the part of many of the banks, more so, perhaps, for the reason that in several States the enabling acts giving consent to the conversion of the State banks to national associations, contain provisions nominally giving the right to converted banks to continue the issue of their State circulation for a limited time, after the conversion is completed.

It is, however, very clear that it is not the spirit or intent of the law to allow any national bank to have a greater circulation than the amount prescribed in the act, and that after a bank becomes a national association it is, as provided in the 44th section of the law, subject to and bound to observe all its provisions. A converted State bank is unquestionably bound to redeem its State circulation and discharge all the obligations of the State institution, while any State enactments granting privileges or imposing restrictions in conflict with or repugnant to the United States laws are necessarily void.

The national currency act permits the conversion of State into national institutions without reference to State laws, and it must be conceded that the laws of the United States are paramount to State enactments. The 23d section of the act prohibits national banks from issuing or circulating as money any notes other than such as are authorized by the provisions of the national currency act. If a national bank converted from a State institution pays out and circulates the notes of the State bank which it is bound to redeem, it certainly issues notes prohibited by the act.

If the rights of converted banks to reissue the notes of the State bank, and also to receive national notes to the amount that their capital entitled them to were recognized they would have had a double circulation, and the aggregate at this time would probably have been two-fold the amounts of their present issues.

The amount of national bank notes in actual circulation on the 1st day of October last, was	\$171,321,903
The amount of State bank notes in circulation at the same date, as appears by returns to the Commissioner of Internal Revenue, was	78,867,575
Making the bank circulation on the 1st day of October last ...	250,189,478
The amount of legal-tender notes and fractional currency issued and outstanding on the 1st of October, 1865, was	704,584,658
National bank notes in the hands of banks not yet issued	19,525,152
National currency yet to be issued to banks	109,152,945

Making the aggregate amount of legal-tender and bank notes in circulation as authorized to be issued to and by the banks * .. 1,083,452,233

* All statements and comparisons in this report are made up to the 1st of October last, that being the date of the last quarterly return from the banks.

Brought forward	\$1,083,452,233
From which sum should be deducted, State bank circulation now outstanding that will be retired about as fast as national currency is issued to converted banks	\$78,867,575
Also the amount of "compound interest notes" converted into 5 20 bonds since the 1st of October last	44,417,329
	123,284,904
The amount then left as the available currency of the country is	960,167,326

In order to ascertain the amount of actual active circulation on the 1st day of October last, there should be deducted from the last mentioned sum—

The amount of national currency delivered to banks, and not then in circulation	\$19,525,152
National circulation not delivered to banks ...	109,152,945
Amount of legal-tender notes held by banks, including \$74,261,847 compound interest notes, Compound interest notes, other than those held by banks, mostly held as investments by insurance and trust companies and savings banks, less say \$10,000,000 in actual circulation ...	193,094,365
Currency in the treasury of the United States,	121,314,195
	56,276,440
Total	499,323,097
Which will show the actual circulation to be	460,844,229

This favorable exhibit of the amount of paper in actual circulation, is owing in a great degree to the accumulation of currency in the hands of the banks, in the absence of the great demands of the government for currency since the close of the war.

As an erroneous impression may prevail as to the aggregate amount of lawful money that banks are required to hold, it is thought proper to state that as the liabilities stood on the first day of October the required sum was \$74,261,847 over the amount that banks were permitted to have to their credit, and count as part of the same, in banks acting as redeeming agents. The banks held at that time \$14,966,143 in coin, which, deducted from \$74,261,847, leaves \$59,295,704, the sum that they should have held in legal-tender notes to fulfil the requirements of the law.

It will be seen, therefore, that the sum held, in lawful money, in excess of the required reserve, was \$170,045,896.

It cannot be necessary to dilate upon the inevitable consequences which must result from this excessive amount of irredeemable currency, if left uncontrolled by the action of government in respect to the reduction of its own issues, and in enforcing a system of redemption which shall curtail by its operations the power and tendency to expansion. So far as bank issues are concerned it is believed that the most efficient check would be found in its compulsory redemption in the great financial and commercial centres of the country—New York, Boston, or Philadelphia. Under such a system properly enforced, many insti-

tutions established chiefly for the advantage arising from the issue of their own promises, without the expectation of being called upon to redeem them, would find that they had exceeded the requirements of legitimate business, and obtain relief in the abatement of their issues. The circulation thus withdrawn from sections where it is not required, could be dispensed to other portions of the country as yet but partially supplied with banking institutions.

In this manner, also, would a remedy be furnished for the unequal distribution which has resulted from the act of the 3d of March last, giving the preference to the conversion of State banks over applications for new national associations, without reference to the amount of currency which by such conversion has been concentrated in localities where the former institutions were the most numerous.

The national banks already organized embody a capital sufficient to entitle them to receive \$309,672,992 of circulation on the deposit of the requisite securities in government bonds. It is not anticipated, however, that more than three hundred millions will be called for by banks now organized, as many of them, located in large cities of the northern States, will not ask for the amount of circulation to which their capital entitles them. Bonds have been deposited to entitle the banks now organized to \$244,754,125 of circulation only. In no event will the limit of the act be exceeded.

Whatever may have been the intention of the framers of the federal constitution in respect to the measure of value to be used in the transaction of business during a time of peace, and in the ordinary flow of events, there is ample justification for a departure from a metallic currency and a bank circulation redeemable in specie on demand, in the necessities of the country as superinduced by the unparalleled civil war through which the nation has been called to pass. Now, however, that the emergency which called for this departure from first principles has happily been surmounted, it would seem to be the dictate of sound policy to return as speedily as the financial condition of the government and the business interests of the country will allow to a more normal condition of the currency, so that the pecuniary relations subsisting between ourselves and other nations may be placed upon a more harmonious basis of value.

The evils resulting from an irredeemable currency are too well known to require enumeration. They should be tolerated no longer than absolute necessity requires. The funding, and the consequent retirement of a portion of the inactive circulation shown to be now held in reserve, and liable to be called out as increased speculations and additional enhancement of prices may demand, and the consequent reduction of the same to the amount required by the actual necessities of business would seem to constitute one of the first steps towards that sound condition of finance under which alone a permanent prosperity can be secured. By such a course only can we place the manufacturing and producing interests of the country in a position to compete successfully with other nations, prevent an excess of imports over exports, and thus prevent a drain upon our resources, which must otherwise postpone to an indefinite period the resumption of specie payments.

Under the present inflation of prices the cost of labor and of all the elements entering into the production of staple commodities, whether in agriculture, mechanics, or manufactures, is such as to invite the direct competition of all other countries in our own markets. It is this which makes our market the best to sell in and the worst to buy in on the part of foreigners, and which, in the consequent absence of an adequate export demand, must eventuate in the denuding us of the precious metals and the creation of a debt abroad that will be a greater drain upon our resources than our present national debt.

By a gold valuation of our imports and exports, the balance that has accrued

against this country during the four years previous to the 30th day of June last, including the interest on American securities held abroad purchased within that time, and also taking into due consideration the difference between the standard of our own and that of foreign gold, (nine and three-eighths per cent.,) has been \$308,000,000 of dollars.

By reason of the probable falling off in the export of coin, and the increased amount of interest to be paid abroad, it is estimated that the accruing balance during the present fiscal year will amount to \$120,000,000, making a total for five years of \$428,000,000.

Our only resource to pay this gold balance against us has been and still is the sale of our securities abroad. The amount required, if sold at an average discount of forty per cent., will be \$713,000,000, and the annual interest at six per cent. will be \$42,780,000. The discount of forty per cent. will amount to \$285,200,000; every dollar of which will be an entire loss to the country.

The almost exclusive use and demand for gold now is for the payment of custom duties to be paid out again for the interest on the public debt; this is followed by the sale of the surplus beyond the amount required to pay the interest, which surplus again accumulates to go repeatedly through the same process. If one-half of the differences between our imports and exports were paid in gold as they occur, the price of gold and foreign exchange would have long since reached a rate sufficiently high to have materially checked our imports and increased in a corresponding ratio our exports. The price of gold is now governed by the demand for the purposes stated, and the foreign balances against us are paid as before shown, by the sale abroad of government and other securities at a discount of about forty per cent.; thus instead of paying, creating an additional indebtedness to the extent of the difference between the amount received for our securities and their par value, every fraction of which we shall ultimately have to pay in gold, in addition to the interest. It may be said that our exports will be increased by the addition of southern productions. This will undoubtedly be so; but to no greater extent than our imports will increase. The south will need more than all the goods her surplus crops will purchase, and if we cannot compete in the open market with other nations, our relative position in reference to imports and exports will not be improved.

In view of our position, prudential considerations would seem to point to such an adjustment of the tariff, intermediate to the resumption of specie payments, as to discourage inordinate importations; this can be done by increasing the rate of duties just in proportion as the price of gold and foreign exchange may recede, thus keeping up the cost of importations as high as they now are, including the present rate of foreign exchange. This could be followed by a graduated reduction of such increase, say ten per cent., at the expiration of each six months, until brought down to the original rate. Imports would be held back in view of such reduction, and there would be no overwhelming crash resulting from a sudden fall of prices, but business would adjust itself to the present and prospective condition in which it would be placed under the legislation indicated. In the mean time, by a steady reduction of the volume of irredeemable currency and consequent reduction of prices, we would be able once more to place our manufactured and agricultural productions on a footing that would enable them to enter into successful competition with those of other nations in the markets of the world.

As the first step to be taken towards a reduction of the government issues used as currency, sound policy would indicate the conversion of all the interest-bearing legal-tender notes into 5-20 six per cent. bonds. It is believed that the slight contraction caused by such conversion would be scarcely perceptible, more especially at this time, as it is not probable that more than five per cent.

of the whole issue is now in active circulation. It would be simply exchanging one security held as an investment for another.

The national banks alone, as shown by their reports, held on the first of October last \$193,094,365 in legal-tender notes, or \$22,772,462 more than the whole amount of their national bank circulation at that time; they also held in notes of other banks \$16,247,241, and of their own notes not in circulation \$19,526,152, making a total of unemployed circulation in the hands of national banks \$228,966,758, which is several millions more than the entire paper circulation of the country on the first of January, 1861, or at any previous period.

In view of the urgent demand that will undoubtedly be made for an increase of the national bank circulation, and as a gentle mode of further reducing the volume of legal-tender notes, it is suggested that the national currency act be so amended as to allow an increase of the limit to four hundred millions of dollars, on conditions only, that all the banks be required to redeem their notes in New York, Boston, or Philadelphia; and also that an issue of six per cent. 5-20 bonds be authorized to the amount that it will require to secure the additional circulation under the provisions of the act, which bonds the banks, when organized, shall purchase as each may require of the Secretary of the Treasury at such fair rate as he may from time to time prescribe, but not less than their par value, and pay for the same in the United States legal-tender notes, and all notes so received shall be cancelled and destroyed. The bonds so issued would not affect the price or demand for other bonds, as they would be held as security for the circulation, and only offered in market in the event of the failure or closing of a bank.

With the requirement to redeem at the central and accessible points mentioned, there would be but little danger of bank issues exceeding the limits prescribed by the demands of legitimate business.

Under the action indicated, it is believed that the balance of trade with other nations would within a reasonable time be again turned in favor of this country; whenever that point is reached, with the perfect confidence which would ensue in the convertibility of legal-tender notes and the stability of sound bank circulation, the return to and maintenance of specie payments would be rendered comparatively easy, and the demand for gold be confined to the healthful and legitimate adjustment of balances with foreign countries.

Although of comparatively recent origin, and yet in the infancy of its development, the national banking system has become thoroughly interwoven with all the business and interests of the country. Not only the stockholders in the national banks, but every member of the community has an immediate interest in the stability of a currency which forms the medium of exchange and value, not in isolated sections of the country between particular classes, but throughout the length and breadth of the land, and by every citizen of the republic. And this system, so ramified and so essential to the prosperity of all classes, is based upon the national faith and credit as its chief corner-stone, and can only exist as that credit is maintained intact.

Nobly have our citizens battled for the preservation of our institutions; freely have they poured out their blood and treasures to sustain the government in its contest with ruthless treason, and now that success has crowned their exertions and sacrifices, the maintenance of the national honor, through an unsullied public credit, becomes a no less imperative and solemn duty; nor can it be doubted that all just measures calculated to sustain the faith and integrity of the government will find a ready response from the patriotic masses.

The resources of the country are great beyond enumeration, the development of wealth rapid beyond precedent, and it requires only a judicious application of means to the end proposed to enable the government not only to meet all its

pecuniary obligations with entire promptitude, but without imposing exactions that shall be unduly burdensome or give just cause of complaint to the people.

It is believed that from a few sources a revenue can be raised sufficient to meet the interest on the public debt, pay the ordinary expenses of government, and contribute thirty millions of dollars annually to a sinking fund that will pay the national debt in thirty-two years and a half.

The tariff can be so adjusted as to produce one hundred and twenty millions of dollars; one hundred millions can be raised on whiskey, malt liquors, and domestic wines; fifteen millions on tobacco; one hundred and twenty-five millions on cotton; fifteen millions from stamps; from licenses twenty millions, and from the premium on the surplus of gold, after paying interest on bonds, ten millions, making, in the aggregate, four hundred and five millions of dollars, a sum probably one hundred millions in excess of the amount that will be required under an economical administration of the government, leaving a large margin on the above estimate for reduction. The estimates, however, of the revenue derivable from the several sources indicated are not the result of loose conjecture, but each is founded upon a careful inquiry in reference to past productions and revenue under the existing law.

It is estimated that the cotton crop the next year will amount to between two and a half and three millions of bales; a tax of ten cents per pound on two and a half millions will produce one hundred and twenty-five millions of dollars. It is reasonable to suppose that the annual crop of cotton, after two or three years, will equal in amount the average of the crop for a few years previous to 1861, which was about four and a half millions of bales. A tax of eight cents per pound on that quantity would produce one hundred and eighty millions of dollars, a sum more than sufficient to pay the interest on the public debt after the entire amount is funded. The license and stamp duties could be dispensed with after the next fiscal year, and it is to be hoped that after that period no more income will be derived from premium on gold.

Three-fourths of the crops of cotton and tobacco are exported; that proportion therefore of the tax on those articles would be paid by foreign countries, and to that extent contribute to the liquidation of the public debt and relief of our own people.

A tax on cotton of eight or ten cents per pound would neither diminish the domestic production or foreign demand for that staple. Our means of production, natural and applied, are such as to enable us to furnish the article at a less price, including the tax proposed, than any other country. Even at half the price which this product now commands in New York and Liverpool it can be grown and sold at a large profit, including the proposed tax, in its cost. Nor would the imposition of a tax on the staple production of the southern States prove injurious to that section of the Union. It will of necessity be a large purchaser of northern manufactures, and if by the proposed measure the north and south be relieved almost entirely from other taxation for government purposes, as they would be if cotton is taxed to the extent proposed, their purchases would be made at a correspondingly less price, and both north and south derive a benefit from the operation.

By thus restricting the subject of revenue to a few articles of general production the cost of collection would be greatly reduced by the discharge of a whole army of assessors, collectors, &c., to the manifest advantage of the public treasury; nor would the least of the benefits to result from this action be found in the fact that such an adjustment of the system of taxation would leave no ground for public complaint, and consequently preclude dishonest and disloyal politicians from uniting with the enemies of the Union in assailing the public credit and repudiating the national obligations.

There is no question which more vitally concerns the national banking system than the power of the States to tax the government securities which form the invested capital of the banks organized under that system. Not only have their investments been made upon the solemn pledge of the national faith, held out to corporations and individuals, that their stocks should be "free from taxation by or under State authority;" but the option of refraining from such investment was denied to the national banks, as it was by law made a fundamental condition to their existence that one-third of their capital should at all times be held in the form of national securities by the Treasurer of the United States; and, in addition, every dollar of their circulating notes must be secured by a like deposit. Hence, while individuals might have refrained at their pleasure from placing confidence in the good faith of the government, these institutions were deprived of such liberty of action; and now, while the right of individuals to immunity from taxation on government stocks is generally conceded, the like privilege is sought to be withdrawn from the national banks by their taxation for State, municipal, and local expenses. The constitutionalegis, which the Supreme Court of the United States has hitherto extended over the national securities, no matter by whom or for what purpose held, is now sought to be wrested from its hands upon the theory of State jurisdiction; a flagrant violation of the contract entered into with the public creditors under the clearest enactments of law, and the most binding obligations of public faith. It is conceded for the most part by the advocates of State taxation, that the United States stocks in the hands of individuals cannot be assessed for State and municipal purposes. But a discrimination against the stocks held by banks is sought to be established, on the ground that a tax imposed upon the shares in a bank is not a tax upon the securities represented by those shares. That the position assumed by those who favor this hypothesis will be found, upon critical examination, to be fallacious can scarcely admit of a doubt; that the discrimination in favor of one class of creditors and against another, both having complied with the same conditions, is grossly unjust, must be obvious to all. That exemption from State taxation was intended to apply to the stock issued, no matter in whose hands it might be found, cannot be questioned. No exception was made in favor of individuals; no discrimination was attempted against banks. If the shares of a bank whose capital is invested in United States stocks be taxable, to whose benefit does the exemption from taxation guaranteed to those stocks inure? Does the principle of immunity pledged by Congress become inoperative because an association has loaned to the government the money for which it holds those obligations? Surely, the exemption belongs to some person, and to whom can it be assigned but to the respective stockholders, whose scrip simply represents the proportionate share which each has contributed to the purchase of the government securities. Upon the theory propounded, an individual who purchases one hundred thousand dollars of government stock for a specific purpose, may plead, and receive, the exemption from State taxation which the act of Congress pledges; but if four persons purchase the like amount for a similar purpose, and each receives a certificate of the amount he has paid towards the gross investment, they lose all benefit of the immunity attached to the securities in hand. The injustice, if not the absurdity, of such discrimination must be sufficiently obvious.

Nor will the impropriety of the proposed taxation of national banks be less apparent, when it is borne in mind that they are already taxed by the general government to a greater extent than any other corporations or class of business. The law of their creation requires them to perform certain duties, and authorizes them to exercise certain privileges, yet for this they must pay a license. It imposes, also, a tax of one-half of one per cent on their deposits, one per cent.

on their circulation, one per cent on their capital beyond the amount invested in government securities, and five per cent on their income or earnings. All this is paid from the ordinary earnings of a bank, and reduces its profits to the extent of the taxes paid, whereas all other corporations, manufacturers, &c., are permitted to increase their rates and charges to a sum more than adequate to cover the amount of taxes paid, thus preserving their profits intact, and casting their burdens upon the public, in the capacity of consumers, travellers, &c.

It is not through palpable injustice to vested interests, and by a disgraceful violation of public faith, that the subject of State taxation should be reached. If public policy demands a contribution to State and local expenses at the hands of these institutions, there is a mode of attainment not distant which can be reached without a breach of national honor. Nearly three-fourths of the public debt is either not funded, or matures at the option of the government, within a short period, and almost the whole amount within the next eight years. It is within the power of the government at such time, without violence to its engagements, to try the experiment of issuing bonds subject to State taxation, or of borrowing at a less rate of interest than is now paid, thus extinguishing its present obligations to its creditors. But every dictate of expediency and justice, its character and credit at home and abroad, demand that Congress and the highest judicial tribunal of the nation shall frown upon all attempts to override the constitutional functions indispensable to the preservation of the credit and stability of the government.

But as neither public policy nor constitutional right can at present allow the taxation of national banks for State and local purposes, it would be equitable that these institutions should pay, say one per cent., on their capital, (irrespective of the amount invested in public stocks,) in lieu of all present taxation for revenue purposes, and one-half of one per cent. on their circulation as an indemnity to the government for the expense incurred in furnishing the banks with circulating notes, and meeting the expenditures incidental to the administration of this bureau. Perhaps a preferable method in relation to the expenses thus incurred for circulation and supervision would be found in waiving the tax on circulation, and meeting the expenditures required by such direct assessment on the banks as should be equitable.

There are some amendments to the national currency act suggested by the experience of its practical workings, which, if adopted, would prove of great utility, the most important of which has already been alluded to—requiring banks to redeem their issues at par in either of the cities of New York, Boston, or Philadelphia, as the only certain method of securing for national bank notes a uniform par value in every section of the country, and prevent an excess of issues beyond the legitimate demands of business.

A penalty should be imposed upon banks for issuing notes with the engraved and printed signatures of the officers. The greatest protection against counterfeiting is found in the written signatures of those through whom the bills are uttered. The fact that they are written and not printed renders it incumbent on the counterfeiter to attempt an imitation through the same instrumentality on each note. He may make a fac simile of the signature once, but in the very next attempt make such a variation as to disclose the spurious character of the note. But a printed signature being once correctly imitated, the same result is produced at each revolution of the press with mechanical accuracy. Just as safely might the merchant send his notes to an engraver to have his signature and those of his indorsers stamped thereon, as for banks to have their notes executed through this process. Unless all possible guards which ingenuity can devise be thrown around the currency, it will soon be difficult to

distinguish the spurious from the genuine issue, and banks will be as likely to redeem the former as those of their own promulgation.

By the first section of the national currency act, the bureau under which its operations were to be carried into effect, is made an adjunct of the Treasury Department, and of course located at Washington. During the incipency of the measure there were many reasons rendering contiguity to the treasury desirable and proper; but now that the system has become operative, and what was theory at the first has been reduced to practice, there are many reasons which render it expedient that the operations of the currency bureau should be transferred to the great financial and business emporium of the country, the city of New York. Not only would the convenience of those concerned in the business of banking be promoted by the change of location, but a great saving in expense would thus be effected. Nearly two hundred thousand dollars per annum in express charges alone would be saved to the government and the banks by the change of location proposed; while the risk, loss of time, and personal expenses, which would thus be obviated, are large in the extreme. When the circulation now in use by the banks shall have become worn, and require renewal by exchange of old for new, the inconvenience, loss of interest, and expense, will be increased to a manifold extent.

The government already owns the buildings in New York which a transfer of the office would require for its accommodation, that are now rented for about the sum the Treasury Department is paying for an equal amount of room outside of the treasury building that would be vacated by the removal of the bureau. I am satisfied, therefore, that both the interests of the government, the public and the banks would be subserved by a transfer of the bureau to New York at an early day.

With a system of redemption properly enforced, the banks located out of the cities named as redeeming points, should be relieved from the obligation to keep a reserve equal to fifteen per cent. of their circulation and deposits constantly on hand. It would be a hardship to require banks to be prepared to redeem both at home and at one of the points indicated, and in addition to keep an idle reserve of fifteen per cent. against contingencies.

There is no real strength or safety derived from the provision as it exists. When a bank fails, neither money nor reserve in any shape would be found on hand, and the sooner those that are improperly conducted or are organized for other than a legitimate banking business are closed up, the better will it be for the system and the public.

By the 32d section of the act it is provided "that every association formed or existing under the provisions of this act shall take and receive at par, for any debt or liability to said association, any and all notes or bills issued by any association existing under and by virtue of this act."

The provision is anomalous in its character. To compel a bank to respond to the demands of its creditors in *lawful money*, and yet compel it to receive from its debtors such currency as they may choose to offer, does not seem to be warranted by equity or sound policy. It is even questioned whether a national bank is compelled to redeem its circulation at all, in *lawful money*, if presented by an association organized under the same act, as any "debt or liability" may be discharged by its *own notes* or notes of other national banks, when that "debt or liability belongs to any other association" existing under and by virtue of "the national currency act." The intention and scope of the statute is evidently against such a construction of its provisions, but all ambiguity in reference to it should be removed. All the banks should be required to redeem their notes and pay their balances in *lawful money*, as well to each other as to the public.

Whatever hostilities the national banking system may have encountered in its first inception, it is no longer denied that it has entrenched itself strongly in

the feelings as it has commended itself to the convenience and interests of the whole people. Coming into conflict with local prejudices, and assumed to run counter to private interests, it was natural that its practical operations should have been regarded with jealous suspicions. It is not among the least of the triumphs of the system, that in a period of war, and monetary disturbances, caused by the gigantic requirements of the government, it has stood the test of practical experiment in the most satisfactory manner, vindicating the partialities of its friends, and overcoming by its beneficial effects the hostilities of its most determined enemies.

In a country already celebrated for its commercial, manufacturing, and agricultural activity, no want could be more sensibly felt than that of a homogeneous currency, of equal value at the circumference, as well as at the commercial centres of our extended country. This could not be obtained under the restricted operations of State laws, nor could it be furnished by institutions necessarily circumscribed in their fields of operation, diverse in the extent and character of their liabilities to the public, and without a recognized basis of credit adequate to insure the public confidence in sections remote from the locality where such liabilities were payable. It is not denied that the State banks have been of great, if not indispensable, service in the development of the resources of the country; it is not designed to underrate their usefulness, to question their patriotism, or assail the integrity of the banking institutions of the States; but as in all enlightened communities there will be progress and improvement it cannot be regarded as invidious to claim for the national banking system a superiority over the more limited system of State institutions, inasmuch as it furnishes a safe and convenient paper circulation, based upon the national credit, and which thus far has been, and with a slight amendment to the act may continue to be, of uniform value throughout the length and breadth of the land. Not only are the regulations by which the national banks are governed of equal applicability; not only are they based upon actual capital and individual responsibility, carefully enforced; but underlying these safeguards there is a foundation of unparalleled security in the government bonds which they are required to hold. A system thus anchored, in which the whole community has a common interest, cannot fail to subserve the highest object of its creation, nor cease to be regarded with favor by an intelligent people.

While, in conclusion, it is allowed me to congratulate Congress and the country on the popularity which the national banking system has achieved, I would add the hope that these institutions may never become subject to the schemes and caprices of political parties, but that in them and through them the public faith and credit may be upheld, and the prosperity of the country greatly promoted.

FREEMAN CLARKE,

Comptroller of the Currency.

Statement of the number of National Banks organized in the several States, with capital stock paid in, bonds deposited by, and circulation issued to, on the 1st of October, 1865.

States.	No. of banks organized.	Capital stock paid in.	Bonds deposited.	Circulation issued to banks.
Maine.....	60	\$8,486,500 00	\$7,272,650	\$4,761,550
New Hampshire.....	37	4,606,832 38	4,322,000	2,501,800
Vermont.....	33	3,077,512 50	5,062,600	3,244,800
Massachusetts.....	207	79,207,000 00	58,431,850	44,063,180
Rhode Island.....	59	19,002,500 00	10,045,500	4,857,350
Connecticut.....	82	23,964,220 00	15,966,800	11,223,360
New York.....	398	114,872,791 00	62,504,000	37,548,940
New Jersey.....	54	10,926,534 00	8,391,750	4,763,920
Pennsylvania.....	199	46,684,409 80	37,672,050	29,450,850
Maryland.....	30	12,155,335 00	6,902,300	2,672,400
Delaware.....	11	1,378,185 00	1,076,350	434,250
District of Columbia.....	6	1,525,000 00	1,345,000	1,161,000
Virginia.....	13	1,160,000 00	881,000	622,100
West Virginia.....	13	1,650,400 00	1,342,000	441,750
Ohio.....	136	21,138,675 15	18,540,400	15,479,370
Indiana.....	70	12,147,332 80	11,369,150	8,803,780
Illinois.....	79	10,975,530 00	9,791,800	7,885,035
Michigan.....	38	4,176,310 00	2,755,100	1,728,800
Wisconsin.....	35	2,695,500 00	2,330,050	1,961,400
Iowa.....	38	3,253,675 00	2,757,800	2,064,500
Minnesota.....	12	1,445,000 00	1,223,000	1,046,750
Kansas.....	2	160,000 00	135,000	83,000
Missouri.....	12	3,899,080 00	1,946,000	1,224,700
Kentucky.....	11	2,335,675 00	1,764,000	1,293,550
Tennessee.....	7	925,000 00	745,000	551,040
Louisiana.....	1	500,000 00	200,000	180,000
Mississippi.....	1	50,000 00	30,000	25,000
Nebraska.....	2	115,000 00	60,000	27,000
Colorado.....	1	200,000 00	70,000	45,000
Georgia.....	2	150,000 00	74,000	30,000
North Carolina.....	2	60,000 00	61,000	.....
Alabama.....	2	160,000 00	152,000	.....
Nevada.....	1	155,000 00	155,000	.....
Oregon.....	1	50,000 00	50,000	.....
Texas.....	1	100,000 00	100,000	.....
Total.....	1,596	395,729,597 83	276,212,950	180,847,035

REPORT OF THE COMMISSIONER OF INTERNAL REVENUE.

TREASURY DEPARTMENT, OFFICE OF INTERNAL REVENUE,
Washington, November 30, 1865.

Hon. Joseph J. Lewis having resigned the office of Commissioner, July 1, 1865, and his successor, Hon. William Orton, so lately as November 1, instant, the duty of preparing the annual report of the office unexpectedly devolved upon me at so late a period as, of itself, to preclude the expectation of a voluminous report from me at this time, while the laborious service of the "Revenue Commission," with powers and duties defined in the 19th section of the act of March last, makes it inappropriate that I should present my views upon such subjects as may have come within its consideration before it shall have prepared the report contemplated by the statute. At its request, however, I will at that time, if desired by the Secretary of the Treasury, submit what experience in this office shall have taught me in relation to the several changes it may propose in the law.

In the course of the present report, however, I shall offer a few recommendations affecting mainly the administration of the law, and only those parts of it to which I understand it is not the purpose of the commission to give special attention.

It is a matter of sincere congratulation that, thus far, the people of this country have so patiently borne the burden which has been put upon them, and have so freely contributed of their substance to fill the national treasury. With few exceptions the demand of the tax collector has been met promptly and willingly. And when it is recollected that the present generation only know by tradition, or by reference to obsolete statutes, that taxes have ever been imposed in this country upon articles of their own manufacture, and the objects of internal traffic, or upon the various crafts or professions in which they are employed; and when, too, it is considered that the revenue thus collected for the single year ending June 30, 1865, amounts to a sum nearly or quite equal to all the receipts of this government from whatever sources, except loans and treasury notes, from its organization to the war of 1812; and when it is further considered that this amount was contributed at a time when the commercial marine of the country had been nearly destroyed, and more than a million of hardy men were withdrawn from the productive pursuits of life, we may not only be justly proud that the material strength has been fully equal to the burden imposed, but that it has been borne so quietly and so willingly.

The law requires "that separate accounts shall be kept at the treasury of all moneys received from internal duties or taxes in each of the respective States, Territories and collection districts, and that separate accounts shall be kept of the amount of each species of duty or tax that shall accrue, so as to exhibit, as far as may be, the amount collected from each source of revenue, with the moneys paid as compensation and for allowances to the collectors and deputy collectors, assessors and assistant assessors, inspectors and other officers employed in each of the respective States, Territories and collection districts, an abstract, in tabular form, of which accounts it shall be the duty of the Secretary of the Treasury annually, in the month of December, to lay before Congress."

Tabular statements more specific and comprehensive even than required by statute have been prepared in this office, and are herewith respectfully transmitted. They comprise:

Table A, showing the receipts by collectors from each specific source of revenue, and the amounts refunded in each collection district, State and Territory of the United States, for the fiscal year ending June 30, 1865.

Table B, collections from banks, insurance, railroad, canal, and turnpike companies.

Table C, monthly receipts of internal revenue tax on salaries.

Table D, number and value of internal revenue stamps procured monthly by the Commissioner; and monthly receipts from purchasers of internal revenue stamps, the commissions allowed on the same, and the receipts from agents for the sale of stamps.

Table E, recapitulation of receipts of internal revenue from all sources for the year ending June 30, 1865.

Table F, comparative table showing the territorial distribution of internal revenue, population, and wealth in the United States.

Table G, the gross amounts collected and paid into the treasury, and the amounts expended in the several collection districts, States and Territories, during the year.

Table H, the ratio of the receipts from specific sources to the aggregate of all collections.

AGGREGATE RECEIPTS.

The aggregate receipts of internal revenue for the fiscal year—

*1863 were.....	\$41,003,192 93
1864 were.....	116,850,672 44
1865 were.....	211,129,529 17

These amounts are exclusive of the direct tax, or tax of twenty millions of dollars upon the lands of the country, which has been partially paid in various ways, and the duty upon the circulation and deposits of National Banks, which in 1863 was paid to the Comptroller of the Currency, and has since been paid to the Treasurer, but are inclusive of drawback and sums refunded, which in the several years were as follows:

	Drawback.	Amount refunded.
1863	\$677,106 40	\$57,605 71
1864	687,431 99	237,470 37
1865	698,655 36	422,734 36

RECEIPTS FROM SPECIAL SOURCES.

It may not be unprofitable to present in juxtaposition the amounts received from several of the most important sources of revenue, with brief suggestions in relation to their differences; it should be borne in mind, however, that the law was in operation but ten months for the year ending June 30, 1863.

BANKS, TRUST COMPANIES, AND SAVINGS INSTITUTIONS.

	1863.	1864.	1865.
Dividends and additions to surplus	\$766,605 85	\$1,577,010 73	\$3,987,209 65
Circulation		2,056,996 30	1,993,341 86
Deposits		780,723 52	2,040,933 26
Capital			902,835 18

The tax upon dividends was three per cent. until June 30, 1864, after which it was five per cent.

*NOTE.—The act of July, 1862, took effect September 1st, and the receipts for the fiscal year 1863 are for but ten months.

A discrepancy exists between these amounts and those from the office of the Secretary of the Treasury. The same receipts are not always reported and entered upon the books of the two offices on the same day. The difference is only one of account.

Other discrepancies of like character may be observed arising from the same source.

"Circulation" and "deposits" were not taxed until October, 1863.

"Capital" was first charged under the act of June 30, 1864, when the duty upon "circulation" was increased.

By the act of March 3, 1865, the tax upon deposits was extended to savings banks having no capital stock.

The taxes upon the "capital," "circulation," and "deposits" of national banks are not received at this office, nor included in the above.

RAILROADS.

	1863.	1864.	1865
Dividends	\$338,533 49	\$927,393 38	\$2,470,816 89
Interest on bonds	253,998 72	596,859 09	847,683 61

The duty was three per cent. until July 1, 1864; afterwards five per cent. The same tax was then imposed upon all profits carried to the account of any fund, or used in construction. The amount received from this source is included in the dividends for 1865.

INSURANCE COMPANIES.

	1863.	1864.	1865.
Dividends and additions to sur- plus	\$225,485 44	\$445,366 17	\$764,658 38
Premiums and assessments	321,001 69	523,682 42	961,502 99

Tax upon dividends same as upon dividends of banks.

That upon the gross receipts of premiums and assessments was one per centum until July, 1864, payable quarterly to the Commissioner; after that, one and one-half per cent., payable monthly to the collectors.

SALARIES OF PERSONS EMPLOYED BY THE UNITED STATES GOVERNMENT.

1863	\$696,181 71
1864	1,705,124 63
1865	2,826,333 37

This tax is received only from those whose compensation exceeds the rate of \$600 per year, and was at the rate of three per cent. until July 1, 1864, and afterwards five per cent.

PASSPORTS.

1863	\$8,406 00
1864	11,001 00
1865	27,408 29

Tax three dollars each until July 1, 1864; five dollars since. These amounts were mainly paid through the Department of State. A small sum each year was received from collectors.

REVENUE STAMPS.

1863	\$4,140,175 29
1864	5,894,945 14
1865	11,162,392 14

These amounts include the receipts from stamps, required by schedule C as well as schedule B; upon proprietary articles, matches, photographs, and cards, as well as upon written instruments. The law in respect to these duties has been repeatedly and variously modified, sometimes adding, and sometimes subtracting from the receipts. The large increase of revenue is due in no small degree to the growing observance of the law. After September 1, 1864, stamps

were required upon matches, and the receipts from that source for the remaining portion of the fiscal year was probably not less than one million dollars.

ARTICLES IN SCHEDULE A.

1863	\$365,630 93
1864	520,283 35
1865	779,901 79

The taxes here are specific upon carriages, yachts, billiard tables, and gold and silver plate kept for use. In 1864 the schedule was increased by the addition of gold watches and piano-fortes, but the change was made after the annual lists, in which the taxes are included, were in the hands of the collectors, and the receipts reported are mainly from the operation of the statute of 1862.

LICENSES.

1863	\$6,824,178 42
1864	7,145,388 71
1865	12,598,681 25

The receipts from licenses, like those from income and schedule A, are almost entirely in the report of the year subsequent to their assessment. The reassessment under the act of June, 1864, furnishes the principal exception to this rule. The returns are received in May, but the lists upon which they are entered by the assessors, do not ordinarily reach the collectors until after the 30th of June, or the beginning of another fiscal year. The increase in 1864 accrued, in part, from the addition by the act of March, 1863, to the list of persons subject to duty and the increased charge for several descriptions of license; and that of 1865 from the same source, as well as from a like addition under the act of June 30, 1864, and the increased tax upon wholesale dealers, which, by special provision of the statute, was immediately assessed as additional to that assessed under the prior law.

INCOME.

1863	\$455,741 26
1864	14,919,279 58
1865	20,567,350 26

This, with licenses, and schedule A, makes up the annual list.

For the reasons just given above, the tax upon the income of 1862, assessed in 1863, is mainly included in the receipts of the fiscal year 1864; less than half a million dollars having been collected in 1863; and the receipts for 1865 consist almost entirely of the tax assessed in 1864 upon the income of 1863.

Most of the tax upon the income of 1864 has been collected since the commencement of the current fiscal year 1866, and will appear in the next annual report from this office. A small part of it is found in the receipts of 1865.

Of the amounts collected in 1863, \$279,333 76 were returned at five per cent. upon incomes above ten thousand dollars; \$172,770 35 at three per cent. upon incomes of less than ten thousand dollars; and \$3,637 15 upon incomes from United States securities. Of that collected in 1864, \$6,913,834 88 were returned at five per cent.; \$7,930,070 77 at three per cent.; and \$75,373 93 at one and one-half per cent. Of that collected in 1865, \$801,941 99 were returned at ten per cent.; \$9,934,758 55 at five per cent.; \$9,697,246 96 at three per cent.; and \$133,402 76 at one and one-half per cent.

The receipts from the ten per cent. tax were all from taxes upon the income of 1864. It cannot easily be determined precisely how much of the receipts at five per cent. are due to that year.

The special tax of five per cent. upon all incomes above six hundred dollars, as well from banks, railroads, and salaries, as from other sources, brought into the treasury \$28,929,312 02.

IRON AND STEEL IN THE VARIOUS FORMS SPECIFICALLY NAMED.

1863.....	\$1,862,826 36
1864.....	3,694,168 49
1865.....	9,218,808 63

These are the varieties named and described in the seventy-fifth section of the act of July, 1862, amended and somewhat increased by the act of March 3, 1863; still further enlarged with increased rates under the act of June 30, 1864, and twenty per cent. additional to those rates after April 1, 1865. Pig-iron was taxed two dollars per ton by the act of 1864, and during eleven months ending June 30th last, added nearly one and a half million dollars to the public revenue. The additional twenty per cent. to the rate, taking effect April 1, did not increase the receipts until May. Several causes have contributed to secure the tax upon these articles, and it is believed that it has almost universally been paid.

REFINED PETROLEUM AND COAL OIL.

1863.....	\$649,962 09
1864.....	2,255,328 80
1865.....	3,047,212 77

The tax upon petroleum was ten cents per gallon, and upon oil distilled from coal exclusively eight cents until June 30, 1864, after which the rates were twenty and fifteen cents respectively. The increased receipts in 1864, over those of 1863, were owing largely to increased consumption, and to the withdrawal from bond to escape the increased duty. This somewhat overstocked the market, and during the following year checked refining for home consumption.

CIGARS AND CHEROOTS.

1863.....	\$476,589 29
1864.....	1,255,424 79
1865.....	3,072,476 56

Specific taxes, graduated by the different values of the cigars, were imposed by the act of July, 1862. These were largely increased in 1864, but under the act of March 3, 1865, the duty was made uniform at ten dollars per thousand. The anticipation of additional tax largely increased the manufacture in 1864, and the supply at that time has hardly yet been consumed.

TOBACCO—CHEWING AND SMOKING.

1863.....	\$2,576,888 67
1864.....	7,086,684 74
1865.....	8,017,020 63

Plug and fine-cut tobacco were mainly taxed fifteen cents per pound until June 30, 1864, when the rate was increased to thirty-five cents, and in March, 1865, it was still further increased to forty cents.

The tax upon smoking tobacco was at first five cents, increased to twenty-five cents in 1864, and to thirty-five cents in 1865. Smoking-tobacco made exclusively of stems was taxed at two cents until March, 1863, when it was raised to five cents. In 1864 it was increased to fifteen cents, where it still remains.

The regularity of the manufacture has been largely disturbed by expectation of additional duty, as in the case of cigars.

The tax collected in 1863 represents 23,680,056 pounds; that of 1864 63,372,426 pounds, and that of 1865 only 36,639,020 pounds.

Of the amount charged in 1865, 10,061,163 pounds were manufactured and returned in June, 1864, in anticipation of the increased rates, and the duty paid in the following year. The amounts for the first and the last years were less than the ordinary annual consumption, while the amount for 1864 was greatly in excess. This excess was brought into consumption during the last year at rates with which the regular manufacturers could not compete, except with their old stocks, and the production was, of necessity, largely obstructed. It has also been unfavorably affected by the arrival of large quantities of southern tobacco in northern markets.

The average annual taxable production of the different kinds of manufactured tobacco from September 1, 1862 to June 30, 1865 was 42,809,168 pounds, which at present rates would have produced \$15,736,795 65.

FERMENTED LIQUORS.

1863.....	\$1,558,083 41
1864.....	2,223,719 73
1865.....	3,657,181 06

From September 1, 1862, to March 3, 1863, the tax was one dollar per barrel, of not more than thirty-one gallons; from that date to April 1, 1864, sixty cents, and since that time one dollar.

The number of barrels upon which tax was received, as nearly as can be ascertained, was 1,765,827 in 1863, 3,459,119 in 1864, and 3,657,181 in 1865.

DISTILLED SPIRITS.

1863.....	\$3,229,990 79
1864.....	28,431,797 83
1865.....	15,995,701 66

During the fiscal year 1863 the tax was uniformly twenty cents per gallon. For the fiscal year 1864 the tax was twenty cents until March 7, after which it was sixty cents. From July 1, 1864, until January 1, 1865, it was \$1 50 per gallon, and afterwards \$2.

Of the amount reported in the year 1865, however, \$3,862,820 66, or nearly one-fourth the whole amount, was at twenty or sixty cents per gallon. This resulted mainly from the fact that large quantities of spirits were sold by the distillers within the last ten days of June, 1864, thus escaping the increased duty, while the taxes thereon did not fall due until the following month of July, being the first of the next fiscal year. Considerable quantities were removed from the distilleries, too, under transportation bonds, or under bills of lading, prior to the 1st day of July, under conditions which produced a similar result. Even with this explanation, it may occasion no little surprise that the increase of duty was followed by a decrease of receipts. But I regard the receipts of the past year from distilled spirits as no criterion, if, indeed, even an indication of what would have been received had the tax fallen upon the ordinary, natural consumption of the country. This was checked in some measure, undoubtedly, by the tax, but the distillations in the winter and spring of 1863-'64 were everywhere in advance of consumption, anticipating the increased duty, glutting the market, and thoroughly deranging the customary laws of demand and supply. For a long time the consumption has not been of spirits which have paid the duty current at its date, but always of those taxed, if liable at all, at a previous and lower rate. The increase has never been of advantage to the government, but has swelled the income of manufacturers and speculators. For several months of the past year, when holders were disposing of their adventures, the market price of distilled spirits, even in the Atlantic cities, remote from the place of production, was but little, if any, in advance of the tax. It is no wonder, then, that many distilleries were idle and the revenue small.

The receipts from distilled spirits in

1863 (10 months) were from.....	16, 149, 954 gallons.
1864 were from.....	85, 295, 391 "
1865 were from.....	16, 936, 778 "

Average taxable production per year, from September 1, 1862, to June 30, 1865, 40,537,371 gallons.

From the fact that several of the elements involved are so uncertain and fluctuating, it is very difficult, of course, to determine with confidence how much the consumption is reduced by the present tax, and what will certainly be realized from this source of revenue. The Revenue Commission has given much attention to this subject, and its report, I have no doubt, will be full and exhaustive. It may not be amiss for me to state, however, that I apprehend there is a prevalent overestimate of this reduction; and in this belief I am strengthened by the recent report of the Commissioners of her Majesty's inland revenue, from which it appears that the consumption of distilled spirits in the United Kingdom of Great Britain and Ireland during the year ending March 31, 1852, exclusive of the amount used in the arts and manufactures, was 29,866,260 gallons, while the increase of the excise duty in 1860 to the uniform rate of 10s., or £2 50 per gallon, throughout the kingdom, (at which rate it still remains,) only reduced the consumption during the last year to 26,516,531 gallons. This amount was in addition to 933,649 gallons more employed in manufactures and the arts, methylated and exempt from duty.

In 1852 the tax in England was 7s. 10d.; in Scotland, 3s. 8d.; and in Ireland, 2s. 8d.

The population of the United Kingdom in 1852 was 27,500,000, and in 1864, 29,657,000.

For some years prior to 1860 the rate of duty was uniform throughout the United Kingdom at 8s., or 8s. 1d. per gallon, and in that year it was raised to 10s. From the report of the commissioners for the following year it appears that the domestic production fell off heavily—some nineteen per cent.—immediately after the change in the rate, from 24,985,192 gallons in 1860 to 20,147,824 gallons in 1861, while it will be noticed that the advance in the duty was but slight when compared with that which was imposed under our laws at the commencement of the last fiscal year. The commissioners in the report of 1861, say:

"These figures immediately suggest the question whether the whole of this large decrease is attributable to diminished consumption produced by the addition to the rate of duty. We think that this is not the case. Considerable diminution, indeed, was expected and has doubtless occurred, but various other causes have contributed to the unexpected deficiency above recorded.

"In the first place, we know that unusually large stocks of spirits had been accumulated in February, 1860, in anticipation of an addition to the duty; and, on the other hand, that since the duty was raised to 10s. the stocks have been uniformly kept as low as possible, and the operations of all persons concerned in the spirit trade restricted to the absolute wants of the moment. Rectifiers, for instance, take ten puncheons at a time, instead of twenty or thirty, as they formerly did, and many of the large retailers who used to replenish their stores with one hundred gallons at a time, are now careful to limit their purchases to ten or twenty gallons. This is the consequence of the increased cost of the spirits, and may be expected permanently to alter the habits of the trade; operating in combination with the excessive stocks of the year 1859-'60, it has had considerable effect on the relative quantities charged with duty in that and the succeeding year.

"Yet, after making allowance for all this, there still remains a large deficiency, which can only be accounted for by diminished consumption; not, however, wholly produced by the increase of price in spirits, and therefore not necessarily a cause of permanent falling off in revenue.

"We feel justified in assigning to the bad harvest of last year a large share in restricting consumption, both immediately and consequentially.

"On the whole, therefore, we should infer, from a review of the occurrences of the year, that, although the quantity of spirits brought to charge would in future not reach the same level as in 1859-'60—nearly the highest on record—we should be entitled to reckon with

certainty upon charging at the least twenty million gallons in the present year, and might fairly expect, if the country continues in a prosperous state, an addition to that amount of 1,000,000 or 1,500,000 gallons."

By the subsequent reports of the same commissioners it appears that their estimates were fully confirmed.

Upon such experience we can now reasonably base our expectations. Our circumstances are not dissimilar. Our markets are now exhausted of spirits distilled before taxation, or subjected only to the earlier rates. The supplies for consumption must now pay the existing duty, and the receipts for the current year will, I am confident, far exceed the aggregate of all receipts from the same source prior thereto.

It is certain that immense frauds have been perpetrated, for such have been discovered and prosecuted to judgment or to compromise; but the increasing experience and vigilance of our officers, and the appointment of others for special duty at distilleries, will prevent large loss to the government. The Revenue Commission will, I hope, suggest additional checks to be authorized by further legislation; but so long as avarice and falsity are a part of humanity, revenue laws, however thoroughly administered, will be sometimes evaded.

The number of illicit distillations detected in the United Kingdom in 1864 was 2,757, and in 1865 3,457; showing that, with all the thoroughness consequent upon careful legislation, long experience, and a more compact population than ours, it was quite impossible to prevent occasional and, undoubtedly, sometimes enormous fraud. It must be the aim and the effort of all persons connected with our revenue laws to insist everywhere and always upon the rights of the government, and, in so doing, the protection of taxpayers who faithfully discharge their duties.

COST OF COLLECTING THE REVENUE.

The cost of collecting the public revenues is naturally a matter of no little solicitude to the Secretary of the Treasury, as it is one of vast importance to the country.

A people heavily subjected to taxation will carefully scrutinize the expenditures of the government, especially so far as they relate to the collection of the revenue they are taxed to produce.

It may not be unsatisfactory to submit, in this connexion, a tabular statement of the costs, from time to time, of collecting the revenues of Great Britain and Ireland, taken largely from the work of J. R. McCulloch, esq., upon "*Taxation and Funding*."

The percentage cost of collecting inland revenue, after deduction of drawbacks, in the following years, was, (in the £100:)

1840-'41	£5 5s. 1d. upon....	£26,231,172
1850-'51	4 3 4½ upon....	32,018,825
1860-'61	3 13 7½ upon....	42,019,133

The percentage cost of collecting customs, according to the same authority, before deduction of drawbacks, &c., in the following years, was:

In 1840-'41	£5 8s. 8½d. upon....	£26,341,813
In 1850-'51	5 15 8½ upon....	22,019,784
In 1860-'61	4 6 3 upon....	23,278,250

The actual annual costs to our own government for the collection of its customs for several years cannot be determined with accuracy, because the expenses of revenue cutters, performing the duties of vessels-of-war, have been paid from the appropriations for customs, as have other charges connected with commercial intercourse and abandoned property in insurrectionary districts. They will, however, it is believed, not fall short of three and one-half per centum of the

receipts—a percentage not above the average for many years past in this country, and, as it will be observed, much below the costs in the United Kingdom for either of the years above given.

I have caused the costs of assessing and collecting the internal revenue of the fiscal year 1865 to be carefully ascertained, including the salaries and authorized expenses of revenue agents, special agents, and inspectors of revenue; the contingent expenses of this office, including its pay-roll, and the costs of revenue stamps, but exclusive of its printing at the office of the public printer, not yet ascertained, and find that the percentage, after deducting drawback and sums refunded as erroneously collected, will not exceed two and seventy-five one-hundredths, ($2\frac{75}{100}$).

This ratio of costs to collections cannot be relied upon for the current year, as the percentage will be greater in the sparsely settled districts of the south. It will not, however, I believe, exceed three and one-half ($3\frac{1}{2}$) per centum of the receipts of the whole country.

ESTIMATE OF RECEIPTS FOR CURRENT YEAR.

As bearing upon the probable amount of revenue for the current fiscal year 1866, I present herewith a statement of the receipts of which certificates of deposit reached this office during July, August, and September, of 1863, 1864, and 1865, respectively:

	1863.	1864.	1865.
July	\$5,298,967 18	\$16,570,548 39	\$21,693,470 75
August	5,604,201 35	15,712,066 84	34,087,539 09
September	6,136,265 43	15,819,770 72	37,939,415 82
Total	17,039,373 96	48,102,385 95	93,720,425 66

I present also the comparative receipts from several large sources of revenue during the first quarter of the fiscal year 1865, and the first quarter of 1866, ending September 30 last:

	1865.	1866.
Fermented liquors	\$913,252 53	\$1,230,353 69
Refined petroleum and coal oil	302,411 63	810,056 09
Revenue stamps	2,560,509 85	3,010,135 37
Salaries	471,863 07	1,206,878 59
Paper of all descriptions	228,851 60	204,917 76
Cigars and cheroots	526,840 91	600,116 88
Articles in schedule A	316,621 77	981,547 14
Income	13,510,492 98	41,766,016 63
Smoking and chewing tobacco	2,233,926 16	2,078,974 95
Distilled spirits	3,501,071 43	1,085,031 20
Total	24,565,841 93	52,974,028 30

Reports due from several collectors have not been received, although their receipts have been regularly deposited, and the above amounts for 1866 will, in some instances, be considerably increased. The receipts from distilled spirits for the months here reported exhibit no evidence of the amounts consumed, nor of the comparative productiveness of the several rates of duty, as \$2,702,257 72

of that reported in 1865 (July, August, and September, 1864) accrued from the imposition of twenty or sixty cents per gallon. The same is true of tobacco, as \$1,766,616 79, or more than three-quarters of the whole amount reported in 1865, was derived from the low rates of duty prior to the statute of June 30, 1864.

It will be observed that the increased receipts are largely from the annual list, and especially from income. Not far from sixty per centum of the latter tax was from income in excess of five thousand dollars, and taxable at ten per cent.

At the date of this writing the revenue from the annual list is almost fully collected, and the receipts for the remaining portion of the fiscal year must be mainly from other sources.

The fluctuation in the value of merchandise will, of course, affect the proceeds from whatever bears an *ad valorem* duty. The revenue from the southern States is altogether problematical. From the most reliable data, however, in my possession, with the present law unchanged, I confidently expect that the receipts of this office for the current fiscal year will not be less than \$272,000,000.

APPOINTMENT OF ASSISTANT ASSESSORS.

By the amendatory act of March last it was provided that assistant assessors, before that time appointed by the Secretary of the Treasury, should, in case of vacancy, be appointed by the assessors of the several districts, subject to the approval of the Commissioner.

The Attorney General of the United States, to whom the question involved in this change was referred, has given to the Secretary of the Treasury his opinion, that under the second section of article second of the Constitution such appointments can be made only by the President of the United States or the head of a department.

The language of that section is that the President "shall nominate, and by and with the advice and consent of the Senate shall appoint, * * * all other officers of the United States whose appointments are not herein otherwise provided for, and which shall be established by law. But the Congress may by law vest the appointment of such inferior officers, as they think proper, in the President alone, * * * or in the heads of departments."

It would seem, therefore, that if no other provision of law is made for the appointment of assistant assessors than that which now exists, an undesirable as well as an unintended burden is imposed upon the President and the Senate.

The purpose of the law would seem to be answered as well and more conveniently by giving the power of such appointments immediately to the Secretary of the Treasury, as authorized by the above section of the Constitution; and I respectfully suggest that a modification of the law may be made to that effect.

APPEALS UNNECESSARY.

From the almost universal experience of assessors it seems that the holding of formal appeals from erroneous assessments in the annual list, as required in the nineteenth section, is entirely unnecessary. The public always have access to the assessor at his office, and rarely have actual notice of the advertised time of hearing at any other locality. The result is that in many districts none have ever attended the appeals, which have hence proved of advantage neither to the government nor the taxpayer, while they have been a charge both to the local officers and to the public treasury. Between the assessment and collection there is always opportunity for a hearing if desired, either in person or by correspondence, and after collection this office is always open to the complaints of aggrieved taxpayers.

The system of holding appeals in the several counties is borrowed from the direct tax law, under which a certain amount was apportioned to each county, and the increase or decrease of a single assessment affected every landholder. There was need, therefore, of comparison, and often of personal view. Under the revenue law every assessment is independent, and the machinery referred to seems valueless.

LACK OF UNIFORMITY IN RETURNS.

The singular lack of uniformity in the time when the various returns are due the assessors from different classes of taxpayers is often productive of neglect and irregularities, which the necessary amendments to the law would avoid. There seems to be no reason why the monthly returns, at least, should not all be receivable on the same day and payable at the same time thereafter. The more the statutes are simplified and systematized in their details the less will be the friction engendered in their operation, and the more certain their results.

What I have said of the returns is applicable in its spirit to the penalties of the law. They differ largely in amount for the same grade of offence, while the manner of their recovery is as various, almost, as the forms of proceeding known to the courts. The tax upon slaughtered sheep and lambs is five cents each, and the penalty in case of fraud or evasion is ten dollars, or two thousand per centum, recoverable only by suit, while the penalty for neglect, or refusal to make return and payment of tax upon the gross receipts of certain persons, companies, and corporations, is ten per cent. additional to the duty as estimated by the assistant assessor, to be included in the assessment, and for fraudulent evasion one thousand dollars, without regard to the amount of indebtedness, to be sued for in the courts; and no special penalty whatever is provided for neglect to make return of a succession until after notice from the assistant assessor.

These instances are cited simply for illustration of the variety referred to, and could be made as numerous, almost, as the sources of revenue.

In this connexion I may add that section fourteen, from peculiarities in some parts of its language, is of questionable application to many of the returns required later in the law, which it appears from other parts it was intended to cover, and that the forty-ninth section is so involved in its construction as, thus far, to have been of little practical utility.

INCREASED ALLOWANCE TO ASSESSORS FOR RENT, AND ADDITIONAL COMPENSATION TO ASSESSORS AND ASSISTANT ASSESSORS IN CERTAIN CASES.

Under section 22 the allowance made to assessors for office rent can in no case exceed the rate of \$500 per annum. This limit is still much more than sufficient in most districts of the country; but in several of the most populous cities the increase of prices since the passage of the law compels our officers to seek rooms insufficient for themselves and inconvenient to the public, or make payment in part therefor out of receipts designed by Congress as compensation for their personal services. It seems but just to them that this limitation be enlarged, and they be allowed sums actually and necessarily expended, subject to the approval now required.

The last proviso of section 22 authorizes the Secretary of the Treasury to fix such additional rates of compensation to assessors and assistant assessors in cases where a collection district embraces more than a single congressional district, and to assessors and assistant assessors, revenue agents and inspectors, in Louisiana, North Carolina, Mississippi, Tennessee, Missouri, California, Oregon and the Territories, as may appear to him to be just and equitable, in consequence of the greater cost of living and travelling in those States and Terri-

tries, and as may, in his judgment, be necessary to secure the services of competent officers. The suppression of armed hostility in the insurrectionary districts has brought within the active operation of the revenue law other States neighboring to several of those above named, and in which the cost of living and travelling is nearly the same. To the compensation of revenue officers in those States I respectfully suggest that the authority of the Secretary of the Treasury should likewise be extended.

FRANKING PRIVILEGE

Assessors and collectors are allowed for postage actually paid on letters and documents received or sent by them relating exclusively to official business. Their communication with this office through the mails is free, and I respectfully suggest that if they were allowed the franking privilege upon official business between their respective offices it would be liable to little abuse, and be a saving of cost to the government.

SAVES.

My predecessors in their reports to the Secretary of the Treasury alike recommended that the purchase of fire-proof safes be authorized for the use of collectors and assessors. In this recommendation I cheerfully concur. Private enterprise of the amount covered by the books and papers of the most unimportant district of the country is seldom left by prudent managers to the dangers to which our offices are now subject. The loss accruing to the government from a single conflagration might almost equal the expenditure necessary for the protection everywhere required.

SALES OF REAL ESTATE FOR TAXES

Section 30 relates to the seizure and sale at public auction of real estate by the collector when goods and chattels cannot be found sufficient to satisfy the duties imposed.

It provides, among other things, that if no person offers for the estate the amount of the tax to be collected, together with the penalties and charges, the officer shall purchase the same at that sum for the United States, and shall deposit his deed thereof with the district attorney. Although the tax may be large and the realty of disproportionate value, no collection can be made without a full discharge of the duty.

This section is largely copied from the 36th section of the direct tax law of August 5, 1861. The tax to be collected under that law was only that assessed upon the land offered for sale, and the requirement now considered was appropriate. Under the revenue law the land is not assessed, and the requirement is oftentimes embarrassing. I respectfully recommend that the law be so amended that the land may be sold to the highest bidder, and that the United States, through the collector, may be the purchaser.

COMMISSIONER'S CERTIFICATE TO BE REQUIRED IN CERTAIN CASES.

There has been a very general compliance on the part of revenue officers with the requirements of the law and the regulations of this office in preparing and forwarding their various reports. Whenever negligence does occur, however, this office is embarrassed in its operations, and not unfrequently the local officers, who have promptly discharged their duty in this particular, share in the general inconvenience. Sometimes positive damage may result to the government when a person who has neglected to make the returns retires from office. After careful consideration I have concluded to recommend that it be provided by law that no payment shall be made to assessors or collectors on

account of salaries or commissions without the certificate of the commissioner that all reports required by law or regulation have been received, or a satisfactory explanation rendered him of the cause of the delay.

REFUNDING TAXES ERRONEOUSLY PAID.

Taxes erroneously or illegally assessed and collected, which, under the 44th section of the act of June 30, 1864, the Commissioner is authorized to refund, subject to the regulations of the Secretary of the Treasury, were, prior to the 30th of June last, by the provisions of the same section, paid by draft drawn on collectors of internal revenue. The 3d section of the act of March last prescribed that after the 30th of June the gross amount of all duties, taxes, and revenues received or collected should be paid, by the officers, collectors or agents receiving or collecting the same, into the treasury of the United States, without any abatement or deduction on account of "salary, compensation, fees, costs, charges, expenses or claims of any description whatever, anything in the law to the contrary notwithstanding."

Such payment, of course, does not allow collectors to honor drafts of the Commissioner, and no little embarrassment has arisen, both to the department and the public, from the want of a clearly authorized method of refunding such taxes. This trouble did not suggest itself during the pendency of the amendatory act, and it is only necessary, I apprehend, to call the attention of Congress to the subject to secure the appropriate legislation.

TAXES IN THE INSURRECTIONARY DISTRICTS.

By circular bearing date June 21, 1865, the Secretary of the Treasury announced that, "without waiving in any degree the rights of the government in respect to taxes which had before that time accrued in the States or Territories in insurrection, or assuming to exonerate the taxpayer from his legal responsibility for such taxes, the department did not deem it advisable to insist at present on their payment, so far as they were payable prior to the establishment of a collection district embracing the territory in which the taxpayer resided."

This office, in pursuance of that circular, commenced and continued the collection of such taxes only as accrued in the several collection districts subsequent to their establishment by the order of the President.

I would respectfully suggest whether or not section 46 of the act of June 30, 1864, which relates to the collection of taxes in States at that time insurrectionary, and referred to in this circular, does not require the careful attention of Congress.

All the instruments enumerated in schedule B of the revenue law, and subject to stamp duty, which were issued for nearly three years in that portion of the United States above referred to, were unstamped and invalid. Immense monetary interests are covered by these instruments, and although much wrong has not yet been suffered by their invalidity, the subject deserves, and will of course receive, special consideration.

PEDDLERS AND SUBSTITUTE BROKERS.

The apparent necessity for two provisions in the act of March last, amendatory of the 79th section of the act of June prior, has passed away with the rebellion. One of them denies license as peddlers to all who are not regularly enrolled for military duty, or physically disabled from service; the other imposes a tax of one hundred dollars upon substitute brokers. Both of them are now useless, while the former, from the discharge of enrolling officers, is liable to produce hardship. They should be repealed.

DEMANDS FOR PAYMENT OF TAXES.

Many complaints have arisen from manufacturers, and no little embarrassment to those charged with the administration of the law, by reason of the amendment to the 83d section, repealing the requirement of demand in writing before the imposition of ten per cent. penalty for non-payment of tax. The purpose of the change was, undoubtedly, to secure punctuality of payment, but neglect is often the result of forgetfulness only, and I believe it but just that written demand notices should be served upon all taxpayers, except when payment accompanies their returns.

DEDUCTIONS BY MANUFACTURERS UNDER SECTION 86.

I would suggest the propriety of amending the 86th section, relative to manufacturers' returns, by striking out so much thereof as relates to deductions.

The law now authorizes the deduction of freight from the place of manufacture to the place of delivery, commission not exceeding three per centum, (except where sales are made at the place of manufacture,) and other expenses of sale *bona fide* paid.

There are so many peculiarities in the method of manufacture and sale of different classes of merchandise in different parts of the country that it has been found impossible to define by any precise and specific rules the deductions allowable as "other expenses of sale *bona fide* paid," while general rules, however carefully drawn, are liable to such a variety of construction that too much diversity of practice has prevailed where it is but just to the honest manufacturer that there should be perfect uniformity. Much time is spent by assessors and assistant assessors in adjusting claims for deductions, and unfortunate differences of opinion often arise between them and the manufacturers, which should be avoided. This diversity of practice has furnished opportunity for numberless short returns, and a large proportion of the manufacturers who have been detected in fraud have urged "expenses of sale" either in extenuation or defence.

It is apparently reasonable to allow for freight, as some manufactories are more remote from the markets than others; but their disadvantage in this respect is, perhaps, fully compensated by the reduced cost of fuel, labor, rents, and motive power. The deductions are allowed only where the tax is *ad valorem*.

The duties upon iron, salt, sugar, molasses, petroleum, and other articles, the freight of which to market is no inconsiderable part of their value, are all specific and without deduction. The amendment proposed would, of itself alone, enhance the burden upon manufacturing; but I believe that a tax of five per centum upon the gross sales of the manufactures in question is preferable to the present rate, with the allowances.

TAX UPON GROSS RECEIPTS OR TONNAGE OF VESSELS.

By section 103 of the act of June 30, 1864, a tax of two and a half per centum is imposed upon the gross receipts of steamboats, ships, barges, canal-boats, or other vessels, employed in the business of transporting passengers or property for hire. The fourth section of the amendatory tariff act of March last relieves vessels paying tonnage duty from the taxation of their receipts. The tonnage duty upon the vessels relieved is but an annual one of thirty cents per ton, and it is respectfully suggested that the amended law imposes unequal burdens upon persons employed in like pursuits.

SECTION ONE HUNDRED AND FIFTY UNNECESSARY.

The peculiar language of section 150 of the act of June 30, 1864, would seem to indicate a purpose at one time of, in some way, collecting the duties

upon successions in the insurrectionary districts through the direct tax commissioners. However this may be, there is now certainly no necessity of the section, and I respectfully recommend its repeal.

STAMP DUTIES.

That part of the law which relates to "stamp duties" is not only susceptible of improvement in its details, but is worthy of attention in respect to its general scope, and the objects of taxation.

While the results of its administration are, perhaps, more satisfactory than those of most other parts of the law, yet evasions and violations are frequent, and, though the amount lost to the revenue may be small in the individual instance, it is large in the aggregate. Without asserting that greater vigilance than that heretofore exercised may not secure a more perfect enforcement of the statute, it is yet safe to say that the risk of detection and punishment under the existing system, with the precise phraseology of the law, in respect to violation and punishment, as it is, must always remain so small as to afford too much inducement for its evasion.

Were it not for the inconvenience the change might inflict upon thinly settled districts, it would be wise, it seems to me, to dispense entirely with adhesive stamps, as has been done elsewhere, and substitute stamped parchment or paper, the use of which is its cancellation. Frauds would diminish, but I fear the advantage to the revenue would hardly justify the burden upon the public. Penalty is provided for issuing unstamped instruments only when there is intent to evade the provisions of the law. The instrument itself may be invalid, but there is no punishment of the party who makes or issues it.

Some of the courts have held the government to the proof of fraudulent intention, and thus practically stayed proceedings for neglect to affix or cancel the requisite stamps.

Sufficient time should, undoubtedly, be given the public, whose attention is not specially directed to its obligation in this particular; but as the law has been so long in operation, it is a question worthy of consideration whether or not a reasonable penalty for simple neglect would be oppressive, as it certainly seems necessary.

Every person who sells unstamped articles named in schedule C is subject to penalty; small for neglect alone, larger when there is purpose to evade the law. Similar provisions in relation to unstamped instruments would, I believe, be both just and salutary.

The invalidity of unstamped instruments in the hands of their receiver must always prevent their issue more effectually than the liability of those who sign them to penalty. A more general compliance with the law could therefore be secured, if only those instruments which are of value in the hands of their holder were subjected to stamp duty. The small loss to the revenue from the necessary amendments would, it is believed, be more than compensated by the convenience of the public and the more general observance of the law. It is wise, too, it seems to me, to have few statutes which can easily be violated with impunity. Familiarity with their infringement in their minor details makes it easier for one to forget his obligations when larger sums are in question between himself and the government. Moral as well as bodily diseases are contagious.

A question has frequently arisen concerning the proper rule to be adopted in the case of official papers issuing from the executive departments of the several States, as well as from county and municipal offices. While there is in such cases no express exemption from stamp duty, such as is provided in regard to official documents made or issued by officers of the general government, yet the law has always been most liberally construed in their behalf. It has, how-

ever, not always been easy to define the proper limits of such exemption, nor to determine the particular cases to which the rule should apply.

It seems, therefore, desirable that legislation should regulate with its special provisions a matter like this of large and growing importance, and which, it must be confessed, now rests mainly upon the basis of "liberal construction."

In this connexion, it is proper to call attention to the fact that there has arisen in some quarters an attempt, sustained by the judicial decisions of certain State courts, to evade the stamp duty imposed upon "writs or other original process by which any suit is commenced in any court of record."

Neither my predecessors nor myself have been convinced by the arguments upon which those decisions are founded, and this office has not altered nor modified the directions heretofore given requiring such duty to be paid. It has not been deemed advisable, however, to take any steps to bring the question involved before the appellate court for final decision, or to induce others to do so. It is undoubtedly desirable that in such a case an authoritative decision should be reached; but, as in other like cases, it seemed proper that the suit for that purpose should be prosecuted, if at all, by individuals, and in the ordinary way.

The power given to collectors by section 163 of the act of June 30, 1864, to affix exemption stamps, and to determine the rate of stamp duty in certain cases, is one of importance to the revenue, and sometimes of embarrassment to this office in its administration of the law. Without derogating from the intelligence and integrity of those charged with this important duty, it is my conviction that their decisions, under the pressure of other duties, and generally without reference to those made in other districts, must commonly be given with less consideration than if made by those who have larger opportunities for investigation, and whose decisions would produce greater uniformity of practice. The inconvenience of referring such matters directly to this office might in some localities seem, at first, to be an objection to the change; but, if desirable, copies might be forwarded, instead of original papers, and decisions made thereon, in pursuance of which the requisite instructions could be given. Indeed, from a large part of the country inquiries are, even now, constantly presented for consideration, accompanied by documents, or copies, under the impression that the final decision in such cases rests here. It is deemed the duty of this office to give answers to such inquiries; but such answers may encounter or be followed by decisions of subordinate officers based upon opinions directly at variance with those held here, and which are made final by law. It is apparent that such an incongruity in the administration of the law should not exist. Whether the correction should be made in the manner I have suggested, is for the superior wisdom of Congress to determine. As the attention of that body will no doubt be called to the details of the stamp schedules, as well as to other points of the law, it is not necessary that I should refer to all the particulars in which amendments may seem advisable. I would suggest, however, that the difference in the terms applied in different localities to the same kind of instrument, and the various forms of process and modes of proceeding in the several States, have rendered it difficult many times to make a satisfactory application of the provisions of schedule B, as it now exists, to all the cases which are presented for decision. Material advantage, too, might be derived from a more careful and enlarged specification, as in the case of different kinds of conveyance, and from a more definite requirement in the statement of the amount or character of the consideration in cases of conveyance, corresponding in that respect to the approved practice abroad. But these and other amendments can be more particularly pointed out at another time, if desired.

OTHER CHANGES IN THE LAW NOT DEFINITELY STATED, DEEMED NECESSARY.

I purposely omit the consideration of several important changes in the provisions of the law relative to successions and legacies, as well as to tobacco,

snuff, cigars, and distilled spirits, which appear to be necessary for the prevention of fraud, the protection of honest taxpayers, and the more uniform and certain collection of the revenue. The patience of the people, burdened as they have been by taxation, is an argument sufficient for their relief from its most annoying and oppressive exactions, so far as is consistent with the public necessities. Unskilled labor contributes in some instances disproportionately to its means, and several requirements of the law are more irritating and burdensome than productive. All these things are, however, being subjected to the thorough scrutiny of the Revenue Commission, and I defer further reference to them for the present.

OPERATIONS UNDER THE DIRECT TAX LAWS.

No appointment of "Commissioner of taxes," authorized by the 56th section of the direct tax law of August 5, 1861, has ever been made; but after the assumption by the loyal States of their apportionment of the twenty millions of dollars thereby imposed, the general superintendence of the collection of the tax in the insurrectionary districts was assigned to the office of internal revenue. For this collection, "a board of tax commissioners" in each of the States in which the insurrection existed was provided by the fifth section of the amendatory act of June 7, 1862. They were appointed, and during the last fiscal year they have been engaged in South Carolina, Virginia, Florida, Tennessee, North Carolina, Louisiana, and, for a portion of the year, in Arkansas.

Since its close they have also been appointed for the States of Georgia, Mississippi, Texas, and Alabama, and have commenced the discharge of their duties.

I herewith submit a statement of the amounts collected by the several commissions prior to June 30, 1865, the amounts received by them from sales of lands, from collections, and other sources, and the quantity or assessed value, or the number of lots purchased by them for the United States, so far as reported to this office, together with their salaries and expenditures:

Districts.	From sales.	Collections.	Other sources, including rents and leases.	No. of acres, assessed value, and number of lots bid in.	Salaries and expenditures.
Florida.....	\$40,414 81	\$4,000 00	.....	2,337 lots and 28 blocks.	\$27,900 16
South Carolina.....	170,578 01	99,990 03	\$14,654 96	*39,703 acres.	41,412 22
Virginia.....	131,608 38	119,308 00	.....	8,701 acres, assessed value, \$104,645 75	23,816 29
Tennessee.....	112,366 00	187,634 00	.....	\$1,586,882 00	23,637 18
Louisiana.....	108,203 72	.....	.....	.....	8,447 10
North Carolina.....	33,986 10	.....	.....	.....	9,175 31
Arkansas.....	33,537 00	9,729 07	.....	\$76,000 00	4,763 03

* This amount is exclusive of lands resold under section 11 of the act of June 7, 1862.

It will be seen that there has been great lack of uniformity in the operations of the several commissions, dependent largely as they were upon the amount of territory protected by the national forces. The quantity of real estate abandoned by disloyal owners, and forfeited to the government, differs in different States, as do the sales of such property, and the amounts of taxes collected.

Of the property purchased for the government at the sales for taxes, leases under section 9 of the act of June 7, 1862, have been made only by the South Carolina commission. In South Carolina, too, and not elsewhere, resales of

lands bid in at the sales for taxes have been made by the commission, under section 11 of the same statute. This section provides that purchasers at the sale who shall have faithfully served for the term of three months as an officer, musician, or private soldier, or sailor, in the army or navy or marine service of the United States, as a regular or volunteer, and who shall pay one-fourth part of the purchase money, shall receive a certificate, and shall have the term of three years in which to pay the remainder. The amount which will become due in 1867 and 1868 upon army and navy certificates, issued as above, is \$206,994 30. In this State, also, a board of selection, appointed by the President of the United States for that purpose, and comprised in part of the tax commissioners, under his instructions of September 16, 1863, selected and reserved for military, naval, charitable, educational, and police purposes, eighty-one plantations, situated on the several Sea islands of that State.

Under the same instructions the commission made sale of homesteads of ten and twenty acres each to heads of families of African descent.

Since December 10, 1863, there have been 617 certificates of homesteads of this character issued by the commission, most of which were during the last fiscal year.

It is evident from what I have stated that when the duties of the commissioners under the present laws shall be completed, the burdens imposed by it will have fallen unequally upon the people of the districts lately in insurrection. Some will have paid little in addition to their original distributive share of the twenty millions of dollars, while others will have lost their entire estates.

Some States, too, will have paid only the amount apportioned them under the act of August 7, 1861, while others, for the reasons before given, will, through the collections and sales, have contributed largely in excess of such apportionment.

After all the taxes shall have been collected, too, there will remain in several of the States large tracts of land belonging to the general government, bid in at the sales. When the offices of the commissioners shall be vacated there will be no person whose special duty it will be to take charge of these lands, or at least such part of them as shall be subject to redemption, and which, under the opinion of the Attorney General of the United States, referred by the Secretary of the Treasury to this office, the tax commissioners are not bound to turn over to the Bureau of Freedmen Refugees, nor has the Commissioner of the Freedmen's Bureau authority to set them or any portion of them apart for the uses mentioned in the statute of March 3, 1865, or sell them under the same statute.

The direct authority of the commissioners under section 9 of the act of June 7, 1862, to lease lands in any State, extends only until the said rebellion and insurrection in said State shall be put down and the authority of the United States established; and until the people of said State shall elect a legislature and State officers who shall take an oath to support the Constitution of the United States, to be announced by the proclamation of the President, and until the first day of March next thereafter.

Under the law and the proclamation of the President, each and every parcel of land in the States and parts of States lately in insurrection is charged with the payment of so much of the whole tax laid and apportioned upon the State where the same is situated, as shall bear the same direct proportion to the whole amount of the direct tax apportioned to such State as the value of such tract bears to the whole valuation of the real estate of such State, and in addition thereto a penalty of fifty per centum thereon. This charge is a lien upon all lands subject to it from and after the proclamation of the President, on the 1st day of July, 1862. The statutory remedy in default of payment of taxes determined by the commissioners is the sale at public auction of the lands upon which they are a charge.

After the cessation of hostilities, and on the 17th day of May last, the several commissions were directed by this office, in pursuance of the instructions of the Secretary of the Treasury, to suspend all sales of lands for taxes in districts before that time in insurrection until otherwise ordered. Collections, however, have been made in several of the States, because of improved opportunities, with greater success than before, and since the close of the heated term all the boards are at their places of duty.

I submit that the disposition of the lands purchased and now held by the United States, as well as the whole subject of the collection of taxes above referred to, requires the careful consideration of the Secretary of the Treasury and of Congress.

ORGANIZATION OF THE BUREAU.

The Secretary of the Treasury, under the amendment to the first section of the act of June 30, 1864, is authorized only until the 1st day of July, 1866, to assign to this office such number of clerks as he may deem necessary, or the exigencies of the public service may require. Legislative action is therefore indispensably necessary that the requisite clerical force may be provided after June next. And here—were I not aware that all that can be said is already within the knowledge of the Secretary—I would urge the importance of increased compensation, by positive enactments, to a portion, at least, of the officers and employees of this office.

It needs no facts or argument to prove that, in a bureau where the details are so numerous and complicated, the value of one's services increases with experience, almost as much as in the studio or laboratory. Private enterprise is everywhere offering superior inducements to those who are willing to sacrifice their days and nights in its service, and it is not strange that a proper regard for themselves and families compels many of the most deserving to retire from public employment. An organization of this office, somewhat like that of the Treasurer's, was approved and referred to the last Congress by the late Secretary, and I respectfully submit that the necessity of one even more liberal in its provisions was never greater than now.

The correspondence of this bureau is voluminous, and the ladies engaged in its copying, and the discharge of other clerical services assigned them, should be remembered in this organization, and receive compensation more commensurate with their services. There is no reason why they should not be recognized and classed as clerks.

I cannot forbear cheerfully testifying to the punctuality and industry of the persons employed with me in this office, and their compliance with its regulations. Several of those charged with the most important duties, disregarding the customary hours of service, have almost uniformly been at their desks for several hours at night.

The same faithfulness has generally characterized the subordinate officers in the several districts of the country, and I am happy in the belief that at no period since the passage of the revenue law in 1862 have the taxes been more uniformly and thoroughly assessed and collected.

With great respect, your obedient servant,

Hon. HUGH McCULLOCH,

Secretary of the Treasury.

E. A. ROLLINS, *Commissioner.*

REPORT OF THE TREASURER.

TREASURY OF THE UNITED STATES.

Washington, October 25, 1865.

Sir: In compliance with provisions of statutory law and departmental regulations, the following statements in regard to the moneyed transactions of the treasury of the United States, and of the office in Washington city, and of the necessary business and labor connected with said transactions, during the fiscal year ending with June 30, 1865, are most respectfully submitted.

The books of the various offices of the department, including this office, have been closed as follows:

CASH DR.

Balance from June 30, 1864	\$96,739,905 73
Repayments	20,135,881 21
Trust funds	7,242,242 00

RECEIPTS.

Loans	\$1,475,579,740 85
Internal revenue	209,464,215 25
Customs (coin)	84,928,260 60
Miscellaneous	39,760,371 03
Direct tax	1,200,573 03
Lands	996,553 31
War Department	6,160,524 57
Navy Department	7,787,268 69
Interior Department	197,719 81
	<hr/>
	1,826,075,227 14
	<hr/>
	1,950,193,256 08

These receipts were carried into the treasury by four thousand nine hundred and eighty-one covering warrants.

CASH CREDIT.

Repayments	\$20,135,881 21
Trust funds	4,146,718 42

PAYMENTS.

Public debt	695,168,336 31
Civil diplomatic, &c.	40,346,543 63
War Department	1,037,483,885 36
Navy Department	130,400,213 98
Interior Department	21,653,368 02
	<hr/>
	1,925,052,347 30
Cash on hand to balance	558,309 15
	<hr/>
	1,950,193,256 08

The above payments were made by thirty-one thousand eight hundred and fifty-six drafts, issued on twenty-eight thousand one hundred and ten warrants.

The actual receipts have been as follows:

From customs, in coin	\$84,622,916 66
From internal revenue	208,753,813 52
From loans	333,694,397 60

From temporary loans	\$147,898,540 95
From seven three-tenths treasury notes	676,610,188 21
From certificates of indebtedness	123,237,000 00
From compound interest notes	191,404,140 00
From legal-tender notes	2,159,830 00
From fractional currency	14,614,563 15
From prize captures	8,206,538 74
From captured and abandoned property	2,427,349 38
From confiscation	187,232 34
From fines, penalties, and forfeitures	426,752 57
From drafts and substitutes	5,321,181 14
From internal and coastwise intercourse	4,020,522 74
From premiums and interest on loans	13,988,143 36
From public lands	919,324 52
From patent fees	278,444 50
From sick and wounded soldiers	393,704 86
From Indian trusts, &c.	191,890 89
From National Bank duty	716,681 15
From real estate, direct tax	1,028,679 51
From repayments	4,489,091 59
From conscience money refunded	20,900 65
From fees, licenses, and miscellaneous	10,301,320 88
From War Department	3,602,431 42
From Navy Department	8,504,205 49
	<u>1,848,029,185 82</u>

The receipts on account of the War Department consist, mainly, in repayments into the treasury by disbursing officers, and proceeds of confiscation.

The receipts on account of the Navy Department were, mainly, repayments into the treasury by disbursing officers, and from captures.

The following tables exhibit the movement of the treasury for the five years comprised, in whole or in part, in the period of time between the breaking out and the suppression of the rebellion:

Receipts for the preceding year to June 30.

1861	\$88,694,572 03
1862	589,197,417 72
1863	888,082,128 05
1864	1,408,474,234 51
1865	1,826,075,227 14

Payments for the preceding year to June 30.

1861	\$90,012,449 79
1862	578,376,242 79
1863	895,796,630 65
1864	1,313,157,872 94
1865	1,925,052,347 30

The receipts and expenditures on account of the Post Office Department were as follows:

Balance from last year	\$1,074,294 97
Receipts from postmasters and others	3,445,744 88
Received, but not covered in	3,000 00
Warrants cancelled	25,253 94
	<u>4,548,293 79</u>

There has been paid on 3,148 warrants	\$3,091,025 99
Balance to new account	1,457,267 80
	<u>4,548,293 79</u>

The aggregate business transactions, including all necessary entries in the cash accounts on the books, at the principal office in the city of Washington for the last five years, show the following results:

1861	\$41,325,339 20
1862	929,630,814 38
1863	2,696,059,087 86
1864	3,889,171,151 00
1865	4,366,551,844 73

Being more than one hundred times as much in the last as in the first year.

But to give a correct idea of the magnitude of the business of the treasury, in Washington, there should be added

to this last named amount of	\$4,366,551,844 73
The aggregate of receipts and payments, as above	3,647,566,764 32
And transfers by letters of instruction, &c.	1,103,736,403 53

Giving a grand aggregate of

9,117,855,012 58

As the office was open only three hundred and three days, the average is over three million of dollars for every day, and this is exclusive of the agency accounts at all the other offices.

New currency in kinds and amounts as follows has been received, counted, and issued, viz:

Three-years six per cent. compound interest notes	\$215,835,440 00
United States legal-tender notes	5,386,870 00
Fractional currency	14,618,757 30
Total issues	<u>235,841,067 30</u>

Certificates of indebtedness were issued of the amounts and denominations, as follows:

19,106 certificates of \$5,000 each, is	\$95,530,000 00
33,315 certificates of \$1,000 each, is	33,315,000 00
Total issued within the year	<u>128,845,000 00</u>

Being over forty-three millions less than the issue of the preceding fiscal year.

Certificates of indebtedness have been redeemed to the amount of

\$185,161,077 27

Currency has been redeemed and destroyed as follows:

Old issue United States notes	\$316,434 00
New issue United States notes	4,242,416 60
One-year five per cent. notes	36,052,430 00
Two-years five per cent. notes	8,764,050 00
Two-years five per cent. coupon notes	77,178,900 00
Six per cent. compound interest notes	5,742,670 00
First issue fractional currency	4,903,747 34

Second issue fractional currency.....	\$6,956,634 30
Third issue fractional currency.....	49,530 00
Add discount on mutilated notes.....	13,108 09

Total withdrawal of currency..... 144,219,920 33

This redemption involved the separate examination and counting of over seventy million of distinct pieces.

The uncanceled currency of the United States, including time interest notes, and all kinds in the treasury, its various offices and depositories, stood at the close of the fiscal year as follows:

Old issue United States demand notes.....	\$472,603 50
New issue United States legal-tender notes.....	431,066,427 99
Six per cent. compound interest notes.....	191,721,470 00
One-year five per cent. notes.....	8,467,570 00
Two-years five per cent. notes.....	7,715,950 00
Two-years five per cent. coupon notes.....	34,441,650 00
Fractional currency.....	25,033,128 76

Total uncanceled currency..... 698,918,800 25

In addition to these, there was held in the reserve fund, legal-tender notes, \$16,139,633 51.

National banks had deposited securities in this office preliminary to their organization at the date of the last annual statement to the number of 473
Securities have been deposited during the fiscal year by..... 916

Whole number so depositing June 30, 1865..... 1,389

Two of the number have voluntarily discontinued doing business and are winding up their affairs. These have withdrawn their securities. Another has failed, and its circulating notes are being redeemed by this office from avails of securities deposited in it, which are amply sufficient to redeem all its outstanding circulating notes at their full face value.

At the date of the preceding annual statement there had been designated of these banks as depositories of public moneys and financial agents of the United States..... 204
There have been added during the fiscal year..... 141
And there have been discontinued..... 15

Leaving the whole number of national banks so designated on the 30th June, 1865, at 330.

These banks have been a great help to this office in the collection of the internal revenue tax, and in the procuring of subscriptions to and the placing of the various government loans. Thus far, with a single unimportant exception, they have all promptly responded to every demand that has been made upon them by this office for the payment of government funds in their custody.

Amount of bonds held for security of circulation at date of last statement..... \$44,266,900
Received during last fiscal year..... 191,722,800

Total amount held for circulation..... 235,989,700

At the date of last report there were held for security of government deposits—

Government securities.....	\$10,697,050 1
Personal bonds.....	19,312,700 1

Total, June 30, 1864..... 30,009,750

There are now held government securities.....	\$32,682,500
Personal bonds.....	25,000

Total, June 30, 1865..... 32,707,500

Total securities held for national banks, \$268,697,200.

Statement of bonds held in security for circulating notes:

Five per cent. coupon bonds.....	\$1,104,900
Five per cent. registered bonds.....	64,283,700
Six per cent. coupon bonds.....	6,282,250
Six per cent. registered bonds.....	164,318,850

235,989,700

In security for public deposits:

Five per cent. coupon bonds.....	\$3,225,500
Five per cent. registered bonds.....	2,091,800
Six per cent. coupon bonds.....	3,462,250
Six per cent. registered bonds.....	5,520,450
Seven three-tenths treasury notes.....	13,817,500
Certificates of indebtedness.....	4,265,000
Personal bonds.....	25,000

32,707,500

Total securities held for national banks, \$268,697,200.

To facilitate payments at the points where the disbursements must necessarily be made, 5,141 transfer orders have been issued, by which there has been moved from one depository to another, \$1,103,736,403 53, being nearly three times as much as was so moved two years ago, and about fifty per cent. more than last year.

There have been issued during the fiscal year upon the offices of New York, Philadelphia, Boston, and San Francisco, 68,138 transfer checks, by which there has been paid at those points \$277,371,468 53, of which amount \$6,364,922 40 was paid in coin.

There are at the office in Washington 274 open accounts of disbursing officers. There have been received, during the fiscal year, one hundred and five thousand and sixty-four official letters. All of them have received attention; most of them, it is true, by the filling up of printed circulars. But notwithstanding these labor-saving devices, nine thousand eight hundred and seventy-three manuscript letters have been written. This is an increase of more than two thousand over last year, and more than double the number written the year before.

By the tables, wherein are compared the movements of the office for the last five years, it will be seen that the business, labor, and money transactions of the office have again been enormously increased. The tables would not be unaptly represented by a truncated pyramid. It is, however, hoped that the tables representing the business of the office, so far at least as the expenditures are con-

cerned, for the next five years, will be represented by such a pyramid with its base turned upward.

There is still great difficulty in obtaining, and in retaining when obtained, the services of persons of the talent and proved probity of character required for the safe transaction of the business of the treasury, at the rates of compensation now allowed by law. The assistant receiving teller, three clerks of the fourth class, six of the third class, five of the second class, and quite a number of the best clerks of the first class, have resigned their positions in this office, and have taken employment elsewhere, where their services were better appreciated and rewarded.

The cashier, the assistant cashier, and the chief of the division of national banks, and others, have remained at their places from motives and considerations other than and above mere pecuniary ones. It is, however, doubtful whether, now that the war is over, these patriotic considerations will continue to influence the conduct of this class of officers and clerks.

It is submitted, therefore, that the public interest requires that the pay of most of the employés in this office should be increased, or at least a percentage on their present salaries allowed them, during the continuance of the present high rates of living, and while their services would command better pay elsewhere.

It is also suggested that the female clerks, who in this office incur great responsibilities, should, like the other clerks, be classified, with salaries according to class, ranging from six to nine hundred dollars per annum.

It is again a subject of gratulation that notwithstanding the difficulty of retaining proper persons for want of adequate pay, the immense money transactions of this office have been satisfactorily accomplished without the loss of one cent to the people of the United States.

I have the honor to be, very respectfully, your obedient servant,

F. E. SPINNER,

Treasurer United States.

Hon. HUGH McCULLOCH,

Secretary of the Treasury, Washington, D. C.

REPORT OF THE REGISTER OF THE TREASURY

TREASURY DEPARTMENT,

Register's Office, November, 1865.

SIR: I submit the following report of transactions in this office during the year ending June 30, 1865.

RECEIPTS AND EXPENDITURES.

The business of this division for the last fiscal year has been greater than in any previous year.

The number of warrants issued for the civil, diplomatic, miscellaneous, and public debt expenditures was..... 15,627
In the previous year..... 12,645

An increase of over twenty per cent..... 2,982

The number of warrants for receipts from customs, sales of public lands, internal revenue, and miscellaneous for the year..... 3,764
In the previous year..... 2,870

An increase of over thirty per cent..... 894

The number of pay and repay warrants issued during the year in the War, Navy, and Interior (Indian and Pension) Departments was... 14,019
In the previous year..... 12,600

An increase of over twelve per cent..... 1,419

The number of journal pages filled with entries of accounts and warrants relating to civil, diplomatic, miscellaneous, and public debt receipts and expenditures for the year was—

Treasury proper..... 1,153

Diplomatic..... 549

Interior, civil, &c..... 379

Customs..... 586

2,667

A slight increase over last year.

The number of drafts registered was 33,257.

The number of certificates given for the settlement of accounts was 6,200.

From the First and Fifth Auditor's Offices and the General Land Office there were received 14,047 accounts, an increase over last year of over ten per cent. A majority of these accounts were copied for warrants to issue; all of them were registered, and one-half or more journalized, and posted in the several ledgers. Considerable progress has been made during the year in balancing the ledgers of previous years, and the work is being rapidly brought up to the present time.

There are kept in the division nine ledgers containing personal accounts, and eight appropriation ledgers, an increase of one, arising from the increase in the public debt. It being found impracticable to keep this class of accounts in the civil appropriation ledger, they were transferred to one specially for them. The annual report in detail of the receipts and expenditures has become a work of considerable magnitude, and constantly employs two clerks, and sometimes more. There is much of the work of the division of which account cannot be given that requires time and care.

The care of filing records, copying accounts for suits, preparing the quarterly statement of the receipts and expenditures for the settlement of the Treasurer's accounts, and the copying of warrants, involves much labor, and, to the credit of those whose duty it has been, it has been done with care and celerity.

NOTES AND COUPONS.

This division was organized about the 30th June, 1864, commencing with ten clerks, and has continued under the efficient charge of Mr. Day to the present time. The work devolving upon the division has been constantly increasing, so that on the 30th June, 1865, there were thirty-three (twelve male and twenty-one female) clerks employed. At the present date there are eighty-five (twenty-three male and sixty-two female) clerks in the division.

During the year embraced in this report, the first series of seven-thirty treasury notes, under acts of June 30, 1864, and March 3, 1865, was issued. There were received from the Currency Bureau 1,293,185 notes, each note having five coupons attached, making 6,465,925 coupons. Every note and coupon was examined and counted previous to issue. Of these notes there were registered and delivered on subscription to the loan branch of the Secretary's bureau 1,256,808 notes, amounting to \$301,693,350. The registering of these notes covered 2,515 pages. It is a matter of congratulation that this entire issue was effected without the occurrence of a mistake involving a loss to the government of a single dollar.

Of treasury notes (upper halves) there have been assorted, counted, and registered—

Two-years five per cent. coupon treasury notes, act of March 3, 1863, 294,811 notes, amounting to.....	\$100,445,150
Two-years five per cent. treasury notes, act of March 3, 1863, 117,409 notes, amounting to.....	8,411,500
One-year five per cent. treasury notes, act of March 3, 1863, 512,662 notes, amounting to.....	14,787,330
Making a total of 924,882 notes, amounting to.....	123,643,980

Of three-years six per cent. compound interest notes, (upper halves,) acts March 3, 1863, and June 30, 1864, there have been assorted, counted, and registered 54,820 notes, amounting to \$1,596,300. All of the above notes, after careful examination and comparison, were burned.

Of "seven-thirty" treasury notes, act of July 17, 1861, there have been examined, assorted, counted, and registered 156,836 notes, amounting to \$44,437,500. These notes, after examining the registering of redemption, are packed away in iron closets in the files-room for future destruction.

The assorting, arranging, counting, and registering of redeemed and mutilated coupons now employs the larger part of the clerical force of the division. The number of redeemed coupons assorted, arranged, and counted during the year is 2,583,117. The number of coupons registered during the year is 1,591,135, all of which have to be examined after they are registered.

A large amount of miscellaneous work has been performed, incident upon the commencement of a new division, which cannot be estimated by figures. The work of examining, arranging, counting, and registering redeemed coupons is one of great magnitude, and must necessarily require a large clerical force for many years to come. In this connexion I desire to add my conviction that a very large share of the work in this division is successfully accomplished by female clerks; and it is within my observation that there are very many of these in this bureau receiving a salary of only sixty dollars per month, who are as capable every way as male clerks who receive \$1,200 per annum. It is not easy to justify this discrimination. The just expenses of ladies are as great as those of single men. Their sacrifices for the country have gone beyond all recompense. I therefore believe it to be due from Congress to authorize by law a classification of female clerks into three or four classes, with salaries graded from \$600 to \$1,000 per year.

REDEEMED CURRENCY COUNTED AND DESTROYED.

Of redeemed United States legal-tender notes there have been counted and destroyed in amount.....	\$4,152,134
Demand notes.....	316,434
Postal currency.....	4,688,588
Fractional currency.....	6,418,722

There has also been counted and destroyed a large amount of surplus bonds, notes, and fractional currency, never issued by the department, most of which having been done since the 30th June last, will be more properly stated in my next report.

COMMERCE AND NAVIGATION.

It is a pleasure to be able to report the work of this division in better progress than for several years past. The statements for the report for the last fiscal year will be in readiness for the printer within the time required by law.

This gratifying condition of the work of the division is due to the energetic efforts of the gentlemen employed in it to bring their division to its proper position in the bureau. The statements required for the financial report for 1865 require great additions, calling for increased labor beyond any that have preceded it. It embraces summary statements of the imports and exports of foreign merchandise, exports of domestic products, statements of entrances and clearances of vessels in the foreign trade by countries and by districts, statements of the registered, enrolled, and licensed vessels belonging to the United States, by districts, under the new and old admeasurement, in addition to those heretofore required. The work has been resumed upon "imposts," and is now pushed as rapidly as consistent with perfect accuracy in results. Statements are in course of compilation, and will be ready for the report on commerce and navigation for 1865.

The system of book-keeping used in this division, and the successful results effected by the accomplished experts in its application, will justify me in placing on record the fact that the clerks perform the highest character of clerical duty, and deserve the highest clerical compensation.

Since my last report, the annual commerce and navigation report for 1863, as well as that for 1864—both, for causes set forth by my predecessor, considerably delayed—have been issued.

Attached to the former volumes is a series of comparative tables, exhibiting for a period of four years the trade to and from each distinguishable division of every foreign country. The preparation of these tables has been attended with severe labor, and has been the cause of inconvenient delay in the issue of the annual publications from this division. In the succeeding volumes, those for 1864 and 1865, these tables have been, in pursuance of your order, discontinued. For practical use it is quite certain that a comparative exhibit of the leading articles only for a period of four or five years may be all that will be required.

LOANS.

During the last fiscal year the issues of United States stock have been as follows:

Coupon bonds, direct issue.

Loans.	Number of cases.	Number of bonds.	Amount.
1861, acts July 17 and August 5.....	19,464	113,475	\$87,678,050
1862, act February 25, 5-20s.....	12	4,020	4,012,750
1863, act March 3.....	1,000	70,000	51,380,000
1864, act March 3, 10-40s.....	6,703	117,809	70,530,300
1864, act June 30, 5-20s.....	544	111,615	83,306,330
Totals.....	27,723	437,677	305,908,000

Registered bonds, direct issue.

Loans.	Number of cases.	Number of bonds.	Amount.
1861, acts July 17 and August 5	2,023	9,850	\$97,026 850
1863, act March 3	345	4,134	17,821 900
1864, act March 3, 10-40s	670	3,975	20,859,900
1864, act June 30, 5-20s	110	1,591	8,519,700
Totals	3,148	19,550	74,228,350

Registered bonds issued for transfers or assignments.

Loans.	Number of cases.	Number of bonds transferred and cancelled.	Number of bonds issued.	Amount.
1847, act January 28	164	515	448	\$1,237,900
1848, act March 31	63	200	167	569,600
1858, act June 14	19	30	30	150,000
1860, act June 22	23	72	84	235,000
1861, act February 8	160	405	405	1,312,000
1861, acts July 17 and August 5	985	4,205	3,603	14,748,350
1862, act February 25, 5-20s	1,366	5,978	5,451	17,867,800
1863, act March 3	493	2,115	1,900	8,311,800
1864, act March 3, 10-40s	741	3,622	2,596	9,959,850
1864, act June 30, 5-20s	179	814	766	3,140,950
Totals	4,196	18,016	15,450	57,532,650

Registered bonds issued in exchange for coupon bonds.

Loans.	Number of cases.	Number of bonds issued.	Amount.
1848, act January 28	4	10	\$14,000
1858, act June 14	24	84	420,000
1860, act June 22	8	14	62,000
1861, act February 8	109	274	858,000
1861, acts July 17 and August 5	957	5,688	32,980,150
1862, act February 25	1,352	6,588	39,636,200
1863, act March 3	829	3,237	21,562,000
1864, act March 3	1,260	6,422	41,636,250
1864, act June 30	917	3,876	22,951,450
Totals	5,460	26,873	100,060,050

Total number of bonds signed	497,650
Total number of letters signed	40,527
Total number of signatures	536,140
Total amount of bonds issued	\$597,729,050

In addition to the work attending the issue of stock, is that of preparing, semi-annually, schedules of the interest payable on all registered stock, which are sent to each of the United States depositaries.

These schedules contain the names of the creditors, the amount of stock held by each, the rate, date of the commencement, and amount of interest.

The schedules are made out in duplicate, one copy being retained in the office, and one sent to the Treasurer, assistant treasurer, or depositary, who pays the interest.

The number of accounts open for the different loans is, at this date, 18,925.

I present herewith a resumé of the number and amount of bonds issued from this office under the different loans since and including the year 1841.

Statement showing the number and amount of bonds of the following loans issued in the office of the Register of the Treasury to June 30, 1865.

Loan.	Registered or coupon.	Number of bonds issued.	Amount.
1841		14,045	\$5,672,976 83
1842	Registered	9,721	24,677,400 00
1842	Coupon	2,415	3,461,000 00
1843	Registered	6,848	24,770,900 00
1843	Coupon	2,186	2,836,000 00
1846	Registered	7,510	14,382,500 00
1847	Registered	36,912	76,519,050 00
1848	Registered	8,296	18,227,500 00
1848	Coupon	7,011	8,313,000 00
Texan Indemnity	Coupon	5,000	5,000,000 00
1858	Registered	1,375	6,275,000 00
1858	Coupon	17,561	17,561,000 00
1860	Registered	2,016	7,756,000 00
1860	Coupon	1,682	1,682,000 00
1861, 8th February	Registered	9,871	25,748,000 00
1861	Coupon	8,533	8,533,000 00
1861, 17th July	Registered	32,124	121,596,650 00
1861	Coupon	190,697	137,517,950 00
1862	Registered	34,064	145,892,950 00
1862	Coupon	844,238	439,423,650 00
1863	Registered	9,975	47,637,300 00
1863	Coupon	76,638	57,178,100 00
1864, 3d March	Registered	21,152	90,641,350 00
1864	Coupon	230,071	125,342,750 00
1864, 30th June	Registered	6,178	34,783,450 00
1864	Coupon	111,615	83,306,300 00
Central Pacific Railroad	Registered	1,568	1,568,000 00
Total		1,699,302	1,546,843,776 83

This vast amount of highly responsible labor, examining, counting, filling up, signing, entering, and transmitting these masses of bonds, representative of money, with all its temptation to the weak, has been accomplished, I am happy to say, without the loss, in this office, to the government or to any individual, of one dollar. For this success great credit is due to the systematic order of business which has matured under the veteran leading clerks in charge, so many years, of the division and its important subdivisions.

This report would be incomplete without a brief reference to the "file-room." Here is kept the infallible "guide book" to all the accounts coming from various sources through the offices of the First Comptroller and Commis-

sioner of Customs. The perfect system of arranging papers, with exact references of record to each one, has proved adequate to the great increase of vouchers concentrated here by the war. In an office where confusion would be so easy to occur, and yet so intolerable, it is gratifying to feel always sure of order, accuracy, and promptness. It is superfluous to add, what has been for years the impression in your department, that very great credit belongs to Messrs. Smith and Wannall, clerks in charge of the office.

Having reference to your circular of the 1st instant, advising replies to all letters addressed or referred to heads of bureaus to be made on the same day, I am able to say that it has been the invariable custom of this office to reply by next mail to all communications sent to this office requiring answer; and I have no doubt that the general satisfaction of the public with the prompt attention received here is due largely to the observance of this just and salutary rule.

I have the honor to remain, very respectfully, your obedient servant,
S. B. COLBY, *Register.*

Hon. HUGH McCULLOCH,
Secretary of the Treasury.

REPORT OF THE SOLICITOR OF THE TREASURY.

TREASURY DEPARTMENT, SOLICITOR'S OFFICE,
November 8, 1865.

SIR: I have the honor herewith to transmit eight tabular statements, showing, in part, the operations in charge of this office for the fiscal year ending June 30, 1865. They are as follows:

1. A statement of suits on transcripts of accounts of defaulting public officers, contractors, &c., adjusted by the accounting officers of the Treasury Department.
2. Statement of suits for the recovery of fines, penalties, and forfeitures, under the customs revenue laws.
3. Statement of prize cases.
4. Statement of libels filed under the confiscation act of July 17, 1862, and the non-intercourse act of July 13, 1861.
5. Statement of fines, penalties, and forfeitures, under the internal revenue laws.
6. Statement of suits in which the United States were interested, not embraced in any of the other tables.
7. Statement of warehouses and transportation bonds reported for suit by collectors of customs.
8. A general summary or abstract of the foregoing tables.

This summary shows that the whole number of suits, of all descriptions, brought during the year was 2,348, of which 12 were of class 1, for the recovery of \$45,392 57; 345 of class 2, for the recovery of \$1,232,725 89; 201 of class 3; 988 of class 4; 476 of class 5, for the recovery of \$586,379 20; 254 of class 6, for the recovery of \$205,628 99; and 72 of class 7, for the recovery of \$129,400 70. Of these suits 755 were disposed of during the year, in the following manner, viz: 5 were decided against the United States, 658 for the United States, 57 were settled and dismissed, and 35 were remitted by the Secretary of the Treasury, leaving 1,593 still pending.

Of the suits pending at the beginning of the year, 302 were disposed of in the following manner, viz: 254 were decided for the United States, 13 were decided against the United States, and 35 were settled and dismissed.

The total number of suits, of all descriptions, decided or otherwise disposed of during the year was 1,057. The gross amount for which judgments were obtained, exclusive of judgments *in rem.*, was \$583,039 42, and the whole amount collected from all sources was \$9,558,521 42.

The following table presents, in a compendious form, the results of the litigation of the last year, and also of the year next preceding:

Year.	Total amount reported sued for.	SUITS BROUGHT DURING THE FISCAL YEAR.							Total number of suits brought.
		Total amount of judgments for United States.	Total amount reported collected.	Decided for United States.	Decided against United States.	Settled and dismissed.	Remitted.	Pending.	
1864	\$856,644 34	\$30,670 82	\$4,267,945 65	664	2	43	28	1,866	2,604
1865	2,199,527 35	198,747 98	5,758,497 91	658	5	57	35	1,593	2,348

Year.	SUITS BROUGHT PRIOR TO THE FISCAL YEAR.							Whole amount collected from all sources during the fiscal year.
	Amount of judgments in old suits.	Decided for United States.	Decided against United States.	Settled and dismissed.	Amount collected in old suits.	Total number of suits disposed of.	Whole number of judgments in favor of U. S.	
1864	\$37,172 00	340	24	85	\$3,717,588 26	1,186	1,004	\$7,985,532 81
1865	243,991 44	254	13	35	3,800,023 51	1,057	912	9,558,521 42

A glance at this table, and a comparison of it with similar ones embraced in former reports, will show a large and constant increase in the business of the office. It will also show that the gratifying improvement noted by me in my last annual report in the proportion of suits decided for and against the United States, respectively, has been sustained during the last year. In the year ending June 30, 1863, of the suits pending at the beginning thereof, there were two hundred and forty decided against the United States, sixty-four settled and dismissed, and only ninety-six decided for the United States; while during the last year, as has been shown, of three hundred and two such suits, two hundred and fifty-four were decided for the United States, thirty-five settled and dismissed, and only thirteen decided against the United States. Similar though not so great improvement is observable in the results of suits brought and determined within the year.

This gratifying result has, in my judgment, been owing to the increased encouragement given to district attorneys by the act of March 3, 1863, and to the efforts put forth by this office, with the sanction of the Secretary of the Treasury, to secure, in all cases, a strenuous prosecution or defence of suits in which the United States has had an interest. The result has been, in my opinion, a saving of hundreds of thousands of dollars directly, and much more indirectly, to the treasury.

In my last annual report I called the attention of the Secretary, at some length, to the measures which had been adopted, in pursuance of the act to which I have just alluded, looking to the prevention or detection of frauds upon the

revenue. I do not deem it necessary to enter into a detailed statement of what has since been done in the same direction, but will say, generally, that all the developments which have been since made have served to confirm the views I then expressed, and to demonstrate the wisdom and efficiency of the act in question. A large number of cases of fraud have been discovered by means of the instrumentalities provided by that act, and, as a consequence, penalties and forfeitures to the amount of several hundred thousand dollars have been enforced. The effect cannot but be of the most salutary nature in deterring unconscientious importers from future violations of the law.

Among the measures alluded to was the seizure of a large quantity of Champagne wines, both in the city of New York and in San Francisco, proceedings for the condemnation of which were pending at the time of making my last report, as those instituted in New York still are. In San Francisco sixteen or seventeen cases have been tried, and have resulted uniformly in favor of the government, and I am informed that most of the suits instituted there were made, by agreement, to depend upon the result of those tried. The suits pending in New York involve substantially the same questions as those thus decided. They will be brought to trial at the earliest practicable moment.

It is not improbable that some of the questions involved in these cases may be taken by those interested to the Supreme Court of the United States, but I entertain no doubt of the correctness of the general grounds assumed by the government in regard to them, and I therefore cannot but anticipate a favorable result in their final determination.

The regulations contemplated by the act of 3d March, 1865, in relation to the verification of invoices have not yet been issued by the Secretary of State, owing to causes which it is not necessary here to explain, and our consuls have not generally thought it proper for them, in the absence thereof, to require the evidence contemplated by said act, of the correctness of invoices presented to them for verification; but these regulations will, doubtless, be issued at an early day, and I anticipate from them the most salutary results. This anticipation is fortified by the experience of our consul at Lyons, where for a considerable period it has been usual to demand samples of merchandise, the invoices of which are presented for verification, and, as the consul asserts, with the most signal advantage.

In the administration of the fund appropriated for the suppression of counterfeiting, I have endeavored to accomplish, as far as practicable, the end contemplated in its creation; and the measures which have been adopted have resulted in the arrest and conviction of a large number of offenders, and the seizure of several presses, dies, plates, &c., together with considerable counterfeit money, and a large quantity of paper, ink, and other material for counterfeiting. There was expended, during the year, in the prosecution of these measures the sum of thirty thousand eight hundred and sixty-six dollars and ninety cents.

The special attention which the supervision of these measures has compelled me to bestow upon the statutes relating to counterfeiting the securities of the United States, has revealed to me the fact that the existing laws upon the subject are defective in several particulars, and that for some acts highly prejudicial to the government and the public, no punishment is provided. I therefore respectfully recommend that the department cause a careful revision of these laws to be made by some competent person, and that Congress be asked to remedy such defects as may be found to exist.

I have the honor to be, very respectfully,

EDWARD JORDAN,
Solicitor of the Treasury.

Hon. H. McCulloch,
Secretary of the Treasury.

REPORT OF THE COMPTROLLER.

TREASURY DEPARTMENT.

Comptroller's Office, November 13, 1865.

SIR: The following report, exhibiting in detail the business of this office for the fiscal year ending on the 30th June, 1865, is respectfully submitted.

Warrants of the Secretary of the Treasury have been examined, countersigned, entered in blotters, and posted as follows:

Diplomatic warrants.....	2,241
Stock warrants.....	3,406
Treasury proper warrants.....	2,014
Quarterly salary warrants.....	1,042
Treasury Interior warrants.....	1,785
Treasury customs warrants.....	2,243
Treasury internal revenue warrants.....	2,692
War pay warrants.....	8,100
War repay warrants.....	446
Navy pay warrants.....	3,445
Navy repay warrants.....	549
Interior pay warrants.....	1,108
Interior repay warrants.....	78
Treasury appropriation warrants.....	21
Treasury Interior appropriation warrants.....	8
Interior appropriation warrants.....	61
War appropriation warrants.....	17
Navy appropriation warrants.....	42
Land covering warrants.....	325
Customs covering warrants.....	638
Internal tax warrants.....	167
Miscellaneous warrants.....	545
	<hr/>
	30,973

The following described accounts reported to this office from the First Auditor, the Fifth Auditor, and the Commissioner of the General Land Office, have undergone revision, and the balances, as then found, reported to the Register of the Treasury.

I. From the First Auditor:

<i>Judiciary.</i> —Embracing the accounts of marshals for expenses of the United States courts; of United States district attorneys; of clerks of the United States circuit and district courts; and of the United States commissioners for per diems and fees.....	849
<i>Public debt.</i> —Embracing accounts for redemption of United States stock and notes; the interest on the public debt; the United States Treasurer's accounts; United States assistant treasurers' accounts; temporary loans, and all matters in relation thereto.....	3,276
<i>Mint and branches.</i> —Embracing accounts of gold and silver bullion; of expenses, repairs, salary of employés, &c.....	64
<i>Territorial.</i> —Embracing accounts of governors of the Territories for contingent expenses; of the secretaries of the Territories for the legislative and contingent expenses; for the pay of territorial officers, &c.....	220

<i>Salaries.</i> —Embracing accounts of salaries of United States and territorial judges; of officers of the executive departments; attorneys, marshals, &c.....	583
<i>Public printing.</i> —Embracing accounts for the public printing, binding, and paper.....	156
<i>Miscellaneous.</i> —Embracing accounts of the United States coast survey; of the Commissioner of Public Buildings; for horses and other military property lost in the United States service; for the contingent expenses of the executive departments, &c.....	1,832
<i>Congressional.</i> —Embracing the accounts of the Secretary of the United States Senate, and the Clerk of the House of Representatives.....	72

II. From the Fifth Auditor:

<i>Diplomatic and consular.</i> —Embracing the accounts of foreign ministers; of secretaries and attachés to legations; of consuls general; of consuls and commercial agents for salary and for disbursements for the relief of destitute American seamen; of United States commissioners under reciprocal treaties; of accounts under treaty for foreign indemnity, and of contingent expenses of consuls, &c.....	1,631
<i>Patent Office.</i> —Embracing accounts for contingent and incidental expenses, for salaries, &c.....	12
<i>Agricultural Department.</i> —Embracing accounts for salaries and expenses, &c.....	42
<i>Internal revenue.</i> —Embracing accounts for drawback, accounts of United States collectors and assessors, and United States tax commissioners.....	3,765

III. From the General Land Office:

Embracing accounts of receivers of public money, and acting as United States disbursing agents; of surveyors general and deputy surveyors; accounts of the States for percentage of lands sold within their respective limits, of lands erroneously sold, &c.....	1,314
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Aggregate of accounts revised:

From First Auditor.....	7,052
From Fifth Auditor.....	5,440
From General Land Office.....	1,314
	13,806
Bonds entered, filed, and indexed.....	326
Letters written upon business of the office.....	5,181
Letters recorded.....	3,422
Letters received, filed, and indexed.....	10,819
Internal revenue tax receipts registered, posted, and filed.....	3,516

All requisitions made for advances of money to United States disbursing officers of every description have been examined, entered and duly reported upon; and the emolument returns required by law to be semi-annually made by all the United States marshals, district attorneys, and the clerks of the United States courts, have been examined, entered, and properly filed.

The gentlemen connected with the office have, during the year, continued to discharge their respective duties with punctuality and fidelity.

R. W. TAYLER, *Comptroller.*

Hon. HUGH McCULLOCH,
Secretary of the Treasury.

REPORT OF THE SECOND COMPTROLLER,

TREASURY DEPARTMENT,

Second Comptroller's Office, October 19, 1865.

SIR: I have the honor to submit the following report of the operations of this office for the fiscal year ending June 30, 1865.

For the purpose of making a comparative exhibit of the amount of labor done during this and the preceding year, the work done during the latter period is reproduced from my last annual report.

The aggregate number of accounts of disbursing officers and agents received from the Second, Third, and Fourth Auditors, and finally adjusted in this office, is as follows:

For the year ending June 30, 1864.....	7,605
For the year ending June 30, 1865.....	8,755

Thus:

	1864.	1865.
From the Second Auditor.....	4,866	4,769
From the Third Auditor.....	2,339	3,497
From the Fourth Auditor.....	400	489
	7,605	8,755

The aggregate number of certificate accounts received from the Second, Third, and Fourth Auditors, and examined and acted upon in this office, is as follows:

For the year ending June 30, 1864.....	91,436
For the year ending June 30, 1865.....	99,568

Thus:

	1864.	1865.
From Second Auditor for arrears of pay and bounty due deceased and discharged soldiers.....	79,496	80,830
From Second Auditor for salaries of contract surgeons.....	10,320	14,747
From Fourth Auditor.....	1,620	3,991
	91,436	99,568

The entire number of prizes adjudicated and prepared for distribution, on reports from the Fourth Auditor, is—

For the year ending June 30, 1864.....	304
For the year ending June 30, 1865.....	281

And the number of accounts of discharged and deceased sailors, from the Fourth Auditor, is—

For 1864.....	9,489
For 1865.....	17,553

The aggregate amount involved in the foregoing accounts is—

1864.....	not reported
1865.....	\$653,826,810

The number of requisitions upon the Secretary of the Treasury examined, countersigned, and recorded in this office, is—

For the year ending June 30, 1864.....	13,154
For the year ending June 30, 1865.....	13,750

As follows:

Interior Department—

	1864.	1865.
Pay or advance requisitions.....	970	1,108
Refunding requisitions.....	69	81
	<u>1,039</u>	<u>1,189</u>

War Department—

Pay or advance requisitions.....	8,330	7,946
Refunding requisitions.....	516	585
	<u>8,846</u>	<u>8,531</u>

Navy Department—

Pay or advance requisitions.....	2,859	3,463
Refunding requisitions.....	410	567
	<u>3,269</u>	<u>4,030</u>

The number of official letters written and recorded is—

For 1864.....	1,860
For 1865.....	2,551

The number of pages in letter-book occupied in recording official letters is—

For 1864.....	827
For 1865.....	951

In addition to this large amount of official correspondence, the number of cases referred to this office, and upon which decisions were made in each individual case, is—

For 1864.....	not reported.
For 1865.....	3,729

Number of contracts filed and recorded—

In 1864.....	not reported.
In 1865.....	4,835

Number of charter-parties received and filed—

In 1864.....	not reported.
In 1865.....	832

Number of bonds of disbursing officers received and filed—

In 1864.....	not reported.
In 1865.....	1,011

Number of officers reported to Secretary of War as delinquent in the rendition of their accounts, under the act of July 17, 1862—

In 1864.....	not reported.
In 1865.....	8,290

Number of pensioners whose names have been recorded here upon reports from the Commissioner of Pensions—

In 1864.....	not reported.
In 1865.....	36,513

The number of referred cases, presented personally, and upon which decisions were made and indorsed, but of which only a brief record is made, is estimated at four thousand.

Their examination employs several clerks necessarily of much experience, and most of them having to be despatched at once, a large share of the time of the Comptroller is occupied in their immediate decision.

A further edition of 2,000 of the Digest of Decisions of Second Comptroller's Office has been issued during the year, and has been much in demand with disbursing and accounting officers of the several departments of the government.

The employment of female clerks in this office has been approved, after proper trial, and is continued not only as a matter of economy, but as opening a field of respectable employment from which women have heretofore been excluded, and as establishing a precedent of great public benefit. A number of the ladies employed, of mature age and considerable experience, have been found fully competent to examine accounts and settle claims of the heirs of deceased officers and soldiers. They report as large a number of accounts adjusted as their male co-laborers engaged on the same class of work, and they have been found, almost without exception, assiduous in the discharge of their several duties, and uniformly observant of the rules and regulations of the department. The increase in the number of those employed will sufficiently measure the increase in the business of the office.

The number of persons employed in 1860 was 18; now the number of persons engaged is 100, and the business of the office requires a still additional force. This will not appear remarkable, however, when it is considered that there are in the Second Auditor's office 131 clerks; in the Third Auditor's office 275 clerks; in the Fourth Auditor's office 105 clerks; in the Pension Office 136 clerks; in the Indian Office 32 clerks; making a total of 679 clerks, whose work is revised in this office; and this condition must necessarily continue, as the accounts which have accrued during the war, and the claims growing out of it will require some years for their final and complete settlement. Many important questions arise in the business of the office, to decide which properly requires time and investigation. To enable the Comptroller to discharge his duties satisfactorily, he should be relieved of some portion of the routine labor of the office, in which so much of his time is now necessarily occupied. The remedy is not easily suggested.

The practice of allowing extended leaves of absence does not prevail as formerly. By this is not meant the ordinary leave given to every employé at least once a year on application, but the reprehensible custom of allowing a substitute to discharge the duties of a desk for long periods of time, while the regular occupant is absent—perhaps engaged in other pursuits. The public business always suffers under such a system, which has no compensating advantages, for the duties of the absentee are rarely capably discharged by his irresponsible substitute. If the ordinary period of absence be exceeded, it would seem to be but justice to require the absentee to submit to a reduction of his pay, or, what perhaps would be better, to the entire loss of it, for the period of his absence beyond the time fixed as the maximum of leave.

I am, very respectfully, your obedient servant,

J. M. BRODHEAD,

Second Comptroller.

Hon. HUGH McCULLOCH,
Secretary of the Treasury.

REPORT OF SUPERVISING ARCHITECT.

TREASURY DEPARTMENT,

Office of Supervising Architect, November 11, 1865.

SIR: The operations during the year ending September 30, 1865, on the various public buildings under the direction of the Treasury Department, and committed to the charge of this office, have been limited, and, with some few exceptions, mostly confined to repairs and alterations. No new buildings were commenced, and, in consequence of the failure of appropriations asked for from the last Congress, works had to be stopped; as, for instance, the work of alterations of the Cincinnati, Ohio, Philadelphia, Pennsylvania, custom-houses, and the completion of the Dubuque custom-house.

The following works were completed during the year: the United States court-house at Baltimore, Maryland, the work on the government warehouses and wharves on Staten island, New York, and the new roof of the Windsor, Vermont, court-house.

Proposals were invited for the construction of a new custom-house at Portland, Maine, for which an appropriation of \$50,000 had been made, and for the alterations of the Louisville custom-house; but the offers received in both cases exceeded the available means so much that no action was taken.

As stated in the last report of the supervising architect, the marine hospital at Chicago, Illinois, was sold for the sum of \$132,000. Many efforts were made to procure another suitable site, and a variety of plans for a new hospital were prepared in this office; but as the negotiations for the purchase of another site have hitherto failed, nothing was done towards the erection of a new hospital.

The various galvanized iron roofs, and the heating apparatus of many of these buildings, have been a source of much serious complaint, perhaps more than ever before. It is to be hoped that the next Congress will grant such means as to gradually remedy these evils.

On the 1st of October, 1864, the aggregate balance of appropriations not withdrawn from the treasury amounted to \$1,697,624 04. The appropriations becoming available during the year amounted to \$31,911 53; and from proceeds of sale of old Chicago marine hospital, \$132,000, making an available amount under the control of this office of \$1,861,535 57 for the year ending September 30, 1865. The expenditures during the year amounted to \$742,316 16, leaving a balance on the 30th of September, 1865, of \$1,119,219 41.

Treasury extension.—In consequence of the failure to provide suitable accommodations for the State Department, no progress was made in the continuation of the north wing of the Treasury extension. A large amount of materials, however, was received in anticipation of the work, and will be on hand, ready, whenever the old State Department may be removed, and Congress provides further means for the prosecution of the same. On account of the pressure for room, an additional attic over the old building was constructed; the old basement rooms remodelled and made available for office purposes; an additional story built on the building on the corner of Seventeenth street and New York avenue; and the building on the corner of Fifteenth and G streets remodelled for the accommodation of the Internal Revenue office. The expenditures for the above work, together with those for furniture, repairs and alterations of the Treasury building generally, were large, and have not as yet been refunded. The temporary diversion of funds from the purposes for which they were appropriated may be justified by the exigencies of the times, but it is to be desired that the same may not occur again. The clerical force of the department is still increasing,

and the Treasury building, large as it is at present, does not afford proper accommodations for the whole force; and the early completion of the north wing is not only a desideratum, but a matter of necessity. The construction of that section, with a vast amount of materials, and all the necessary tools and appliances for the work on hand, could be completed in a comparatively short period; and I think that an additional appropriation of \$500,000 would be sufficient for the purpose. It is also thought that temporary accommodations for the State Department may be had more readily now than during last winter. The urgent requirements of the department for more room, and the advantages to the work that will result from its early resumption and completion, commend the same to special and favorable consideration.

Buffalo custom-house.—A new hot-water heating apparatus, at a cost of \$11,473 75, was put in this building, and completed during last winter. It was tested during several months of the severest winter weather of last year, and proved to be fully and generally satisfactory.

Cincinnati custom-house.—The operations on the work of alterations of this building had to be suspended (as already stated) on account of the appropriation being exhausted. Subsequently an arrangement was made with the former superintendent of the work for completing certain parts of the same, the payment to be deferred and to be dependent on the appropriations that Congress may make for the purpose. This office is not well advised of the present condition of the building, and I am unable to make a detailed statement of the liabilities and requirements of it. I am informed by the late surveyor of Cincinnati that \$20,000 will be required to liquidate debts and complete the alterations.

Dubuque custom-house.—For the same reasons as in the foregoing case, the work on this building was suspended. An expenditure of \$2,090 from the fund for preservation of public buildings was authorized to complete the first and second stories of this building and render them habitable; by this means a rent of about one thousand dollars for the accommodation of the post office and custom-house will be saved. This work has been carried on well and economically, though it is thought that the business of the place did not require such a large structure as the one erected. No agent of this office having recently visited and inspected the building, I am unadvised of its precise condition at present. The amount required for completing the building, grading, and enclosing the grounds will not exceed \$15,000.

Louisville custom-house.—Nothing was done during the past year towards the alteration of this building, for which an appropriation of \$15,000 had been made. Proposals for the work were invited, but those received largely exceeded the amount of the appropriation. A new set of plans for remodelling the building was recently submitted by the assistant architect, A. B. Mullett, esq., and approved by the Secretary, and it is confidently expected that its cost will come within the amount of the appropriation, at the same time disposing of the available space of the structure more judiciously and satisfactorily than was done by the former plans.

Philadelphia custom-house.—The alterations of this building have been vigorously prosecuted, and were carried so near to completion that the rooms assigned to the assistant treasurer have been occupied by him. Considerable liabilities were incurred exceeding the appropriation made for the purpose. It will require \$30,000 for the payment of the above debts, and for the completion of the building.

Baltimore court-house.—This building has been finally completed and furnished, and proves to be a conspicuous ornament to the city of Baltimore. The work was, throughout, performed faithfully and well. It was begun in the fall of 1860 and suspended in May, 1861, and resumed, by order of the department,

in 1862; since then it has been impossible to prosecute it vigorously, partly on account of invasions of the State of Maryland by rebels, partly on account of the scarcity of laborers, and partly on account of the great difficulty of procuring materials. The building was thus constructed during a period when the prices of labor and materials were far higher than at the time when the contract was made—in many instances more than double; and, as both the suspension and resumption of the work were made by order of the government, the Secretary considered that the contractor was entitled to an equitable adjustment of his losses, but as yet has not taken any definite action in the matter.

Windsor court-house.—The new slate roof of this building has been completed, and the building otherwise repaired, at a cost within the amount of the appropriation made for the purpose.

Staten Island.—The work of repairs of the United States government warehouses and wharves has been completed during the current year, and was accepted by the late chief of this bureau, I. Rogers, esq. In consequence of a diversity of opinion as to the character and value of the work furnished by the contractors, different from and adverse to that of the late supervising architect, the Light-house Board refused to pay the amount which they were to transfer in favor of the above work for the cession and improvement of a portion of the revenue depot grounds to the light-house establishment. They contend that the work of improvement on their ground, as well as on all the rest, was not in accordance with the requirements of contracts and stipulations. The examination of the same was submitted to a commission of experts, who reported unfavorably to the opinions of Mr. Rogers, and payment (amounting to \$26,599 12) has ever since been withheld from the contractors. I am personally unacquainted with the work, but am confident that the same has been condemned with more severity than the case required. The controversy about the work is mainly due to a neglect in properly recording the changes and deviations from the original contract and specifications, which were found to be necessary. The work has, however, had a severe practical test during the past summer, and, as far as I am aware, has answered the purpose very well.

Appended will be found a table showing the amounts available for each work on the 30th of September, 1864; the additional appropriations made and becoming available; the disbursements made during the year ending September 30, 1865; and the additional appropriations required.

The assistant supervising architect, A. B. Mullett, esq., is at present on a tour of inspection of the southern custom-houses, &c. Until his return it will be impossible to state with accuracy their condition or the amount of repairs required.

All of which is respectfully submitted.

I have the honor to be, very respectfully, your obedient servant,

B. OERTLY.

Acting Assistant Supervising Architect.

Hon. HUGH McCULLOCH,

Secretary of the Treasury.

REPORT OF THE LIGHT-HOUSE BOARD.

TREASURY DEPARTMENT,

Office of Light-house Board, Washington City, Oct. 26, 1865.

SIR: I have the honor respectfully to submit a report of the operations and condition of the light-house establishment for the fiscal year ending 30th June, 1865.

In the first light-house district, embracing all lights, &c., from the north-

eastern boundary of Maine to Hampton harbor, New Hampshire, repairs more or less extensive have been made at the following named stations: Wood island, Goat island, Saddleback Ledge, Deer Island Thoroughfare, Edgemoggin, Mount Desert, Libby island, Little river; and works of needed renovation are in progress at Seguin, Hendrick's Head, Burnt island, Manheigin, Negro island, and Dice Head; and it is the opinion of the board that the present condition is such as to warrant the belief that but few large works of repair or renovation need be undertaken in this district during the coming year. There yet remains to be done much that is desirable, but little that is indispensable.

The measures for facilitating the entrance into Portland harbor, viz., increasing the height of the light at Portland Head and substituting a large second-order lens for the fourth-order there in use, thereby greatly augmenting the range of the light, have been completed during the year and have been found to accomplish the desired object. It is believed now that the entrance to this harbor is so completely lighted that navigation in and out is attended with little or no danger. The keeper's dwelling at this station has been thoroughly repaired. In order still further to identify the two lights at Cape Elizabeth as day marks, four broad horizontal red stripes have been painted on the easterly tower, and on the westerly tower one vertical stripe.

The buoyage of the district has been maintained in an efficient condition, a service requiring, in this region of rapid currents and high tides, constant vigilance. The attention of the board having been called to the necessity of additional buoys to mark the dangerous ledges, Grindstone, Sheep Island, and Inner Bay Ledges, in Penobscot bay, the required examinations were made, resulting in the determination of their usefulness, and suitable buoys have accordingly been placed.

The necessity of supplying some more efficient system of fog-signals than at present employed, to aid the navigation of this rock-bound coast, has been seriously impressed upon the board, and careful investigation of the subject has been made. The result has been deemed sufficient to warrant the board in estimating for a sum to cover the expense of substituting the apparatus which may prove to be most effective.

Beacons consisting of casks on masts have been placed on Fiddler's Ledge, Harbor Ledge, and Portersfield Ledge, and spar-beacons have been set at Winslow's Rocks and Ames's Ledge.

A steam buoy-tender has been provided for this district in place of the two sailing-vessels heretofore employed, and which were reported to require extensive and costly repairs.

The second light-house district embraces the coasts from Hampton harbor, New Hampshire, to Gooseberry inlet, Massachusetts. The light-house service in this district has received especial attention, and is now in a satisfactory condition. Repairs and renovations have been made at Cape Cod, (Highlands,) Long Point, Billingsgate island, Nansett, Mayo's beach, Monomoy Point, Bass river, Bishop and Clerks, Great Point, Brant Point, Nobsque, Dumpling Rock, Clark's Point, Hyannis, Sandy Neck, Chatham, Cape Ann, Marblehead, Ten Pound island, Bird island, and other stations.

The structures standing at the discontinued light-house station at Point Gammon, being found to be in a rapid course of demolition from lawless persons, fishermen and others, it was deemed prudent to have them taken down and removed to a place of greater security. Some of the materials, lumber, &c., have been used in the erection of buildings needed at other light-stations.

Repairs are now in progress at Gay Head, Race Point, Sankaty Head, and other stations, which, when completed, will leave the district, in respect to the structures, in a condition requiring but little attention during the next year.

A new spar-beacon, forty-five feet long, bearing a conspicuous day-mark,

has been erected at Hardy's Rock, in place of the former structure, carried away by storms.

Extensive repairs have been made to the stone beacon at Great Fawn bar, which the action of ice and storms had rendered insecure.

The various fog-signals in the district have received careful attention, and are now in as good condition as their character will permit.

The last remaining old-style lantern in the district, that at Clark's Point, has been removed and an efficient and modern structure put up, and new and improved lamps have been introduced throughout the district.

The buoyage of the district has been well attended to and kept at all times, so far as circumstances would permit, in an efficient condition.

An inspection has been made of the light-house in the exposed position of Minot's Ledge, and its condition found to be perfectly satisfactory.

A steam-tender has been provided for this district, which is expected to do the work heretofore performed by two sailing-vessels, better, more promptly, and at less expense.

The inspector reports that the light-vessel service of the district during the past year has not been attended with a single casualty requiring the removal of any one of them from its station.

In the third light-house district, embracing the coasts from Gooseberry Point, Massachusetts, to Squam inlet, New Jersey, and including Lake Champlain and Hudson river, much has been done during the past year in the way of repairs and rebuilding, but as many of the structures, which are old, have not been planned on correct principles, much remains still to be done. The extensive commerce, foreign and domestic, traversing this district, demands that the system of lighting and buoyage should be as nearly perfect as possible.

Repairs and renovations, more or less extensive, have been made at the following stations: Newport harbor, New London, New Haven, Esopus Meadows, Saugerties, Stuyvesant, New Baltimore, Schodack channel, Van Wies Point, Block island, Princess bay, Elm Tree, Sandy Hook, West beacon, Fire island, Stratford River beacon, Bridgeport beacon, and Black Rock beacon.

At Rondout and Coxsackie, the light-houses require repairs and the sea-walls to be rebuilt. Special estimates of the cost have therefore been submitted to Congress. Other and less expensive works are required at Beavertail, Four-mile Point, Bergen Point, Passaic river, Black Rock, and Sandy Hook; and it is expected that the current appropriation for repairs and incidental expenses will meet the cost.

Special estimates are submitted to meet the cost of rebuilding the beacons for Norwalk island, Southport and Elbow beacon, which have been destroyed by the action of ice.

The failure of Congress at its last session to act upon the estimates submitted for operations at Warwick, Sands Point, and Noyat Point, in common with all other estimates for the light-house establishment, rendered it necessary to suspend the proposed works, and the estimates are again commended to the attention of Congress.

The beaconage and buoyage of the district have received careful attention, and all damages and losses incurred during the year have been repaired as far and as promptly as practicable.

The fog-signals of the district have received due attention, and the board, aware of the importance of rendering them as distinctive as possible, have set on foot a series of experiments, in order that the most effective appliances for warning the navigator in thick weather may be adopted.

A steam vessel has been provided for the district to take the place of the two

sailing light-house and buoy-tenders now employed, which it is expected will perform the service more effectively, with greater despatch, and at less cost.

The arrangement entered into by which a designated part of the lot of land on Staten island ceded to the United States by the State of New York was to be transferred to the Light-house Board, has not been yet completed. The acting engineer in the service of this board, in a recent report, says: "The grounds are still occupied by the cotton agent. * * * There is a prospect of the premises soon being in our hands again." There is much to be done to these premises to place them in the condition contemplated by the Secretary of the Treasury, and by this board, at the time the arrangement was made. The facilities which the use of this depot will afford the board in its operations, when it shall be placed in the condition contemplated, are much needed, and it is respectfully requested that directions to complete the work may not be delayed longer than is absolutely necessary. (See appendix.)

Congress having made an appropriation of \$1,000, approved June 30, 1860, for "a survey to determine the proper site of a light-house at or near the Sow and Pigs, Buzzard bay," the coast survey was requested to do the work. A survey had been made in 1853, and careful measurements show that no change has taken place since. The board has not yet decided that the light-house at Outtyhunk does not, in conjunction with the system of buoys on the reef itself, subserve all the requirements of commerce.

The fourth light-house district embraces the coasts from Squam inlet, New Jersey, to Metomkin inlet, Virginia, including Delaware bay and tributaries. In this district every essential repair and renovation has been made that the funds at the disposal of the board would allow. The deficiencies and wants of the district have been brought to the attention of Congress, and special appropriations asked for to meet cases which cannot be put off without incurring greater ultimate expense. Among these cases, that of Cohansey light-house is especially urgent. The necessity for providing an effectual protection to the work against the steady encroachment of the water, which has been several times urged upon Congress, is now more pressing than ever. A special estimate is therefore submitted to cover the cost of suitably banking in the site.

The measurements of the beach at Absecon light-house to determine the reported encroachment of the sea at that place have been continued semi-monthly during the past year. The changes in the ordinary high-water line so far have been so slight as not to justify any apprehension of immediate danger to the light-house. The observations, however, will be continued, and all necessary measures which may be required for the protection of the structure will be promptly taken.

Small but essential repairs have been made at Barnegat, Absecon, Cape May, Brandywine, Ready Island, Bombay Hook, and Fenwick's Island light stations.

Under authority of act of Congress a new beacon-light required at Cape Henlopen, in place of the old structure, in consequence of change of shore-line, has been erected. The new beacon-light is a screw-pile structure, built near the point of the cape. The old beacon was taken down, and some of the materials have been used to protect the site of the new structure. The remainder has been sold at public auction.

The increasing dilapidation of the present tower of Assateague has obliged the board to take measures for building a new one, as authorized by act of Congress. The execution of this work has been postponed, however, on account of more pressing wants in other branches of the service. It is now believed that there should be no further delay, and measures are in progress to build a new first class tower for this important sea-coast station. It is found, however, that the sum available for this purpose is insufficient, on account of the rise in the

price of materials and labor, and an estimate to cover the additional cost is submitted.

The buoyage and beaconage of the district is in a satisfactory condition.

The fifth light-house district embraces the coasts from Metomkin inlet, Virginia, to New River inlet, North Carolina, including Chesapeake bay and tributaries, and Albemarle and Pamlico sounds.

It was only late in the year that the greater portion of the southern part of this district was brought permanently under the control of the government.

In the northern part the service of the district has been well attended to, and the various aids to navigation maintained in an efficient condition.

In James river the screw-pile light-houses at White shoals, Point of Shoals, and Deep Water shoals, which had been but slightly injured by the enemy, were temporarily put in order, and provided with new fog-bells and illuminating apparatus. The light-house at Jordon's Point, near City Point, was thoroughly repaired and re-established, sundry requisites being provided.

The light has been restored at Stingray Point, after making certain needful repairs to the screw-pile structure, which, though plundered of all movable articles, was but slightly injured. At New Point Comfort light-station the required repairs were much more extensive, and involved much time and expense. A new lens has been provided, and the light re-established.

Owing to the failure of the appropriation for light-house purposes during the last session of Congress, it becomes necessary again to represent the urgent necessity of building a new light-house for Sharp's island, Chesapeake bay. The unusual absence of storm-tides and heavy northwest gales during the past year accounts for the unexpected preservation of the present structure. The sea, however, is gradually but surely undermining the bluff, and has already reached one corner of the building, leaving no doubt as to the result. The estimate of last year for this work is therefore repeated.

The tram-road used in the construction of the new light-house at Cape Charles, being of no further service at that place, has been taken up and the material shipped to Baltimore.

Such slight repairs and renovations as were required in the district have been made, and the disposition of beacons and buoys there met every requirement of commerce.

In the waters of North Carolina the various aids to navigation which, at the date of the last report of the board, were in condition to receive its attention have been put in effective operation.

Immediately upon the close of the rebellion an experienced engineer was sent to those waters to take charge of the work of re-establishing such lights, &c., as the interests of commerce might be found to demand. A large quantity of illuminating apparatus, and other light-house material, which had been abstracted by the enemy, was recovered, and such portions as could be at once made use of were so applied, and the rest sent north for repairs and refitment.

Temporary lights for the accommodation of army transports and navy vessels were, upon the fall of Fort Fisher, established at the entrance to Cape Fear river and at Beaufort, but when the necessity under which they were placed ceased to exist the lights were discontinued.

In view of the fact that commerce has not as yet been re-established as it existed in 1860, the channels in many parts of the coast having, since that time, undergone material changes, it is proposed only to restore such aids to navigation on the southern coast as shall be deemed essential to the trade developed to those ports. It is, moreover, not at all improbable that commerce may seek new channels, involving the necessity of an entirely new arrangement and new kinds of aids.

The work of re-establishing lights of undoubted utility will be pressed forward as soon as the means are supplied, an estimate of which is submitted.

The excavation of iron ore at Lazaretto Point, near Baltimore, has progressed during the year, but not so rapidly as had been desired, the scarcity of labor having caused the delay. Up to this time some 1,291 tons have been excavated and sold, the net proceeds, \$2,013 96, having been deposited in the treasury of the United States. With the present abundance of labor, it is expected that much greater results will be attained during the next year.

An appropriation was made June 20, 1860, for a light-house at the mouth of North river, Albemarle sound, North Carolina, but because that region was open to raids by the enemy it was not deemed prudent to take any steps towards building the structure, and the appropriation was suffered to lapse into the treasury. The necessity for a light-house at that point having been again strongly urged upon the board, an estimate to cover the cost is submitted.

The sixth light-house district embraces the coasts from New River inlet, North Carolina, to Cape Canaveral light-house, Florida, and within its limits the few aids to navigation which had been left unharmed by the enemy, have been maintained during the year in useful operation. Measures of renovation have been necessarily confined to such temporary works as would serve the requirements of a recently developed commerce.

The approaches to Charleston were thus lighted immediately after the occupation of that place by the United States forces, but it was found, upon examination, that an almost total change had taken place, leaving no channel in the harbor as it was in 1860, and opening new ones. Under this altered state of things it became necessary to establish lights temporarily at such places as would be useful guides through existing channels, and to omit all others.

The light-vessel formerly placed off Rattlesnake shoal has been moored at the entrance to Charleston bar, and it is recommended that this position be made permanent, as the vessel will thus answer the double purpose of warning vessels from Rattlesnake shoal, and at the same time form a channel range over Main Ship bar. She will also serve as a guide for vessels approaching from the southward to clear Stono breakers.

A light-vessel equipped from materials collected from Charleston and Port Royal has been placed at the wreck of the monitor Weehawken, which lies directly in the channel way, and a temporary beacon-light has been established on a house on Sullivan's island. These two lights now mark the entrance over the bar and the channel up to the Weehawken. It is recommended that this temporary beacon-light be made permanent, and a suitable structure erected for it.

Temporary structures with steamer lenses occupy the sites (nearly) of the former lights upon Fort Sumter and Castle Pinckney, and answer a good purpose.

The gas-light at White Point Garden (battery) was left by the rebels in tolerably good order, and has been re-established.

The range-lights for Port Royal entrance have been continued. The Bay Point beacon-light (part of this range) is built on a large barrack erected by the rebels in 1861, slightly built, and already beginning to show signs of decay. This important harbor requires a light of the second or third order, and a special appropriation to cover the expense of the establishment of such a light is submitted.

Tybee beacon has been relighted, and temporary beacon-lights established to aid the navigation of Savannah river. The re-establishment of lights at the important stations of Georgetown, Cape Romain, Tybee, St. Augustine and Cape Canaveral, has occupied the consideration of the board, and preliminary steps to this end have been taken. The construction of the iron tower for

Cape Canaveral was suspended at the breaking out of the war, in the contractor's hands, with the understanding that the work should be resumed on notice being given by the board. Notice has been given accordingly, and the contractor has signified his intention to finish the tower as soon as possible.

The entrances to the following places have been buoyed: Winyah bay and Georgetown, (Battle Channel,) Bull's bay, Charleston, Stono river, North and South Edisto, St. Helena sound, Port Royal, Tybee and Calibogue sound, Warsaw sound and Wilmington river, Ossibaw sound and Ogeechee river, Sapelo sound, Doboy sound, St. Simon's sound, Fernandina and St. Mary's, St. John's river, St. Augustine.

In the seventh light-house district, which embraces the coast of Florida, from St. Augustine to Egmont key, the service has been carefully attended, and the lights and other aids to navigation which had been undisturbed by the enemy have been maintained in an efficient condition. Those which had been injured will be re-established as soon as practicable, energetic efforts to this end being in progress.

The important light stations, Cape Florida and Jupiter inlet, have received the especial attention of the board, and an experienced agent has been sent to that district with instructions to use every exertion to re-light those points, and the board has reason to hope that by next spring both of these lights will be again in operation.

The buoyage of the district has been kept up to the standard of efficiency so far as the limited means at the disposal of the board would permit.

In the eighth and ninth districts, embracing the Gulf coast from Egmont to Rio Grande, Texas, the work of re-establishing lights and other aids to navigation discontinued by the enemy has been kept prominently in view, and no effort has been spared to accomplish, so far as the means at the disposal of the board would permit, this desirable result.

The lights, &c., reported last year as having been restored to operation, have been maintained in an efficient manner, but at great cost, in consequence of the peculiar state of the markets in that region, the scarcity of skilled labor and the high price of materials forcing upon the service in these districts an expense entirely disproportioned to that of other districts.

The following stations have been repaired and refitted during the year, and are now in operation: Ship shoal, Shell keys, Southwest reef, St. Joseph's, Round island, (Miss.) Sand island, Bolivar Point and Padre island; and others are in course of refitting, and it is expected that in a few months most of those unlighted will be in full course of useful operation.

The buoyage of the district has received careful attention, and the board has great reason to congratulate itself upon having under such difficulties accomplished so much towards a restoration of needed facilities to the commerce of the Gulf.

In the tenth and eleventh districts, which embrace all lights from Lakes Erie and Ontario, and rivers St. Lawrence and Niagara, the various aids to navigation have been kept generally in good order, and the disposition of buoys and beacons leaves but little to be desired. No complaints in this respect have been received. The inspector bears testimony to the general attention to duty displayed by the keepers and assistants.

The work of rebuilding the light-house at Green island (destroyed by fire 1st January, 1864) has been pressed forward, notwithstanding the failure of Congress to provide the funds specially requested for the work, and a light was exhibited from the new structure on the 1st July, 1865. In the erection of this light-house a new and more suitable site was adopted. The expenses of this construction were very heavy; yet, as the work was of imperative necessity, the general fund for repairs was drawn upon to meet the bills. A special estimate

of this work is submitted, out of which it is proposed to reimburse the general fund for the amounts drawn from it.

The erection of the range-lights authorized by act of Congress for Maumee bay has not advanced during the year to the extent hoped for by the board. The delay has been occasioned partly by the difficult and complicated questions involved, but mainly on account of the impossibility of procuring the necessary land at private sale at prices warranted by the circumstances of the case. Resort was necessarily had to a tedious suit at law, which has just resulted in securing the requisite land to the government at reasonable rates. The work will be pressed forward to completion.

Upon an examination of the light-house at Mamajuda, it was found necessary to rebuild it, the present structures not being thought worthy of the repairs required to make them habitable. Temporary measures of protection have been adopted, and a special estimate to cover the cost of rebuilding is submitted.

The dilapidated condition of the light-houses at Galloo island and Turtle island has been heretofore reported, and special estimates to cover the cost of necessary repairs are again submitted. These stations are very important, and it is desirable that the necessary funds should be provided as soon as possible.

The light-house tower at Presque Isle having been reported to require immediate attention to preserve it from falling, a special examination was made. It was found to have settled very considerably; the masonry, moreover, being cracked, with a tendency to further insecurity. It is recommended that this tower be taken down upon the close of navigation this season, and rebuilt upon a proper and more suitable site. A special estimate to cover the cost is submitted.

The temporary range-lights at Cedar Point, Sandusky bay, referred to in the last annual report as having been established, have been continued, and the importance of rendering these aids permanent is such as to warrant the board in submitting a special estimate designed to cover the cost of suitable structures.

Many other works of repair in this district of less extent than the foregoing require attention. It is proposed to complete them as time and opportunity permit.

The eleventh light-house district embraces Lakes St. Clair, Huron, Michigan, and Superior, and Green bay and tributaries.

The lights and other aids to navigation within its limits have been maintained in an efficient condition. Various extensive works of renovation have been in hand during the past year, some of which have been completed. Others are still in progress; while many, from the large expense involved, must necessarily await congressional action.

The buoys, likewise, have been well attended.

The works of repair at Windmill Point light station, in contemplation at the date of the last annual report, have been completed, and a new distinctive illuminating apparatus will be put in operation on the opening of the next season of navigation.

The necessary timber for rebuilding the beacon and pier at Kenosha, Wisconsin, has finally been procured after much delay, and the work will be prosecuted to insure, if possible, the completion of the structures during the present season of navigation.

The requisite materials, timber and ballast stone, for the authorized structures at Racine, have been delivered, and the work is being vigorously pushed in order to secure it before the fall gales set in.

The extensive works reported last year as being in progress at Milwaukee have well advanced during the year, and it is expected that the light-house will be nearly completed by the close of navigation.

The light-house at Point Peninsula, between Big and Little Bay de Noquet,

Michigan, for which an appropriation was made by Congress July 2, 1864, has been completed and lighted.

Efforts have been made to establish a light at Sand Point, as authorized by act of Congress of July 2, 1864. A suitable sight was selected, but up to this time the holders of the land have been unable to convey a valid title to the United States. This being, under the law, a pre-requisite, nothing could be done in the matter beyond the preparation of plans and estimates for the work.

A system of range-lights for entering Copper harbor, authorized by act of Congress of June 20, 1860, has been completed and the lights exhibited. The necessary land at Fort Wilkins for the purposes of these range-lights, together with the valuable buildings which occupy it, were, by the courtesy of the War Department, transferred to the Light-house Board.

In the last report reference was made to works then in progress for securing the foundation of the light-house at La Pointe, Michigan. It has been found that the movement of the sand was not arrested by the measures then adopted, and instructions have been given to have the entire surface of the ground covered with broken stone.

The light-house at Minnesota Point having been found to require considerable repairs, prompt measures to this end were accordingly taken.

The special estimates submitted last year for necessary protective works for the light-house at Wangoshance shoal, Straits of Mackinac, having failed to receive the sanction of Congress, nothing could be done toward arresting the increasing dilapidation and decay at this station, which, in point of importance to the interests of navigation, is second to none in the lake region. The pier surrounding the light-house, and designed for its protection, is in course of rapid destruction, and when once destroyed, the light-house must give way. Because of the exposed position, the works required at this point are of a very expensive character, and after a careful study of the whole subject, the board is of opinion that, to carry out the work in a substantial and satisfactory manner, the sum of \$200,000 will be required, but has thought it expedient to estimate for only a part of this amount, (\$90,000,) to be expended during the year ending June 30, 1866.

A fog-signal is more needed at this point than at any other on the lakes, being the turning point of all vessels passing through the Straits of Mackinac. A special estimate for its establishment is submitted.

The necessity for establishing a system of range-lights at St. Clair Flats has been brought to the attention of the board, and has received careful consideration. Deeming these ranges of manifest usefulness, a special estimate is submitted.

The importance of substituting new and efficient fog-signals at various stations in this district, in place of the bells now in use, has been developed, and a special appropriation is asked to cover the expense.

A light-house at or near old Fort Mackinac is much needed to enable vessels to pass through the straits at night, and McGulpin's Point, about two miles distant, is designated by the engineer of the district as the most suitable location. A special estimate is accordingly submitted.

The most salient point on the eastern shore of Lake Michigan, between Point Betsey and Muskegon, is known as Grand Pointe au Sable, and is unmarked by night. It is a principal landmark for day navigation, and it would seem that the interests of commerce demand that it be suitably lighted. A special estimate is submitted.

The extension of the pier at Chicago during the past summer for a distance of 450 feet into the lake renders it necessary to build a small beacon-light at the end of the pier to mark it.

The light-house tower at Kenosha is found to need extensive repairs. The inner wall is literally crumbling to pieces, and the outer wall also shows several

cracks, caused by the action of frost, as in the case of the tower at Presque Isle, Pennsylvania. A special estimate of the cost of these repairs is submitted.

A light-house at Eagle Bluff, on the east coast of Green bay, is much needed to enable steamers plying between lake ports and the port of Green Bay, which use the east channel almost exclusively, to pass between the Little Sister island and the Frying Pan shoals. It is the most prominent bluff on the western shore of Green bay. For the erection of this light a special appropriation is recommended.

The Grand Island light-house was found, upon examination, to be in a wretched condition, on account of the inferior materials employed in its original construction. This structure, which is difficult of access, should be rebuilt in the most substantial manner, so that no further repairs will be required for many years to come.

The existing appropriation of \$6,000 for lights at the two entrances of Grand Island harbor, Lake Superior, having been found insufficient to carry on the work, an additional appropriation is respectfully recommended.

A special estimate is also submitted to cover the cost of expensive repairs and renovations found to be necessary at Marquette light-house station.

The Huron islands, Lake Superior, lying as they do in the track of vessels bound to the Portage, are a constant source of anxiety to the navigators, wrecks having frequently occurred at this point. The large and rapidly increasing commerce passing this point warrant the establishment of a suitable light and fog-signal, for which an appropriation is accordingly recommended.

A pier having been built at the mouth of Portage river, and the channel straightened and deepened, a small light is needed to mark the entrance.

A special appropriation is likewise recommended for the establishment of a light-house to mark the channel between Keweenaw Point and Manitou island, Lake Superior, a dangerous passage, at present unmarked by a light, which is deemed very necessary.

Estimates of expense of certain essential works of rebuilding at Copper Harbor and Ontonagon light-stations are submitted.

A special committee of the board was sent to the northwest lakes to ascertain the wants of commerce in that locality. The examination was particularly directed to Green bay and surroundings, and a special estimate to cover the cost of certain necessary aids to navigation, which will comprise a third class light-house on Mahnomah or Chambers island, range-lights at entrance to Fox river, a beacon on Peshtego shoal, &c., is submitted.

The twelfth light-house district embraces the entire Pacific coast of the United States. The various lights and buoys have been kept in an efficient condition, and no complaints on this score have been received.

The failure of Congress to provide at the last session for certain new works for which special estimates had been submitted has confined the engineering work of the district to ordinary repairs and renovations, and preparations for the new works when the necessary special appropriations shall be available.

The buoyage of the district has been well attended to.

The new light-house at Ediz Hook has been completed and lighted.

Having thus given a detailed account of the operations and condition of the light-house establishment in the several districts, there remain but a few matters of general importance to notice.

In anticipation of the ultimate overthrow of the rebellion, and the consequent necessity of providing as promptly as possible for a sudden revival of trade to southern ports, the board took measures to provide ready for use when required, a number of lanterns of the various classes, the lenses having previously been provided as heretofore reported. These, having been constructed, were, after careful inspection, received and stored.

The board has had good reason to congratulate itself on having taken this

timely precaution, being thus enabled to hasten materially the re-establishment of lights at many stations where the lanterns had been destroyed by the enemy.

In like manner the board provided for a supply of iron buoys of the several classes and sizes, being thus prepared, on the restoration of trade to any particular port, to re-establish the necessary buoys. These buoys are now in course of construction by contract, at favorable rates to the government.

Upon the close of the war, instructions were given to the acting light-house engineers in the southern districts to inquire for, and recover if possible, the light-house property, comprising illuminating apparatus and other material which had been scattered during the hostilities. This work has been, in a great measure, successfully accomplished, and mainly by the action of the War Department, through which much valuable material has been reclaimed. The apparatus recovered has been forwarded to New York for repairs, being in most instances considerably damaged. That which was fit for immediate use has been either so applied or stored until the towers were in a condition to receive it.

Under sanction obtained from the department an arrangement was made with the Navy Department for the transfer to this board of some small steamers which had been advertised for sale, to be used as light-house and buoy tenders. These steamers, six in number, are to take the place of a larger number of small and inefficient sailing vessels. This arrangement, though attended with some immediate additional expense, will ultimately prove beneficial and economical.

The board has, during the year, given its earnest consideration to the use of lard oil. A large quantity was purchased under contract and distributed to the lights which are fitted with lamps adapted to its use, and the board has yet to record the first case of well-grounded complaint on the part of keepers of the lights so produced, or on the part of mariners. The board is therefore much encouraged in its hope of introducing a cheaper and more certain article of illumination than sperm oil, which has now reached a price far beyond the reach of ordinary appropriations, while the continuance of the supply is a matter of great uncertainty. It is true that lard oil is at present unusually scarce, yet this is only a temporary condition, which, in consideration of the abounding means of supply, cannot long exist.

Very respectfully,

W. B. SHUBRICK,
Rear-Admiral, Chairman.

REPORT OF THE SUPERINTENDENT OF THE COAST SURVEY.

UNITED STATES COAST SURVEY OFFICE,
Washington, October 10, 1865.

SIR: The estimates for the deficiency in appropriations for the survey of the coast for the fiscal year 1865-'66, together with those for the fiscal year 1866-'67, are herewith respectfully submitted; and I have the honor to request that, if approved, they be included in your estimates for appropriations.

In regard to the existence of a deficiency, it is only necessary to recall the fact that the late Congress failed to pass the general appropriation bill in which the items for the coast survey are included. No appropriation was, therefore, made for the fiscal year 1865-'66. The work has been continued out of the unexpended balances of previous appropriations, and some aid of the same nature afforded by the Treasury Department. The appropriations asked for this work had been approved by both houses during the progress of the bill, and the amounts now estimated for are intended to meet the expenditures for the remainder of the fiscal year, upon the same scale of appropriation.

The following is a brief sketch of the progress made during the past year. While the war continued, a number of parties were connected with, and rendered efficient aid in, naval and military operations, as during the preceding year.

Four parties were attached to the South Atlantic blockading squadron and the military department of the south, by whom a complete resurvey of the entrance to Charleston harbor was effected; a survey of the inside water passages between St. Helena and Port Royal sounds; of Broad river and Whale branch to Port Royal ferry; of Wilmington and Thunderbolt rivers, and the other communications between Savannah and Wassaw and Ossabaw sounds, besides mapping the rebel defences of Charleston and Savannah, and replacing temporary lights, beacons, and buoys, under instructions from the Light-house Board, as fast as the places were reoccupied by the national forces. The entrance to Darien was examined and buoyed, for the transportation of released Union prisoners. Four topographers of the Coast Survey accompanied Sherman's march from Savannah to Goldsboro', and rendered efficient aid in military reconnoissance.

Two parties were connected with the North Atlantic blockading squadron, one of whom, after assisting in the operations against the rebel defences of Wilmington, N. C., made a complete resurvey of both entrances to Cape Fear river, while the other re-lighted and buoyed those channels, as well as that leading into Beaufort harbor, N. C., which at one time was of great importance as a base of supplies. After the close of hostilities the survey of Cape Lookout shoals and the off-shore work on the coast of North Carolina has been continued.

A topographical survey of the north bank of the Potomac river, from the vicinity of Washington to Harper's Ferry, has been made by a party attached to the middle military department, while two others have continued the detailed surveys of approaches to Baltimore and Washington. One topographer was attached to the army operating in the valley of Virginia, and has furnished reconnoissances of the battle-fields of Fisher's Hill and Cedar Creek; another was on duty with the army in Tennessee, and has mapped Lookout mountain and its approaches.

In connexion with the Mississippi squadron, a party of Coast Survey officers furnished with a gunboat, have made a very valuable reconnoissance map of over two hundred miles of the Tennessee river, from the Muscle Shoals to its mouth; of the lower Ohio, from Paducah to Cairo; and of some ninety miles of the Mississippi river, from Cairo up to St. Mary's. The latter work necessarily ceased when, owing to the reduction of the squadron, a vessel could no longer be assigned to the use of the party. It may be hoped, however, that the great and obvious usefulness, in a national point of view, of a reliable map of the Mississippi river may lead Congress to make a special appropriation for the further prosecution of that work, the commencement of which involved no public expenditure that would not otherwise have been incurred.

In the regular progress of the survey in the northern sections, parties have been at work, during the summer and autumn, on Passamaquoddy, Gouldsborough, Frenchman's and Penobscot bays, on Muscongus sound, and Medomak, Damariscotta and New Meadow rivers, on the coast of Maine; on Narragansett bay and its dependencies, in Rhode Island; on the coast of New Jersey; and the connexion of the primary triangulation in sections 1 and 2 has been completed by the superintendent's party.

On the western coast, the coast triangulation between San Francisco and Monterey bays has been completed; that of Suisun bay has been continued; the topography between Point Año Nuevo and Point San Pedro, and the off-shore hydrography south of San Francisco, have been continued, and the topography and hydrography of Koo's bay have been completed.

An early resumption of the work in the southern sections is contemplated, and is provided for, on a moderate scale, in the estimates herewith presented.

The table below gives the amounts estimated to supply the deficiency for the fiscal year 1865-'66 in parallel columns, with the estimates which were originally presented for the whole fiscal year, and were approved by both houses of the last Congress, but failed to become a law before the expiration of its session:

Object.	Estimated for fiscal year 1865-'66, but not appropriated.	Estimated for deficiency for 1865-'66.
For survey of the Atlantic and Gulf coasts of the United States, including compensation of civilians engaged in the work, per act of March 3, 1843.....	\$181,000	\$120,000
For continuing the survey of the western coast of the United States, including compensation of civilians engaged in the work, per act of September 30, 1850.....	100,000	75,000
For continuing the survey of the reefs, shoals, keys, and coast of South Florida, including compensation of civilians engaged in the work, per act of March 3, 1849.....	11,000	11,000
For publishing the observations made in the progress of the survey of the coast of the United States, including compensation of civilians engaged in the work, per act of March 3, 1843.....	4,000	4,000
For repairs of steamers and sailing schooners used in the survey, per act of March 2, 1853.....	20,000	20,000
For pay and rations of engineers for three steamers used in the hydrography of the Coast Survey, no longer supplied by the Navy Department.....	6,000	6,000
Total.....	322,000	236,000

During the continuance of the rebellion the field operations of the coast survey have been unavoidably much restricted. In the southern sections they were carried on only as far as requisite and practicable in connexion with the operations of the naval forces. In most cases where officers of the Coast Survey have served with military or naval commands the working parties have been furnished from the same, and the pay and subsistence of the officers only have been paid from the coast survey appropriations. The coast survey vessels attached to the squadrons have been furnished with coal and kept in repair by the navy.

Under these circumstances a corresponding reduction in the expenditures for the coast survey was made, which, from considerations of economy, was extended to the work on the western coast. The appropriations, which had amounted to over four hundred and fifty thousand dollars in 1860, were reduced, in accordance with the estimates submitted, to about three hundred thousand dollars during the war.

The estimates herewith presented for the fiscal year 1866-'67 approach more nearly to the scale of expenditure before the war. They contemplate the resumption of the work in the southern sections, which, beside being called for to aid in the development of the resources of that part of our country, will be productive of great economy, since it will, as formerly, enable the same parties to be employed in the south during the winter, that are at work in the north during the summer. Without any material increase in the salaries and office expenses the amount of field-work accomplished will be far more than proportionally augmented. Owing to the great increase in the price of labor and supplies of every kind, the appropriations asked for, although the same in

amount of the two principal items as those for 1860-'61, will be far from being equivalent to the latter; they are as low as is consistent with an economical prosecution of the work in the several localities where it has been commenced.

The item providing for the continuation of the survey of the Florida reefs and keys has been diminished from forty to twenty-five thousand dollars, because that work is proportionally far advanced towards completion. The item providing for repairs of vessels, on the contrary, is unavoidably increased from ten to twenty thousand dollars on account of the great increase in the cost of such repairs, and because a larger amount of refitting is at present necessary on account of greater wear and tear during the war.

The subjoined table exhibits, in parallel columns, the appropriations made before the war, those during the war, and the estimates now submitted for the fiscal year 1866-'67:

Object.	Appropriated 1860-'61.	Appropriated 1864-'65.	Estimated for 1866-'67.
For survey of the Atlantic and Gulf coasts of the United States, including compensation of civilians engaged in the work, per act of March 3, 1843.....	\$250,000	\$175,000	\$250,000
For continuing the survey of the western coast of the United States, including compensation of civilians engaged in the work, per act of September 30, 1850.....	130,000	100,000	130,000
For continuing the survey of the reefs, shoals, keys, and coast of South Florida, including compensation of civilians engaged in the work, per act of March 3, 1849.....	40,000	11,000	23,000
For completing the line to connect the triangulation on the Atlantic coast with that on the Gulf of Mexico, across the Florida peninsula, including compensation of civilians engaged in the work, per act of March 3, 1843.....	5,000	.....	.....
For publishing the observations made in the progress of the survey of the coast of the United States, including compensation of civilians engaged in the work, per act of March 3, 1843.....	5,000	4,000	5,000
For repairs of steamers and sailing schooners used in the survey, per act of March 2, 1853.....	10,000	4,000	20,000
For fuel and quarters, and for mileage or transportation, for officers and enlisted soldiers of the army serving in the coast survey, in cases no longer provided for by the quartermaster's department, per act of August 31, 1853.....	5,000	.....	.....
For pay and rations of engineers for steamers used in the hydrography of the coast survey, no longer supplied by the Navy Department.....	12,800	9,000	10,000
Total.....	457,800	306,000	440,000

Respectfully submitted:

For A. D. BACHE,
Superintendent U. S. Coast Survey,
J. E. HILGARD,
Assistant in charge of Office.

Hon. HUGH McCULLOCH,
Secretary of the Treasury.

REPORT OF THE SUPERVISING INSPECTOR OF STEAMBOATS.

SIR: The board of supervising inspectors of steam vessels met in its annual session, in the city of St. Louis, Missouri, pursuant to adjournment, on the 11th day of October, 1865, and having had under consideration various matters of interest arising from the operations of the steamboat laws, have the honor of presenting their thirteenth annual report.

The board, in their annual report of last year, alluded to the evil effects which the act of April 29, 1864, would produce if continued so as to interfere with or supersede the rules of the board of steamboat inspectors upon the inland waters of the United States.

The act of 1864 ignores the use of the steam-whistle, without which it is difficult to conceive how some of the inland waters of the United States can be navigated, without falling back into dangers and fearful collisions, which, before its introduction, continually shocked the public mind. To these waters, especially those of the western rivers, the simple rule that all vessels when meeting shall take the right is not satisfactory nor sufficient; rapid currents and eddies have much to do in determining the proper course of safety. As a general rule, it is proper that vessels in meeting each other should take the right; but it is not, under some circumstances, practicable, and it is in such cases that the rules of the board of inspectors provide a safe and proper remedy by the introduction of the steam-whistle. The rules will themselves best exemplify the nature of the navigation to which they relate, and they are introduced to show how intimately the signals of the whistle are interwoven with the rules of navigation on the waters referred to:

Rule 1st. When steamers are approaching each other the signals for passing shall be one sound made by the steam-whistle to keep to the right, and two sounds made by the steam-whistle to keep to the left. These signals to be first made by the ascending steamer. If the dangers of navigation, darkness of the night, narrowness of the river, or any other cause, render it necessary for the descending steamer to take the other side, she can do so by making the necessary signal, and the ascending steamer must govern herself accordingly. These signals to be observed by all steamers, whether by day or night.

Rule 3d. When two boats are about to enter a narrow channel at the same time, the ascending boat shall be stopped below such channel until the descending boat shall have passed through it; but should two boats unavoidably meet in such channel, then it shall be the duty of the pilot of the ascending boat to make the proper signal, and when answered by the descending boat, to lie as close as possible to the side of the channel the exchange of signals may have determined as allowed by rule first, and either stop the engines, or move them so as only to give his boat steerage way, and the pilot of the descending boat shall cause his boat to be worked slowly until he has passed the ascending steamer."

The act of 1864 requires mast-head lights, where the character of the navigation does not require them, and upon vessels which have no masts abolishes stern lights, where stern lights are quite necessary. In fact, the act seems to supersede that of August 30, 1852, crushing out the beneficial provisions which have been so long and favorably practiced in the navigation of steam-vessels. The board therefore must continue to be embarrassed in the exercise of their official power in relation to signals of sounds or of lights as heretofore, unless the act of 1864 be so construed as to confine its provisions to oceanic waters, or to those on which the navigation of English, French, and Americans are more particularly and mutually concerned, and then not until some guarantee that English navigators on our northern frontier shall more particularly observe the rules they seek to impose upon us.

Remonstrances from the most influential navigators have been presented against the application of any law which shall break up the system of American signals as heretofore established. The continued accumulation of steam-vessels in all the bays, harbors, and rivers, shows there is increasing need of them, notwithstanding the law of 1864 turns back this tide of improvement and throws into confusion the discretionary power, which for twelve years has been usefully exercised in perfecting a system for steamers which is now adopted by common consent as the best means of safety yet devised, for while it concedes the common rule requiring vessels to take the right when the wishes of pilots are not otherwise expressed, yet it also affords the use of a language by which any misunderstanding may be avoided or corrected.

The provisions of the act should therefore be modified so as to confine its

operations to ocean navigation, or to exclude its application from the interior waters of the United States. On the western waters mast-head lights are impracticable, no mast being used as at sea; and head-lights upon the stem, or other low positions forward, give a false aspect to the surface of the water, so that pilots cannot well determine the channel or the snags which they are liable to encounter, nor in approaching other boats can they distinguish such lights from the numerous shore lights, which are generally on the same level and usually placed at the several landings. In this case the law should not require head-lights.

Another rule of the board of inspectors seems to be superseded by the act of 1864, by which it is determined, as in former times, that when two steamers are sailing in the same direction the boat ahead shall have the preference. The faster boat, if she would pass, may be prevented by the zigzag course of the boat ahead, and thus, as in former contentions with opposition lines provoked by such continued obstinacy, the faster boat astern drives into the stern or side of the privileged boat, to the great danger of boat and passengers. The rules of the board established a rule which allows the faster boat behind to pass by signals, rendering danger quite out of the question. The vast increase of tonnage of passenger steamers, and the numerous steamers placed under the law of 1852, by the act of Congress approved June 8, 1864, renders it imperative that more time should be devoted to the duty of inspectors than can be done by most of the local inspectors, at the rate of pay now allowed by same. No man can in these times give his whole time to this duty and support his family on the annual pay which the law allows to many districts, after deducting 5 per cent. tax, and this at the same places where common laborers receive \$1 75 to \$2 per day; and even where local inspectors receive a fair salary, so as to devote their time wholly to the work, they cannot possibly do what the interests of the department demand, so great is the pressure of duty upon some of the districts. The law requires an inspection at least once in each year. The board does not, therefore, hesitate to recommend to your notice the necessity of an act of Congress so fixing the salaries of the inspectors as to enable them to devote their entire time to this service. Underwriters and ship-owners complain that extensive combinations of pilots, especially at the west, are in existence to embarrass the operation of the steamboat law, and to force upon the inspectors their demand for the control of the licensing power, or at least to the limitation of the number of pilots on the rivers, so as to compel the owners of boats to pay exorbitant wages for their services, and they refuse to work as pilots on any boat that has an apprentice on board, and throw every obstacle to advancement in the way of young men desirous to become pilots. They object to licenses being granted except upon the recommendation of two or more of their own number. In that they do all they can to exact wages far beyond the sums paid to officers on steamers requiring equal talent, skill, and fidelity. A law of Congress seems to be called for to secure proper privileges to apprentices and others who may be desirous of becoming pilots.

Freight boats form a class of steamers which seem to have been omitted in the act of 1864 from the list no longer to be exempt from the necessity of inspection under the act of 1852. They should with equal justice be included with tow-boats and ferry-boats. Inspectors seem to feel the importance of a more strenuous effort to sustain the dignity and responsibility of their office, and manifest great zeal in the performance of their duty; but under the increase and increasing amount of service required, the encouraging hand of Congress will be essential to the preservation of able men in the districts, and the promotion of a proper enthusiasm in the performance of official duty.

It is believed the power of the board of supervising inspectors was intended, by the act which established the organization, to have been free to carry out the

provisions of the law to the fullest capabilities of the engineering profession of the country, so that it might stand on a par with other boards established for similar purposes of public usefulness upon the coasts and harbors of the United States, and that it was not intended that those rules should be filtered away by rival State or national organizations; yet it is observable that such is the tendency, to the great detriment of its influence upon the public mind.

The large number of accidents reported from some of the districts the past year may be referred to various ruling causes. *Recklessness*, induced by the war, which extends its mischievous tendencies into all branches of trade, is particularly observable among those employed in or on board some classes of steamers. A large number of boats have been used during the war as transports, tugs, and freight boats; these have been depreciated by long and continued use, purchased and put on duty without proper examination, and run without precaution or regard to safety. These will doubtless be found among the most numerous causes of these terrible calamities, which seem to be beyond the reach of official remedy.

The board, at the present session, have revised the rules and regulations according to the suggestions of experience, and have determined to require sealed or locked safety-valves, which are to be taken wholly from the control of all persons engaged in navigating steam-vessels.

The following are statements of the important occurrences which have been brought to the notice of the board during the past year:

Total number of steamers inspected during the year 1865.....	2,270
Tonnage of steamers inspected during the year 1865.....	714,994
Number of pilots licensed during the year 1865.....	3,172
Number of engineers licensed during the year 1865.....	4,035
Number of boilers which would not bear hydrostatic test.....	35
Number of violations of law investigated.....	28
Number of lives lost by explosion.....	1,527
Number of lives lost by foundering or beaching.....	503
	530
Total number of lives lost.....	2,560
Total number of lives saved by life-saving apparatus, as required by law.....	34
Loss of property by explosion.....	\$110,000
Loss of property by fire.....	\$148,550
Loss of property by wreck or foundering.....	\$165,000
Total loss of property on inspected steamers.....	\$423,550
Estimated value of steamers inspected in 1865.....	\$221,016,800
Estimated value of steamers inspected in 1864.....	\$165,762,600
Increase in value from 1864 to 1865.....	\$55,254,200
Total number of passengers carried.....	111,377,964

The reports from supervising districts, together with the tabular statements, will show in detail what statistics are upon the records of the several districts.

All of which is respectfully submitted.

JAMES N. MULLER, *Secretary*.

P. B. STILLMAN, *President*.

REPORT OF THE DIRECTOR OF THE MINT.

MINT OF THE UNITED STATES,

Philadelphia, September 29, 1865.

SIR: I have the honor to present the following report of the operations of the mint and its branches for the fiscal year ending June 30, 1865.—The deposits and coinage of the fiscal year just closed exhibit a very satisfactory increase over those of the previous year.

The amount of bullion in value received at the mint and branches during the fiscal year was as follows: Gold, \$31,065,349 74; silver, \$1,183,405 23; total deposits, \$32,248,754 97. From this sum a deduction must be made for re-deposits or bars made at one branch of the mint and deposited at another for coinage. Making this reduction, the amount will be \$27,982,849 09.

The coinage for the same period was as follows: Gold coin, \$25,107,217 50; unparted and fine gold bars, \$5,578,482 45; silver coin, \$636,308; silver bars, \$313,910 69; cents coined, including the two and three cent pieces, bronze and nickel, \$1,183,330; total coinage, \$32,819,248 64. Number of pieces of all denominations coined, 87,323,851.

The distribution of the bullion received at the mint and branches was as follows: At Philadelphia, gold deposited, \$6,465,212 17; gold coined, \$6,436,377 50; fine gold bars, \$85,310 24; silver deposits and purchases, \$315,943 99; silver coined, \$307,508; silver bars, \$3,671 66; cents coined, one, two and three-cent pieces, \$1,183,330; total deposits of gold and silver, \$6,781,156 16; total coinage, \$8,016,197 40. Number of pieces, \$5,548,735.

At the branch mint, San Francisco, the gold deposits were, \$18,808,318 49; gold coined, \$18,670,840; silver deposits and purchases, \$540,299 20; silver coined, \$328,800; silver bars, \$145,235 58; total coinage of gold and silver, \$19,144,875 58. Number of pieces, 1,775,116.

The assay office in New York received during the year in gold bullion, \$5,250,260 04; in silver, \$320,111 23; number of fine gold bars stamped at that office, 2,175; value, \$4,947,809 21; silver bars, 1,859; value, \$165,003 45; total value of gold and silver bullion, \$5,570,371 27.

Branch mint at Denver, gold deposits, \$541,559 04; silver, \$7,050 81; total deposits, \$548,609 85. Number of stamped bars, 469; value, \$545,363. The report of the superintendent of this branch represents its operations during the year as successful and encouraging. It is engaged in melting, refining, assaying and stamping gold bullion, returning the same to the depositor in the form of unparted bars, bearing the government stamp of weight and fineness.

In my last annual report in reference to this branch mint I remarked that "the efficiency and usefulness of this branch would be greatly increased if a safe and expeditious mode of transportation could be secured. An overland route of six hundred miles is a formidable obstacle in the way of commercial intercourse with our eastern cities and markets. In addition, the hostility of the Indian tribes along the route, doubtless instigated by rebel emissaries and bad white men, has increased the difficulty and dangers of inter-communication, and the transportation of bullion to the Atlantic markets. These difficulties will probably be obviated in due time, and that institution will then assume her proper position as a branch mint.

Efforts have been made to introduce a system of purchases and exchanges, by which the government will assume the risk of transporting bullion from Denver to places where it may be needed for coinage or purchase. The government, by purchasing the bullion at Denver, and paying therefor by draft in specie on the treasurers in the Atlantic States, would relieve the owners of all responsibility, and enable them to convert their bullion into eastern funds with

but little expense. The act of Congress establishing a branch mint at Denver provides that "the superintendent of said branch mint at Denver be authorized, under the direction of the Secretary of the Treasury, and on terms to be prescribed by him, to issue, in payment of the gold-dust and bullion deposited for assay and coinage, or bars, drafts or certificates of deposit, payable at the treasury, or any sub-treasury of the United States, to any depositor electing to receive payment in that form."

This provision embodies the true policy of the government in relation to the deposits of bullion in branch mints or assaying offices distant from our great commercial centres. Its accomplishment would not only benefit the hardy miner and the gold regions of Colorado, but also the general commercial interests of the country and government. Renewed efforts ought to be made to introduce this system, and when the difficulties now in the way are removed, and the over-land stage route to Denver is in full and successful operation, satisfactory arrangements can be made with that company and others, by which the bullion purchased by the government will be safely brought to the eastern cities and depositories.

The superintendent at Denver constantly urges the necessity for a prompt introduction of the system of purchase and exchange, as contemplated in the act of Congress, to which reference has been made; and, concurring in the necessity for such action, I most respectfully ask the early and favorable consideration of this subject by your department.

Under the efficient management of the superintendent of the branch mint at San Francisco, its operations have been well and successfully performed. The coinage of the past year has been very large. The monthly deposits of bullion are increasing, and it is confidently predicted that the yield of the mines for the current year will largely exceed that of any former period. The past has been a success; the future is full of encouragement.

In this connexion it is gratifying to know that Congress, fully appreciating the magnitude and importance of the mineral wealth of the Pacific States, has made an appropriation for the erection of a new mint-building at San Francisco. The present building is not only unsafe, but wholly inadequate for the increasing business of that branch mint. The new structure should be, in architecture, capacity, machinery, and every particular, adapted to the present and future of California and the Pacific States.

BRANCH MINTS.

The suppression of the rebellion and the anticipated early return of the recusant States to their allegiance present the question, What shall be done with the branch mints at New Orleans, Louisiana; Charlotte, North Carolina; and Dahlonega, Georgia? In my annual report of 1862 it was suggested that the branch mint at New Orleans, after the re-establishment of law and order in Louisiana, might be successfully operated, and that the branch mints at Charlotte and Dahlonega ought not to be employed again for minting purposes. My opinions on this subject are unchanged. The commercial importance of New Orleans, and the relations of that city to every portion of our country, justified the establishment there of a branch mint; and the amount coined in that institution from its organization, in 1838, to January, 1861, confirmed the propriety of its location at that place. During the period of its active operations, the total coinage was over seventy millions of dollars, as follows: \$40,381,615 in gold, and \$29,890,037 in silver. The deposits of silver at this branch have always been large; and it is worthy of consideration whether the coinage there should not, for the present, at least, be confined to silver.

The same reasons for re-opening the branches at Charlotte and Dahlonega do not exist. They are away from the commercial centres, inland, and of little

commercial importance in themselves. The existence of gold mines in their respective localities may be a reason for re-opening them as assay offices, but not for minting purposes. The results of their operations from their commencement, in 1838, to February, 1861, do not sustain the policy of their original establishment. The coinage of both these branches is limited, by act of Congress, to gold. At Charlotte the total coinage during the twenty-three years of the existence of this branch was only \$5,048,641 50; and at Dahlonega for the same period, \$6,121,919; an average annual coinage of about \$250,000; declining at Dahlonega, from 1857 to 1861, to an annual coinage of about \$70,000; and at Charlotte, for the same period, of less than \$150,000. These facts seem to be conclusive on the question of re-opening these branches for minting purposes, and particularly when there is no great probability of a large increase in the gold production of those localities.

To meet every commercial want of those places, and also the interests of the miners of gold, the re-opening of these branches for melting, refining, assaying, and stamping gold bullion would be amply sufficient; giving to the superintendent or treasurer of each branch authority to issue, in payment for gold-dust, bullion, or bars deposited for assay, drafts or certificates of deposit, payable in specie at the treasury, or any sub-treasury of the United States, to any depositor electing to receive payment in that form. This provision would wholly supersede the necessity of coining at these branches, or any imaginary benefits resulting therefrom.

The able and interesting report of Professor James C. Booth, appointed, at the suggestion of your department, to examine the condition, &c., of these branch mints, and which has been submitted to you, confirms the views now expressed.

On the subject of assay offices for our gold-mining regions, and the impolicy of multiplying branch mints, my sentiments were fully expressed in my last annual report, to which you are respectfully referred.

GOLD-MINING REGIONS.

The reports from the gold and silver mining portions of the United States are of the most encouraging character. The developments of the past year prove the supply of those minerals to be inexhaustible. With the restoration of the peace and unity of our country and the suppression of the Indian hostilities the production of the precious metals will be greatly increased. The recent discoveries of rich gold deposits have stimulated emigration; capital is hourly seeking investment; the energy of our people has been aroused, and every indication, individual and national, foretells a successful future to this most interesting portion of the United States.

It is not easy to obtain any other reliable statistics than those officially appended to the reports of the director of the mint, but these do not assume to give the amount of the entire production of the precious metals. The shipments to other countries must be large. For example, we are vaguely assured that the silver mines of Nevada average a shipment of one ton daily, which would equal twelve millions of dollars annually. If so, we see but little of this; a small part goes into California circulation, and a large part to China, where it makes one purchase and does no further good to the world, being practically withdrawn from circulation.

We have frequent opportunities for conversation with persons who travel or reside in the various mining regions of the United States and of contiguous provinces, and it is interesting to hear their accounts of the vast developments of wealth and prospects of profitable industry.

Thousands of square miles, made up of snowy mountains, deep cañons, and sterile plains, long supposed to be worthless, and really so for agricultural purposes, are now found to compete in value with the rich garden lands of the cul-

tivated east. Where food cannot be produced, ores and minerals may be dug up to pay for it; if the search disappoints some, it rewards others; and the whole land, tied together politically and socially, feels, or will feel, the beneficial effects of these grand discoveries.

Yet it will be well to guard against exaggeration. It must be remembered that it is not enough to find gold and silver even in considerable quantities; there must be conveniences for living, for mining, and extracting; especially there must be a good supply of wood and water. So important is this, miners tell us that where ore prospects, say, two hundred dollars to the ton, while wood and water can scarcely be had, the mine is really of no value, or of less value than an ore of twenty dollars to the ton, with these adjuvants at hand. On this account, it is said, the silver mines of the famous Humboldt region are, at present, of little practical value. Some of the mining regions will be benefited by the approach of railroad facilities; others, perhaps, must remain forever shut out from the line of profitable labor. But we will not limit the energy or enterprise of the American people.

It is also interesting to observe the incessant efforts to improve the methods of extraction. It is one thing to find where the metals lie, another to bring them to the surface, and still another to get out a paying result, and not leave too large a share lying inextricably in the heap of tailings. Great progress has been made in mining economy within the last fifteen years, judging from the repeated assurance that an ore of gold or silver yielding only fifteen or twenty dollars to the ton, in a good locality, is worth working. In fact, the poor ores are deemed more desirable, all things considered, than the rich ores, which are apt to prove mere pockets.

The advance of the mining art will give new life to our mines at the east and south, where the advantages are so great. Indeed, an experienced capitalist in mines from Nevada, on hearing our report upon a sample of gold ore from a new mine not far from the seat of government, declared "he would rather work it than his mines in the west."

We have also an interesting statement, and one particularly so at this juncture of our national affairs, from a proprietor in the gold region of North Carolina, that "the system of paid labor is likely to show its just and natural effects in the increased return of gold."

There is a published statement that gold mining has been actively recommenced in several counties of Virginia on both sides of the James river, west of Richmond, and with encouraging success. Gold has also recently been found in Maryland, at various points, near the Potomac and Susquehanna. As regards the mines further south, the report of Prof. Booth furnishes the latest and best information.

Outside of our lines, in Canada and Nova Scotia, there are gold workings, and prospects of a most important and satisfactory character. Occasional deposits from those localities are made here and in New York.

With resources illimitable, the precious metals inexhaustible, and our fields rich in the affluence of an abundant production—with a population energetic and enterprising, bold and brave, our country's future is not problematical. National repudiation, even in the presence of a national debt numbered by hundreds of millions, will find no place in the patriotic thought of a reunited and grateful people; and national bankruptcy will only be named in the whisperings of cowardice or the suggestions of treason.

BRONZE AND NICKEL COINAGE.

The coinage of the cent and two-cent piece from the bronze alloy has been very large, but not in excess of the demand. They have been distributed to almost every part of the United States, and many into States, west and south.

that heretofore refused to use such coin as currency. The total amount issued during the year will be found in the tables annexed to this report.

As required by law, this bronze and nickel alloy has been regularly assayed and reported by the assayer of the mint, and the legal proportion of the constituent metals found to have been steadily maintained.

By the act of Congress passed March 3, 1865, authority was given to coin a three-cent piece of nickel and copper alloy as a substitute, to some extent, for the fractional paper currency. This coin has been issued and put in circulation. It is neat in appearance, convenient in size, and will become a popular coin. If, in addition to the already prohibited issue of three-cent notes, the five-cent notes of the fractional paper currency were withdrawn, or the circulation limited and gradually reduced, the demand for this new coin would be much increased. Its increased production and circulation would not only furnish a more desirable currency than paper, but would become a source of large revenue to the government. From the profits of the bronze and nickel coinage we have transferred to the treasury of the United States, during the fiscal year just closed, four hundred thousand dollars, (\$400,000,) and a few weeks after the expiration of the year the further sum of one hundred thousand dollars (\$100,000) was in like manner transferred; the fund remaining being sufficient for all the purposes of this coinage.

From this same nickel alloy a coin of the denomination of five cents, and which would be a popular substitute for the five-cent note, could easily be made. This suggestion, however, is respectfully submitted, in view of the probable withdrawal of the smaller denominations of the fractional paper currency, and as preparative and aid to its accomplishment. This to continue only until the resumption of specie payments, or for a fixed and limited period. In a country abounding in the precious metals, and with silver generally in excess of all demands for coinage, or other purposes, in time of peace, "tokens," or coins of inferior alloy, should not be permitted to take the place permanently of silver in the coinage of pieces above the denomination of three cents.

If the nickel alloy coin of five cents shall be adopted, temporarily or otherwise, provision should be made for its redemption in currency, in sums not less than one hundred dollars, and in manner to suit the convenience of the government, and prevent its becoming troublesome by capricious use. At the proper time similar provision should be made for the redemption of the three-cent piece, in sums not less than sixty dollars. This would secure confidence and circulation for this coin.

MOTTO COINS.

By the fifth section of the act of Congress of March 3, 1865, already referred to, the director of the mint, with the approval of the Secretary of the Treasury, was authorized to place upon all the gold and silver coins of the United States susceptible of such addition, thereafter to be issued, the motto "In God we trust." The direction was at once given to prepare the necessary dies; and it is confidently expected that before the close of the calendar year the gold and silver coins of the mint of the United States will have impressed upon them, by national authority, the distinct and unequivocal recognition of the sovereignty of God, and our nation's trust in Him. We have added to our nation's honor by honoring Him who is "King of kings and Lord of lords."

STATEMENT OF FOREIGN COINS.

The statement of foreign coins required by law to be made annually will be found appended to this report. We have no changes to make in these tables, as no coins differing from those named in the previous report were presented during the year for examination or assay.

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.

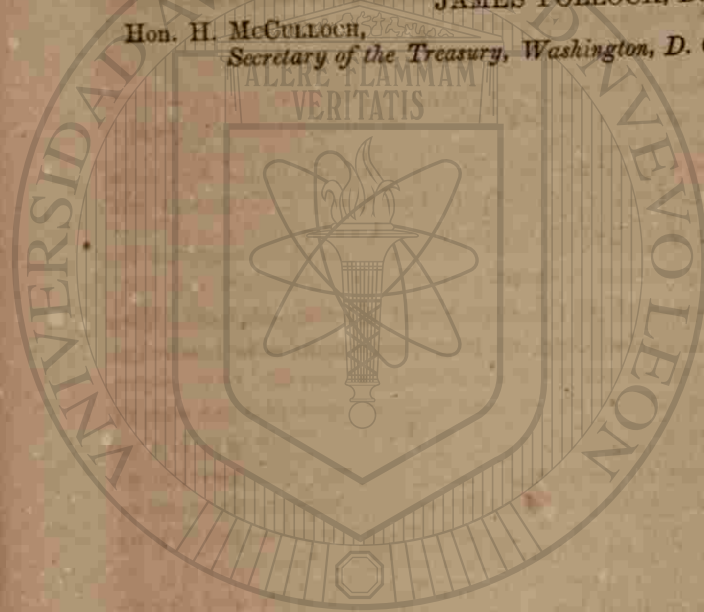
Valuable additions have been made to the cabinet of coins and medals during the year by gift and purchase. It is a place of great resort, and multitudes from every section of our country are daily visitants. The collection of coins is large and valuable. The annual appropriation for the purchase of coins, &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
	<hr/>
	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 132,285,935 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

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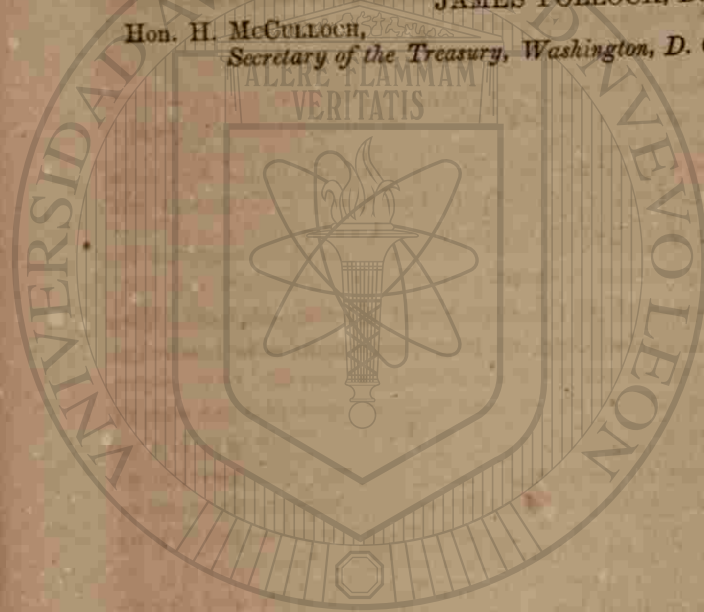
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Owing to the failure of the appropriation for that purpose at the last session of Congress, no contracts have been made for surveys during the current fiscal

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 roll's.

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 employees 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 interedure, 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 dispatch 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.

Provision should be made for the clerical force rendered necessary by the increasing correspondence and duties relating to these important works, and other incidental expenses that must unavoidably be incurred, for which an estimate has been submitted.

CAPITOL AND LIBRARY EXTENSION, AND GOVERNMENT PRINTING OFFICE.

The report of the architect of the Capitol extension furnishes full information concerning the condition and progress of the work. Since the report of his predecessor, the eastern portico of the south wing, including the steps and carriage ways to the same, has been completed, with the exception of the caps of the cheek blocks, delayed for the want of marble of the requisite dimensions. One of these has been finished, and eleven pieces of marble for the others are now on the grounds.

The greater part of the marble work for the north portico has been prepared during the present season, and this portion of the work is now completed. Seventy-three blocks for cornice, architraves, &c., and nine monolithic columns have been prepared for the unfinished porticos. Some years since the government acceded to an interpretation of the contract, insisted on by the contractors, which allowed them to furnish marble of such dimensions as to require two pieces in the construction of each column. There is on hand material for eight columns of that description. The architect recommends that they be placed alternately with monolithic columns in the western porticos.

Congress, at its last session, made no appropriation for this work, and the architect estimates that a hundred and seventy-five thousand dollars (\$175,000) will be required to continue it during the present fiscal year, and two hundred thousand dollars (\$200,000) for the fiscal year ending June 30, 1867.

Attention is invited to that part of the report which relates to the necessity of extending the central building and portico to the line of the porticos of the wings, and of enlarging the Capitol grounds. The architect recommends that the plans prepared for these purposes by his predecessor be adopted and carried into effect.

The arrangements for lighting the new dome, by Gardner's electro-magnetic apparatus, are in progress. A further appropriation is necessary for the completion of the dome, which is now nearly finished, and to discharge existing liabilities for work already done upon it.

An act of last session authorized "an enlargement of the library of Congress, so as to include in two wings, built fire-proof, the space at either end of the present library." The then architect of the Capitol extension prepared the requisite plans and specifications for the work. Competition was invited by newspaper publication in several of the large cities of the Union, and a contract for the labor and materials awarded to a responsible party for the sum of one hundred and forty-six thousand dollars, being fourteen thousand less than that appropriated by Congress. The work, although delayed by unforeseen causes, has been faithfully and successfully prosecuted, and its completion will not be long deferred. Additional expenditure must be incurred for the introduction of water into the library, the cutting off and replacing the gas mains which supplied the

building and passed through the wings which will be occupied by the library, and other incidental alterations which were not anticipated and specified by the architect, but which, as the work progresses, are found to be necessary.

After a suspension of nearly four years, the work on the north portico of the Interior Department has been resumed under a contract made in the year 1857. The price of labor and materials during the intervening period had so largely increased as, in the opinion of the architect, to render the contract entirely unremunerative. I therefore gave the contractors the option of abandoning the contract, or prosecuting the work at the rate it prescribes. An estimate has been submitted of the amount requisite to finish the portico, iron fence and pavement.

The saloon of the north front of the department has been appropriated for the use of the Patent Office, and fitted up with cases. They are designed for the exhibition and safe-keeping of models, and are of the most approved materials and workmanship. An appropriation is necessary to meet outstanding accounts and to complete the saloon.

The Government Printing Office has been enlarged and extended agreeably to an act of the last Congress making provision for that purpose, and for capacity and convenience is believed to be now unsurpassed by any similar establishment in the country.

DISTRICT AFFAIRS.

The power conferred on Congress of exclusive legislation for the District of Columbia imposes the corresponding duty of making just and adequate provision for its welfare. Its local interests, so liable to be overlooked in the midst of subjects of more general and engrossing concern, fall to some extent within the province of this department, and require a special allusion.

The annual report of the Commissioner of Public Buildings gives a detailed account of the expenditures authorized by Congress within this District. I have also received a communication from the mayor of the city of Washington, which I have directed to be printed. These papers present important facts and considerations which merit the attention of the legislative department.

The controlling object in the original design of this city was the accommodation of the public interests which it was anticipated would cluster about the capital of a great nation. Accordingly, only three thousand and sixteen of the seven thousand one hundred and thirty-four acres composing its entire area were surveyed into lots for sale to individuals. The remainder embraces streets, avenues of inordinate width, squares, circles, and public reservations. By the adoption of this design, it is manifest that it was not intended that the sparse population thus provided for should bear the burden of the entire cost of the local improvements, required more for the national convenience than for that of the permanent residents. At the last assessment the national government owned real estate within the city limits to the value of \$28,121,631 45—a sum nearly equal to the estimated worth of all individual property in the city. At the usual rate of taxation this property would yield a revenue of \$210,912 23.

The mayor suggests that such a tax, in connexion with the present resources, would yield a revenue amply sufficient to support the municipal government, improve the streets and avenues, make proper provision for the indigent, and maintain a complete system of public schools.

In the year 1820 Congress provided that from the proceeds of the sale of public lots reimbursement should be made to the city of Washington of an equitable proportion of the expenses thereafter incurred in laying open, paving, and otherwise improving the streets and avenues adjacent to the public squares and reservations. I am informed that, since the passage of this act, three thousand seven hundred and twenty-five lots of this class have been sold, and the proceeds paid into the treasury of the United States, while no reimbursement has been made to the city for the sum of thirty-seven thousand four hundred and ten dollars and sixty-one cents paid for improvements properly chargeable to this fund. An appropriation should be made for refunding this amount and the interest which has accrued thereon. During the past summer and fall the improvement of streets adjacent to public property has rendered the government liable to a considerable amount, and an additional sum will be needed to meet similar expenses which will probably be incurred during the next fiscal year. It is hoped that Congress will at an early date make provision to meet these liabilities. Several of the streets of Washington have been paved in a neat and substantial manner since the adjournment of Congress, and the municipal authorities are making like improvements upon other streets, which will add greatly both to their beauty and their utility as public thoroughfares. It is submitted that Congress should encourage this spirit by corresponding improvements upon the avenues. The Commissioner of Public Buildings refers to the dilapidated condition of the pavement on Pennsylvania avenue, and recommends that an appropriation be made by Congress for the substitution of either the Belgian or the Nicholson pavement throughout its length, and also for the opening and grading of such of the remaining avenues leading to the Capitol as remain closed. These avenues are under the exclusive control of Congress, and justice seems imperatively to require that the national government should defray the expense of paving and keeping them in repair. If the burden of paving the avenues, as well as the streets, is to be thrown upon the owners of contiguous property, the mayor suggests that the law be so amended as to reduce the width of the carriage-ways, and that the intervening space between them and the pavement be flanked with a line of curbstones, sodded, and planted with ornamental shade trees.

I recommend that the law authorizing a local tax for sewerage be so amended as to enable the city to levy the same equitably upon all property benefited by such improvement. A general system of sewerage should at once be adopted by the city, the expense of which should be borne in part by the government.

I invite the attention of Congress to the views of the mayor touching the locality occupied by the Centre market. For a long time this space has been disfigured by dilapidated and unsightly sheds and stalls, called a "Market House." The city, in the belief that it was authorized to appropriate the ground, made efforts to replace these by a commodious building of correct

architectural proportions, properly furnished for the public accommodation. Its erection had been commenced, but the work was suspended in compliance with the supposed requirements of a joint resolution, approved June 30, 1864, authorizing the Secretary of the Interior to reclaim and preserve certain property of the United States. I commend the subject to your consideration, with a view to such legislation as the convenience of the city and the interests of the public require.

The mayor's communication also calls attention to the fact that the youths of the District are largely in excess of the accommodation which can be furnished them in the public schools. No doubt many of them are receiving education in private institutions; but it is feared that many are absolutely destitute of the means of instruction. All experience demonstrates that virtue and thrift are the natural results of education, while pauperism, vice, and crime are the legitimate fruits of ignorance; and that it is more economical to maintain schools as a preventive, than to support the pauperism and punish the crime that ignorance engenders. From the establishment of the national capital in the District of Columbia, the expenses incident to such support and punishment have been paid by the government of the United States. It is worthy of serious consideration, therefore, whether a just proportion of the expense of the public schools in this District should not be provided for from the same source; and it is believed that Congress will thus be able to diminish the expenditures from the judiciary fund far more than they will be expected to augment the educational fund of this District. The propriety of this provision is still further shown by the consideration of the fact that a large proportion of the people of this District are in the service of the United States, on small salaries, and regard themselves as transient inhabitants. If possessed of property, it is generally located elsewhere, and the taxes levied upon it are applied to the support of the institutions of those localities, while their children live in this District, and, if educated in the public schools, swell the tax to be levied on the property of permanent citizens. The number of transient and non-tax-paying persons has been largely increased during the war by the ingress of multitudes of both white and colored people who have fled from its perils and desolations. Justice as well as economy demands that provision be made from the national treasury for the education of the children of these classes.

The canal leading from the Potomac river, through the heart of the capital, to the Eastern branch, has been made the receptacle of the filth and offal from all the sewerage of the city. It has thus become a loathsome cesspool, fruitful of disease, and inviting pestilence. The city authorities can exercise no legal control over it, as it is bordered almost exclusively by government reservations. These are deteriorating in value on account of this constantly increasing and almost insufferable nuisance. It is nearly useless for navigation, by reason of accumulations within it; and it should either be deepened and improved for the passage of shipping, or at once abandoned as a canal. In the latter alternative, it should be diminished in width to suitable dimensions, arched over, and used exclusively as a main sewer. The proceeds of the land

thus reclaimed, if brought into market, would defray a large proportion of the expense occasioned by the change. This nuisance lies almost at the threshold of the Capitol, the Executive Mansion, and other costly public edifices. If Congress should refuse to provide the requisite means for its improvement in the mode which I have suggested, exclusive authority over it should be conferred upon the city of Washington.

The report of the Commissioner of Public Buildings refers to the neglected condition of many of the triangular and circular public reservations. Instead of being abandoned to the public, they should be neatly and substantially enclosed, and planted with trees and shrubbery. The reservation on East Capitol street, between Eleventh and Thirteenth streets east, should be thus improved.

By the act approved May 25, 1832, the Commissioner of Public Buildings was authorized to purchase a tract of land surrounding a large and never-failing spring of the purest water, including the rights of individuals to its use, and to bring it in pipes, a distance of about two miles, to the Capitol, at a cost of forty thousand dollars. From that spring comes the flow of water which fills the fountains directly east and west of the Capitol building, and also the flow of the hydrant in front of the arched entrance to the basement of the west front; and from it is supplied all the drinking-water used in the Capitol. If the use of this water is to be continued, so much of the land on which the spring is situated as belongs to the United States should be properly secured by a substantial fence.

METROPOLITAN POLICE.

The board of police for this District, constituted by an act approved August 6, 1861, employed during the last fiscal year, as a permanent force, one superintendent, six detectives, ten sergeants, and one hundred and fifty patrolmen.

The detectives made seven hundred and seventeen arrests. Seven hundred and seven robberies were reported at the detective office. Property to the value of one hundred and seventy thousand six hundred and fifty-nine dollars and nine cents (\$170,659 09) was reported as stolen; of which one hundred and twenty-two thousand eight hundred dollars and six cents (\$122,800 06) was recovered by the officers. Property valued at six thousand eight hundred and ninety-four dollars and twenty-two cents (\$6,894 22) was turned over to the property clerk, while the value of that delivered to claimants was one hundred and fifteen thousand nine hundred and five dollars and eighty-four cents, (\$115,905 84,) and that taken from prisoners and returned to them, four thousand nine hundred and forty-two dollars and fifteen cents, (\$4,942 15.) These results indicate but a portion of the actual work performed. The services of detectives are often of great value in the prevention of crime by known offenders, who, on their arrival, are placed under a strict surveillance, or are taken into custody, before they have an opportunity to accomplish their evil designs.

The members of the police constituting the sanitary company have been efficiently employed in the abatement of nuisances, and in the discharge of other duties specially assigned to them.

The whole number of arrests during the year was twenty-six thousand four hundred and seventy-eight. Of the parties arrested, eighteen thousand five hundred and sixty-seven were charged with offences against the person, and the remainder with offences against property. The following disposition was made of them, so far as the cases are reported: One thousand three hundred and seventy-seven committed to jail; seven hundred and six discharged on bail; one thousand four hundred and fifty-two turned over to the military authorities; seven thousand nine hundred and eighty-four dismissed; one thousand nine hundred and thirty-two committed to the workhouse, and eight hundred and twenty-eight released on security to keep the peace. Fines were imposed in eleven thousand four hundred and eighty-seven cases, amounting to sixty-one thousand nine hundred and forty-three dollars and ninety-two cents, (\$61,943 92,) and in five hundred and thirty-one cases light punishments were inflicted. No report was received in one hundred and thirty-one cases. Two thousand three hundred and twenty-one destitute persons were furnished with lodging, one hundred and fourteen lost children restored to their parents, and one hundred and fifty-four sick or disabled persons assisted or taken to the hospital. The number of arrests during the year exceeds by three thousand those made during any previous year; and the increase in the amount of fines imposed is nearly one hundred per centum. The actual expense to the cities of Washington and Georgetown, and to Washington county, of the present police system is about forty-five thousand dollars. For further details I refer to the report of the board.

The utility of the police telegraph has been fully demonstrated during the past year. By its agency a large force can be speedily concentrated at any given point where an emergency requires its presence. Seven thousand eight hundred and thirty-three messages have been transmitted through the central office, and a large amount of correspondence conducted between the precinct stations. An appropriation sufficient to discharge the cost of its construction is respectfully recommended to Congress.

The force has been maintained, as far as practicable, at the maximum authorized by Congress; but it is believed to be unequal to the public necessities. Since its organization the population of the District has nearly doubled, and the increase of crime has been in still greater proportion. The board present facts and arguments which are, in my opinion, conclusive in favor of such an increase as will enable the police force to discharge with vigor and promptitude the duties required of them. It is hoped that Congress will adopt such measures in this regard as will insure within the District the maintenance of public order, the due execution of police regulations, and the adequate protection of the rights of person and property.

JAIL, HOUSE OF REFUGE, AND PENITENTIARY.

It appears from the report of the warden that there were 227 prisoners in the jail of this District on the 1st day of November, embracing persons of each sex and of various ages. Some of them were convicted of minor offences,

punishable by fine and imprisonment; others were committed in default of bail, or were awaiting sentence in the criminal court. The inmates are occasionally more numerous. The building, although designed for one hundred prisoners, does not furnish accommodation for even that limited number, without neglecting the precautions which a due regard to their health and secure custody demands. The crowded state of the building and its very imperfect ventilation have a most injurious influence upon the sanitary condition of its inmates. This evil is enhanced by the want of a hospital department, to which the sick may be transferred from the impure atmosphere of the jail, and receive the benefit of fresh air, and the treatment which their situation imperatively demands. The building is so insecure that constant and vigilant attention, with the aid of a military force detailed by the War Department, is requisite to prevent the escape of prisoners, many of whom are desperate outlaws, charged with the commission of the most aggravated crimes. For want of a workshop connected with the building, such of the inmates as have been convicted of petit misdemeanors are huddled together, without needful employment, a prey to the vices born of idleness. The tedious hours are beguiled by frivolous pastimes, or frittered away in reckless or profane conversation, so that it is to be feared that many, on being discharged, are prepared for a bolder career of crime.

During the past summer the cells have been increased in strength, and such an addition made to their number as the available space would permit. The sewerage and ventilation have been improved, and light introduced. Nevertheless the building remains a reproach to the government, and a nuisance. Humanity and policy alike require that a suitable jail should be erected, and I cannot too earnestly invoke the early and favorable action of Congress on the subject. The propriety of increasing the salary of the warden is also respectfully submitted for consideration.

Congress, by the act approved March 3, 1865, made provision for the confinement of juveniles under the age of sixteen years thereafter convicted, by any court of the United States, of a crime whose penalty is imprisonment. Authority was given to the Secretary of the Interior to contract with the managers of houses of refuge for the imprisonment, subsistence, and proper employment of such convicted offenders. Soon after the passage of this act the department entered into correspondence with the marshals of the United States, and other parties, on the subject. A contract was made with one such institution, and it could admit but an inconsiderable number of convicts, and declined to receive into custody any colored persons.

It was ascertained that an offender could not be received by some of these institutions if the term to which he had been sentenced expired during his minority, and that the regulations provide that he may be discharged at any time upon the order of the directors. The convict is sentenced by the federal court for a specific term, and the act requires that he "shall be confined during the term of sentence." This is incompatible with the exercise of the discretionary authority conferred on nearly all of these institutions by State legislation to discharge him at an earlier period and to bind him by indentures of appren-

ticeship, or to prolong his detention until he gives satisfactory evidence of reformation. Doubts were entertained by the officers in charge of others, whether they were not prohibited by the terms of their organic laws from receiving offenders other than those convicted by the tribunals of the State in which they were located. From the best consideration I have been able to bestow on the subject, I am of opinion that State as well as federal legislation is necessary to give full practical effect to the humane intentions evinced by Congress in the enactment of the law.

The motives which induced the action of Congress appeal with equal force in favor of the erection of a house of refuge in this District. The confinement of the youthful convict in the penitentiary, where he is in communion with inveterate transgressors, has a most corrupting effect upon his modes of thought and principles of action, and, after suffering the penalty which the law imposes upon convicted guilt, he rarely returns to the path of virtue. Beneficent results attest the wisdom and humanity of providing an asylum for such convicts. In many instances they have been led astray by evil parental influences, or left in destitute orphanage, assailed on every side by temptation, and without a friend to encourage them by precept and virtuous example. A large discretion should be given to the managers of such an institution. They should be authorized to detain the offender until he attains his majority; or, should they deem it expedient, provide him, at an earlier period, with a home far removed from his old associations. During his confinement he should be taught a useful trade, habits of industry, the rudiments of an education, and the lessons of morality and religion. Under the benignant influences which would thus surround them, many would doubtless be rescued from the ways of guilt and sorrow, and rendered, in after life, useful members of that society of which they once threatened to become the scourge and opprobrium.

Influenced by these considerations, I have encouraged an incorporated society of benevolent gentlemen to take the preliminary steps for the establishment of such an institution on the aqueduct farm, in this District. It is hoped that Congress may afford them the necessary assistance to secure this result.

The War Department has not yet surrendered the building in this city formerly used as a penitentiary. It is ill adapted to the purposes for which it was employed. This department has heretofore invited the attention of Congress to the propriety of erecting a new building. The subject is again presented for such action as may be deemed expedient.

GOVERNMENT HOSPITAL FOR THE INSANE.

I invite the attention of Congress to the tenth annual report of the Board of Visitors, and the thirteenth annual report of the superintendent of construction, of the government hospital for the insane.

These papers exhibit the condition of the institution during the past fiscal year, and present, in addition to statistical information, many valuable and highly instructive suggestions. The number of patients under treatment at the commencement of the year was three hundred and fifty-one, including one hundred and ninety-one from the army, eighteen from the navy, two from the

Soldiers' Home, and four rebel prisoners. The number admitted during the year was five hundred and fifteen, of whom four hundred and twenty-six were from the army, ten from the navy, seventy-two from civil life, three from the Quartermaster's and Subsistence departments, and four were rebel prisoners. The whole number under treatment during the year was eight hundred and sixty-six, of whom six hundred and forty-five belonged to the military or naval service. One hundred and forty-seven died. There were discharged as recovered, three hundred and forty-eight; as improved, one hundred and one; and as unimproved, nine.

Congress failed at its last session to make the required appropriation for the support of the hospital, and with your approbation I negotiated, for that purpose, a temporary loan. Attention is invited to the subject, as the money was obtained on most favorable terms from the First National Bank, to whose officers assurances were given that Congress would provide for its repayment at an early period of the approaching session.

The hospital was established for the treatment of the insane of this District, as well as of the army, the navy, and the revenue cutter service. It has, from its origin, been conducted in such manner as to merit and receive the uninterrupted confidence and patronage of Congress. Its success and usefulness are due in a great degree to the superintendent, who has been identified with its history, and who brings to its service professional attainments of the highest order, long experience, and unsurpassed fidelity in the discharge of his arduous and delicate duties. He has received the active co-operation of the board of visitors and of his subordinate officers. His salary was originally fixed at its present rate. The propriety of increasing it is presented for the consideration of Congress.

COLUMBIA INSTITUTE FOR THE DEAF AND DUMB.

The Columbia Institution for the Instruction of the Deaf and Dumb has furnished instruction to eighty-five deaf mutes since the first day of July, 1864. Pursuant to the provisions of an act of Congress approved February 23, 1865, the blind pupils, seven in number, were transferred to the Maryland Institution for the Blind. The books, maps, and papers, especially designed for the instruction of such pupils, were delivered to that institution, for the use of the beneficiaries of the United States.

Indigent deaf and dumb persons of "teachable age" properly belonging to this District, and the deaf and dumb children of all persons in the naval or military service of the United States, while such persons are actually in such service, are received into the institution upon the order of the Secretary of the Interior. The annual charge of \$150 for each pupil so received has been paid, as provided by law. In addition to this outlay, appropriations have been made for salaries and contingent expenses, the purchase of grounds, the erection of buildings, the introduction of Potomac water, and other improvements. The directors, in their report, propose to relinquish the per-capita charge for the government pupils, and include the estimated amount thereof in the item for

salaries and contingent expenses, which they desire may be increased to \$20,700. This sum, with the other items embraced in their estimate, will require for the next fiscal year an appropriation of \$71,940. During the current fiscal year the institution has received no aid from Congress, other than the sums paid for the maintenance of the pupils admitted by order of this department, and the board ask that a clause appropriating \$55,445.87 be inserted in the deficiency bill.

Congress, by the act of April 8, 1864, authorized the Columbia Institution to confer degrees in the liberal arts and sciences on pupils of the institution, or others, who, by their proficiency in learning, or other meritorious distinction, may be thereunto entitled. Pursuant to the presumed authority conferred by this act, the board has organized an advanced department, in addition to the primary school where the elementary branches and the mechanic arts have been successfully taught. They designate it as "The National Deaf Mute College." A preparatory or intermediate class has also been formed, with a range of studies more thorough and efficient than in any similar school in this country. It is designed to furnish their own pupils, and the graduates of the State institutions, with an opportunity of attaining the standard of proficiency requisite to an admission into the freshman class of the college.

Five students have entered upon their collegiate course. Eight are in the preparatory class, four of whom are residents of the District of Columbia. Attention is invited to the views of the directors on the subject. They propose to make the course of study in the college the full equivalent of that adopted in other colleges, and, as the number of their classes increases, to add to the number of professors, taking care that the corps of instructors shall come fully equal to the average of college faculties, in number, ability, and fitness.

The institution is authorized, by the fifth section of the organic act, to receive and instruct deaf and dumb persons from the States and Territories of the United States, upon such terms as may be agreed upon by themselves, their parents, guardians or trustees, and the proper authorities of the institution. It is proposed to receive and instruct those who desire to enter the advanced classes and prosecute the preliminary studies which will fit them for a collegiate course, but who have been unable to make adequate preparation in consequence of the limited educational advantages in State institutions. It is suggested that cases have arisen, and will, doubtless, continue to present themselves, of worthy deaf mutes unable to pay the usual charges; and the directors conceive that they are authorized to remit, in whole or in part, such charges, as circumstances seem to require. It was obviously not the intention of Congress to provide, at the national expense, for the instruction of this description of persons residing in the different States. The benefits of the institution, gratuitously conferred, are confined to the two classes first mentioned; and no portion of the fund appropriated by Congress for the salaries and incidental expenses should be diverted from its legitimate purposes and applied to the support of pupils belonging to neither of those classes. The expenses of all such, if not properly

chargeable upon the fund furnished by voluntary private contributions, should be defrayed by themselves, or by the State or community to which they belong. The board disclaim the intention of competing or interfering with State institutions; but as the range of instruction in them is confined within narrow limits, an opinion is advanced in the report that "funds should be drawn from the national resources" for the support of an institution which will extend to these unfortunates, facilities for cultivating the higher branches of learning. The appropriations asked for imply a conviction on the part of the directors that this opinion will be sanctioned and made effectual by appropriate legislation. It will be for Congress to determine whether an institution shall be maintained at the national metropolis, where the deaf mutes of the country may enjoy the opportunity of pursuing the classic and scientific studies which enter into the course of collegiate instruction.

The act of February 23, 1863, declares the corporate name of the institution I have serious doubts whether it, or any department thereof, can rightfully assume the name of "The National Deaf Mute College" without authority from Congress.

It affords me pleasure to bear witness to the disinterested zeal with which the directors have labored to render the institution as useful in its practical workings as it is humane and generous in its conception. The vacancies in the board occasioned by the lamented death of Mr. Edes and of Mr. Mitchell have been filled by the appointment of Mr. Chief Justice Chase and Benjamin B. French, Esq.

The board has been fortunate in securing the services of those charged with the academic and domestic departments. They have performed their duties with an intelligence and fidelity worthy of all praise.

COURT-HOUSES.

This department, on repeated occasions, has referred to the limited and precarious accommodations for holding the courts of the southern district of New York. The government had a term of years in the property which those courts continue to occupy, but is liable to be soon dispossessed under the present temporary arrangement, and no other could be made after the expiration of the lease. It appears from the report made by this department to the Senate of the United States on the 6th of December last, that on the first day of January of that year more cases were pending, and more had been instituted within the preceding twelve months, in that than in any other judicial district. The duty of the government to furnish all proper facilities for the prompt transaction of the business of the courts, and the preservation of their archives and records, will not be questioned. The courts at Baltimore, Philadelphia, Boston, Cincinnati, Louisville, New Orleans, and various other points, are now held in buildings belonging to the government, and no just reason exists why this policy should not be extended, and its benefits secured to the judges, officers, and litigating parties at the leading commercial city of the Union. There was a clause in the lease reserving

to the United States the right of purchasing the property, at a stipulated sum, within a specified period, which has since elapsed, and I am not advised whether the proprietors are now willing to dispose of it on the same terms. I recommend that this department be authorized to make, by purchase, permanent arrangements for the federal courts in the city of New York, and that an appropriation be placed under its control for the purpose.

The eastern judicial district of New York was created at the last session of Congress. The department has encountered serious difficulty in its attempts to secure suitable apartments in the city of Brooklyn for the accommodation of the courts. I strongly urge upon Congress the consideration of the propriety of providing for the erection of a suitable building, portions of which may be appropriated to the district and circuit courts and their respective officers, and the remainder to the city post office and other needful public uses.

I am, very respectfully, your obedient servant,

JAS. HARLAN.

Secretary of the Interior.

To the PRESIDENT.

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PAPERS

ACCOMPANYING

REPORT OF THE SECRETARY OF THE INTERIOR.

DEPARTMENT OF THE INTERIOR, GENERAL LAND OFFICE.

October 3, 1865.

SIR: The attention of our statesmen in the earliest age of the republic was directed to the disposal of the public lands, in order to make the same available as a source of national credit, revenue, and strength. The political and commercial agent sent to France by the revolutionary Congress communicated his views in this respect in a despatch as early as December, 1776, to the organ of that Congress—the committee of secret correspondence. He predicted the rush of emigration from Europe upon the establishment of American nationality, the rise in value of settled lands, the demand for new and uncultivated territory, upon which a certain fund, he reported, might then be fixed, tracing “the river Ohio from its junction to its head, thence north to Lake Erie on the south and west of the lake to Fort Detroit, which is in the latitude of Boston, thence a west course to the Mississippi,” and returning to the place of departure, he marked out “these three lines of near one thousand miles each” as including an immense territory in a fine climate, “then scarcely inhabited by any European,” and invited attention to that region “as a source amply adequate under proper regulations for defraying the whole expense of the war, and the sums necessary to be given to the Indians in purchase of the native right.”

At an early period of our national existence the public lands were the subject of serious political controversies. The charters of certain States extended indefinitely westward, instances having existed of their crossing each other and throwing the same territory within different State limits. Such disturbing causes retarded the organization of an effective system for opening the western territory to settlement and sale. These difficulties, however, were put to rest by several acts of cession, New York taking the lead in 1781, Virginia in 1784 ceding the great northwestern territory, Massachusetts relinquishing her claim in 1785, Connecticut in 1786, South and North Carolina and Georgia having subsequently made cessions which constitute mainly the present States of Tennessee, Mississippi, and Alabama. After the definitive treaty of peace, in 1783, closing the war of the Revolution, and before the adoption of the Constitution of the United States, Congress, by an act of the 20th May, 1785, began the work of laying the foundation of the land system by “an ordinance for ascertaining the mode of disposing of lands in the western territory,” in which the principle was established of reserving “the lot number sixteen of every township for the maintenance of public schools within the said township,” in recent years duplicated in remote organizations, and before the close of the last century initiated the pre-emption system. These great principles were designed to operate upon the public domain within our then political limits, but in the march of empire, by the expansion of our territory from ocean to ocean, they have been modified and enlarged to meet the wants and interests of the multitudes now spreading over our great national land estate.

By the acquisition of new territories, beginning with the cession by the French republic in 1803 of the ancient province of Louisiana, and ending with the Gads-

den cession by treaty with Mexico in 1853, we have assumed obligations under treaties to recognize and confirm inceptive and mature titles which originated under former governments. In the progress of land legislation, the Congress of the United States, under stipulations for the segregation of foreign titles from the public lands, have required by law that the peculiarities of foreign systems, to the extent of such titles, shall be faithfully observed in their survey and confirmation. To earlier legislation have been added numerous enactments providing for cash sales at a low rate per acre, carefully guarding at every step the interest of the pioneer settler, not only by pre-emption, but in conferring homesteads upon the condition of five continuous years of actual residence; thus enriching the settler and adding to the wealth of the nation. But the liberality of Congress has gone further. By munificent acts of legislation there have been conceded, for works of internal improvements and schools, over one hundred and thirty million eight hundred and seventy-five thousand acres; upwards of one hundred and twenty-five million three hundred thousand acres, by estimate, have been granted in aid of the construction of rail and wagon roads; about sixty-eight million, including land scrip, have been awarded for military services, reaching back to the Revolution; and over forty-five million three hundred and nineteen thousand acres have been conceded to States as swamp lands; whilst the agricultural and mechanic college grant in 1862 conceded for such institutions the quantity, including the late insurgent States, of nine million three hundred and thirty thousand acres. The numerous laws regulating the disposal of the public lands, beginning in the early history of this government, and accumulating at every successive congressional session, have now grown into an extended system, not merely of statutory enactments, but of departmental and judicial decisions.

The recent domestic convulsions have necessarily checked during the last four years public land operations.

The reign of peace now happily and, as believed, permanently established, what may we not anticipate in accumulated and accumulating wealth and power from the expansion of the American people over the immense regions constituting the public domain.

In administering the system during the fiscal year ending the 30th of June, 1865, and the quarter which terminated on the 30th ultimo, the following are the results:

For the year ending June 30, 1865, there were sold for cash—

	Acres.	Cash received.
For quarter ending September 3, 1865.....	557,212.53	\$748,427 25
Part estimated.....	72,320.32	95,085 68
	629,532.85	\$843,512 93
To which add cash paid into the treasury on account of 8,920 entries made under the homestead act May 20, 1862.....		89,200 00
Commissions on homestead entries.....		34,250 08
On account of 2,627 entries made under the homestead act in quarter ending September 30, 1865.....		26,270 00
Commissions on homestead for quarter.....		10,102 82
Fees for bounty land locations to June 30, 1865.....		8,410 30
Fees for bounty land locations to September 30, 1865, part estimated.....		1,913 00
Commissions on agricultural scrip to June 30, 1865.....		4,431 50

Commissions on agricultural scrip to September 30, 1865.....	\$646 02
Fees on account of pre-emption and donation claims to June 30, 1865.....	15,412 00
Fees on account of pre-emption and donation claims to September 30, 1865.....	4,252 00
Bounty land warrants:	
There were located during the year ending June 30, 1865.....	348,660.00
For quarter ending September 30, 1865, (September estimated).....	65,000.00
Swamp lands:	
There were approved to the States for the year ending June 30, 1865.....	571,429.24
For quarter ending September 30, 1865.....	322,062.71
Railroads:	
There were approved to the States to June 30, 1865.....	607,415.39
For quarter ending September 30, 1865.....	45,990.54
Homestead acts of May 20, 1862, and March 21, 1864:	
There were entered during the year ending June 30, 1865.....	1,160,532.92
For quarter ending September 30, 1865.....	359,697.32
Agricultural and mechanic college grant of 1862:	
There were selected, under agricultural college grant, for the year ending June 30, 1865.....	808,368.11
Located with agricultural scrip to June 30, 1865.....	460,130.27
For quarter ending September 30, 1865.....	15,520.24
Total acres disposed of from June 30, 1864, to September 30, 1865.....	5,394,329.59
Total cash paid into the treasury.....	1,038,400 78
Surveyed land:	
The aggregate quantity of surveyed land offered and unoffered, and undisposed of on the 30th September, 1865, was.....	
Consisting of offered lands, embracing 53,922 acres of Winnebago trust lands.....	132,285,035
Unoffered.....	79,274,577
	53,010,458

Having thus shown in outline certain features of land legislation from the beginning of our system, and some of the leading grants by Congress, with details of sales, and other disposals of the public lands during the last fiscal year and the succeeding quarter, it is now proposed to refer to the progress which has been made in preparing our territory for sale, and conveyance in fee-simple, in the extension of the lines of the public surveys.

By the establishment of base lines corresponding with latitudes and of principal meridians with longitudes, the public domain is divided into townships of six miles square, or 36 square miles

or sections, containing 640 acres, and these into quarter sections or 160 acres, half-quarter or 80 acres, and quarter-quarter sections or 40 acres.

The initial point of the surveys or the intersection of the base with the principal meridian is established in a region of the country most needed for settlers, and likely to produce a revenue.

The principal base line serves to count the survey of townships north and south thereof, and the principal meridian to count the ranges of townships either east or west.

Thus far the surveying system which has been extended from the State of Ohio to the Pacific ocean, with the exception of interior territories recently organized, has brought into requisition six principal meridians, with corresponding principal bases, and several independent meridians with similar bases as follows:

The first principal meridian divides Ohio from Indiana, and runs north on the $84^{\circ} 51'$ longitude west of Greenwich, governing the surveys in the State of Ohio.

The second principal meridian, starting from the mouth of Little Blue river, in Indiana, governs the surveys in that State, and partly in Illinois.

The third principal meridian begins at the mouth of the Ohio river, and terminates on the northern boundary of Illinois, governing the surveys lying east therefrom, and west to the Illinois river.

The fourth principal meridian commences in the centre of the channel at the mouth of the Illinois river, in latitude $38^{\circ} 58' 12''$ north, and longitude $90^{\circ} 29' 56''$ west of Greenwich, and governs the surveys in Illinois situated west of the Illinois river, and of the third principal meridian north of the river and east of the Mississippi. It also extends due north through Wisconsin, and continues through the northeastern part of Minnesota, governing the surveys in Wisconsin and Minnesota lying east of the Mississippi river.

The fifth principal meridian commences at the mouth of the Arkansas river, in the State of Arkansas, and passing due north through Missouri and Iowa, terminates in township 91, north of the base line, which runs due west from the mouth of St. Francis, in Arkansas. This principal meridian governs the surveys in Arkansas, Missouri, Iowa, Minnesota west of the Mississippi river, and Dakota Territory east of the Missouri river.

The sixth principal meridian, the initial point of the intersection with the principal base line being coincident with the fortieth parallel of north latitude, is near the $92^{\circ} 13'$ of longitude west from Greenwich. This principal meridian governs the surveys in Kansas, Nebraska, Colorado, and that part of Dakota Territory lying west of the Missouri river.

Besides the foregoing six principal meridians there have been established independent meridians and bases for the surveys in the following States and Territories:

The Michigan principal meridian commences on the north boundary of Ohio, 22 miles east of the first principal meridian, and runs north, corresponding with longitude $84^{\circ} 19' 9''$ west of Greenwich, and terminates at Sault St. Marie, governing the surveys in the State of Michigan.

The Tallahassee principal meridian intersects the principal base at the city of Tallahassee, and governs the surveys in Florida.

The St. Stephen's meridian, in Alabama, intersects the principal base line on the 31° north latitude, and Huntsville basis meridian starts from the principal base or the northern boundary of the State, and governs the surveys in the State of Alabama, the former governing also the surveys in Mississippi lying east of Pearl river and south of township 10 north.

The Choctaw meridian and Washington meridian govern the surveys in Mississippi; the base line of the latter is the 31° north latitude, and that of the former sixty miles north of it.

In Louisiana there are two principal meridians, with a common basis parallel, passing near the mouth of the Red river, from which surveys have been made; one governing the surveys east of the Mississippi river, and the other west.

The initial point of the intersection of the base line with the principal meridian in New Mexico is ten miles below the mouth of the Puerco river, being a hill of two hundred feet high, on the Rio Grande del Norte; these principal lines govern the surveys in New Mexico.

The surveys in California are controlled by three different meridians and as many base lines. The San Bernardino meridian intersects its base line in latitude six miles north of Los Angeles, the initial point being on the high peak of the San Bernardino mountain. This meridian is on the $116^{\circ} 55'$ longitude west from Greenwich, and controls the survey in the southern part of California.

The Mount Diablo meridian intersects its base line in latitude six miles north of that of the city of San Francisco, distant from the ocean 38 miles, the intersection being on the highest peak of Mount Diablo, about 3,600 feet high. This meridian corresponds with the $123^{\circ} 52'$ of longitude west from Greenwich, and governs the surveys north and south of the initial point in California, and also in Nevada.

The Humboldt meridian intersects its base line in latitude of about $40^{\circ} 24'$ north, on the peak of Mount Pierce, 5,000 feet above the level of the Pacific ocean—this initial point being commemorated by an iron monument. These principal lines govern the surveys in the northwestern portion of California situated west of the coast range of mountains.

The Willamette meridian and base line govern the surveys in Oregon and Washington Territory, the initial monument being at the point of the intersection of $45^{\circ} 31' 13''$ of north latitude with the $122^{\circ} 30' 26''$ of longitude west from Greenwich.

The Salt Lake meridian starts from the corner of the Temple block in the Salt Lake City, where it is intersected by the principal base line, the point of intersection being commemorated by a monument; these standard lines, running north and south, east and west, govern the surveys in Utah.

The surveying machinery has accomplished its work in Ohio, Indiana, Illinois, Michigan, Missouri, Arkansas, Mississippi, and Alabama. In the State of Louisiana the survey of the New Orleans township and some subdivisions remain to be executed. In Florida the surveys have been extended to Lake Okechobee, leaving unsurveyed the portion of the peninsula south of that lake, which is a swampy and overflowed region.

Should it be deemed proper to restore the surveying districts of Louisiana and Florida for the time being, it would be necessary to make appropriations for salary of both officers of surveyor general, and existing appropriations, to a limited amount, might be set apart and applied to meet any surveying exigency in either of the States; or, in case such salary appropriation should not at this time be made, the power might be exercised which is delegated to the Commissioner of the General Land Office by the act of January 22, 1853, of acting ex-officio surveyor general, where a district is discontinued.

It is now proposed to present a view of the progress which has been made in other States, beginning with the surveying districts of

WISCONSIN AND IOWA.

The surveying operations in the State of Wisconsin have been advanced during the fiscal year ending June 30, 1865, by the application for the completion of surveys in Wisconsin of four-fifths of the fifty thousand dollar appropriation, per act of July 2, 1864, for surveys of public lands.

Contracts to the full extent of the means provided have been made, and returns of the surveys have been received, amounting to 2,608 lineal miles,

embracing 721,826 acres. In the lands thus surveyed are several hundred lakes, from a few acres in size to several square miles in extent. Yellow and white pine abounds in this region, which is interspersed with marshes, swamps, and shallow lakes, the latter filled with wild rice. The country, however, furnishes great facilities for floating timber, through numerous natural channels, to the Wisconsin river.

The unfinished field-work, it is reported, will be completed before the close of the present surveying season, and no further means will be required, the existing funds being sufficient for closing the surveys in Wisconsin.

For the completion of the office-work for the surveys already made and those yet to be executed, and in order to have the archives in readiness to be transferred to the authorities of Iowa and Wisconsin, respectively, under the provisions of the acts of Congress approved June 12, 1840, and January 22, 1853, an estimate is submitted for the compensation of the surveyor general and two clerks in his office, for the fiscal year ending June 30, 1867, when it is expected the office will be closed and discontinued, the field-work in Iowa having been completed.

MINNESOTA.

The progress of surveys in Minnesota during the fiscal year ending June 30, 1865, has been co-extensive with the sum of \$14,000 appropriated for the purpose. The field operations, as far as returned, are equal to 1,270 lineal miles, comprising 419,208 acres, including 172,208 acres of the Sioux or Dakota Indian reservations on the south side of the Minnesota river, the survey having been ordered by the second section of the act approved March 3, 1863. These lands are to be appraised and sold for the benefit of the Indians. As allegations have been made against the work of surveyors within the Sioux reservations, and to the effect that the character of the surveys was not in conformity with the surveying laws and instructions governing the survey of the public lands, an examination in the field was ordered by the department on the 25th of August last to elicit the true condition of the surveys which, under the decision of the department, are to be paid for out of the proceeds of the sales of the Indian lands.

Attention has been attracted to the region on the headwaters of Cloquet river, one of the tributaries of St. Louis river, about thirty-five miles north of Fond du Lac, as possessing valuable minerals and where coal has been discovered. The surveying department recommends in that region of the State that where the standard lines are in progress of extension, subdivisional work may also be contracted for during the next fiscal year. To meet the expenses of the proposed work, and also of surveys on the Lower Embarras and East Savannah rivers, affluents of the St. Louis river, on the Mississippi river, in the vicinity of Sandy lake, and on the upper waters of the Minnesota river, an estimate is submitted.

By the first article of the treaty of May 7, 1864, with the Chippewas of the Mississippi, there are ceded, with exceptions, certain reservations made by treaty of the 22d of February, 1855. Accordingly, pursuant to the treaty of 1864, and of the department's directions of March 9, 1865, instructions have been given to the surveyor general for the subdivision of lands embraced within the former Indian reservations of Gull lake and Mille lac, in Minnesota, in order to enable the grantees to secure by legal subdivisions their respective grants. Contracts have been entered into to the extent of means placed at the surveyor general's disposal under the appropriation of July 2, 1864, and the greater part of the work has been executed, the residue to be completed at an early period.

KANSAS AND NEBRASKA.

Under the appropriation of \$50,000, by act of Congress of July 2, 1864, for the survey of the public lands in Kansas and Nebraska, contracts were made to the extent of the means provided. Only a small part, however, of the work was executed during the last fiscal year on account of Indian hostilities. In Kansas the field-work was equal to 883 lineal miles, embracing 183,661 acres. In Nebraska, 3,445 lineal miles, including 1,262,784 acres.

The remaining eight contracts not yet completed, which are an aggregate liability of about \$40,000, are in progress, and will be finished before winter.

It is reported that emigration in that surveying district exceeds that of any year since 1857, and that actual settlements are being rapidly made in several localities. The routes recently opened for the overland mail and express company along the Smoky Hill river, together with the Pacific railroad—great thoroughfares of trade—are stimulating emigration, and it is expected will cover, to a very considerable extent, the public lands already surveyed.

With the view to meet the anticipated demand for the public lands by settlers under the pre-emption and homestead laws, as well as the requirements of the Pacific railroad, the surveyor general submits enlarged estimates for the surveying service in the following localities: On Arkansas river, Smoky Hill fork, Saline and Solomon forks of Kansas river, in Kansas, and on Republican fork of the Kansas river, Platte and Wood rivers, and Loup fork of the Platte river, in Nebraska; the proposed surveys to consist of standard township and sub-divisional lines.

DAKOTA AND MONTANA TERRITORIES.

In Dakota the surveys have been established to the extent of the means appropriated for the fiscal year ending June 30, 1865. The field-work is equal to 1,482 miles of lineal measure, comprising 313,251 acres, situated in the valley of Big Sioux river, and eastward therefrom to the western boundary of the State of Minnesota, between 43° 30' and 44° of north latitude.

The character of the lands surveyed and to be surveyed in the eastern portion of the Territory is represented to be adapted to agricultural pursuits, particularly that of stock-raising. The advantages for the growth of wool have already been realized there—the weather being mild, with an absence of rain during the winter months.

The contract entered into between the surveyor general and deputy for the survey of that portion of the Sioux Indian reservation on the south side of the Minnesota river which lies in Dakota Territory, southwest of Big Stone lake, it is expected, will be completed during the present season.

The survey of the reservation authorized by the second section of the act of Congress approved March 3, 1863, is to be at the expense of the Indians, payable to the deputy surveyor out of the proceeds of sales of the lands surveyed.

No contracts have been made for the extension of ordinary public surveys in Dakota during the fiscal year ending June 30, 1866, on account of the failure of the surveying appropriations at the last session of Congress.

Under an appropriation of ten thousand dollars, by act of 2d July, 1864, initial surveys have been ordered in the Territory of Montana.

Instructions have been issued to the surveyor general at Dakota, whose department embraces Montana, to establish the initial point for the surveys in the latter distant Territory at "Beaver Head Rock," a remarkable landmark in the Great Horseshoe Basin of the Rocky mountains, drained by the Jefferson, Madison, and Gallatin forks of the Missouri river, situated between the Bannock and Virginia Cities.

From this point of the intersection of the principal base with the principal meridian governing the surveys in Montana Territory, standard parallel, township and section lines will be extended to embrace settlements and lands adapted to agricultural purposes.

COLORADO, UTAH, AND IDAHO TERRITORIES.

Surveys in Colorado during the fiscal year ending June 30, 1865, have been advanced to the extent of the appropriation of \$20,000. Returns of field operations show surveys executed equal to 1,746 lineal miles, embracing 605,281 acres. The residue of the field service, it is expected, will be completed before the ensuing winter.

The estimates submitted for surveys during the fiscal year ending June 30, 1867, are designed for the extension of surveys to such lands as are already occupied, or are offering inducements for settlement as soon as surveyed. The proposed region of operations is situated east and west of the Rocky mountains, principally on the south fork of the Platte river, and its numerous tributaries lying east of the existing surveys, and on the upper waters of Rio Grande del Norte, south fork of Platte, in the South Park, and in the Middle Park, near the sources of sundry tributaries of Grand river, these localities embracing rich agricultural lands, though requiring irrigation. The surveys proposed on the west side of the Rocky mountains are based upon the fact that the Overland Stage Company are building a wagon road from Provo, in Utah, to Denver City, Colorado, shortening the overland route by one hundred miles, the wagon road passing through the finest agricultural region of Colorado, destined to be settled so soon as the road is opened.

In Utah, a part of the surveying district of Colorado, no surveys of the public lands have been carried on during the last year, and none since the year 1857. In that year the office of the surveyor general was closed in consequence of Mormon difficulties.

Under the provisions of the act of Congress approved May 5, 1864, entitled "An act to vacate and sell the present Indian reservations in Utah Territory," contract has been entered into for the survey and subdivision into forty-acre tracts of the following reservations, viz: the Spanish Fork, San Pete, Corn Creek, and Deep Creek, yet no returns of surveys have been received from the surveyor general.

In Idaho the surveying machinery has not yet been initiated, owing to the great distance from the office of the surveyor general at Denver, and the want of necessary information as to the precise localities requiring surveys within the Territory. No estimate is submitted for field-work, there being sufficient means already appropriated for that purpose, and which can be used at the proper time for the commencement of the public surveys.

NEW MEXICO AND ARIZONA.

Continued Indian hostilities in New Mexico and Arizona have prevented surveys of the public lands therein during the fiscal year ending June 30, 1865. In order to determine what parts of Arizona require earliest surveying operations, the surveyor general was authorized personally to examine this distant portion of his surveying district. Accordingly, on the 7th day of January last he left Santa Fé, and passing through Las Cruces, Fort Cummings, Fort West, on the upper Gila river; Fort Bowie, on Santo Domingo river; Fort Goodwin, on Gila river, to Tubac, on Santa Cruz river; thence down the valley, on his way to Prescott, crossing Rio Gila at the distance of twenty miles above the confluence of Rio Salado with Rio Gila; thence to Hasiampa river, in places dried up

so that the bed of the river was passable in travelling; at a distance of fifty four miles from the crossing of the Salado river, he reached the mining town of Wickenburg, containing from two to three hundred persons, situated on the right bank of the river; thence through Weaver to Prescott, the capital of the Territory, one mile above Fort Whipple and the upper waters of Granite creek, consisting of about sixty houses. On returning from Arizona, the surveyor general struck the valley of the Rio Colorado Chiquito, in the direction of the San Francisco mountains; thence up the valley of Rio Puerco of the west, and Fort Wingate, on the Rio San José, to the Rio Grande, reaching Santa Fé May 19, 1865, the journey occupying nearly five months and a half. The mineral resources of Arizona are reported to be very extensive, requiring only labor, capital, and machinery to develop the mines.

The valleys of the Gila, Salado, San Francisco, and Colorado rivers, with their tributary streams, would produce, under proper culture, sufficient food for more than two millions of people.

The surveyor general, in submitting estimates for Arizona for the fiscal year ending June 30, 1867, suggests that the initial point of surveys should be the intersection of the principal base with the principal meridian at a conical hill 150 feet in height on the south side of the Gila, opposite its confluence with the Salado river. Upon the pinnacle of this eminence the Mexican boundary commission in 1851 established a corner to mark the mouth of Salt river, its geographical position being in latitude $33^{\circ} 22' 57''$, longitude $112^{\circ} 15' 46''$. The selection of the initial point being central, the settled localities of the Territory are susceptible of being reached by standard or correction parallels, which may be established north and south of the principal base, and east and west of the principal meridian, governing the surveys in Arizona.

The surveying operations, therefore, are proposed in Arizona during the next fiscal year, payable out of the appropriations already made, which, without additional estimates, are deemed adequate for the purpose.

The surveyor general renews the recommendation, and urges the necessity for departure from the rectangular system of surveys in mountainous districts, and especially along streams with narrow valleys which have been settled and cultivated for many years, particularly where the tracts have conventional limits fronting on streams and extending back to the mountains. To enable settlers in this situation to acquire titles, such departure from the rectangular system is suggested in order that authority of law to that end may be delegated by Congress.

In the surveyor general's tour of examination he was occupied while at Las Cruces in looking to the extent and validity of claims to land under grants from the republic of Mexico in the Mesilla valley, below Fort Craig, on the right bank of Rio Grande.

It is represented that numerous grants were made by Ramon Ortiz, commissioner of the state of Chihuahua, and by Guadalupe Miranda, commissioner general, for the transportation of Mexican families to the national territory subsequent to the treaty of 1848 at Guadalupe Hidalgo, and prior to that of 1853 at the city of Mexico.

Under the treaty of 1848, the boundary between the two republics, as determined by the joint commissioners, Bartlett and Conde, April 20, 1851, was the point of intersection at $32^{\circ} 22'$ of north latitude with the Rio Grande, about thirty-four miles north of the present boundary, as fixed in latitude $31^{\circ} 47'$ north, under the treaty of 1853.

The office of the surveyor general is destitute of data in regard to Mexican titles granted between the dates of the treaties of 1848 and 1853, in the Mesilla region; and even if he possessed the same, there is no authority delegated by existing laws to that officer for giving them such a status as would enable him, in extending the lines of the public surveys in that valley, to segregate such unconfirmed claims from the public domain.

SPANISH AND MEXICAN TITLES IN NEW MEXICO AND ARIZONA.

By the 8th section of the act of Congress approved July 22, 1854, authority is given to the surveyor general, under direction of the Secretary of the Interior, "to ascertain the origin, nature, character and extent of all claims to lands under the laws, usages and customs of Spain and Mexico," and for this purpose he has the power to "issue notices, summon witnesses, administer oaths," and make report on all such claims before the cession, by the treaty of 1848, showing his judgment of the validity or invalidity of the titles brought before him under this law; Congress retaining the power to award final confirmation.

Under this act the surveyor general's function for receiving and reporting on Mexican titles extends only to so much of territory as was ceded to the United States by the treaty of 1848, and not embracing the tract included within what is known as the Gadsden treaty of 1853.

It is a matter of grave importance, both to New Mexico and Arizona, as well as to the general government, that efficient steps should be ordered by law for the summary and early adjustment of Spanish and Mexican titles which may be valid under our treaties of 1848 and 1853 with that republic.

If it should be deemed the preferable course for the surveyor general to act upon these grants, let his jurisdiction be co-extensive with the cession under both treaties; let authority be given to him for confirmation to a limited extent, making such confirmation final when approved either intact or according to departmental judgment; let the statute limit the period within which all foreign titles shall be filed in surveyor general's office, barring in law and equity every claim not filed within a period to be fixed in the law.

The enactment should authorize claims destitute of merit in the judgment of the Executive to be restored to the mass of the public lands, and where claims exceed the limitation that the department may have the power to confirm. Such claims should be reported for the final determination of Congress.

If, however, it should be deemed the better course, as seems to be the judgment of well-informed persons, to commit the adjudications of these foreign titles to the courts, we have the precedents established for this mode in legislation in regard to claims in Missouri, Arkansas, Louisiana, Florida, Mississippi, Alabama, and California.

Should the judiciary be charged with this duty, let the law giving authority for the purpose limit the time for filing and for final prosecution, stipulating in all cases that the title with its exact boundaries and area shall be set forth in the petition to the court, and that the judicial decree shall not only determine the validity of title, but also questions as to location and limits.

In respect to those cases heretofore confirmed, a period should be fixed by law within which confirmances shall have surveys made at their own expense, but, under the direction of the United States surveyor general, subject to the controlling power of the department; and where such claims are of loose and undefined extent, a limitation as to quantity should be established by law.

In determining rights of individuals under past confirmation of Spanish and Mexican grants the General Land Office has decided that the United States, as the successor of Spain and Mexico, have the right of retention and exclusion from claims of this class of such sites therein as may be indispensable for forts or other public uses, and this right will be insisted upon and enforced unless Congress shall relinquish it or otherwise order.

PRE-EMPTIONS IN NEW MEXICO, ARIZONA, AND COLORADO.

By the seventh section of the act of Congress approved 22d July, 1854, the pre-emption privilege was extended to lands, whether settled upon before or

after survey, within the region of country comprehended by the present Territories of New Mexico and Arizona. As Arizona has not yet been organized into a "land district," the authority to receive pre-emption declarations in virtue of the acts of 22d July, 1854, and of 2d July, 1864, is vested in the surveyor general at Santa Fé, and instructions on 9th June last were despatched to that office accordingly to receive these declarations when not embracing the precious metals, or lands reserved for military or other public uses.

In virtue of the requirements of the seventh section of the act of 30th May, 1862, pre-emption declarations, where settlements are made before survey, must be filed within three months from the date of the preparation and deposit in surveyor general's office of the approved plat of the township embracing the pre-emption; but where the settlement was made after survey, within three months from date of settlement. In the act of Congress approved June 2, 1862, establishing a land office in Colorado, and for other purposes, it is declared "that when unsurveyed lands are claimed by pre-emption, notice of the specific tracts claimed shall be filed within six months after the survey has been made in the field, and 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 lands shall forfeit all right thereto."

These terms are much more restricted and are variant from the general pre-emption system as applicable to the new land States and Territories, and there being no just grounds for any discrimination as against Colorado, the recommendation is renewed for the repeal of such restriction, and that at the same time, by further legislation, the provisions of the pre-emption acts of 1841 and 1843, and of the seventh section of the act of 30th May, 1862, to reduce the expenses of survey and sale of the public lands, be declared applicable to that Territory.

CALIFORNIA AND NEVADA.

Surveys in California during the fiscal year ending June 30, 1865, have been prosecuted under the appropriation of July 2, 1864; and at the expense of applicants for the surveys under the tenth section of the act of Congress approved May 30, 1862, over thirty contracts were entered into by the surveyor general. The returns of the field-work amount to 780 lineal miles, embracing 246,268 acres of public lands, and 38,700 acres within the following special grants made by Congress to the State of California by act of June 30, 1864, to wit: the Yosemite valley in the Granite Peak of the Sierra Nevada mountains, at the headwaters of the Merced river, containing per actual survey 36,111 $\frac{1}{10}$ acres, and the Mariposa Big Tree grove, covering 2,589 $\frac{1}{10}$ acres. The field operations in California are advanced mainly in the direction of the Pacific railroad and in the Honey Lake valley. Contracts have been made for the survey of townships adjoining the headwaters of the Truckee river and the eastern boundary of the State. That boundary has not been surveyed and marked pursuant to the act of Congress approved May 26, 1860, for the reasons assigned in annual report of November 30, 1861, pages 35 and 36, to which reference is made for information on the subject of the extent of the work accomplished under the appropriation of \$55,000 per act of June 25, 1860.

By the act of Congress of March 2, 1861, organizing the Territory of Nevada, provision was made for taking a strip from the eastern part of California and adding the same to Nevada, provided California should assent. The legislature of that State, however, has refused to accede to the proposed modification, assigning as the reason that the State constitution is inhibitory in that respect.

No further steps have been ordered by the department in the survey of the eastern boundary of California under the appropriation of \$55,000 hereinbefore mentioned, for the reason the funds were absorbed by the commissioner ap-

pointed by the President under the act of Congress approved May 26, 1860, and who acted not under the direction of the General Land Office, but in 1860, and until August, 1861, was under the superintendence of the department proper. On the 15th day of May, 1861, the appointment of commissioner Maury terminated. The astronomer who continued field astronomical work at Lake Bigler was in his turn relieved from further duties and reported to the Secretary of the Interior, under date of August 30, 1861, that the field astronomical duty was completed, and it only remained, after the computations were made, to run the line, which any surveyor could accomplish. Finally, on the 11th September, 1861, the astronomer, J. C. Ives, pursuant to instructions from the department proper, turned over to the United States surveyor general's office the field-notes, maps, reports, and computations of the astronomical observations which had been taken.

The prosecution of the survey of the California eastern boundary was thus interrupted after determining and establishing the intersection of the 35° of north latitude with the Colorado river and the 39th of north latitude with the 120° of longitude west from Greenwich, and nothing has since been done in the matter. In the mean time a joint commission on the part of the State of California under legislative authority in 1863, and on the part of the Territory of Nevada, proceeded to the survey and demarkation of the boundary from the initial point in Lake Bigler to the northern limits of the State of California by actual admeasurement and by daily observations for latitude, terminating the line a few miles to the north of Crane lake, on the forty-second parallel of north latitude, and perpetuating the intersection of that parallel with the 120° of longitude west from Greenwich by a stone monument. From the report of the Nevada commissioner, made to the legislature in 1863, it further appears that the commission continued the survey of the boundary southeasterly from Bigler lake for 102 miles, reaching the 38° north latitude within one mile. This part of the line is not regarded as correct, the same not having been prolonged to the monument established on the Colorado river, and will not be held correct until the error of the intersection with the initial point shall have been corrected back to Lake Bigler.

Attention is thus drawn to this subject, it being important that the line should be definitely established under legislative sanction, in order that the public surveys, both on the California and Nevada side, may be permanently closed on a duly acknowledged boundary. Nevada in 1862 was part of the California surveying district, but in 1864 it was attached to Colorado; subsequently, however, by act of 2d March, 1865, it was reannexed to, and with California now forms one surveying district. The appropriation, by act of 2d July, 1864, for Nevada surveys was not made available whilst the surveyor general at Denver, Colorado, had jurisdiction, because sufficient time for the purpose did not elapse between the date of said appropriation and the period when the transfer to California was ordered by the act of 1865.

Upon the restoration, however, of Nevada to the surveying district of California, in March last, instructions were given to the proper officer to contract for the surveys of the public lands to the extent of the then-existing means, about \$20,000, giving preference to the lands along the Pacific railroad route. As the Indian reservation at Pyramid lake, in Nevada, extended within the ten-mile range of the Central Pacific railroad along the great bend of the Truckee river, the late Secretary of the Interior, on 13th May, 1865, directed that the said reservation to the extent of its intrusion upon the railroad limits should be reduced, and the portion falling within those limits should be surveyed as other public lands, the alternate section to be allotted to the grant, and the residuary ones to be open to settlement, and the surveyor general was accordingly so instructed by this office. Subsequently the department's order for laying open

the residuary sections to settlement was modified by the Secretary, and hence, on the 19th August last, the surveyor general was called on for report as to the action which had been taken by him under the department's original orders of 13th May last; and when his report shall have been made, the same will be laid before the Secretary of the Interior for definite instructions as to what disposal shall be made of the aforesaid residuary sections.

OREGON.

During the fiscal year ending June 30, 1865, surveys in Oregon have progressed to the extent of available means. The field-work on the Columbia river, in the valleys of John Day's, Umatilla, Grand Ronde, and Powder river was equal to 867 lineal miles of standard, township, and section lines, and embrace 199,028 acres.

It is reported that a large number of immigrants seeking homes are locating in the eastern portion of Oregon, in the valley situated between the Blue mountains and the Snake river, over which standard lines have been established, as preparatory to township and subdivisional surveys.

The surveys during the fiscal year ending June 30, 1867, are proposed in the Coquille and Umpqua river valleys, along Oregon Central military road, John Day's and Umatilla river valleys; and to cover the expense of such field operations a corresponding estimate has been presented by the surveyor general. The annual report of that officer furnishes interesting details of the varied resources of Oregon; treats particularly of the productiveness of the soil, valuable timber, fruit trees, fisheries, water-power, mines and minerals. The gold and silver export products of Oregon in one year are reported as \$15,000,000, whilst the export of the products of agriculture, of the forest, fisheries, wool, and other articles, reach \$10,000,000, making a grand total of Oregon exports of \$25,000,000.

WASHINGTON TERRITORY.

In this distant Territory the surveys have been advanced, by using unexpended balances of former appropriations, to the extent of 605 lineal miles of standard parallel, township and sections, embracing 210,471 acres, in the following localities: at the confluence of Yakama with Columbia river, and on the upper waters of the Touchet river, a tributary of Walla-Walla river, being east of the Cascade and west of the Blue mountains; on the Puyallup river, in the vicinity of the Commencement bay; on Cedar river, affluent of the Dwamish, or Washington lake, and bordering the lake of Sammamish, lying between the Admiralty inlet and west of the Cascade mountains. In order to extend the public surveys down the Straits of Fuca, and to embrace Clallam bay and the reported coal-fields in that region, the lines of the public surveys were extended by traverse along the straits by setting posts for corners of fractional townships. In thus determining the relative positions of the townships situated between the Olympic range of the mountains, presenting insuperable obstacles to the extension of the public lines in place, the fractional township thirty-two north, range twelve west, of the Willamette meridian, was reached, and as it included the town of Gaston, on the Clallam river, it has been subdivided.

The proposed surveys, as estimated for by surveyor general, for the fiscal year ending June 30, 1867, are indicated upon the accompanying map, and are situated in localities east of the Cascade mountains, the extension of standard lines to be in the direction of the Snake and Pelouse rivers, to the western limits of the Territory of Idaho and in proximity to Fort Colville; the land

being of the best quality, and where settlements have existed for upwards of thirty years.

Surveys are also proposed west of the mountains in the numerous valleys of the rivers emptying into the Admiralty inlet, and in the vicinity of Shoalwater bay, now desired for actual settlements, in view of expected immigration in that direction.

BOUNDARY LINES BETWEEN LAND STATES AND TERRITORIES.

The common boundary between Oregon and Washington Territory, on the forty-sixth parallel, starting from the middle channel of the Columbia river, thence due east to the main channel of Snake river, for the survey of which the sum of \$4,500 was appropriated June 25, 1860, was reported 30th August, 1864, by the astronomer and surveyor as completed, but returns of the work have not yet been received.

The survey of the boundary line between Oregon and California, on the forty-second parallel of north latitude, from the northeastern corner of the State of California, or the intersection of the parallel with the one hundred and twentieth degree of longitude west of Greenwich, to the Pacific ocean, has been required for several years, to enable the surveyors general of those States properly to close and connect the lines of public surveys on the common boundary. To effect an early survey of the northern boundary of California an estimate of \$15,000 has been submitted.

The establishment of the northern limits of New Mexico is required by the progress of public surveys adjacent to the thirty-seventh parallel of north latitude both in New Mexico and Colorado, as also in properly determining the lines of grants under treaty which have localities in both Territories. For the want of a recognized boundary between these Territories, applicants for the survey of confirmed grants at their own expense are at a loss whether to seek the instrumentality of the surveyor general at Santa Fé or Denver; and hence an estimate of \$15,000 is submitted to run the boundary in question.

In this connexion the propriety is suggested of finally adjusting the limits between Georgia and Florida, so that the survey of the public lands in the latter may be closed on properly defined boundary. The true line, under the provisions of the act of Congress, approved May 4, 1826, for the settlement of the boundary by commissioners on the part of the United States and the State of Georgia, has not been established, owing to the disagreement as to the locality of the head or source of the St. Mary's river. In order to quiet adjacent unsettled private rights, further legislation is required with the view to the ascertainment of the true locus of the source of the St. Mary's river, according to the intent and meaning of the treaty of 1795 with Spain.

LANDS IN THE STOCKBRIDGE RESERVE, WISCONSIN.

The act of Congress approved March 3, 1865, attaches the lands belonging to the United States in the late Stockbridge reservation in Wisconsin to the Menasha land district. The right of pre-emption is there secured to actual settlers who have improvements thereon to the value of not less than fifty dollars, provided they make the necessary proof and payment within one year; the land not sold within that time to be brought into market. This act reduces the price to three dollars per acre for lots fronting on Lake Winnebago; five dollars per acre for the two tiers of lots fronting on the military road, one tier of lots on each side thereof; and two dollars and fifty cents per acre for the residue, whether entered under the pre-emption laws or purchased at public sale. Instructions, therefore, have been despatched to the land officers at

Menasha with a view of giving proper effect to this act, and ordering public notice to be given settlers of the provisions of the statute.

INDIAN RESERVATIONS "IN PLACE"—SALES OF INDIAN TRUST LANDS—
FLOATS—PUEBLOS.

Since September 30, 1864, there have been issued seven hundred and five patents for Indian land claims connected with the Chippewas, Delawares, Kansas trust, Kaskaskias, Ottawas of Blanchard's fork and Roche de Boeuf, Ponca Half-breed Scrip, Sac and Fox of the Mississippi, Shawnee, Stockbridge, Winnebago trust land sales, Wyandot floats, and pueblos, in New Mexico, covering in the aggregate over two million four hundred and seventy thousand acres.

SIoux RESERVATION IN MINNESOTA.

Application was made by certain settlers upon the Sioux reservation in Minnesota to be allowed to enter the lands settled upon by them within said reservation, under the homestead law.

This office held that under the second section of the act of Congress approved March 3, 1863, parties settling on those lands are required to pay the appraised value thereof, including the value of the improvements, and therefore those lands could neither be entered under the homestead nor under the pre-emption laws, at the ordinary minimum of \$1 25 per acre.

The improvements referred to in the law of 1863 are those made by the United States or by the Indians.

The Secretary of the Interior having approved the Commissioner's views, instructions have been issued accordingly to the register and receiver.

PRE-EMPTIONS IN THE SIOUX RESERVE.

The resolution of the United States Senate of the 27th June, 1860, looked to the concession of the pre-emption privilege in persons who in good faith had settled upon the Sioux-Indian reservation on the south side of the Minnesota river, in Minnesota, "provided the assent of the Indians shall first be obtained in such manner as the Secretary of the Interior shall prescribe."

As certain pre-emptions had been asserted to tracts within the reserve, an official call was made in May last on the Commissioner of Indian Affairs for information as to whether such assent had been given, followed by reply that the subject had been submitted to the Indians, who had "peremptorily and unqualifiedly refused to give their consent;" and hence such claims stand excluded from the reservation in question.

LEGISLATION CONCERNING SWAMP LANDS.

By the acts of Congress of March 2, 1849; September 28, 1850; March 2, 1855; March 3, 1857, Congress have not only conceded swamp and overflowed lands "in place," but when lands of this class had been sold as arable, or located with bounty warrants, the statute authorized the department in the one case to pay over in money to the State authorities the amount of such sales, and in the other to give to the State an equivalent in public lands.

The indemnity acts of 1855 and 1857 are, however, held by this office to be wholly retrospective, and in extending by act of March 12, 1860, the swamp concession to Oregon and Minnesota the indemnity rule is set aside and forbidden, while in regard to swamp land thereafter to be surveyed, selections under the grant are required to be made within two years from the adjournment of the next session of the legislature, after official notice by the depart-

ment to the governor of the State that the surveys have been completed and confirmed.

Under these laws there have been selected to September 30, 1865, as swamp, by the States of Ohio, Indiana, Illinois, Missouri, Alabama, Mississippi, Louisiana, Michigan, Arkansas, Florida, Wisconsin, Iowa, and Minnesota, a grand aggregate of 58,650,242 ⁷¹/₁₀₀ acres. Of this there have been actually approved to the grantees 45,422,327 ⁴⁸/₁₀₀ acres, as shown by accompanying tabular exhibits.

Besides these swamp concessions "in place," there has been refunded in money from the United States treasury, as indemnity—that is, on account of the cash the United States received for tracts claimed as swamp—the sum of \$513,826 84, and special certificates have been given to allow land indemnity on account of locations, also claimed as swamp, equal to 366,674 ¹¹/₁₀₀ acres.

These enormous concessions, with large indemnity cash payments from the public treasury, and new land indemnity grants, suggest the necessity for legislative revision, and enactments prescribing the mode of proceedings to be before the district officers, and after notice in establishing swamp claims, and in taking testimony; also in better defining what shall be treated as swamp—whether such selections shall be restricted to lands bordering on great internal water communications, where the region is so overflowed as to be unfit for settlement, or whether the grant shall be extended or shall exclude marshy or wet low lands and lakes, or ponds liable to be dried up by natural causes. It is important, too, that the statute should so limit the period within which swamp selections shall be made of lands hereafter to be surveyed as will take date in some fixed period from the time of reception at the district land office of the approved township plats; and further, that it should declare whether it is the duty of the department, before vesting title, to require a showing that condition of the grant—namely, constructing of levees and drains—has been complied with.

The embarrassments arising from the unexpected magnitude of operations under the grant, the conflicts growing out of other interests, such as railroad grants and with individual titles, and the investigation of alleged frauds in selections, have, of necessity, rendered the adjustment of this business laborious and difficult.

There have been approved to the States claiming swamp during the past year 893,491.95 acres, and patents for the larger portions thereof have been issued, whilst special patents for indemnity have been granted for 71,965.83 acres. Indemnity also in cash, under the act of 1855, has been awarded the past year to the amount of \$170,941 42, and in land for 15,874.16 acres.

The State of Illinois has now on file swamp claims to land indemnity covering many thousand acres, in the counties of Bond, Clark, Clinton, Cumberland, Crawford, Coles, De Witt, DeKalb, Edgar, Edwards, Franklin, Grundy, Hamilton, Iroquois, Johnson, Jackson, Jasper, Kankakee, Livingston, Logan, McLean, McHenry, Macon, Macoupin, Montgomery, Massac, Ogle, Perry, Pope, Randolph, Rock Island, Shelby, Sangamon, Vermillion, Williamson, Wayne, Winnebago, Whiteside, Woodford, Wabash, White, and Mason.

The clause for indemnifying the State is upon this ground—that the lands in said counties which were swamp, and within that grant, have been selected as arable tracts for locations with military bounty land warrants and scrip. There are now, however, no public lands in Illinois with which such indemnity claims could be satisfied, and the established rulings of the department restrict indemnity in all cases to the limits of the State in which the original swamp premises were situated.

Charges of fraud in the mode of making swamp selections not yet patented, and of false representations as to the character of lands on which indemnity is

sought, have induced the appointment, under the Secretary's orders, of a special agent to make field examinations, and from personal investigation and by collection of credible testimony to make report with the view to definitive departmental action on claims falling in this category. His work is not yet completed, but the reports already made fully justify the precautionary measures heretofore adopted in this matter.

These reports indicate that while the mere form of proof for indemnity may be complied with, the premises on which indemnity is sought are, in many instances, among the most desirable farming lands.

The practical misconstruction of the laws of Congress, in many instances, in making swamp selections, has rendered it necessary to defer further proceedings on indemnity claims until it can be ascertained to what extent frauds may exist.

The adjustment of swamp interests in California has engaged special attention in order to make existing legislation available to the State, and relieve the matter from further delay and complication. Instructions to this end have been despatched to the surveyors general, indicating in outline past proceedings, and prescribing measures to effect an early execution of the law. Those instructions are to the following effect:

That the Secretary of the Interior at an early day had submitted two methods, by either of which the State might co-operate in making swamp selections, but that the acceptance of neither proposition had been signified. That information had been received of independent State action, which, if recognized, would lead to embarrassments, and that this office, after consultation with the State agent, had instructed the surveyors general to ascertain the swamp tracts from the field-notes, and in cases where selections have been made, and these notes were silent, to admit parole testimony. Lists of selections were thereafter transmitted here by the surveyor general, but were returned to be perfected, having been found deficient in certain essential particulars.

In regard to these, and all other swamp selections on file in the office of the surveyor general, that officer is informed they may now be perfected in accordance with instructions, and may be forwarded with the testimony for definitive adjustment. Upon being returned to the department with the proof establishing the swampy character of the premises, the tracts will be forthwith patented to the State if found vacant and uninterfered with, in accordance with the principle set forth in the act of March 12, 1860, and the decision of the Secretary of May 4, in that year, any conflicts with settlers or other rights to be determined, each case, on its merits, after notice to, and hearing the parties interested.

As the act last referred to forbids selections from surveyed lands unless made within two years from the adjournment of the legislature next ensuing the date of said act, the surveyor general's swamp lists where surveys had been completed at the date of that act must be made up from tracts selected within the specified time.

In regard to lands unsurveyed at the date of the act of 1860, but over which thereafter the lines have been established, it is the right of California to make selections within the period of limitation fixed in that act; any selections falling in this class then properly reported will be patented to the State.

No surveys executed by agents in California can be recognized, because, by express law of Congress, surveying by any parties are forbidden except by United States officers, whose surveys alone are binding upon the government, the State, and individuals. By the 10th section of the act of May 30, 1862, however, California, by her agents, can apply to the surveyor general, and in making the requisite deposit, surveys by townships may be officially executed, and so made as to cover the swamp premises which may have been heretofore unlawfully surveyed by other than United States officers. From the field-notes of these official surveys selections of swamp lands can be made, and upon receipt of the same at the department they also will be duly patented to the State.

The General Land Office has thus exerted its power to the full extent of its legal ability for the segregation in behalf of the State and the patenting of the swamp lands designed to be conceded by the statute.

RIPARIAN RIGHTS.

Where tracts with water-fronts on permanent bodies of water (lakes or rivers) have been sold by the government, the owners of the water-fronts hold in virtue of their original titles any actual accretion which may arise; but where there is a recession of the waters to any considerable extent from the surveyed meanders, the premises do not fall into the category of accretions. When such waters disappear, from natural or other causes, it is the established practice of the department to cause the lines of the public surveys to be extended over the bed of the former water-course, and after public notice to dispose of the same as other public lands.

MILITARY BOUNTY LANDS.

On the 30th September, 1865, there were outstanding and unsatisfied 59,834 warrants of the issues under the acts of 1847, 1850, 1852, and 1855, covering 6,331,860 acres.

For services in the war of the Revolution there are outstanding and unsatisfied warrants equal to 243,629 acres.

The Virginia military district, Ohio, embracing an area of 3,709,848 acres, is situated between the Little Miami and Scioto rivers, northwest of the river Ohio, and comprises, in whole or in part, twenty-two counties of that State, having been reserved by Virginia, in her cession to the United States of the northwestern territory, for the purpose of satisfying the claims for land bounty promised her officers and soldiers of the continental line in the war of the Revolution.—(Hennings's Statutes at Large, vol. 11, p. 571.)

All of the lands in this district have been entered and surveyed, and for the most part carried into patent, except a residuum of some 40,000 acres, which are still unappropriated. These consist of small scattered parcels in the district, and have become the property of the general government by a deed of cession, made in 1852, from the State of Virginia. No disposition has been made of them, nor have they ever been restored to the mass of the public domain. Some of the tracts, it is supposed from recent investigation, are quite valuable, containing a quantity of timber and some mineral oil. In view of the existing relations of the government to the premises, it is recommended that all the archives, maps, plats, and records now in the charge of the surveyor of the Virginia military district, at Chillicothe, Ohio, be transferred by law to the General Land Office, with authority to prescribe rules and regulations for the location and survey of the unpatented portion, the expense thereof to be borne by locators.

COAL LANDS—TOWN PROPERTY.

By the original act for the disposal of coal lands and town property on the public domain, approved July 1, 1864, any tracts embracing coal-beds or coal-fields are made subject to sale, authority being conferred on the President to offer them to the highest bidder in suitable legal subdivisions. The surveyors general have therefore been instructed that the requirements in the official surveying manual of February 22, 1855, must be enlarged—the stipulations in the first section of said act of 1864 rendering it necessary for deputies in surveying public lands containing coal-beds or coal-fields to note such tracts in the field-notes, not only on the lines intersecting them, but their contour, in order to afford data for delineating the same in the smallest legal subdivisions upon the official plats.

The surveyors general are directed, in entering into contracts, to provide for this additional service in special instructions, it being further required that in the protraction of official township plats the coal tract shall be represented in dark purple, thereby conspicuously indicating lands of this class.

At the last session Congress passed the act of March 3, 1865, supplementary to the law of July 1, 1864, "for the disposal of coal lands and of town property in the public domain." By this supplemental enactment citizens of the United States who, at the date of the act, may be in the business of *bona fide* actual coal-mining on the public lands for the purpose of commerce, have the right to enter 160 acres, or less quantity, in legal subdivisions, including their improvements and mining premises, at the minimum price of \$20 per acre.

To give efficacy to this supplemental act, a circular has been despatched to the proper district officer to the effect that the privilege granted is restricted to a single entry by a designated class of individuals, namely, such as are citizens, and who, on the 3d of March, 1865, the date of the act, were actually engaged in the business as aforesaid; the statute expressly excluding from its provisions lands reserved by the President for public uses. Testimony is required to be produced, satisfactory to the register and receiver, showing the fact of citizenship, and of the use of the premises for the purpose indicated in the statute, the particulars to be shown in detail both as to the nature and extent of the coal-mining, the period in which the business has been conducted, and in regard to the coal being made by the party an article of commerce, so that correct judgment may be formed as to the validity of the claim. Where the proof is conclusive, the register and receiver are authorized to permit the entry according to legal subdivisions "in compact form not exceeding 160 acres."

Where the mining improvements and premises are on land surveyed "at the passage of this act," a sworn declaratory statement descriptive of the tract and premises, and of the extent and character of the improvements, must be filed within six months from the date of the act, and proof and payment made within one year from the date of the filing.

If the mining premises are on land which may be surveyed after the passage of the law, then the declaratory statement should be filed within three months from the return of the plat to the district land office, and proof and payment be made within one year from the date of such filing.

TOWN LOTS.

The second section of the supplementary act of 3d March, 1865, relates to any city or town existing on the public lands at the date of the act, and modifies the limitation as to the extent of the areas of the town claim and town lots, imposed by act of 1st July, 1864.

The act of July 1, 1864, limits the town claim to 640 acres, and the town lots to 4,200 feet each; but this supplemental law embraces interests in which the lots and buildings, as municipal improvements, shall cover an area greater than 640 acres, by declaring that any city or town existing on 3d March, 1865, shall not be debarred because of such excess of area over or of variance from the size of the town claim or town lots, as limited by the act of 1st July, 1864; that for the excess of square feet contained in lots over the maximum named in the act to which this is amendatory the minimum price shall be increased to such reasonable amount as the Secretary may establish.

In the second section of the supplemental law it is provided that parties having a possessory right to mineral veins, "which possession is recognized by local authority," are to be protected therein, and titles to be acquired to town lots under this act are made subject to "such recognized possession and the necessary use thereof," yet with an express saving of the paramount title of the United States.

The act of 1st July, 1864, relating to town property, is only modified as regards the extent of the town claim and the size of town lots. Hence it will be necessary for the citizens of the town or city existing at the date of the supplemental act to file with the recorder of the county in which the town or city is situate a plat thereof, describing its exterior boundaries, and according to the lines of the public surveys where such surveys have been executed. Also, the plat or map of such city or town must exhibit the name of the city or town, the streets, squares, blocks, lots, and alleys, the size of the same, with actual measurements and area of each municipal division, and a statement of the extent and general character of improvements.

The map and statement must be verified by oath of the party acting for and on behalf of the city or town, and within one month after filing the map or plat with the recorder of the county a verified copy of the same and of the statement must be sent to the Commissioner of the General Land Office, with the testimony of two witnesses that the town is a *bona fide* one, established and existing at the date of the act of 1865.

Where the city or town is within the limits of an organized land district, a similar copy of the map and statement must be filed with the register and receiver.

Where the city or town is founded on unsurveyed land, the exterior lines thereof must be distinctly marked and established, so that when the lines of the public surveys shall hereafter be run they may be properly closed therein; it may, in fact, be proper to adjust the exterior limits of the premises in accordance with the lines of the public surveys, when it can be done without impairing the rights of others.

By the second section of act of 1st July, 1864, after the transcript and statement have been filed in the General Land Office, the lots are to be offered at public sale to the highest bidder at a minimum of ten dollars per lot; but by the supplemental act, when the area of each lot exceeds the maximum of 4,200 square feet, the minimum price is reasonably to be increased by the Secretary.

A privilege, however, is granted to any actual settler of pre-empting one lot, and also one additional lot on which he may have "substantial improvements," at the minimum or increased price, at any time before the day fixed for the public sale.

Inquiries have been made of the department by the land office in Colorado as to whether the act approved 3d March, 1865, supplemental to the coal land and town-property law of 1st July, 1864, should be "so construed as to admit of the entries of towns located on lands where mineral is known to exist," and whether entries should be allowed of the "mountain towns in Colorado." These officers have consequently been instructed that the act of 3d March, 1865, takes hold of towns actually existing on the public lands prior and up to the date of that law; that the inquiry must be answered in the affirmative; yet with this express understanding and direction, that in acting upon cases of towns in what is known to be the mineral region it will be the duty of the land officers to inquire whether the tracts covered by municipal subdivisions contain the precious metals as the predominating element of value, and where such is shown to be the case the proof must be sent on, with their opinion in that respect, accompanied by all the papers, in order that such saving clause may be inserted in the patents as may be legal and proper.

DENVER CITY TOWN SITE.

By the act of Congress approved 28th May, 1864, for the relief of the citizens of Denver, in the Territory of Colorado, the provisions of the town site law of 23d May, 1844, are extended, enlarged, and made applicable to that place, so as to authorize an entry at the minimum price of a certain section and

a half of land, or such portions thereof as are settled and actually occupied for town purposes by the town of Denver, the entry to be in trust for the several use and benefit of the rightful occupants and the *bona fide* owners of the improvements thereon according to their respective interests, reserving from said sale and entry such blocks or lots in the town as may be necessary for government purposes.

By the fifth section of the act 1st July, 1864, for the disposal of coal lands and town property on the public domain, the town site act of 23d May, 1844, is repealed.

A question having been raised as to whether this general repeal is retroactive and embraces the special act of 28th May, 1864, for the relief of the citizens of Denver, this office decided that it does not; that the repealing provisions are prospective from the date of said act of 1st July, 1864, and the special act aforesaid of 28th May, 1864, stands in full force and effect.

HOMESTEAD LAW.

The second section of the homestead act of May 20, 1862, declares, in regard to entries under this law, that "on payment of ten dollars he or she shall thereupon be permitted to enter the quantity of land specified: *Provided, however*, That no certificate shall be given or patent issued therefor until the expiration of five years from the date of such entry, and if, at the expiration of such time, or at any time within two years thereafter, the person making such entry—or, if he be dead, his widow, or in case of her death his heirs or devisee, or in case of a widow making such entry, her heirs or devisee, in case of her death—shall prove, by two credible witnesses, that he, she, or they have resided upon or cultivated the same for the term of five years immediately succeeding the time of filing the affidavit aforesaid, and make affidavit that no part of said land has been alienated, and that he has borne true allegiance to the government of the United States, then in such case he, she, or they if at that time a citizen of the United States, shall be entitled to a patent as in other cases provided for by law."

Questions have arisen under the law as to the right of the heirs of a party, who, after taking initiatory steps required by the statutes, had entered the army and died in the military service of the United States. To give efficacy to the right of such heirs, proof satisfactory to the register and receiver must be produced establishing the fact of his actual entrance and death in the military service.

The register and receiver will then have authority to credit the claim as settled and cultivated from date of entry to date of soldier's decease; but the heirs must keep up continuous actual settlement for such period, starting after death of the soldier, as, with the time to be credited, will make up the full period of five years of actual settlement and cultivation from date of entry. At the expiration of five years the requisite proof of settlement and cultivation must be produced to the satisfaction of the register and receiver when in accordance with the ruling above indicated, and thereupon it will be the duty of the register to issue a patent certificate in favor of the heirs of the decedent, following the rule in this respect prescribed by the second section of the pre-emption act of March 3, 1843, in regard to deceased pre-emptors. It has been decided that a party in the land or naval service of the United States, who has entered under the homestead law in accordance with the act of March 21, 1864, is not required to make actual settlement on the land until discharged from service, but after such discharge he must thereupon immediately settle upon the tract, and comply fully with all the requirements of the original law of May 2, 1862. Where parties wish to pay for the homestead before the expiration of the five years, proof of settlement and cultivation must be made, as the law directs, up to the date of such payment.

Inquiries have been made as to whether a party who entered lands under the homestead act can be "allowed to erect mills upon the same, and cut and remove

the timber thereon for the use of said mills, without making other improvements and cultivating the land."

Hence, it has been held that the homestead oath expressly requires "cultivation," and consequently it is incumbent on the settler to prove cultivation before he receives patent. At what period of his settlement he is to cultivate the law does not declare, but it is manifest he cannot subsist on the land without cultivation, unless he has other resources. Therefore, if he fail to plough, to sow, to reap, his mill will not avail him, as the timber sawed can only be applied in improving his settlement—such as in building, fencing, and constructing implements necessary for agriculture or some domestic use.

Should the settler, however, cut and saw timber for purposes other than the improvement of the land, namely, for sale, it will be liable to seizure. In granting a homestead right, Congress contemplated *bona fide* in the settler, and any abuse or waste tending to impair the value of the land before maturity title, viz., at the end of five years' residence and cultivation, is in conflict with the meaning of the homestead law, and prohibited.

WISCONSIN FIVE PER CENT. FUND AND MILWAUKIE AND ROCK RIVER CANAL COMPANY.

Wisconsin five per cent. fund.

The act of June 18, 1828, granted to the Territory and State of Wisconsin 138,996 acres of public land to aid in the construction of a canal to connect the waters of Lake Michigan with those of Rock river. As the canal was not constructed, the lands, by the terms of the act, reverted to the United States. The State, however, having sold 125,431⁵²/₁₀₀ acres thereof, the matter was referred to the Attorney General, under whose opinions of July 24, 1852, and September 18, 1854, the lands thus sold were computed at \$2 50 per acre, and charged against the five per cent. fund of the State, amounting to \$313,579 55. The five per cent. fund on December 30, 1862, was found to be \$250,139 11, leaving a balance due the United States of \$63,440⁴⁴/₁₀₀. Against this sum was charged, as offset, the accrued five per cent. fund from time to time.

By joint resolution of July 1, 1864, for the relief of the State of Wisconsin, it was provided that the Secretary of the Interior, in adjusting the five per centum of the net proceeds of sales within the limits of the State of Wisconsin, should estimate and charge against the State the value of the aforesaid 125,431⁵²/₁₀₀ acres, at \$1 25 per acre, and that the State should be credited with the amount legally and properly applied towards the cost of selling the lands and constructing the canal.

The Commissioner of the General Land Office was designated to adjust the account under supervision of the Secretary, and to determine the sum chargeable to the State, and what sum should be credited. Under this resolution an account was presented in behalf of Wisconsin, admitting a balance due the United States of \$88,433 91. On the adjustment, a balance was found due the United States of \$101,355 05, caused by rejecting items charged by the State, amounting to \$12,921 14, as not "legally or properly applied" towards selling the granted lands or constructing the canal. The account between the United States and the State of Wisconsin, as adjusted, may briefly be summed up as follows:

125,431 ⁵² / ₁₀₀ acres, at \$1 25.....	\$156,789 77
Amount of expenditures allowed	55,434 72
Leaving amount charged to the State under resolution.....	101,355 05
The five per cent. fund as above stated is.....	250,139 11
Leaving a balance due the State of	148,784 06

MILWAUKIE AND ROCK RIVER CANAL COMPANY.

By the same resolution the adjustment of an account was required between the United States and the Canal Company, wherein the company were to be allowed such sums of money as had been properly expended in the survey and location of the canal, in its construction, as far as that had been done, together with dams, locks, slack-water navigation, and in the management and keeping the same in repair, not exceeding, however, the balance charged against the State after deducting the allowances upon the sale of canal lands, the Commissioner to determine what sums should be credited.

The company presented an account for expenditures amounting to \$153,625 86. Upon the adjustment of that account, the sum found due the company was \$76,492 77; making a difference between the claim preferred by the company and that allowed of \$77,133 09; caused, first, by the exclusion from the official adjustment of \$21,587 32, charged and entered in the account subsequent to the passage of the resolution, for repairs, office rent, services of officers and attorneys; and second, by the non-admission of \$56,545 77, claimed as interest paid from time to time.

Interest, in the first place, forms no part of the cost of survey, location, construction or management of the public works, such being a liability of the company, not an expenditure upon the canal.

In the next place, unless the statute in express words orders the admission of interest, it cannot be allowed by the Executive, such allowance being against the general policy of Congress.

For these considerations, the interest claimed was held inadmissible, and accordingly rejected out of the aforesaid sum of... \$101,355 05
Constituting the net proceeds of the sale by Wisconsin of the canal lands. Deducting the award made to the company under the joint resolution of... 76,492 77

Leaves the amount of... 24,862 28
the residue of the aforesaid proceeds as public moneys in the treasury of the United States, being the total consideration the government has received on account of the grant, the measure it contemplated having failed, as only an inconsiderable portion of the canal was constructed.

HARBOR AND SHIP-CANAL GRANT IN MICHIGAN.

By an act approved March 3, 1865, Congress made provision for "granting land to the State of Michigan, to aid in building a harbor and ship-canal at Portage lake, Keweenaw Point, Lake Superior."

The act concedes to the State 200,000 acres in aid of the construction of a harbor and ship-canal to connect the waters of Lake Superior and the waters of Portage lake, to be selected in subdivisions by agent of the State, subject to the approval of the Secretary of the Interior, from any lands in the upper peninsula subject to private entry, the law stipulating that the selections shall be made from alternate and odd-numbered sections of land nearest the location of the canal, not otherwise appropriated, and not from lands designated by the United States as "mineral," before the passage of said act, nor from lands to which the rights of pre-emption or homestead have attached.

Instructions were accordingly issued in April last to the register and receiver at Marquette to facilitate the execution of the law, and these officers have been advised that the odd-numbered sections within the limits of the military wagon road from Fort Wilkins, Copper Harbor, to Fort Howard, Green Bay, in Wisconsin, are not subject to selection under the aforesaid act of March 3, 1865.

COAL OIL LANDS IN CALIFORNIA AND COLORADO.

The land officers at Humboldt, California, reported in January, 1865, that petroleum or coal oil had been discovered in certain townships, and it was believed that deposits in that section are extensive and destined to become valuable. Information likewise has been received from Denver leading to the belief that such deposits exist also in Colorado. Instructions have, therefore, been despatched, to the effect that it is not the policy of the government to deal with petroleum tracts as ordinary public lands any more than with auriferous or other mineral or salines, and hence the district land officers were required to report the exact description of any and all tracts strictly of the character mentioned, and withhold the same from disposal by the government, unless otherwise specially instructed.

SUPPRESSION OF TIMBER DEPREDATIONS.

This valuable interest, the protection of which has been incidentally assumed by the department, is becoming daily more important as settlements advance, it being so indispensable in every relation and branch of social industry. For many years the timber region of the west, viewed perspective by the statesman, was speculatively appreciated, but its preservation from waste was not then contemplated, because of its exhaustless abundance. The progress of civilization westward within the last thirty years, the wants of a teeming population, inventive and industrious, have made such inroads on this great staple, that it became necessary by penal enactment to interdict its waste. Regardless of statutory prohibition, the pressing demand of settlers and the avarice of capitalists laid waste and spoliated immense areas of timber land until the mischievous effects thereof on the interests of private land owners adjacent constrained the latter to invoke the interposition of the department. Various efforts were made to arrest the evil. Prosecutions were instituted, agencies established, large expenditures incurred, but all without the desired results. Combinations were formed between capital and labor. Community of wants, aided by remoteness and beyond the vigilance of executive officers, rendered prosecutions ineffectual and baffled every effort. Even in comparatively well-settled regions local sympathy sealed up the sources of information, and those personally interested to suppress the mischief would sit inactive, mailing complaints to the department a thousand miles off from the scene of depredation. It became necessary to act; a change of system became imperative, and recourse was had to the employees of the government wherever there was no incompatibility of service. The consequence has been that the trespassing is decreased, and in lieu of prosecutions a compromise system has been adopted, thereby effecting a compensatory return for the waste committed without cost to the treasury, securing a fund ample to defray all expenses, with a surplus of \$30,000 deposited in the United States treasury. Experience has taught us that when community interests conflict with law, and public opinion is in conflict with its enforcement, it becomes virtually inoperative. Hence, by other means equally effective, ends unattainable by legal exactions may be accomplished and public and private interests secured.

The department, by a civil procedure, and avoiding criminal courts, has legitimately converted waste timber into a productive fund, and is gradually suppressing an evil hitherto commensurate with the timber domain of the west. No new legislation is necessary. The present laws, discreetly administered, are ample for protection, unless Congress should deem proper by express enactment to give direct sanction to the authority of the Commissioner, now regarded by this office as legitimately incidental, of relaxing or enforcing the penalty im-

posed by the act of March 2, 1831, on such conditions as shall seem meet to him in all cases involving the spoliation of public timber.

In order to arrest the consequence of concealment as to the proprietorship of timber, a provision by law should declare that in all cases where there is probable cause of seizure of timber, the onus of proof of ownership thereof should be thrown upon the possessor. To this no honest dealer could object, as it would enable him to enter market without the fear of being undersold by a fraudulent competitor.

In connexion with the interests of the Central Pacific Railroad Company on the California side, representations were received that saw-mills had been erected and timber depredations committed. Instructions were therefore communicated to the register and receiver at Marysville to protect the public interests in that respect, but permitting pre-emption and homestead settlers to use the timber for building fences and repairs, yet interdicting cutting for market until actual pre-emption, purchase, or consummation of homestead.

The register and receiver have been directed to warn those engaged in saw-mill operations that the law would be rigidly enforced against offenders; at the same time, for the depredation a reasonable stumpage must be exacted. Since then the subject has been again called up, and instructions have been issued to the land officers at Marysville, informing them that the inhibitory law as to trespass, of 2d March, 1831, is explicit, and in its provisions mandatory upon all.

No discretion is given, no conditional provision made, whereby it can be adapted to any exigency beyond its letter, the Executive being estopped at the threshold. The timber belongs to the United States, and no authority to sell or to permit any one to cut or use it exists. Hence the difficulty—either a refusal to relieve the pressing wants of settlers or permission to violate the law. In order, therefore, to meet the exigencies of the case, this office proposed a compromise, substituting a uniform tariff of fees, in lieu of selling the timber seized, mitigating thereby the penalty in consideration of the peculiar local necessities of the settlers.

The arrangement proposed rests on the principle of treating the parties as offenders under extenuating circumstances, and releasing them on conditions ample to meet the exactions of justice—a principle applicable as well *before* as *after* conviction. Hence, while the law is not evaded, nor its violation countenanced, the wants of new settlements are gratified so far as consistent with sound policy and the necessity of the case.

RESTORATION OF THE PUBLIC LAND MACHINERY TO THE STATES OF MISSISSIPPI, ALABAMA, FLORIDA, LOUISIANA, AND ARKANSAS.

By the President's proclamation of 13th June, 1865, it was ordered that the laws relating to the Interior Department applicable to the geographical limits of Mississippi be put in force in that State. Accordingly it was recommended that a register and receiver be appointed by the President for the district of lands subject to sale at Jackson, Mississippi, who should be instructed to collect and so arrange the land archives as would enable those officers to administer the public land system within their jurisdiction, and that they should be required to collect and arrange the archives belonging to the other land districts in the same State, and to report which of these should be opened to business, and what consolidation can be made so as to afford reasonable facilities, and secure proper economy.

It was at the same time proposed that registers and receivers should be appointed at Montgomery, Alabama; Tallahassee, Florida; New Orleans, Louisiana; and Little Rock, Arkansas.

Appointments at all the different points mentioned, Jackson excepted, have already been made.

The land officers at Montgomery have entered into satisfactory bonds, and instructions have been communicated to the register, with a view to prompt resumption of business, and the same course of proceeding will be had in order that our land system at an early period may be in full operation throughout the aforesaid States.

DISCONTINUANCE AND CONSOLIDATION OF LAND OFFICES.

By the 2d section of the act of 12th June, 1840, it is made the duty of the department to discontinue land offices where the quantity of unsold acres is less than 100,000, and the residue is made subject to sale at some one of the existing land offices most convenient to the district in which the land office shall have been discontinued, of which the Secretary shall give notice.—(Vol. 5, p. 385.)

The 7th section of the act of September 4, 1841, gives authority for the continuance of "any land district in which is situated the seat of government of any one of the States, and for the continuance of the land office in such district, notwithstanding the quantity of lands unsold" may not amount to "100,000 acres, when in" the Secretary's "opinion such continuance may be required by public convenience, or in order to close the land system in such State at a convenient point," under act of 12th June, 1840.

In the general appropriation act, March 3, 1853, (acts, page 194,) it is provided, "that whenever the cost of collecting the revenue from the sales of the public lands in any United States land district shall be as much as one-third of the whole amount received in such district, it shall and may be lawful for the President of the United States, if in his opinion not incompatible with the public interest, to discontinue the land office in such district, and to annex the said district to some other adjoining land district or districts of the United States."—(Vol. 10, p. 194.)

By the act of 3d March, 1855, (vol. 10, p. 244,) the President is "authorized to change the location of the land offices in the several land districts established by law, and to establish the same from time to time at such point in the district as he may deem expedient."

In the act of February 18, 1861, (vol. 12, page 131,) provision is made in relation to consolidating land offices; and by the 5th section of the act of 30th May, 1862, the President, on the recommendation of the Commissioner, approved by the Secretary, "may order the discontinuance of any land office, and the transfer of its business and archives to any other land office within the same State or Territory."—(Vol. 12, p. 409.)

It is important, and recommended, that further legislation be had authorizing the President to modify the boundaries of land districts, so as to enlarge or diminish according to the convenience of the public.

LEGISLATION SUGGESTED TO MEET CASES WHERE THE LANDS ARE SOLD OUT IN A STATE.

As land operations may be virtually wound up in a State, it is important that authority of law should be conferred for transferring all the records to the seat of the general government, and that to the Commissioner should be delegated in such cases all the powers possessed by the register and receiver under existing laws.

An enactment to this end will save the salary and incidental expenses of six officers, which may be dispensed with at an early day, and will meet such cases as may hereafter arise from time to time in the closing of public land business within the limits of any State.

NEW LAND DISTRICT SUGGESTED.

It is recommended that authority of law be given for the organization of land districts in Arizona, Idaho, Utah, and Montana.

In the advance of our people over those distant Territories, such organization is necessary in order to enable them to consummate titles under the pre-emption and homestead laws.

It is not expected that the proceeds from sales will meet expenses for some time to come, yet advantages in the suggested measure are to be realized in extending the beneficent agency of the general government to our people, however distant from the political centre, thus enabling them to realize the benefits of wise and liberal legislation.

LIMITATION SUGGESTED FOR TAKING APPEALS.

As the law now stands there is no period of limitation for taking appeal from decisions of the Commissioner.

It is true, that when a patent issues the case passes beyond the reach of the department, but prior to that time an appeal may be taken, even though years may elapse from date of entry.

To guard against the evils incident to this, it is submitted that a specified time from date of adjudication by local offices shall be fixed for an appeal to this office, also for taking appeal from the General Land Office decision to the head of the department; and further, that to make an appeal effective, the appellant shall file his affidavit, pointing out the alleged error of fact or of law, and stating that it is not for the purpose of vexation or delay to his opponent.

Lands partaking both of the characteristics of arability and of mineral cases arise in the administration of the pre-emption laws, in which the validity of claims are drawn in question by allegations that the premises are mineral lands. The rule adopted is to order an examination to determine whether the predominating element in value is mineral or arable. If the latter, of course the exception fails; but if in mineral, the pre-emption is rejected, the laws expressly interdicting such lands from pre-emption; and hence, even if a patent should by inadvertence issue embracing a tract more valuable as mineral than for agriculture, it would not vest in the party a valid title.

TWO AND THREE PER CENT. FUND ON THE NET PROCEEDS OF THE SALES OF THE PUBLIC LANDS.

The account for the five per cent., amounting to \$5,690 28 on this fund, for the State of Wisconsin, has been reported up to 31st December, 1864, to the treasury for payment.

Accounts are in process of adjustment for the amount of such fund as may have accrued to the States of Michigan, Minnesota, Kansas, and Oregon in the year ending 31st December, 1864, and will be reported for payment at an early day. Nothing has accrued to the State of Nevada since her admission into the Union, and for the State of California no provision in this respect has been made. No percentage has accrued to the States of Ohio, Indiana, Iowa, Missouri, Arkansas, Alabama, Mississippi, Louisiana, and Florida since the period of past reported adjustment. In the State of Illinois, claiming the two per cent. under act of 3d March, 1857, an adjustment of the three per cent. on the value of permanent Indian reservation, at \$1 25 per acre, has been made and paid over, nothing further having been found due the State, according to the judgment of this office, under existing laws.

FEES OF REGISTERS AND RECEIVERS.

The act of Congress approved March 21, 1864, amendatory of the homestead law, limits, by the 6th section, the salary and fees of all registers and receivers to a sum not exceeding \$3,000 per annum; the 4th section increasing their fees in pre-emption cases to one dollar each, under regulations to be prescribed by the Commissioner of the General Land Office.

Pursuant to these provisions an official circular was issued April 18, 1864, authorizing the register to collect the fee of one dollar when a pre-emption "notice" is filed; the receiver's fee to be collected when proof and payment are made.

At the same time it was required of "the register and receiver to account in all cases for pre-emption fees received as revenue, using the form of fee statement already provided," being that which accompanied circular of January 3, 1863.

At the time the circular of 1863 was issued it applied only to consolidated land offices. Now it applies to all land offices, the fees being a part of their compensation, which is not to exceed the \$3,000 maximum, and hence they must be accounted for—must be paid to the receiver as other fees, and credited to the United States in monthly and quarterly accounts.

By the first section of the act of Congress approved July 1, 1864—Statutes for 1864, page 335, chapter 196—it is stipulated that "in the location of lands by States and corporations, under grants from Congress for railroads and other purposes, except for agricultural colleges, the registers and receivers of the land offices of the several States and Territories, in the districts where such lands may be located, for their services therein, shall be entitled to receive a fee of one dollar for each final location of one hundred and sixty acres, to be paid by the State or corporation making such location, the same to be accounted for in the same manner as fees and commissions on warrants and pre-emption locations, with limitations as to maximums of salary prescribed by existing laws, in accordance with such instructions as shall be given by the Commissioner of the General Land Office."

Instructions have been issued to the proper land officers advising them that, under this law, the register and receiver are respectively entitled to receive a fee of one dollar for each final location of one hundred and sixty acres, or any quantity approximate thereto, where the deficit is less than forty acres. That the grantees shall file with the register and receiver lists of the tracts claimed by them as inuring under the grant; the lists to be verified by the agent or attorney. That in the preparation of those lists the register and receiver will afford the agent or attorney all reasonable facilities, but not to the interruption of current public business; the lists to be critically examined by the district officers, their accuracy tested by the plats and records, and when so tested and examined to be treated as a "final location," and are to be so certified to the General Land Office.

These summary proceedings will then authorize the district office to collect the fees; and when the lists are here received, with evidence of the fee payments, such definite action as the law requires will be taken by this office with a view to invest the grantees with complete title. Fees for exemplifications furnished by the General Land Office.

The act of Congress approved July 2, 1864, on this subject, went into effect on July 1, 1865. Accordingly, a system with proper checks has been established, and the proceeds received for such services are promptly paid into the treasury at the close of each month.

SATISFACTORY SETTLEMENT OF ACCOUNTS.

The accounts of receivers of public moneys, disbursing agents, surveyors general and deputies, are adjusted to recent dates, and it is a source of gratification to report that within a full administrative term not a single defalcation is known to this office.

EVENTS IN EARLY AND LATER HISTORY INDICATING THE NECESSITY FOR DIRECT COMMUNICATION BETWEEN THE EASTERN AND WESTERN SHORES OF THE CONTINENT AND WITH THE EAST INDIES.

In the earliest period of the history of this continent the statesmen of Europe were alive to the importance of more direct communication with the east, the first discoverer having sailed westward in search of a direct passage to India, and reached in his last voyage the Darien isthmus, yet without seeing the Pacific, which was discovered a few years afterwards by Balboa, one of his distinguished successors. The Spanish captains, under instructions from the Court of Madrid, were actively in search of a passage between the two oceans.

Hernan Cortez having sought information in this respect from the Mexican Emperor, and learned from him that none such existed, was then furnished a chart of the Tehuantepec isthmus.

The distinguished philosopher and voyageur Humboldt, in the early part of this century, invited the attention of statesmen and the trading world to several different localities as channels of communication across the continent. The most northerly was proposed in latitude $54^{\circ} 37'$, where he suggested the uniting of the sources of Peace river with those of the Columbia, their sources being seven leagues apart, the Columbia constituting the outlet westward to the Pacific ocean, whilst Peace river, mingling its waters with Slave lake and Mackenzie river, formed the outlet to the Arctic, whence a water communication eastward could be traced to the Atlantic.

The second point proposed, advancing southward, was in the 40° north latitude, and this was to be accomplished by uniting the sources of the Rio Grande del Norte—that river flowing into the Gulf of Mexico on the Atlantic side—with the sources of the Colorado, the latter discharging itself into the Gulf of California on the Pacific, the sources of these rivers being thirteen leagues apart.

The third, fourth, and fifth localities, Tehuantepec, Nicaragua, and Panama, the main points which Humboldt suggested for inter-oceanic communication, were those which occupied the attention of the Spanish authorities three and a half centuries ago, and have been the subject of grave consideration from that time to this by eminent men of both hemispheres.

Whilst Humboldt was examining the outline of the continent in view of its commercial relations, President Jefferson planned the national expedition which was accomplished for tracing a route to the Pacific by ascending the Missouri, crossing the Rocky mountains, and descending the Columbia river to the Western ocean. A few years after this exploration, an able English writer, in contemplating the opening of a maritime communication between the two oceans, predicted that the whole of the immense interests which are deposited in the regions of Asia would become augmented in value to a degree which then could not be conceived, by obtaining direct access to them across the Pacific; that the traffic would be immense which would immediately begin to cover that ocean; that all the riches of India and China would move towards America, and the riches of Europe and America would move towards Asia; that vast depots would be formed at the great commercial towns which would immediately arise at the two extremities of the central canal, and that goods would be in a course of perpetual passage from one depot to the other.

In latter years the governments of Old Spain, Mexico, France, and England have made demonstrations in this respect in the interests of trade, whilst the subject did not escape the attention of that extraordinary man who now presides with such acknowledged ability over the French empire, and whose views in regard to the Nicaragua canal were published some twenty years ago. The legislative and executive mind of our own country in the years 1835 and 1846 had been occupied with this subject, and negotiations were opened with Central America and Grenada. The war, in the year following, with Mexico was succeeded by the treaty of 1848 with that republic, whereby our boundary to the Rio Grande was acknowledged, and the pre-existing possessions on the distant west so enlarged as to extend from $32\frac{1}{2}$ north latitude to Puget's sound and the 49° parallel, thereby giving us a sea-coast on the Pacific ocean of one thousand six hundred and twenty miles.

By these events the interests of the people of the United States and the Pacific were indefinitely multiplied, and in view of these interests the national energies were put forth to facilitate and quicken inter-communication by land and sea;—the new and wonderful agents of nature, steam and the electric power, in their development, having been brought by American genius into active and general requisition to meet public and individual wants, in the establishment of steam lines on the Atlantic and Pacific, running an aggregate distance of seven thousand miles, breaking bulk at the Isthmus, the narrow neck of land standing as an obstruction to the trade of the world, whilst within our own limits the telegraph does its bidding in placing our people even on the opposite ocean shores in daily intercourse.

Now, in this age of unprecedented progress, what indemnity has the wisdom of the national legislature given to the demands of trade and intercourse, in view of the Isthmian obstructions? The answer is found in the

RISE AND PROGRESS OF THE RAILWAY SYSTEM UNDER CONGRESSIONAL LEGISLATION.

By an act of Congress in 1850, a grant was made to Illinois to aid in the construction of railroads. It conveyed for the purpose 2,596,053 acres, which have been valued as high as thirty millions of dollars, resulting in an extraordinary impulse to the settlement and prosperity of the State. At the date of the grant nearly half of the public land within the limits of Illinois was vacant and undisposed of. Now, after the lapse of only fifteen years, the United States have virtually retired as a landholder from the State.

By an act of August 4, 1852, the right of way is granted "to all rail and plank roads and macadamized turnpikes passing through the public land belonging to the United States," where the companies may be chartered within ten years from that date; since extended to August 4, 1867.

Congress have likewise granted lands for similar purposes to Mississippi, Alabama, Missouri, Arkansas, Iowa, Florida, Michigan, Louisiana, Wisconsin, Minnesota, and Kansas. These, together with the concessions to Illinois, cover an area, by estimate in round numbers, of forty million seven hundred and forty-five thousand six hundred acres, half of which has already been certified and the titles vested.

In aid of the construction of wagon-roads there have been conceded to Wisconsin, Michigan, and Oregon, an aggregate of nearly two and a quarter millions of acres. These grants are, however, secondary in extent to the great Pacific railway routes, which are designed, by two lines some eight degrees of latitude from each other, to span the territories of the Union from near the geographical centre of the republic to the Pacific ocean.

The authority for these concessions is found in the act of Congress approved July 1, 1862, and the amendatory law of July 2, 1864. The first of these routes

having centrality of position, starting from Omaha, Nebraska, is to be formed by the Union Pacific on the eastern or Missouri side, linked to the Central Pacific on the western or Pacific side, constituting one great national route, with a line from the Missouri river at the mouth of the Kansas, in north latitude $39^{\circ} 20'$, near the latitude of Washington city, the national metropolis, and of St. Louis, curving northward, takes its westerly course by two branches along the Kansas and Republican rivers, uniting upon the 100th meridian, thence across the plains to Denver, the capital of the new State of Colorado, onward over mountains and through valleys, extending to Great Salt Lake City, in latitude $40^{\circ} 50'$. From that point the Union Pacific and Central will traverse Nevada, near the silver region, entering California, and reaching the navigable waters of the Sacramento, in latitude $40^{\circ} 15'$, turning southward along the valley of that river, *via* Sacramento City, it will extend to San Francisco, in latitude $37^{\circ} 47'$. Then the terminus on the eastern or Kansas-Missouri side will have a branch road, now in progress, and the construction of which is aided by a liberal grant, starting from Leavenworth, through Lawrence, in Kansas, to the southern boundary of that State, in the direction of Galveston Bay, on the Gulf of Mexico. This road, extended to the latter point, would not only open to our advancing population one of the richest agricultural regions on the continent, but would connect the whole system of railroads north and south, unite them to the great Pacific trunk line, and bind the northern, central, and southern portions of the great valley of the Mississippi by the indissoluble bonds of interest and commerce. Congress has ordered land concessions in aid of the Union Central route, which, by estimate, will embrace some thirty-five millions of acres.

The second of these semi-continental routes is the northern Pacific railway, which will begin at a point on Lake Superior, in Minnesota, in latitude 47° north, running thence westwardly between the parallels of $45^{\circ} 30'$ and $48^{\circ} 30'$ north latitude, by a serpentine line to Olympia, at the southernmost point of Puget's sound, in latitude $47^{\circ} 12'$ north, in Washington Territory, the most distant political mosaic block of the republic, with a branch road along the valley of the Columbia river to Portland, Oregon, in latitude $45^{\circ} 30'$. The land grant by Congress to accomplish this great work will comprise, by estimate, forty-seven millions three hundred and sixty thousand acres.

A division on the Pacific side of the Central Pacific railway has been actually completed, equipped, and is in running order.

Authentic advices having reached here in March last that the commissioners, under the 6th section of the act of 2d July, 1864, had made report to that effect in regard to the "portion of the line of railroad and telegraph from a point on the east bank of the Sacramento river, at the foot of I street, in the city of Sacramento, California, for a distance of thirty-one consecutive miles eastward," in aid of this part of the work selections in Marysville land district have been returned for the Central Pacific Railroad Company under the grant, accompanied by evidence of the payment of cost of survey, as required by the 21st section of the act of 2d July, 1864, (Statutes, page 365,) and also of the fees allowed the register and receiver by another act of 1st July, 1864, page 335. Accordingly, the department has actually certified by schedule to said company forty-five thousand and some hundred acres, to be followed by a patent investing the company with the fee for all clear lands not mineral in the certified schedule. Lands on the Missouri eastern division of the Union Pacific were withdrawn in 1862, but no action in certifying selections on that side has yet been called for. In March last a diagram was sent to this office, showing the proposed route of the Northern Pacific railroad; but in report of the 22d June last to the Secretary it was recommended by the Commissioner as an indispensable preliminary to the withdrawal of lands to satisfy the grant that there should be required a connected map showing the exact location of the northern route, indicating by flag-staffs the progress of the survey; the map

to be authenticated by the affidavit of the engineers, with the approval of the accredited chief officer of the grantee. When such map shall have been filed, the first step will have been taken with a view to the future satisfaction of the grant, as the work of constructing the Northern Pacific shall from time to time advance over the great region of the Union which it is designed to traverse.

These immense railroad grants, by estimate, embrace the quantity of one hundred and twenty-five millions of acres, exceeding by eight millions of acres the aggregate area of the States of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, and Maryland. These enormous grants are within about a fourth of being twice the united area of England, Scotland, Wales, Ireland, Guernsey, Jersey, the Isle of Man, and islands of the British seas, and less than a tenth of being equal to the French empire proper, with its 89 departments and its 37,510 communes.

Why is it that the Congress of the United States, as the national trustee, charged under the Constitution with the disposal of the public lands, have made grants on such a stupendous scale as this? The answer is found not merely in the indemnifying principle of duplicating the reserved sections, but in the higher purpose of opening speedy communication by the iron railway across the continent to unite the great industrial interests of the Atlantic slope, the valley of the Mississippi, and the declivity from the Rocky mountains to the Pacific, as the accompanying railroad exhibit and maps of such grants may serve to some extent to illustrate.

Forty-odd years ago an eminent French geographer, referring to the then extent and geniality of the United States, declared it a region in which man is everywhere occupied in building houses, in founding cities, in opening new lands, in subjugating nature; that on all sides were heard the blows of the hatchet, the blasts of the forge; that ancient forests were delivered to the flames, the plough passing over their ashes, and smiling cities, temples, and palaces rising up within a short distance of Indian cabins.

The same authority referred to the progress of these States as then unexampled, having risen from the war of the Revolution from thirteen States and two and a half millions of people to twenty-four States with a population of ten millions. Such are the glimpses of a philosophic mind from the Atlantic slope, where the elements of progress were then, and have ever since been, so actively in motion.

What is the condition of things now? The national boundaries have been enlarged, as hereinbefore indicated, by the treaties, not only of 1848, but 1853, with Mexico, and our northern limits on the Pacific side are settled by the treaty of 1846 with Great Britain. Our political communities have advanced from twenty-four to thirty-six States, nine Territories, and the Indian country, whilst we have increased from ten to thirty-four millions.

The people on the shores of the Western ocean are advancing from that side towards the interior, whilst from the Atlantic our people are progressing westward to unite their interests with the millions dwelling in the valley of the Mississippi, the basin of which embraces a million of square miles, capable of supporting a hundred millions of inhabitants; the river, with its tributaries, having a steamboat navigation of 16,600 miles, the great river itself rolling its floods to the ocean, bearing upon its bosom the immense products of this most fertile region, and returning in exchange the diversified productions of other portions of the Union and of foreign countries.

In the zenith of ancient greatness the extreme northwestern limit of the dominions of civilization was fixed in the second century of the Christian era at the wall of Antoninus, a rampart against Caledonian incursions, extending from the Frith of Forth to the Clyde, near the 56° parallel of north latitude, in Scotland. The great public highways of that age, issuing, as the historian informs

us, from the Forum, "traversed Italy, pervaded the provinces, and were terminated only by the frontiers of the empire." It linked together cities of ancient Italy, traversed Cisalpine Gaul, passing the Alps, entering Spain, opening the forests of Britain, diverging so as to connect provincial cities of Greece, Asia, and Africa, having been drawn out from the northwest to the southeast at the capital of Judea, a "length of four thousand and eighty Roman," or three thousand seven hundred and nine statute miles. By a comparison of the length of this splendid and enduring work of antiquity, with the enactments in respect to our overland connexions with the Pacific, some idea may be formed of the magnitude of purpose of the American mind in the construction of the two great national railways of an aggregate length of over four thousand statute miles, and which are designed to connect existing highways already traversed by locomotives in every direction of the eastern half of the republic, having in 1864 an aggregate extension of thirty-five thousand miles.

In the administration of the laws making the Pacific grant of the central route the legal rate of the sections retained by the government has been the subject of consideration, resulting in the

DEFINITIVE SETTLEMENT OF THE QUESTION AS TO THE MINIMUM RATE OF THE EVEN OR UNITED STATES RESERVED ALTERNATE SECTIONS ALONG THE LINE OF THE PACIFIC RAILROAD.

In July, 1862, a map was filed in this office of the Leavenworth, Pawnee and Western railroad, now known as "the Union Pacific railroad, eastern division," the company claiming, pursuant to the act of 1st July, 1862, "to aid in the construction of a railroad and telegraph line from the Missouri river to the Pacific ocean;" and on the 12th September following, instructions were despatched by the Commissioner to the register and receiver at Junction City, Kansas, in which the several statutes bearing upon the interests of the grant, and of settlers, were carefully considered.

In those instructions the claims of pre-emptors are held admissible where the settlements were made *after* the withdrawal of the lands to satisfy the grant, and *prior* to the final allotment of the alternate sections to the railroad, upon payment at the rate of \$2 50 per acre.

Subsequently, and during the present year, exception was taken to the correctness of our ratable; and in a given case, as the price was not stated in said act of 1st July, 1862, nor in act of 2d July, 1864, a former Secretary sustained the exception, not regarding the lands in question as affected by the act of 3d March, 1853. The General Land Office, however, has relied, as fixing the price of these reserved sections, on the said act of March 3d, 1853, vol. 10, p. 244, for extending "pre-emption rights to certain lands therein mentioned," as follows: "That the pre-emption laws of the United States, as they now exist, be and they are hereby extended over the alternate reserved sections of the public lands along the lines of all the railroads in the United States whenever public lands have been or may be granted by acts of Congress."

The words here used are comprehensive, reaching *retrospectively* and *in futuro*, without any limitation whatever, in fact to all time, with the express stipulation "that the price to be paid shall in *all* cases be two dollars and fifty cents per acre, or such other minimum price as is now fixed by law, or may be fixed upon lands hereafter granted."

The minimum price then fixed by law for railroad reserved sections was two dollars and fifty cents (\$2 50) per acre. Since then neither the said acts of 1862, 1864, nor any other law, has changed the railroad minimum. The established doctrine of this office is that there are two distinct classes of tracts under our agrarian system

1st. The "ordinary minimum" of \$1 25 per acre; and, 2d, the "railroad minimum" of \$2 50 per acre.

These two minimums are everywhere known as separate and distinct from each other in land legislation and land administration.

The term minimum, *railroad minimum*, therefore, as found in the second clause of said act of 1853, should not be confounded with the ordinary minimum, which applies to the great mass of the unreserved public lands, but must, in our judgment, be treated as part of the special matter—railroad tracts—dealt with in the said act of 1853, namely, railroad lands which are fixed at \$2 50 per acre, and that, too, as the law declares, "in all cases," *past and future*.

The importance of the issue to the interests of the United States was set down at over twenty millions of dollars, even if all such lands were disposed of at private sale; but if at public auction, and the coal, useful and precious metals are embraced, the estimate would be immensely increased, because the rate will affect every even-numbered or United States reserved section falling in the belt stretching latitudinally from the Missouri river to the Pacific ocean. By letting down the reserved section to the ordinary minimum, the line which Congress has drawn in legislation between the *ordinary* minimum and the *railroad* minimum would, in the Commissioner's opinion, be obliterated; the indemnity to the United States by the enhanced price of reserved sections, the basis on which such grants were founded, would be at an end; and a principle would be thus overthrown which was strenuously asserted and resolutely insisted upon as the justification for such immense concessions of the public lands. We held, therefore, that Congress, in its wisdom, passed the said act of March 3, 1853, making it of general, nay, universal application, not only for the past but for the future, without limitation of time, so that the principle might be inwrought with all such legislation which might be had, and the question placed beyond doubt or peradventure.

Such were the considerations advanced by the General Land Office in support of its decision, that the true minimum was \$2 50 per acre.

The subject, in another case, has, on appeal, been brought before the present distinguished head of the department, by whom the whole matter was elaborately examined, and the question definitely put to rest by his decision, bearing date August 4, 1865, fixing the ratable of the aforesaid sections at \$2 50 per acre; and this, consequently, so stands as the established and controlling judgment of the department in the premises.

RAILROAD SYSTEM.—IMPOLICY OF ANY DEPARTURE FROM THE PRINCIPLE OF GRANTING LANDS "IN PLACE."

The question has been agitated as to the propriety of change of policy in making grants in aid of the construction of railroads by substituting *floats* or *scrip* in lieu of land indemnity *in place*, when the full complement is not found within the usual lateral limits. In this connexion the result of such departure from the well-established policy of the government is an important consideration, in view of the interests of homestead and pre-emption settlers.

In reference to any such suggested general change of policy, the General Land Office holds that three principal considerations have always been addressed to Congress in favor of this class of grants:

1st. That the grants are for alternate sections "in place" within limited distances of the line of route; that the duplication of the residuary sections in price, and the quickening of public lands, are the considerations to the government, whereby there is not only no loss, but an absolute gain to the United States treasury.

2d. That the facilities afforded by the construction of these routes are of

great public advantage in advancing the column of settlement and civilization more rapidly than it would otherwise progress.

3d. That there is a tender of free transportation for governmental property and troops, and favorable terms for the transit of the United States mails, besides the creation of facilities over lines which could only be constructed with such governmental aid.

By discarding defined limits and the principle of the double maximum in reserved alternate sections, the whole policy of compensation to the government is at once abandoned, and whatever is given without those restrictions is purely a gratuity to the railroad corporation; nor, indeed, can the limits now prescribed by law be much enlarged without, to some extent, disregarding the existing policy to the prejudice of the government.

The second consideration is one that usually awakens high expectations seldom realized, except upon very long lines connecting remote centres of population, and passing over intervening unsettled or sparsely inhabited districts, as was the case with the Illinois Central, and will be with the great Pacific railroad.

Experience has demonstrated that even with full grant of six sections to the mile, roads will not be constructed unless through settlements which may be relied upon for local business, or as connecting links between great centres of trade and population.

It therefore becomes a question for consideration under this head, how far the policy can, with advantage to the public interest, be allowed to drive settlements back from any proposed line of route.

Judging from the roads which have fallen under the Commissioner's observation, he holds the opinion that the public interest would not be advanced by extending the limits beyond those now fixed by law. If upon any part of the line a road gets less land, it is because there is larger population, and consequently more local business; and if on any part of the line more land is obtained, it is because the reverse is true; yet, in every instance, it will be found that the road is first constructed, and best compensating to the stockholders along that part of its line on which little or no public land is obtained.

In all of the country east of the great western plains, almost every quarter section of land is susceptible of settlement and cultivation; and if so settled, a sufficient number of roads would be promptly constructed, even though no aid should be contributed by the government. How, then, can the public interest be promoted by unduly multiplying these enormous grants, and how can such grants be justified at all except upon a few principal thoroughfares, and for the purpose of connecting remote, present or prospective, centres of population? This office is not aware that any material advantage has accrued to the government, although it has no absolute knowledge in the matter under the reservations mentioned in the third proposition, it being generally understood that these roads are dealt with upon the same terms accorded to lines which have never received governmental aid.

The effect upon the homestead settler may be briefly stated as follows:

To the extent of their road limits the railroad company will take every foot of land allowed by the grant, and the homestead settler will, consequently, be driven that distance from the line of road, and generally from settlements, as the road will invariably follow the line of population.

If a float be granted, it will be promptly located upon the best and all of the good lands nearest to the settled portion of the country and to the line of road, and the homestead settler will, consequently, be driven still further back to the full extent of the grant; thus the settler will be compelled to surrender the local advantages of schools, churches, mills, mechanics, wagon roads, and all other necessary and social advantages incident to a well-settled neighborhood, for the prospective advantage of a railroad within twenty, forty, or sixty miles of him,

as the case may be. These are sacrifices which few settlers will submit to, and which cannot be made with advantage to the country.

The undersigned has glanced, without argument, at only a few of the prominent public considerations which it appears to him should weigh against any radical departure from the principles embodied in existing laws. He has not alluded to the advantages of a concentrated population over one sparse and scattered; to the hostile principles between the homestead law and a monopoly of lands which would follow a concession of floats to railroad corporations; nor to the pertinent inquiry whether, in legislation on the subject, the advantages of the settler should not, in all instances, be first considered; nor has he discussed the impolicy of adding to the present large outstanding floating land certificates for taking up the public lands—such as bounty land warrants under various enactments for military services from the Revolution to the year 1855 for indemnity claims under the swamp acts; for internal improvements and the agricultural law; all of which, to a greater or less extent, diminish the field for pre-emptions, homestead settlers, and lessen the public revenue. These are considerations which address themselves with great force to Congress.

The judgment of this office undoubtedly is, that "floats" or "scrip" should, in no instance, be granted to railroad companies; and further, that, except on arid plains which cannot be peopled, or in mountain regions where agricultural lands only to a very restricted extent exist, the maximum limits now allowed by law, in which indemnity selections may be made upon alternate sections, cannot be extended with advantage to the government or people; nor does this office believe that the companies themselves would reap any decided advantage by such extension.

Should this, however, be a mistaken view, it is clear that the advantage should not be conceded at the public expense, nor to the detriment of our frontier settlements.

MINERALS

In again referring to the immense value of the mineral deposits within the public domain, it is desired specially to impress upon the department, Congress, and the country, the importance of this source of wealth, its great extent, and the propriety, not to say necessity, of some positive policy in dealing with this interest, instead of the negative one now existing, and which has to this time prevailed.

Partial and very meagre explorations in much the larger portions of the western and Pacific States and Territories afford indubitable evidence of an inexhaustible supply of the precious metals, the annual yield of which in the future is to be restricted only by the limit of the capital and labor employed in their development, which, to a greater or less extent, will be influenced by the policy which shall govern the possession of the mineral-bearing localities. Already vast local interests have grown up in the vicinity of the richer and earlier discovered veins; local usage, in the absence of definitive legislation, has prescribed regulations for the acquisition and disposal of mining rights which ought not and cannot be rudely disturbed without serious detriment to individuals and corporate interests, and corresponding diminution of the product of the localities thus to be affected—results which it is neither the interest nor the purpose of the nation to produce.

In all of the States and Territories in which mining for the precious metals is a leading branch of industry, the local usages have been sanctioned by State or Territorial laws, and sustained by the judicial tribunals of the respective sections. The system thus inaugurated is without that uniformity which national legislation alone can give, yet it is the offspring of necessity, and adapted to the practical wants of each section and district; is interwoven with all the business

interests of the people, and has to this time resulted in great individual prosperity and rapid development of the mineral resources of the country. Under this system no compensation is rendered by individuals or demanded by the government for the possessory right, and no title is acquired by individuals or parted with by the United States. The laws and theory are, that the mineral lands are the property of the nation, and cannot be sold or disposed of under existing legislation. The practice is, that each discoverer has a claim to so much as the miners' laws of the district shall prescribe, with the exclusive right to work or dispose of the possessory right, which is daily done, with confidence in the titles, which are passed from hand to hand, and at prices ranging from a few cents to six or eight thousand dollars a lineal foot along the vein or lode.

Incident to this system are immense expenditures for opening the mines; the excavation of shafts, tunnels, and chambers; the construction of roads over lofty mountains, deep valleys, and streams; the erection of ponderous and expensive machinery; the construction of vast canals; the creation of towns and cities in desert places, in advance, too, of the public surveys and the introduction of the ordinary machinery of civil government. Such are some of the results which have been produced by the restless energy of our people—the anxiety for the precious metals, the stimulant of rich discoveries, and the free occupation accorded to the miner by the negative policy of the government.

These improvements have been carried into and over the mountains, ravines, and rivers of California, Nevada, Arizona, New Mexico, Colorado, Utah, Montana, Idaho, Oregon, and Washington, and with them population has entered the remotest valleys and recesses of mountains wherever the existence of the precious metals has been ascertained.

The necessities which the war for the preservation of the Union has created will still further stimulate the acquisition of the precious metals and their accumulation in the country, thus enlarging the metallic basis for our national currency, whilst the restless spirit of adventure of the millions of men who have been in arms during the last four years will find occupation in the construction of the great iron pathway across the continent, and in searching for and bringing to light and use the immeasurable hidden treasures contained within the mountain ranges which span our country from north to south, and extend from the great plains to the Pacific.

The elements essential to the continued and rapid increase of the products of the mines are security in possession under some permanent and well-regulated system, and the early extension and multiplication of railroad communications from ocean to ocean and with the interior of the continent. The improvement of the great navigable rivers which find their sources in the vicinity of those mineral deposits is also essential, with the construction of some leading wagon-roads and post routes on the important lines where railroads cannot at present be constructed, and where rivers do not furnish the requisite facilities for transportation; and also the establishment of military posts, of such number and strength as will furnish adequate security to persons and property on the lines of travel and throughout the whole mineral region.

Kansas, Colorado, Utah, Nevada, and California, through which will pass the lines of the Central and Union Pacific railways, are known to contain immense deposits of iron and coal, thus furnishing the material, in great abundance and of superior quality, for both constructing and working railways to any conceivable extent. New Mexico and Arizona are likewise rich in these essential minerals, and those Territories should be encouraged by the aid of liberal grants of the public domain to connect them with the great trunk road by lateral branches.

Montana, Idaho, and eastern Oregon and Washington, equally rich in both the precious and useful metals, present similar claims for consideration, and promise like liberal returns in the yield of their mines and forests. If efficient

measures are not early adopted for the extension of the Northern Pacific railroad, land concessions should be made for connecting these localities with the great trunk of the Pacific road.

Fears have been entertained that, considering the great extent of mountain and inarable land along the central portion of the line of the Pacific railroad, freights from the centre towards the ocean termini would be inadequate for the support of such length of line. Experience will demonstrate that the outward will exceed the inward freights for all time after the completion of the route. The richer ores, containing gold, silver, copper, quicksilver, tin, with salt, alkali, iron, cotton, wool, lumber, and other products of the interior region, seeking an outward market, will always exceed the inward flow of merchandise, machinery, and manufactures of every kind. The great bulk of inward transportation at the present time consists of articles of food, tools, and machinery, which will be furnished in the vicinity of the mines as soon as the resources of the country are better understood, and the necessary capital and higher cultivation introduced, both of which will keep pace with, if they will not be in advance of, the construction of the road. The agricultural and pastoral capabilities of the larger portion of the region in question, fully developed, are equal to the support of a dense population; and the vast water-power created by its mountain torrents in all the northern portions will afford extraordinary manufacturing facilities.

Interests so immense, so intimately interwoven with the pursuits of our people, so essential to an adequate increase of the proper currency basis of the country, affording so extended a field for the enterprise of our citizens, and with necessary development a solid basis for national credit and commercial ascendancy, it would seem, should receive the fostering care of the executive and legislative mind, and be placed upon such fixed and solid foundation as will secure to individuals the permanent enjoyment of the legitimate fruits of their labor and enterprise, and to the country the enduring advantage and supremacy which the possession of such resources should command.

Schemes for the disposal of the mineral lands, varied and numerous as the combinations of interests directed to their acquisition, will be presented for the consideration of the legislative department; and each will be urged upon public attention with all the fervency which can be inspired by the magnitude of the matter involved, than which none greater in a pecuniary sense ever existed. The ostensible purpose of all parties will be to fill the public treasury with the golden product.

Prominent among these, and the measure that will be urged with the greatest tenacity of purpose, the most importunate argument, and extravagant promises of astounding results to the treasury, will be the project for the survey and sale of this class of lands.

In the discussion of such plans, it should not be forgotten that the policy of deriving direct revenue from all other portions of the public domain has been abandoned by the adoption of the homestead principle in favor of actual settlers, and the bestowal upon States and corporations of extensive grants for purposes of education, internal improvement, and drainage; that these grants already cover an extent greater than the original thirteen States; and that, considering the Pacific States and the new Territories, the system is but half developed. Other land concessions, equally great, must, in pursuance of this policy, be made to the auriferous States and Territories.

Such being the established views of the government in relation to its arable and swamp lands, the question naturally arises with the masses of the people directly interested, being the miners and those to become such, upon what principle of public justice or sound policy are they alone required to contribute beyond those engaged in other pursuits?

In this connexion the fact is also presented, that of the million of square

miles over which this great mineral wealth is scattered, not to exceed a hundredth part is mineral-bearing to an extent that is compensating to labor and capital. The small portion which is mineral-bearing can only be definitely ascertained by expensive explorations, and no inconsiderable portion of the non-mineral-bearing area is utterly worthless for all other purposes.

To what extent, by any system of subdivision and sale, are the purchasers expected to pay for the worthless portion?

Is it rational to suppose it will be done to an extent that will defray the great expense of any system of surveys over these almost inaccessible mountains and defiles?

If the worthless will not sell, what price is to be attached to the strictly mineral-bearing areas?

How are these particular subdivisions to be ascertained?

If by the government, the cost will be enormous, far greater than any minimum which will be established. If by individual exploration, is the explorer not to be given a preference right to purchase for the risk and outlay of labor and capital?

If not, their exploration will be deprived of its principal stimulant, and consequently sales will cease except at a very low minimum—so low as not to justify individual risk—while aggregate receipts will be diminished to less than the cost of administering the system.

The experience of nearly twenty years has demonstrated the fact that valuable discoveries have invariably been the result of accident or individual enterprise; that in no instance has the large public expenditure for surveys and explorations of the region in question resulted in bringing to the knowledge of the public the exact locality of valuable deposits of the precious metals.

Again: the value of the mineral deposit is not estimated or determined like that of arable lands, by the superficial area included in any subdivision, but by the richness of the deposit, and its perpendicular, lateral, and lineal extent far beneath the surface—it may be one hundred or fifteen hundred feet—to be ascertained, in either case, by years of labor and corresponding outlay of capital.

Until some approximate estimate can be reached, by what rule can any minimum be established which shall either serve as an indication of value, be compensating to the government, or bear any equitable ratio between the various localities?

If an explorer shall discover a valuable deposit he will not make the fact known to the representative of the government until he has become the purchaser and owner of the land, and therefore all lands valuable for mineral, the character of which has not been established prior to the time when they shall be opened for sale, will be purchased at the ordinary rate, which must be a very low minimum, and consequently the title will pass from the United States, without reference to the tract, either as extremely valuable or very inferior mineral location.

It may be said that many poor locations will be sold which will compensate for the sale of a few good ones at a low price. This is presupposing that the individual who pays his money will be equally as indifferent as the government, which only parts with a few acres of its vast domain, of the value of which it has and can have no exact information.

In practice this will seldom occur; and even if it should, the advantage to the government resulting from driving a hard bargain with one of its citizens is hardly conceivable. Clearly, the more numerous this class of cases the less benefit will it be to the country.

This brief allusion to some of the difficulties to be met and overcome in inaugurating any equitable and profitable system for the sale of mineral lands is presented in order that, so far as it can be done, these difficulties may be con-

sidered and, if possible, avoided. Should such a policy receive the sanction of Congress?

In the absence of legislative direction or restriction beyond the simple prohibition of survey and sale of this class of lands, the necessities of the mining population have induced the establishment of local systems for the distribution of mineral discoveries and the protection of claimants in possessory rights by discovery or purchase, to the extent allowed or prescribed by regulation in the respective localities.

At first these regulations were few and simple, binding only upon the parties participating in their adoption, and limited in their application to the particular bar, gulch, or placer, upon which the miners enacting the same happened for the time being to be operating. They were applicable alone to the placer mines, the only class worked in the first instance.

The rapidity with which these localities were exhausted, the migratory habits of miners, and the varied and uncertain extent of this kind of mining, would have prevented these regulations from assuming any uniformity of character or permanently binding authority, had not the labor of our people been directed to the opening and working of the heavy hill placers and the rich quartz veins or lodes. In these was found more permanent mining property, the successful development of which required time, the erection of expensive works as canals, and mills, and withal security of title under fixed and equitable rules of distribution.

It is scarcely possible that the duty of prescribing these regulations, with such certainty of advantage to the country and justice to the parties immediately interested, could have been placed in any other hands so competent as the practical, well-informed, interested and self-constituted body of miners who voluntarily assumed the task.

The regulations thus established have been gradually improved by additions and amendments, suggested by experience and imposed by necessity, until they have reached the dignity and authority of well-defined and acknowledged laws, binding and enforced over the entire mineral region by the local, legislative, executive, and judicial authorities of the respective States and Territories, controlling the possession and distribution of a vast property, and the business relations and prospects of more than one hundred and fifty thousand of our most enterprising and deserving citizens.

The wisdom and fitness of these regulations are best determined by the results: these are seen in the more rapid development of the mines of this than those of any other country, ancient or modern; in the steadiness and regular increase of the product; in the progress of new discoveries; in the readiness of capital to invest in this branch of industry; in the general prosperity of the mining population; in the growth and establishment of new States and Territories distant from the marts of commerce and channels of communication; in the vast wave of population from the agricultural to the mineral region; in the construction of roads and establishment of post routes; in the great project of the Pacific railway; and the maintenance of the public credit against the judgment of foreign nations, and beyond the expectations of our own people.

It must be clear to even the most superficial observer that a system so interwoven with the material interest of the country—upon which rests the whole industrial and business fabric of the mining communities, with roots and branches in all our commercial cities—should be considered and continued or provided for in framing any law for the disposal of, or in relation to, the public property, embracing mines of the precious metals.

The existing system, the result of local necessity, bears analogy to the homestead policy applicable to the arable portions of the public domain, with this difference, that it does not, of course, give promise of ultimate title in fee as the

reward of occupancy and improvement, yet it contemplates the equivalent of undisturbed possession so long as occupancy and improvement shall be continued.

Undoubtedly the miner's system of laying off, distributing, and limiting claims is one of the best if not the only practical and equitable one which can be devised. It is adapted to the formation, takes hold of and deals with the precise property, follows the line of deposit, and limits the acquisition to a reasonable extent, and to the continuous working of the same. The objection to which this system will be made liable by the advocates of survey and sale is, that it makes no compensation to the government for the possession, nor for the mineral value extracted. It is not the sum that may to-day be placed in the treasury as an equivalent for the possession of a few hundred feet, more or less, of any rich or any undeveloped mineral lode which determines its value to the nation, but the permanence and extent of the annual product, the number of persons it can profitably employ, their prosperity, and the contribution they can annually make to the aggregate wealth of the country. To capitalize this vast property at this time is impossible; and it is worthy of consideration whether appropriate measures to that end can be devised with the imperfect data at hand as to the extent, locality, and relative value of the various known and unknown deposits. How far the existing system can, with judicious modifications, be made applicable to the production of national direct revenue without oppressing the mining communities, and what modifications would be required to make it acceptable to the country and justify its adoption in lieu of a system of survey and sale, are questions referable to the future, and to be settled only by careful observation within the mining districts, and in view of actual mining operations. In any event, it becomes the nation to suggest and provide for gathering and systematizing accurate information and representations of the products, capabilities, wants, and usages in the mining States and Territories. When this shall be done, the way will be plain for the inauguration of a system which shall be beneficial alike to the mining communities and the nation at large. Until then, it is more than probable that any plan which may be devised will be found oppressive to the one, or disadvantageous to the other of these interests. With well-organized authority at the seat of government, and even very limited encouragement for the formation of voluntary central organizations in the States and Territories having branches in each mining district or locality, it is believed that accurate information and full representations by geological and mineral specimens could be promptly and economically gathered from all sections of the country.

To this end, the organization of an institution at the seat of government is hereby recommended. By such a system commendable emulation would be aroused in every district, and with every interest. Individual and associated effort would be combined with that of the government, reciprocally aiding each other. The results in a few years would be realized in the receipt and dissemination of exact information of the mineral product and resources of the whole country, and in the accumulation at the national capital of a geological and mineral cabinet, which, while it represented only our own country, would not be excelled in richness or variety by any similar collection on the globe. Such an institution should also have the capacity to collect, in process of time, the manufactured products of the mines in all the various stages of advancement, from the crude to the most highly finished and valuable, the whole forming a grand practical study for the student, the experienced scholar, the artisan, and statesman.

All of which is respectfully submitted.

J. M. EDMUNDS, *Commissioner*.

Hon. JAMES HARLAN,
Secretary of the Interior.

Tabular statement showing the number of acres of public lands surveyed in the following land States and Territories up to June 30, 1864, of public lands and private land claims during the last fiscal year, and the total of the public lands surveyed up to June 30, 1865, and also the total area of the public domain remaining unsurveyed within the same.

Land States and Territories.	Number of acres of public lands surveyed up to June 30, 1864.	Number of acres of public lands surveyed within the fiscal year ending June 30, 1865.	Total of the public lands surveyed up to June 30, 1865.	Total area of private grants surveyed within the fiscal year ending June 30, 1865.	Total area of the public lands remaining unsurveyed June 30, 1865, including private claims surveyed but not yet fully reported.
Wisconsin	33,018,805	721,836	33,740,631	.....	770,729
Iowa	35,630,898	.....	35,630,898	.....	.....
Minnesota	21,035,594	*419,208	21,454,802	.....	30,024,440
Kansas	14,578,920	183,661	14,762,581	.....	37,280,939
Nebraska Territory	11,907,517	1,262,784	13,170,301	.....	35,406,499
California	26,762,049	246,268	27,008,317	†38,700	74,670,345
Nevada	451,407	.....	451,407	.....	51,733,553
Oregon	5,249,838	199,028	5,448,866	.....	55,509,860
Washington Territory	3,123,431	210,471	3,333,902	.....	41,462,258
Colorado Territory	592,040	605,281	1,197,321	.....	65,774,971
Utah Territory	2,425,239	.....	2,425,239	.....	65,650,241
Arizona Territory .....	.....	.....	.....	.....	80,730,240
New Mexico Territory	2,293,142	.....	2,293,142	.....	75,275,498
Dakota Territory	1,431,630	313,251	1,744,881	.....	152,237,100
Idaho Territory .....	.....	.....	.....	.....	58,196,480
Montana Territory .....	.....	.....	.....	.....	92,016,640
Total	158,500,510	4,161,778	.....	38,700	.....

* Of which 172,208 acres are Dakota or Sioux Indian lands surveyed under the provisions of the act of Congress approved March 3, 1863.—*Statutes at Large*, vol. 12, p. 819.

† Yosemite valley and Mariposa Big-Tree grove, granted to the State of California by act of Congress approved June 30, 1864.

DEPARTMENT OF THE INTERIOR,

General Land Office, September 30, 1865.

REPORT
OF THE
COMMISSIONER OF INDIAN AFFAIRS.

DEPARTMENT OF THE INTERIOR,
Office Indian Affairs, Washington, D. C., October 31, 1865.

SIR: Having assumed the duties of Commissioner of Indian Affairs after the beginning of the third quarter of the year over which this annual report extends, and having been necessarily absent a great portion of the time since, upon public business in the southwest, I have been unable to obtain that familiarity with the details of business, or to gain that acquaintance with the condition of Indian affairs generally, which a longer time would have allowed. I present herewith a summary of such information in regard to the interesting people who are by law placed under the charge of this office as I have been able to obtain from the current correspondence and annual reports of superintendents and agents, and other employees.

Before proceeding to refer to the various superintendencies and agencies in detail, and to make such suggestions as seem to be called for in reference to each, there are sundry matters of common interest to the whole Indian service, or relating to several agencies combined, which I deem worthy of special notice.

First among these is the neglect on the part of many of the officers responsible to this office to forward their monthly, quarterly, and annual reports at the proper time, in disregard of repeated directions from the office. Some of them appear to have imagined that circulars of instructions were mere matters of form, with which a compliance was not expected, or as applying to everybody but themselves. Nor are they sufficiently careful to make these reports complete in detail, as required, where they are made. The consequence is that each year, notwithstanding every endeavor on the part of this office, its annual report fails of completeness somewhere, by the neglect of its subordinates; and its statistical tables do not give that fulness of information for which they are designed. I confess that I do not know of any way to remedy this difficulty except by reporting to the department each case of delinquency, and relying upon it to seek a remedy by a change of officers. It is an injustice to those who are prompt and thorough in their reports to allow them to fail of usefulness because the reports of others, necessary to completeness, are not sent, or are deficient in essential particulars.

It has been customary, I have learned, for agents who are superseded by others to take away from the agency the papers and books properly belonging there, thus removing the history of the past transactions, and preventing their successors from explaining matters which must be, and often are, necessarily referred to them. I have endeavored to correct this evil by a circular requiring all agents to preserve and leave as public property duplicate copies of all important papers and vouchers, &c., as well as a complete daily record of all agency transactions; and shall observe as a rule of action by this office the suspension of the accounts of all retiring agents who, after knowledge of the circular above referred to, shall fail to show that they have passed over to their successors the books and papers of the agency.

To the subject of traders' licenses, circumstances have caused me to pay special attention, and I have come to the conclusion that a radical change in either principle or practice, perhaps both, is necessary. I suppose that I am not making a remark which will startle the department by its novelty, when I suggest that there is reason to believe that agents are too often in some manner interested with or for the traders. Certainly there can be no doubt that if such combination of interests should exist, it can only exist to the injury of the interests of the Indians, and consequently of the government. It is not uncommon to hear the apparent rapidly increasing wealth of employees of, or officers subordinate to, this office, spoken of as a reproach to the service. I have no idea of undertaking a Quixotic attempt to correct the manners or morals of public officers; but in this particular matter I have been led to believe that an improvement can be effected, partly by the adoption and enforcement of new and stringent rules by the department, and partly by the aid of congressional enactments. I presume that the presence of traders upon most of the reservations, under proper guards and restrictions, is a benefit to the Indians, enabling them to obtain, in exchange for their furs and other articles furnished by them, such things as they need for their comfort, and I propose to continue to grant licenses to traders as heretofore; but, with your concurrence, to annex such conditions to the approval as will compel them to an exchange with the Indians at fair prices, to be established from time to time, according to circumstances. This has already been done in several cases by your direction, and I propose to make the rule a general one. I have also issued an order or circular requiring hereafter the agent or superintendent who approves a license (in analogy to the law requiring such certificate on all contracts made by them) to make the following affidavit on every license which they may approve, to wit:

"I, (name of agent,) United States Indian agent for the (name of tribe) Indians, do solemnly swear (or affirm) (or where there are no magistrates accessible, certify on honor) that the license hereto annexed and granted by me has been granted without any agreement or understanding with the party so licensed, or any other person or persons on behalf of the party so licensed, for any benefit or advantage to myself, directly or indirectly, present or future, nor to any person or persons on my behalf, in any manner whatever; and that no arrangement for such benefit to myself or other person on my behalf is in contemplation in case this license shall be approved."

With a view to the correction of such wrongs as may exist, and the prevention of others in future, in relation to a combination of interests between agents and traders or contractors, I suggest an application to Congress for the passage of a law which shall make it a penal offence for any agent or other officer in the Indian service to be in any manner, directly or indirectly, interested in the profits of the business of any trader, or in any contract for the purchase of goods, or in any trade with the Indians, at their own or any other agency; the same penalties to apply to the licensing of any relative to trade, or to purchasing goods or provisions for the use of the Indians of any firm in which they or any relative may be partners or in any way interested. I do not desire to push legislation to a point where it cannot be enforced, but I think that in this matter the most stringent measures are necessary.

In connexion with this subject, I feel called upon to suggest that, in order to obtain the services of a class of men who may be expected to keep aloof from the reprehensible conduct which appears to call for such legislation as is above suggested, there should be an increase of salary provided for the agents. Fifteen hundred dollars per annum is now the established rate of pay, whatever may be their duties or responsibilities, the amount of their bonds varying with the amount of money annually placed in their hands. The fact that innumerable applicants stand ready to take any places which are vacated is not, in my judgment, an argument against an increase of pay; it is simply a proof of the

commonly received idea of the outside profit of the business. As we propose to cut off this profit, it is but just that we give to the thoroughly qualified and honest guardian of the interests of the Indians, who is willing to leave the comforts of civilized society and devote himself conscientiously to his work, a compensation which shall be adequate to the service which we expect from him. For similar reasons, I make the same recommendation as to increase of pay of superintendents, with gradations, &c. There might reasonably be a gradation in the salaries of the agents, those who have the greater responsibility and labor receiving the greater compensation. I submit the subject for your consideration. I also take this opportunity to suggest that the labor and responsibility necessarily devolved upon the office of Commissioner of Indian Affairs are, in extent and importance, second to those of no other bureau in the several departments of the government; and while several of the heads of bureaus organized since that of Indian Affairs have been provided with salaries in some degree commensurate with their responsibilities and with the enormous cost of living at the seat of government, the salary attached to this bureau remains still inadequate to what I can but deem its just demands.

Should you concur with me in this view of the subject, I recommend that application be made to Congress for such increase of the salary of this office as will at least place it upon an equality with other bureaus requiring no more responsibility or labor.

The question of the reorganization of the working force of this office was brought to the attention of the department in the last annual report, and a special report, with a rough draught of a bill containing the proposed changes and additions, was subsequently prepared, and, with some modifications, submitted by your predecessor to the finance committee of the Senate, but no action was taken upon the proposition. I beg leave to renew the recommendation referred to, deeming it of essential importance to the efficiency of the bureau, and will submit a special report, with my views of the changes and additions required.

Questions of much importance to some of the tribes in Kansas have arisen, and are likely to arise in the case of others, as to the right of the State authorities to tax the lands of such Indians as have taken their lands in severalty and hold them by patent from the United States. A case in relation to the Miami Indians of Kansas has recently been decided by the supreme court of that State in favor of the right of the State to tax the lands, although the Indians still reside upon lands reserved to them by treaty. Measures have been taken to obtain the opinion of the Attorney General upon the subject, and it is confidently expected that the right of the Indians to be exempt from taxation until they shall assume the duties and privileges of citizens will be vindicated.

The supply of copies of the laws and regulations governing the Indian service is exhausted, and as the lapse of time has developed the necessity of some changes in these matters, and as there is a sufficient fund appropriated by Congress for the purpose, I propose to have the code of regulations revised for publication, so that the new appointees of the department may be supplied.

In regard to the subject of education, inasmuch as experience has developed the fact that, in the majority of cases, manual labor schools for the Indians are productive of greater benefit to them than day schools, for the reason that in the former a more constant and thorough control of the pupils can be obtained, and they can be instructed and practiced in habits of industry useful to both males and females, I propose to aid in the establishment and support of these schools so far as the funds appropriated, under treaty stipulations or otherwise, at the disposal of the department, will allow.

Some years since an application was made to Congress for an appropriation, to be placed at the disposal of the Department of the Interior, to provide for such expenditures as might be necessary to obtain and preserve in the department such memorials of the Indians, whether portraits, implements of industry

or of warfare, specimens of apparel, &c., as would be valuable for preservation. I beg leave to call your attention again to the subject. The Indian race, by what seems to be the law of its existence, is fast passing away, and in contact with the white race the tribes are rapidly losing their distinctive features, in language, habits, customs, &c. A moderate appropriation, judiciously expended, would enable the office, through its agents, teachers, missionaries, and others interested in the various tribes of red men, to collect annually a large and increasingly valuable collection of the memorials referred to.

It is gratifying to notice, in the examination of a number of the annual reports of the agents, an increased willingness on the part of the Indians to labor, and a greater number of cases where they are employed and paid regular wages upon the reservations. Instructions have been forwarded to give them the preference in all cases where they are willing to work.

Another evidence of progress in the right direction is the request made by several agents, on behalf of the Indians, that the kind of goods furnished to them may be changed from the blankets, bright-colored cloths, and various gewgaws, which have from time immemorial gone to make up invoices of Indian goods, to substantial garments, improved agricultural implements, &c. Of course this office will take pleasure in responding to all such demands.

Particular reference to the subject of the rights and interests of the orphan children of the Miamies is made in connexion with that agency, but the principle in question touches a number of other tribes. I am fully convinced of the duty, on the part of this office, of the adoption of some policy which will sufficiently protect the interests of such orphans, in securing their education, their rights to the lands intended for them, and to their annuities, which last I propose to retain and invest for them, unless some better plan can be devised after receiving the report of Superintendent Murphy, to whom the subject has been referred.

The subject of control by the agents over the missionaries who labor among the Indians has presented itself in the case of the Catholic priest among the Menomonees, which is fully detailed in Agent Davis's report. The influence of the priest at that agency over the Catholic portion of the tribe appears to have been very objectionable; and, in the matter of his conduct at the time of the prevalence of the small-pox among them quite outrageous, and the agent's course in excluding him from the reservation was fully approved. Fortunately, such complaints are very rare, and I trust this case may have no parallel elsewhere. The same priest is charged by the agent with obtaining or endeavoring to obtain from the relatives of deceased Indian soldiers, of whom there have been many among the Menomonees, a large share of their arrears of pay and bounty, to pay for masses for the souls of the deceased. At the hazard of being charged with interfering with matters of religion, I have, by special report upon this subject, taken steps to prevent the consummation of this wrong, by having these payments made through this office.

Some action is necessary on the part of Congress to provide a remedy, by a revision of the list of authorized Indian agencies, for the confusion which has gradually arisen out of the division of the old established Territories. The case of Washington, Idaho and Montana is in point, where, out of the number originally provided for Washington Territory, two are now on duty in Idaho and Montana, while one is assigned to duty in Oregon; and lately an agent was appointed, under a commission for Indians in Idaho, to take charge of the Flatheads in Montana, and who must be paid from the appropriation for Washington, to which superintendency the Flatheads originally belonged. Several other changes will doubtless be found necessary on the receipt of the reports of the commissions now engaged in making treaties with various tribes, the final adjustment of matters with the southern Indians, and the ratification of certain other treaties which will probably be laid before you during the approaching session of Con-

gress. A special report on this subject will be presented when the required data reach this office.

During the past summer there has occurred much correspondence with the military authorities in command in the west, with most of which this office has become acquainted through copies furnished by your department, and instructions have been forwarded to the various superintendents and agents by your direction, requiring them to observe carefully the policy adopted, which may be briefly stated thus: that where Indians are hostile, the civil authority is to be held in abeyance until the measures taken by the military authorities for quelling the outbreak have been concluded; that where the Indians are generally quiet and peaceable, but require prompt action to quell disorders among themselves, or to prevent unlawful interference of white persons with them, the military are to render assistance when appealed to by the agents; and at all other times the military are not to interfere with the civil control of the Indians. Such a policy as is above indicated is the plain dictate of common sense, and if all officers will but exercise it, there need be no difficulty. Upon some points, however, there may be a variance of opinion, which must be settled by superior authority; as, for instance, the question as to when military force is to commence its operations and take the complete control, when the civil agents are of opinion that peaceable measures will prevent bloodshed; and, again, as to where, short of extermination, the exercise of military authority is to stop, when the civil authorities have reason to believe that the hostile parties are sufficiently punished. No such difficulty has as yet arisen, and a frank and candid interchange of views on such points will, I am confident, continue the present harmony of action, and there is no reason to apprehend any other course from the distinguished officers in high command in the west, with all of whom the relations of this office have been most cordial and pleasant, though some of their subordinates, in cases which have been from time to time laid before you, have doubtless exceeded their authority and caused some trouble.

Several important treaties have been transmitted to your department from this office during the past year, which should, I think, meet with the early attention of the Senate, and the necessary appropriations be promptly made without waiting for the general appropriation bill. Among these, are the treaty with the Klamath and Modoc tribes in Oregon, and those with the Omahas and Winnebagoes, all of which were transmitted to your department shortly after the adjournment of Congress. The last two, especially, require attention, in order that the measures proposed for the Indians may be put into operation at once; and indeed the other is scarcely less pressing. Besides these treaties, there is one lately forwarded, and of much importance, concluded with the Utah Indians by Superintendent Irish, extinguishing their claims to the occupancy of nearly the whole of that territory. Mr. Irish's report, sent with this treaty, is very interesting, and is presented in the accompanying documents.

There is one treaty before the Senate unconfirmed, that last made with the Nez-Perces, which should, in my opinion, be confirmed, as will more particularly appear in remarks under the head of the superintendency of Idaho; circumstances in regard to the rapid settlement of that Territory having made other arrangements necessary.

The various treaties made by the several special commissions during the present autumn will also come before you for action.

For convenience of reference I recapitulate here, in brief, the various points alluded to in this report as requiring action by Congress, to wit:

Legislation with reference to a more strict control of traders, requiring them to conform to just schedules of prices in their sales to and purchases from the Indians, and providing penalties for connivance with agents.

In regard to prevention of and punishment for the connivance of agents with

traders or contractors, or the being concerned in any manner in the profits of transactions with other parties on behalf of government.

A more stringent law to prevent cattle-stealing in the Indian territory.

Increase of pay and gradation of salaries of agents, superintendents, &c.

Reorganization of the working force of this bureau, and increase of salary of the Commissioner.

Protection of Indian lands from taxation by State laws.

An appropriation for the collection and preservation of information relative to, and memorials of the various tribes of Indians.

Revision of the list of agents, and provision for new ones, where changes of boundaries or new treaty provisions require it.

Action upon the several treaties herein referred to.

Provisions for houses for agents at posts where no dwellings are now furnished for them.

Appropriation for payment to Pottawatomies, who have taken steps to become citizens, of their *pro rata* share of the funds of the tribe.

Legislation, if necessary, in the interests of the orphan children in the various tribes who receive annuities.

Provision for the purchase of land for reservations in California, and for the extinguishment of claims to improvements thereon.

The organization of a territorial government for the Indian territory, and settlement of friendly Indians therein.

Encouragement of a railroad from some point on the Missouri river to Galveston, Texas.

The special reasons assigned for the above action will be found under their proper heads in the course of this report, and the papers referred to are transmitted herewith.

I deem it unnecessary, in these general remarks, to make any particular reference to the subject of the several treaty commissions which have been or are still engaged in the duties assigned to them. Such reference as I have deemed appropriate will be found under the heads of the several superintendencies within which their sessions were appointed to be held, particularly the southern superintendency. I cannot, however, refrain from congratulating the department on the great success which is attending the efforts made to restore peace and amity between our people and these "children of the forest." It can certainly add nothing to our glory to vanquish so weak an enemy, even if there were no doubt that we were in the right; and to wage a merciless war against them, when it is doubtful who was guilty of the first wrong, is the most wanton cruelty.

What has already been accomplished is a restoration of peace with the various hostile bands of Sioux in Dakota, and with all the Indians between the Platte and the Arkansas, on the great travelled routes across the plains.

The difficulties in the former case seemed to be almost insuperable. A military campaign in the Indian country had just closed without such results as would tend to impress the Indians with our power; they were widely scattered, and being familiar with the horrible transaction at Sand creek, were naturally suspicious of our designs. But, by the latest advice, the efforts of the commission sent to treat with them seemed likely to meet with success; and such progress had been made as would undoubtedly result in peace and tranquillity in all that region.

In the latter case the difficulties were not so great, but the success has been signal. A treaty was made with such of the Cheyennes and Arapahoes as have remained south of the Platte, and they had sent their young men to convey the glad tidings to their northern brethren and induce them to come in.

The Apaches, too, had joined in the treaty with the Cheyennes and Arapahoes, and gladly accepted its terms, and the Comanches and Kiowas had made

peace and entered into a treaty. All of these tribes had accepted reservations south of the Arkansas, and far from the great thoroughfare where they had been so troublesome.

WASHINGTON TERRITORY.

The Indians of this superintendency consist of a large number of small bands, with names of infinite variety, but almost uniform uncouthness, apparently taken from the rivers, mountains, or bays where they resided. I find it impossible to ascertain the exact census of the various tribes, as the superintendent and agents appear to have systematically overlooked that essential particular in their reports. By a careful collation of former reports with those of this year, which occasionally make mention of the number of particular tribes, I have prepared the following estimate, arranged in the usual method practiced in this superintendency, of classing together the tribes who were included in the various treaties made with them by Governor Stevens:

Treaty of Point Elliot, Tulalip agency, Agent Howe: Tulalips, Skokomish, Lummis, &c. Population about 1,900.

Treaty of Point No Point, Skokomish agency, Sub-Agent Knox: Sklallams, &c., 1,500.

Treaty of Neeah bay, Makah agency, Agent Webster: Makahs, &c., 1,400.

Treaty of Medicine creek, Puyallup agency, Agent Elder: Puyallups, Nisquallys, Squaksins, and Chehalis, (the latter tribe not treated with, and in charge of same agent,) 2,000.

Treaty of Olympia, Quinalt agency, Sub-Agent Hill: Quinalt, Quillehutes, &c., 600.

Treaty of Fort Simcoe, Yakama agency, Agent Wilbur: Yakamas, &c., 3,000.

Besides the above, Special Agent Paige has been sent by the superintendent to look after the condition and wants of certain tribes in the northeast part of the Territory, and reports the number as follows: Spokanes 1,200, Colvilles 500, Pend d'Oreilles 800, Okinakanes 500, other small bands 400—say, 3,400 in all.

Grand total in the Territory, as estimated above, 14,800.

From the reports of Agent Howe of the Tulalip agency, and Mr. Finkbauer, the farmer in charge of the Lummis reservation, we learn that the Indians exhibit a marked improvement in some respects; have been quiet, and somewhat industrious, successful in their crops, and have added twenty-five houses for their comfort. The school, long under the charge of the devoted Father Chirouse, has produced good results; but he pleads for means to provide better accommodations, subsistence, and clothing, so that the school may be of more service. The superintendent estimates that \$5,000 would be sufficient for these purposes, and I refer to the report of this earnest laborer for the welfare of the Indians for the good reasons given for his request. The superintendent thinks that a competent miller should be employed to keep the saw-mill running, so as to furnish lumber for houses for the Indians. He also suggests the necessity of a definite survey and location of the lines of the reservation.

From Sub-Agent Knox, in charge of the Skokomish reservation, we get accounts of but little improvement by the Indians, who seem to be in bad health, owing to the effects of whiskey, which is furnished them in spite of all precautions. Still, something has been done, against great obstacles, in clearing up a farm, setting out orchards, &c. The Sklallam Indians refuse to live on the reservations, but the Skokomish do, and will improve when sufficient land is cleared of its heavy timber for their use. There is no school on the reservation, and the superintendent states that, deeming the amount provided so small that its expenditure for the purpose would avail nothing, he has retained

it for the present, unexpended, to be used when the condition of things at the agency shall be better prepared for its profitable use.

Agent Webster has charge of the tribes parties to the treaty of Neeah bay, his labors being principally confined to the Makahs, numbering 675, in regard to whom his report is quite full. These Indians have seventy-three frame and plank houses, and raised a good crop of potatoes last year, besides obtaining and curing one hundred tons of fish, ten tons of which they sold for \$1,000. The farming operations at this agency are limited, very little land being cleared, the Indians preferring to fish in the convenient waters of Puget sound, to devoting themselves to agricultural pursuits. The agent, therefore, recommends that a change of policy be adopted towards them, and that they be encouraged to enter into the business of fishing as a means of livelihood. He thinks that, by furnishing them with a small schooner, of forty or fifty tons, they could do a successful business in catching and curing for market the fish which abound in the wide straits of Fuca and in the waters of the Pacific, near Cape Flattery. In regard to the school, the building for which is, according to Superintendent Waterman's report, sufficient to accommodate two hundred children in a thriving New England town, it appears to have been, thus far, of very small avail in the education of the children, who cannot be induced to attend in any considerable number, or with any degree of regularity. The teacher, however, appears devoted to his work, and indefatigable in his efforts to induce the children to come in, and writes hopefully that some good will soon be accomplished. The agent thinks that injustice has been done in not forwarding for the use of the Indians the funds for farming purposes; but this complaint, unless it refers to the inadequacy of the appropriation, seems to be unfounded.

Agent Elder's report as to the Puyallup agency, comprising several tribes and reservations, is favorable on the whole, and he represents the people, under the improved state of things which he has inaugurated, as more prosperous than ever before. The Puyallups, besides subsisting themselves, have sold produce to the amount of over \$6,000. From the agent's report it would appear that eleven years of the treaty payments have passed with but little benefit to the Indians. Under present regulations, and with a class of employes more faithful to their duties, he hopes that the remaining nine years will witness such improvement that the Indians will in that time be abundantly capable of caring for themselves. To this end he is causing the Indians to be taught mechanical arts, and finds them apt to learn.

The Chehalis Indians, numbering about 600, are under charge of this agency. No treaty has ever been made with them, but a portion of them have been concentrated upon a small but fertile reservation reserved from sale by the General Land Office, and are doing well. These Indians are industrious, and are raising an ample subsistence, but they fear that, having no treaty, their lands may be taken from them; and they say, too, that they cannot understand why they should not have the benefit of schools, mechanics, and other helps to civilization, as well as other Indians. I recommend that the superintendent be authorized to treat with these Indians, as I anticipate that not only will this peaceably disposed tribe be satisfied and improved thereby, but that a moderate appropriation for their benefit will have the effect of concentrating other tribes upon their reservation, to their great advantage.

Sub-agent Hill has in charge the Quinalt reservation, newly located, a change from its former location having been found necessary on account of a prevalence of poisonous plants. Slow progress is being made in clearing off the heavy timber, and not much can be done in the way of raising crops until an opening is thus made. A school is desirable, but the superintendent, with good reason, I think, deems it best to await operations in getting the Indians somewhat comfortably situated upon the reservation.

The Yakama reservation, under charge of Agent Wilbur, is an illustration of what may be done under favorable circumstances by an efficient agent, towards the real, permanent benefit of the Indians. The early history of this reservation does not indicate on the part of former employes of the government such conduct as would entitle them to a diploma for honesty and integrity, if the facts are as stated in Agent Wilbur's report; but at present the Indians appear to be making rapid progress in every essential element of civilization under the system adopted, by which every employe is conscientiously devoted to his work. The reservation is favorably situated in the southern part of the Territory, on the east side of the Cascade range of mountains, and is quite extensive, fertile, and enjoys a mild and healthy climate. Buildings of the various kinds necessary for agency purposes are provided, of good character, and the mills are kept in good repair. On the agency farm 100 acres were under cultivation, though with fears of a light crop on account of drought. Only one white farmer is employed, the compensation provided for the other being used in hiring Indian labor. The school farm has eighty acres under fence, and thirty acres cultivated by the Indian boys and young men of the school; the total average attendance at the school being twenty-nine, male and female. Particular attention is paid to teaching the boys trades, and the girls the arts of housewifery, and to such advantage that the results of their labor in the manufacture of shoes, harness, clothing, &c., and in the sale of farm produce, has amounted to over \$1,500, besides their own subsistence. Besides this, the Indians themselves cultivate over two thousand acres of land, and are becoming independent in every respect. It is as gratifying as it is uncommon to be able to record thus the complete success of an Indian agency, where every feature of its annual report is favorable, no complaints are made, and no changes asked for.

In reference to the remaining Indians of the Territory who have heretofore been under the general charge of the commanding officer at Fort Colville, in the northeast, but to whom Mr. George Paige was sent as special agent, some general information is given in Mr. Paige's report. The Spokanes are the most important tribe, as well in number as in character. Their chiefs speak English well, and the people raise very fair crops here and there, but spend much of their time in fishing. They are a self-sustaining people, jealous of their rights, and for the most part disinclined to any treaty involving a relinquishment of territorial rights. Their country, however, is being traversed by the inevitable gold-seekers, and unpleasant collisions, arising from the reckless and unscrupulous manner in which the property and rights of Indians are trampled upon by the whites will doubtless compel a resort to the usual plan of reservation and concentration. The Indians about Fort Colville are well disposed and quite intelligent, and there is a good account also of the Pond d'Oreilles, west of the Bitter Root mountains; but the Okinakanes are represented as a vagabond, thieving race, living partly across the British line, and making much trouble by robbing settlers or travellers, and then escaping across the border with their plunder.

OREGON.

The annual summary from this important superintendency did not reach this office until the moment of closing this report, and too late to allow of any digest being made of its contents. It will be found, with the reports of the several agents, in an appendix to the accompanying documents.

We have at hand no accurate statistics of the present population of the Indians of Oregon. There are four agents and two sub-agents in service in the State, having charge of the Indians gathered upon several reservations, to wit:

Umatilla reservation, in northeast Oregon; agent, Barnhart; the Cayuses, Walla-wallas, and other small tribes—total number on and near the reservation,

as reported last year, 1,021. Owing to the inadequate number of agents provided for Oregon, Agent Barnhart, appointed for Washington Territory, is assigned to duty at this agency.

Warm Springs reservation, in the northern part of the State; agent, Logan, (recently deceased;) the Wascoes and others, 1,066.

Grande Ronde reservation, in the northwest; agent, Harvey; having in charge fragments of numerous tribes or bands, estimated a year ago at 2,300.

Siletz agency, and *Alsea* sub-agency, along the Pacific coast, in charge of Agent Simpson and Sub-agent Collins, and numbering at the last accounts about 2,800 in all.

Klamath and *Modoc*, under charge of Sub-agent Applegate; a treaty having been made with them last year, but which has not yet been acted upon by the Senate. This proposed reservation is in the southern part of the State, near the California line; they number about 2,000.

Besides the above, there are tribes of Snakes or Shoshonees in the southeast, with whom a treaty has recently been made, and other tribes of various names, supposed to number about 1,000 in all.

In relation to affairs in Oregon, two important reports have reached this office since its last annual report, in reference to which allusion should be made. Under date of June 22, 1864, instructions were sent to Superintendent Huntington to proceed to the negotiation of a treaty with the Klamaths, Modocs, Snakes, &c., in the southern part of the State, and the sum of \$10,000, being one-half of an appropriation made by Congress for the purpose, was placed at his disposal. On being advised by the superintendent that all of the tribes referred to could not be comprised in one treaty arrangement, he was directed to proceed with the Klamaths and Modocs alone, and the balance of the appropriation was sent to him to use in his negotiations with the other tribes. The treaty with the Klamaths, &c., reached this office too late for action by the Senate last winter, having been transmitted to your department February 24. By it the Indians cede their claims to about twelve million acres of land, and concentrate upon a reservation of moderate but sufficient extent. This treaty, as will be seen by Superintendent Huntington's report, has been negotiated at a very small expense, and much below the amount placed at his disposal. Its provisions are regarded as very favorable to the United States, and the appropriations required being small, it is hoped that the treaty will be ratified, and the means of carrying it into effect provided at an early day; at all events, in time for spring operations on the reservation.

In regard to the treaty with the Snake Indians, full particulars will be found in the superintendent's annual report in an appendix to the accompanying documents.

The other subject referred to above is that of providing a small appropriation to enable the superintendent to make a treaty with the Indians comprised within the Siletz agency and Alsea sub-agency along the Pacific coast. Some years ago a treaty was made with these Indians, by which they agreed to cede a large body of land under certain conditions. They did give up the possession of their lands, and retired within limited boundaries at two points of their old country, where they have received from time to time some assistance from government. But the treaty referred to was never ratified by the Senate, though the Indians fulfilled their promises strictly. It now appears that it is important to the interests of the white population, while it will be no prejudice to the Indians, that the former should obtain access to, and possession of, the country about the Yaquina bay and river, where there is a good harbor and site for a commercial town; it and the neighboring region being comprised within the Alsea sub-agency. A very full report from the superintendent, submitted herewith, proposes to make a treaty with the Indians referred to, under which the four tribes about Yaquina bay will be concentrated at a point further north, and

thus leave the coveted territory open to settlement. Under this arrangement, one sub-agency would be dispensed with. The estimated expense of the removal of these Indians is given by the superintendent at \$16,500; and he suggests that the town site at Yaquina bay would, at public sale, more than reimburse the government for the outlay. I suggest the policy of early action upon this subject.

CALIFORNIA.

Under date of April 1, 1865, a report from late Superintendent Wiley furnished this office with information of the general condition of the Indians upon the reservations, and of the progress thus far made in the reorganization of Indian affairs in California under the law of 1864. At that time it was expected that a very large surplus of grain and vegetables would be raised upon the reservations; but, as will be seen by the report of Superintendent Maltby, who succeeded Mr. Wiley about the first of May, those expectations have not been realized. Before Mr. Wiley retired, however, he was able to report many changes for the better in the condition of affairs. Up to the date of the report above referred to, but two of the four reservations to which the act of Congress limits the superintendency had been definitely settled upon, being those at Round Valley and Hoopa valley.

It was intended to remove the Indians from the Smith River reservation, and place them at the old Klamath reservation, still owned by government, but to place the occupants under the charge of an employé of the Hoopa valley agency. No definite suggestions were made as to the selection of the other two permanent reservations.

By the annual report of Superintendent Maltby, of recent date, we obtain quite full information of the condition of affairs in California, the superintendent having but lately completed an extensive tour of observation, made in company with Hon. Mr. Higby, one of the congressional Committee of Investigation. In regard to the disposition of the Indians upon the reservations, they are said to be everywhere well disposed and peaceable, and willing to labor for their own support; and many who have not hitherto come under the care of the agents are seeking permission to come in and share the labors and benefits of the policy adopted upon the several agency farms. The superintendent represents them as very destitute of clothing, supplies of which must be purchased for them, until such time as they can raise a surplus of produce to be disposed of. The additional numbers coming in every year to the reservations will probably postpone all sales of surplus produce indefinitely, as the new comers must be supported till they can raise a crop.

Superintendent Maltby desires to discontinue, as soon as practicable, the system, still to some extent practiced, of renting lands for Indian reservations. In this desire I readily concur, and it is hoped that such practice will soon cease, either by adopting the suggestions of the superintendent's report, which proposes to purchase the necessary lands at a fair appraisement, or by removing the Indians to lands already owned by the government.

There are no schools upon any of the reservations in California, and the suggestion of Superintendent Maltby, that Congress be requested to make provision for at least one good school upon each reservation, meets with my hearty concurrence, and I trust that this small chance of intellectual life may be vouchsafed to the poor remnant of the tribes who once occupied as their own a country so prolific of wealth, and who have been compelled to yield possession without any stipulations for their benefit.

The four agencies referred to in the annual report are those of *Round valley*, in northeastern California, *Hoopa valley* and *Smith river*, in the northern part of the State, *west* of the mountains, and *Tule river*, in the extreme south, *east* of the mountains.

Round valley comprises a tract of about 25,000 acres, containing land of remarkable fertility, both as to the arable and pasture land. Under the charge of Agent Fairchild, the measures taken for the care and support of the Indians at this point have been carried on with energy, and 2,700 acres have been enclosed with a good fence, while preparations are far advanced towards the fencing of 3,000 acres more. Over 1,000 acres have been under cultivation this year; but the crops are light as to all kinds of grain, though vegetables were plentiful. The occupants of this reservation comprise the following Indians: Pitt Rivers 320, Wylackies 80, Ukies 300, Onocows 240, making an aggregate of 940; to which would be added immediately 370 of the Indians who have been kept at Humboldt bay, under charge of the military; the remaining 400 of those prisoners being at the old Mendocino reservation, at present under the charge of an employé from Round valley. The agent also expects to receive some 800 of the Clear Lake, Ukiah and Redwood bands, who have expressed a desire to come into the valley, and thinks there will be no difficulty in subsisting all of them. The superintendent has terminated a lease of certain lands which were no longer needed, and which was costing the government \$3,350 per annum. He recommends the purchase of the improvements of the white settlers remaining in the valley, but gives no estimate of the cost of such purchase.

Hoopa valley was selected last fall by late Superintendent Wiley as a reservation, and possession taken under an arrangement with the settlers that their improvements should be purchased. Upon his suggestion that these improvements would not cost more than \$60,000, an appropriation of that amount was made by Congress, and a board of appraisers designated. An appraisal made under directions from this office, by parties represented to be disinterested, was already in progress, and their report reached this office before the instructions under the act of Congress were sent out. It made the valuation over \$116,000, besides a large quantity of agricultural implements, amounting to over \$8,000. The appraisal by the *new* board has just reached the office, and is within the amount appropriated for the improvements, while the valuation of the implements is about \$4,260 in coin. Upon the payment of the amounts so returned, the reservation will be entirely in the hands of government, and all white persons excluded, except the necessary employes.

Superintendent Maltby does not represent the capacity of the reservation for sustaining a large number of Indians in as favorable terms as his predecessor. There are now 600 upon it, under charge of Agent Stockton, and 1,800 Klamaths are expected, this being, as now stated, about the capacity of the reservation.

No trouble is found in getting all the necessary labor from the Indians, an overseer only being needed to direct them. Much expense for transportation of supplies is necessarily incurred until sufficient crops can be raised to sustain the Indians.

Smith River reservation is upon the coast, and consists of one farm of 1,200 acres, besides adjoining lands, rented at a cost of \$1,948 in gold per year. Upon it are 700 Humboldt and Wylackie Indians, quietly and industriously occupied; and they have raised this year an abundance for their subsistence. The superintendent recommends the purchase of these lands, and more in the vicinity, if necessary, as he thinks the cost of removing the Indians and putting up the necessary buildings at any other point would greatly exceed the cost of such purchase. He will be called upon for an estimate of the cost of the land referred to, as well as of the remaining improvements in Round valley. The Tule river farm, in the southern part of the State, under the charge of Agent Hoffman, contains 1,280 acres, and is also rented at \$1,000 a year. There are upon it 800 Owen's river and Tule river Indians, who, though the crops were light, have raised enough to sustain them. The superintendent makes the same recommendation as to purchase of this farm as in the case of Smith river, and

thinks that sufficient land can be had at fair rates in the vicinity for other southern bands who will soon have to be brought upon reservations.

With Superintendent Malby's report he has forwarded the statements of two special agents sent by his predecessor last spring, with instructions to visit and inquire into the condition of, and furnish seeds and a supply of implements to, the Mission Indians; located in small settlements near the southern line of the State, from Los Angeles to San Diego. These reports are full of interest, and the visit appears to have been of benefit to the Indians. Unscrupulous white men seem to be interfering with their rights in a very unjustifiable manner, and it was time that protection was extended to them.

The total number of Indians upon the reservations named above is, by the superintendent's report, 3,860; while he estimates the whole number in the State not on reservations, and including the Mission Indians, (who live upon and cultivate their own lands,) at 30,000, which is much beyond any other late estimates of the population of the California tribes.

ARIZONA.

After the resignation of Superintendent Poston, on the occasion of his election as a delegate to Congress last year, he left Mr. G. W. Leihy, whom he had designated as assistant superintendent, in charge of Indian affairs in Arizona, and Mr. Leihy was subsequently appointed superintendent. His annual report did not reach this office in time for notice in this report, but will be found in the appendix; but by a letter received, under date of September 27, he gives some important information in regard to the tribes on and near the Colorado river. The letter, which came too late for further notice, is among the papers submitted herewith.

From Mr. J. C. Dunn, who was among the persons appointed by Mr. Poston as agents, as referred to in the last annual report from this office, advices were received during the last summer of hostilities having broken out among the Indians along the Colorado river, but no details have been forwarded. Mr. Davidson, who was designated by late Superintendent Poston as agent for the Papagos Indians, in the southwest part of the Territory, has furnished much valuable information in regard to that interesting and thoroughly loyal people. In order to place in permanent form such information as to the character, history, and traditions of the Indian tribes as can be obtained, I have included Mr. Davidson's report among the papers to be published with this report. The Papagos occupy villages and the adjacent country, in the southwest portion of Arizona, having for their centre and most important point the old mission church of San Xavier del Bac, and number some 5,000 souls. The Pimos and Maricopas (confederated) are an independent and industrious people, living further to the north and west, and number, according to late Superintendent Poston, some 7,500. Over these two tribes Mr. Davidson was, on the occasion of his late visit to the east, and after your conference with him, appointed by the department as a special agent, and furnished with such portion of funds from the appropriation for Arizona as was deemed applicable to the Indians assigned to his agency, which also includes the *Time* Apaches, a small number of well-disposed persons of the extensive tribe which causes so much trouble in that region.

The Papagos have from time to time furnished soldiers to aid the whites against the inroads of the Apaches, and have been very efficient.

Their friendship has been fully recognized, and it is hoped that, under the teacher to be provided, and by means of the agricultural implements and other really valuable articles to be furnished them, they will make rapid improvement in civilization. Indeed, from the accounts received from Agent Davidson they

appear to be even now fully equal to the ordinary Mexican population of the country in all the elements required to make good citizens.

Of the Cocopas, who live near the mouth of the Colorado river, upon Mexican territory; the Yumas, numbering some 1,500, living further north, along the same river; and the Mojaves, Yavapais, Hualopais, and Chemihuevis, who number about 8,000, and live near the Colorado river, between Fort Yuma and Fort Mojave, we have literally nothing during the last year. Whether or not they have been engaged in the hostilities referred to above is not known; but the probability is that the war party was composed of a band known as Apache-Mojaves, neither belonging to the one tribe nor the other, but vagabonds from both. Still, it would appear from Mr. Dunn's letter that the whites were the aggressors; and this may be laid down as a general rule in regard to the Indians of the western slope, that unless provoked by wanton outrage, or driven by starvation to plunder, they are a quiet and peaceable people. Nothing has been done in regard to the proposed reservation lying between Corner Rock and Halfway Bend, on the Colorado, which was authorized by act of Congress last winter. The reservation, it is understood, can only be made available for the Indians by an extensive irrigating canal, estimated to cost some \$100,000 in currency, for which Congress made no appropriation.

Besides the tribes above mentioned, there are in Arizona a large number of Apaches, roughly estimated at 4,000, and the Moquis, who are village Indians, living in a half civilized state, in the northeastern part of the Territory. Some account of these interesting villagers was given in the report of last year from this office, but no agent of the government has visited them. They are allied by language to the Pueblos, of New Mexico, and having suffered greatly from starvation, a delegation visited the nearest Pueblos last winter, having travelled hundreds of miles to obtain relief, which was given to them by Agent John Ward, as stated in his report upon the subject.

If it proves, upon examination, to be impracticable to attach this people to any of the Arizona agencies, measures will be taken to supply their moderate wants from New Mexico, if Congress will provide the means, though it seems doubtful whether the dry plains upon which they live will long sustain them. The want of water for crops and stock is the principal difficulty, and to the gradual drying up of the streams and decreasing average of moisture is ascribed by many the gradual diminution of the population of this whole region, which, as is evident from the many remains of extensive buildings and settlements, once teemed with busy life.

The Pai-Utes extend their range into northern Arizona, but are mostly in Nevada since the change of the boundary of that Territory one degree to the eastward. It is very much to be regretted that goods sent for the Arizona Indians from New York as long ago as the early fall of 1864 had not at last accounts reached their destination. They have travelled to San Francisco, thence down the coast again, and up the California Gulf to Guaymas, where it was found impossible to land them, owing to the French siege then in progress. At last accounts, I understand that the goods have gone back to San Francisco upon a United States vessel, and will probably be found there by Mr. Davidson, who has recently returned to his post.

A recent communication received from Mr. H. Ehrenberg, who was for some time acting as Indian agent in Arizona, submits certain plans for the benefit of the Indians. It will be seen that he opposes, for reasons given, the project of a reservation for the Indians along the Colorado river.

NEVADA.

Indian affairs in Nevada, or rather our advices in regard to them, have been and are in a very unsatisfactory condition.

Since the last annual report of Governor Nye, ex-officio superintendent, we are almost without a word of information in regard to the condition of the Indians of that State. It was not until July last a superintendent was appointed, and the appointee, Hubbard G. Parker, esq., did not enter upon his duties until September. The goods for the Nevada Indians were forwarded last spring, with the expectation that they would be taken in charge and distributed by Agent Lockhart, who was at Carson City, to which place they were shipped. The appearance in this city of Agent Lockhart in June, and his subsequent resignation, disappointed this hope; for Mr. Burch, the local agent at Ruby valley, had also left his post, or resigned, and no person was left in Nevada to attend to Indian affairs. Senator Nye, who, as governor and superintendent ex-officio, had been very successful in his administration of Indian affairs, was appealed to to assist, so far as he could make it convenient, in regard to several matters of importance; and, although no advice has been received, I entertain some confidence that the interests of the service have not seriously suffered. There has been, from the first, very little difficulty with the Indians of Nevada, partly because they are a very peaceable people, and partly because of the judicious course taken by Governor Nye in establishing efficient special agencies to look after them, and prevent difficulties and disturbances, rather than to await their occurrence.

Agent Lockhart had general charge of the Indians, branches of the Pai-utes, and a portion of them known as the Carson valley Indians, who had reservations surveyed in the western part of Nevada, including Walker lake and Pyramid lake; and a smaller reservation for a farm and mill and timber had been selected on the Truckee river. Last year the necessary expenditures for this mill and for an irrigating ditch for the farm had been made, but the failure of water in the river disappointed for a time the hopes raised as to both mill and farm.

I cannot dismiss with this brief reference the subject of this mill and reservation. The reservation was selected with a view to give the Indians a home, and to furnish, in its very valuable timber, stock for the costly mill to be erected upon it. To justify such a cost (about \$25,000, including stock of logs already cut) it was undoubtedly contemplated that, beyond the very moderate wants of the Indians in the way of lumber for houses, sales of lumber to a large amount were to be made for the benefit of the Indians of the agency. I know not what other object there could have been for either reservation or mill.

From papers in this office, both original and copies from the files of the department proper, it appears that, under date of March 31, 1865, a letter of instructions was given by your predecessor to Clark W. Thompson, then superintendent of Indian affairs for the northern superintendency, to sell this mill in Nevada; a blank contract for the sale accompanying the instructions. I refer to both of these documents as published among the papers accompanying this report. The reasons for the sale, as stated in Secretary Usher's letter, were briefly these: That the Pacific railroad would pass near the site of the mill, and make the locality unfit for an Indian reservation; and that the expense of the mill having been greater than was expected, and it being considered injurious to the Indians and the public interests to have the Indians so near to the "settlements attending the construction of the railroad," it was contemplated to reduce the reservation by about five miles, "which would make it proper and necessary to sell the mill property." A Mr. W. N. Leet was suggested as a person who would be likely to purchase the mill, and Mr. Thompson was authorized to execute a contract on the part of government with the purchaser. The contract enclosed provided for the sale of the mill, with all the logs then cut upon the reservation, and the privilege of cutting logs upon the even-numbered sections of the reservation for ten years, paying for the whole \$30,000 in lumber, delivered at the mill, at the lowest cash prices prevailing at the time of delivery, and in installments of \$5,000 for the first year, and \$2,500 for the succeeding ten years.

This contract was executed by Mr. Thompson and Mr. Leet on the 27th day of May, 1865, and a copy, one of three originals, only reached this office from Mr. Thompson in the month of August, just before I left this city on public business. I at once disapproved the contract, and directed Mr. Leet to be informed of such disapproval. But, upon more careful examination since my return, I am satisfied that in case you concur in my views of the nature of the transaction, some active steps should be taken to prevent a gross injustice.

I cannot see, in the letter of instructions referred to, any satisfactory reasons for selling the mill. On the contrary, the fact that it had cost a great deal of money appears to me the greater reason why it should have been put at work at the earliest day possible, for the benefit of the agency, upon the large stock of logs already provided. Neither can I appreciate the reasoning in the case of the Indians referred to, (however it might apply to others,) that they should be required to remove back from the line of the railroad. On the contrary, being willing to labor, as was shown by their industry in constructing the irrigating canal referred to above, they could have secured employment for a long time upon the railroad work. The sale appears to me to amount to little more than giving Mr. Leet the mill, with timber of immense value with which to run it for ten years. But, even if it had been proper to make this sale, it seems strange that a superintendent should be sent from Minnesota, where his services were needed, to Nevada, at great expense, to effect it, when it could have been done as well by the agent at Carson City, or the superintendent of California. I confess that I am groping somewhat in the dark in considering this subject, but I am sure I cannot be wrong in checking the consummation of the project; and I have instructed the superintendent to take immediate possession of the mill and logs, and all property purporting to have been sold; and, unless otherwise directed by your department, I shall in no manner recognize this singular transaction.

Special Agent Burch, who had charge of the Humboldt and other Indians, with agency at Ruby valley, gave assurance last year, on the part of his Indians, (numbering about two thousand,) and of the Pannakies, further to the north, that they would not molest the travellers who were expected to crowd the emigrant routes from California to Idaho and Montana, and it is presumed that they have kept their promise, as no complaints have reached this office.

When Agent Lockhart was here he represented that a portion of the Carson Valley Indians, who had given up their lands without receiving any consideration therefor, and who were peaceable and industrious, obtaining their living by labor about the towns and diggings, asked that a small tract of land might be given them, upon which they might have a right to settle their families, as they had not a foot of land of which they had an unmolested occupation. This modest request was granted, and action taken by requesting Governor Nye to make the necessary selections, the department also directing the selections thus made to be respected at the district land office.

Allusion is elsewhere made to the fact that the Pai-utes, to whom Mr. Sales was sent as special agent by Superintendent Irish, of Utah, at the instance of settlers in Meadow valley and the vicinity, were, by the placing of the boundary of Nevada one degree further east, thrown mostly into Nevada. Meadow valley is in Nevada, and is understood to be the centre of a rich mining district, where if we are to credit the accounts given to Mr. Sales, fabulous amounts of gold and silver are to be found. By what routes the hardy and adventurous miners have found their way thither does not appear, though it was Mr. Lockhart's opinion that they had come from the northwest, by way of Esmeralda. It seemed very desirable, in order to prevent difficulty between the settlers and the Indians, that a special agency should be established at or near Meadow valley, but it was impossible to decide whether, for facility of communication, the agency should report through Utah eastward, or through Nevada, via San

Francisco. Superintendent Irish thought that it should report through him, while Mr. Lockhart thought that communication would be more certain and speedy through Esmeralda and Carson City.

Into this subject, as well as in relation to the other matters concerning Indian affairs in Nevada, Superintendent Parker has been directed to make immediate inquiry and to report as soon as possible. His report will be laid before you when received, and it can then be decided what is necessary to be done for the Indians of that State.

It has been ascertained that certain packages of goods destined for Nevada, amounting in value to about \$4,600, and which, if sent by the best route, should have reached their destination in time to be distributed to the Indians early this fall, were sent to Nebraska City for transportation overland, and by some blunder, the responsibility for which this office has not yet been able to fix, were left behind by the contractor for transportation. As soon as this fact was discovered, steps were taken to place these goods in the hands of Superintendent Murphy, of the central superintendency, and it is proposed to use them for the Indians of that or neighboring superintendencies, and make their equivalent value available for Nevada. The total population of the Indians in Nevada, aside from those whose range extends into that State, but who have been estimated in other superintendencies, is supposed to be about 8,500.

UTAH.

We obtain from the annual report of Superintendent Irish a clearer idea of the numbers, location, character, and condition of the Indians of Utah Territory than has heretofore been furnished. They may be classified as follows:

Eastern bands of Shoshonees and mixed bands of *Bannacks* and *Shoshonees*, numbering about 4,000, under the chief Washakee, a true friend of the whites. They range through northeastern Utah and southeastern Idaho; were parties to the treaty of July, 1863; regard the Wind River region in Idaho and the country about the upper waters of the North Platte as their residence, and desire a reservation there. Governor Lyon, of Idaho, will probably make a treaty with them for the purpose.

Northwestern Shoshonees, numbering 1,500, ranging about sundry valleys in and near the Goose Creek mountains, but being mostly in Idaho; were parties to the treaty of Box Elder of July, 1863; are poor, and suffered from hunger last winter, but kept their promises, and did not disturb the emigrant routes. The superintendent assisted them to a small extent, and secured employment for many of them as herdsmen.

Goships, (or Goshute-Utes), numbering about 800, ranging west of Salt Lake, were parties to the treaty of Tuilla Valley of October, 1863; are very poor, and depend for subsistence upon roots and nuts, and their resources are disappearing as the white population advances. The treaty provides a yearly present of \$1,000 in goods or provisions, and the superintendent says this amount should be considerably increased.

Weber-Utes, numbering eight hundred, living in the Salt Lake, Weber, and Ogden valleys, and in the neighborhood of the towns. They are a mixture of Utes and Shoshonees, and are represented as an idle, shiftless, and vagabond tribe, giving much trouble by petty depredations.

Utahs.—These are divided into several bands, as follows:

Timpanogs, a small band of three hundred, inhabiting the Utah valley and neighboring mountains.

Uintah Valley Indians, numbering three thousand, occupying northeastern Utah and the Green River country.

Pah-Vants, numbering fifteen hundred, and ranging through Pah-Vant and Sevier valleys, and west to the White mountains. A very favorable account is given of them. Their most influential chief, Konosh, has induced them to pay

attention to farming, and his good offices will be availed of to induce a more ready compliance with the policy of the department, in the removal of all the Utahs to the Uintah Valley reservation.

San Pitches, numbering about 500, and live in the San Pitch valley and along the Sevier river. They are very poor, and live upon fish, roots, nuts, &c.

Besides the above Utahs, there is a large number of Indians, estimated at 6,000, called the *Pe-Edes*, allied in language to the Utahs, but very poor, and obtaining a precarious living upon a barren region in the southern part of the Territory. They cultivate here and there a few patches of grain or vegetables, but are often reduced for subsistence even to feed on lizards, toads, and insects. The superintendent hopes to induce them to accept a better home upon the Uintah Valley reservation, as soon as the preparations at that point are sufficiently advanced.

The *Pah-Utes*, who formerly constituted a considerable portion of the Indian population of Utah, have, by the late change in the boundary between this Territory and Nevada, been thrown for the most part into that State, although they have been visited and looked after by Special Agent Sales, sent to them by Superintendent Irish, at the urgent appeal of citizens, indorsed by the late governor, Hon. J. D. Doty. In Governor Doty this office has lost an able and willing adviser and efficient aid in developing its policy and obtaining an influence over the Indians; while the latter, as well as the white settlers, have lost a true friend.

Governor Doty returned to this office, under date of 18th of November, 1864 the treaties with the northwest Shoshonees and the Shoshonee Goships, with the amendment of the Senate ratified, and those treaties have been proclaimed; but he was not able to get the northeast Shoshonees and mixed Bannacks and Shoshonees together.

Much correspondence has taken place between the superintendent and this office in relation to the proper plans to be pursued in regard to preparing the Uintah Valley reservation for a home for all the Utahs who can be induced to remove to it, but not much has been done until recently towards accomplishing the desired end. Both the superintendent and Agent Kinney presented plans for the expenditure of the appropriation for the purpose made by Congress, but both, especially the latter, contemplated the use of a considerable part of the funds in expenses of removal, or clothing, or subsistence.

As the decision of Secretary Usher was that no portion of the funds could be used for these purposes, and that they could only be used in preparing the reservation to receive the Indians, it was deemed advisable to expend the funds in such preparations no faster than there was a reasonable hope of getting the Indians to avail themselves of the advantages offered to them; the theory adopted being that after a portion of the Indians had removed to the reservation their labor could be availed of to assist those who were to follow, and thus a large expenditure for labor be saved to the government. I am now inclined to think that perhaps it would have been well to push these preparations forward more vigorously, as it would seem from Superintendent Irish's special report relative to the treaty referred to below, that the Indians show much more willingness to remove than was expected. Agent Kinney has gone upon the reservation, and a full report from him was expected, but has failed to arrive. The examination made of the Uintah valley, which is ample in extent for all of the Utahs, showed it to be abundantly fertile, well timbered, and well watered, and measures have been taken to warn all white persons away from the tract reserved. The people of Utah have been anxious to obtain possession of the several small reservations heretofore withheld from sale, particularly the one at Spanish Fork, none of them being at present occupied and cultivated by or for the benefit of the Indians. The superintendent represented that, as to some of these reservations, the Indians objected to their survey and sale till they were paid for them

or provided for elsewhere; and, at all events, suggested that their consent ought first to be obtained before any survey should be made. The subject having been submitted to your department, it was determined that an attempt should be made to obtain the formal consent of all of the Utah bands, on consideration of substantial and permanent benefits to be received, to remove to the Uintah valley, and cede their right of occupancy of all other lands in the Territory. Accordingly, instructions to this end were sent to Superintendent Irish in the spring; and during the month of June he succeeded in convening the leading men of the tribes at Spanish Fork, and making a treaty which has received the assent of all the Utah bands above named, and which has been recently laid before you. The superintendent's interesting report, which accompanied the treaty, gives ground for hope that a great work is well-nigh accomplished for the Territory, in throwing its lands open to settlement, as well as for the Indians, in providing for them a comfortable home.

The treaty cedes nearly the whole of Utah Territory, excepting only the Uintah valley, and a strip along the southern end of the Territory, and if the superintendent is successful in his attempt to bring the Pi-Edeas to agree to the treaty, that strip also will be ceded. It may be observed by those critical in geographical lines that the northwestern part of Utah is also covered by claims made by different bands of Shoshonees in the treaties of amity with them; but as the last-named tribes will soon be under treaty in Idaho, where they properly belong, no conflict of jurisdiction is likely to arise.

I recommend that medals and presents be given to Washakee, chief of the northeast Shoshonees, and to Konosh, chief of the Pali-Vants, as a special testimonial of appreciation by the department of their good conduct and good influence over their people. Washakee recently asked permission to take part in the campaign against the western Sioux, and this was granted, subject to the arrangements to be made with the military commander of the district of the Upper Platte.

There has been, as appears from the superintendent's report, considerable uneasy feeling among all the Utah Indians, resulting from representations made to them by disloyal whites as well as by Indians, that the white troops were not succeeding in their campaign against the Sioux, who were represented as fighting for the rights of the whole red race, and to save themselves from extermination. Still further cause of dissatisfaction occurred in the delays incident upon the delivery of the goods promised to the Indians, which delay was caused by the goods being turned back by the military officers in command along the overland route, after having been started in good season from Nebraska City; but in spite of these untoward circumstances the Indians have behaved remarkably well.

The superintendent suggests that hereafter the goods be forwarded over the plains by mule trains, instead of by oxen, so that, by being started in good season, they may with some degree of certainty be expected to arrive at their destination in time to be distributed to the Indians before they leave for their winter hunt.

NEW MEXICO.

But three of the Indian agents in New Mexico have made their annual reports this year—Agents Ward, Archuleta, and Labadi. Those of the two former are somewhat meagre. That of the latter is more full, and gives some interesting information in regard to the tribes now and heretofore under his charge; but it comes at too late a day to receive any extended notice.

It is understood that most of the agents appointed in New Mexico can neither read nor write in the English language, which may account for the slowness of some and the delinquency of others in furnishing reports. I have some information in regard to the present condition of Indian affairs in New Mexico, from the superintendent's annual report, but he states that he is obliged to present it

without assistance from the agents, although, like them, he speaks the Spanish language. In order to give an intelligible summary as to matters in this Territory, I am obliged to rely much on previous reports, and upon information obtained from the late superintendent, Dr. Steck, on his late visit to this city.

The Indians of New Mexico may be best divided into four classes, to wit:

Apaches, of which there are four divisions, the Mescaleros and Mimbres, whose range was, and for the most part still is, the southeast quarter of the Territory; the Jicarillas, numbering, according to Agent Labadi, 987 souls, ranging in the northeast portion—these tribes or bands, together, being estimated to number some 3,500; and the Gila Apaches, in southwest New Mexico, estimated at, say, 4,000 or 4,500.

Utahs, being the Mohuaches, a small band of some 500, who range along the north end of the Territory, partly in Colorado; and the Capotes and Wannemuches, living in the northwest, numbering some 2,500.

Pueblos, or "Village Indians," occupying some nineteen villages, scattered for a long distance along a line drawn northeast and southwest through Santa Fe, holding their lands by grants from the Spanish government, confirmed to them by the United States, and numbering about 7,000 souls.

Navajos, taken prisoners by the military forces, and removed to the reservation at Bosque Redondo, on the Pecos river, in the eastern part of the Territory in 1863-'64, and numbering, at latest accounts, a little over 7,000; their original home being in what is now Arizona, though ranging into northwestern New Mexico.

Of the Apaches, my information, through Superintendent Delgado's report, is meagre. The reservation at the Bosque Redondo was (by recommendation from this office of January 14, 1864, laid before the President of the United States, and approved by him, as appears from department letter of January 16, 1864) set apart for the Apaches, it being intended to colonize all of the various bands of that tribe upon it; and as it was estimated to contain about 6,000 or 7,000 acres of arable land, it was deemed sufficient for the purposes. A beginning was made with a portion of the Mescaleros, who were represented as progressing with their agricultural operations in such a manner as to give good reason to hope that the remainder of the bands could be induced to come in. The removal of the Navajos to the reservation, being old enemies of the Apaches, and so largely outnumbering them as to nearly monopolize the reservation, is understood to have checked the further concentration of the Apaches at that place, and the number upon the reservation has remained about the same as last year, the superintendent reporting it at 472. The Jicarilla Apaches, who are supposed to be cared for by the agency situated upon the Cimarron river, in the northeast, are represented by Agent Labadi as being further advanced in civilization than the other wild tribes, having been more in the settlements, and many of them speaking the Spanish language. From other sources they are represented as hard cases—worthless vagabonds—concerning whose improvement the superintendent suggests their removal to the Bosque Redondo, where I doubt if there is room for them, or if they could be induced to go and remain. The agent recommends that they be established on a good reservation in their own country, and says that if this were done, and some assistance afforded them by the government, they would raise good crops, establish schools, and learn to obtain an honest living.

Of the Gila Apaches very little is known. Some years ago they were visited, and exhibited a disposition to concentrate upon a reservation, which was at that time selected by Superintendent Steck, on the dividing line between New Mexico and Arizona, in a fertile and isolated valley, but nothing further has been done in regard to them.

In regard to the Utahs, the small band of Mohuaches, being allied to the Tabeguaches of Colorado, should, it is thought, be turned over to that superintendency, and concentrated with them on the proposed reservation on the San Juan river,

in southwestern Colorado. They and the Jicarilla Apaches, having long been neighbors and intermarried, expressed to Agent Labadi a strong desire to continue united, which desire should certainly be gratified.

The Capotes and Wannemuchés (Guiguimuchés) are represented as friendly tribes of the great family of Utahs, powerful, warlike, and independent.

Agent Archuleta represents them as a wandering people, living partly by the chase, partly by the aid of government, and partly by stealing and begging; that they are utterly debased, and of the lowest grade of intelligence. They are disinclined to settle upon any reservation, and the superintendent appears to think that such concentration is unnecessary at present; and that when the progress of white population shall demand it, it can be effected without serious difficulty.

The Pueblos Indians, concerning whom an elaborate report was furnished last year by Agent Ward, showing their number in the different villages, with much other valuable information, remain in much the same condition, except that two or three of the villages or settlements have suffered greatly from drought, and from sudden overflow of streams, destroying their crops of grain and fruit, so that relief is necessary to keep them from starvation. Such directions have been given as will enable this office to know to what extent relief is necessary, and such relief will be given as the funds at hand will allow.

These Indians are a quiet agricultural people, industrious and self-sustaining, and need only, in ordinary circumstances, aid in the way of agricultural implements; but they are very desirous to have schools established among them, and this will be done as soon as it can be ascertained where, among the many villages, schools can be established to the best advantage, as it is apparent that the funds at the disposal of this office will not allow of provision for a school at each of the nineteen villages.

In regard to the Navajos, now established at the Bosque Redondo reservation, the accumulated testimony is so conflicting, derived from sources equally entitled to credit, and from persons who should have, and, so far as appears, have had but one object in view—the best interest of the government and of the Indians, that I am reluctant at present to express a decided opinion in regard to the permanent policy to be adopted. The difference is wide between the views of the late superintendent, Dr. Stock, who urged, and was supported by excellent authority in urging, that the Bosque Redondo reservation was barely sufficient for the Apaches, for whom it was set apart—that the Navajos and Apaches could not live together upon it; that the Navajos could best support themselves upon a reservation in their own country, where they had always been an agricultural and pastoral people, raising large crops, and making their own garments from the produce of their own flocks, and that the enormous expense of feeding them at the Bosque Redondo, counting by millions almost, was an unnecessary expenditure—and those of General Carleton, the military commandant of the district, who insisted that, for the sake of permanent peace, the Navajos must be taken entirely away from their own country, and that when once settled upon a reservation they would provide for their own support.

General Carleton took the responsibility of testing the question by removing the Navajos to the reservation; and this being done, they have been supported there by the War Department, with the aid of an appropriation of a comparatively small amount by Congress, placed at the disposal of the Interior Department. An attempt was made late in 1864, by sending a special agent to the Territory, to obtain such definite information as to the case as to enable Congress to act finally upon the subject, but the report of the agent did not reach this office in time for action; and, indeed, while much valuable testimony was furnished on both sides of the mooted question, and much light thrown upon both sides, it seemed as difficult as ever to make a just decision. On the whole, inasmuch as the Navajos are at the reservation, where, as appears from Superintendent Del-

gado's report, the most of them are quietly, under military supervision, working the land, cultivating 3,500 acres this year, raising good crops and having some supply of stock of their own, and on the whole are doing well; and inasmuch as their removal from the former scenes of their predatory warfare has resulted in giving quiet and security to a considerable portion of the Territory, it has been deemed best to accept, for the present at all events, the location at the Bosque as a settled fact, and an agent has been appointed, with special instructions to take charge of the expenditures of the department on their behalf, while a special agent has been charged with the duty of purchasing and conveying to the reservation a large quantity of useful implements and articles, having reference to their becoming self-sustaining at the earliest possible day. These articles are now on their way across the plains in a train of wagons, which, with the stock drawing them, will be needed upon the reservation. With a fair season for crops next year it is expected that the Navajos, by their agricultural labor, will relieve the government of the cost of subsistence after next year; and if they can be supplied with sufficient stock, will manufacture a good share of their own clothing.

The special agent, Mr. J. K. Graves, is instructed to inform himself fully, and report at the earliest possible day, in regard to the facts necessary to a conclusion as to retaining the Navajos at the Bosque permanently, and as to the cost of providing for them there, with allotments of land, &c.; and he is also to make examination and report as to the condition of affairs at each of the other agencies, in regard to which this office is lamentably deficient in information, knowing neither what has been done, nor what ought to be done, in behalf of the Indians. Almost immediately after the last adjournment of Congress, a change was made in the superintendent, and four new agents appointed, three of whom can neither read nor write the English language, and not assigned to any particular agencies.

It is a fact, that, with the exception of Agent Archuleta, who is mentioned by Superintendent Delgado as having charge of the agency of Abiqui, for the Capote Utahs, &c., and Agent Labadi, in charge of the agency on the Cimarron river, this office has no knowledge, and has been unable to obtain any, as to the location of the several agents since last spring. It is confidently expected that from the report of Special Agent Graves some definite information will be obtained. I trust that I shall not exceed my proper province in this report when I suggest that hereafter, whenever the subject of a change of persons charged with the management of Indian matters is proposed, your department, at least, may be consulted as to the propriety or necessity of any change, or at all events, as to the existence of vacancies, and their location and circumstances. I feel confident that if this course had been always taken, and the information easily furnished had been laid before the appointing power, some of the changes of the last year would not have been made; or if it was deemed advisable to make them, this office would have been furnished with more accurate information in regard to the changes intended, and thus with more certain means of conducting the public business intrusted to it. It appears, from the information which my brief tenure of this office has enabled me to obtain, that it has always been difficult to obtain the services, as Indian agents, of persons who are willing to accept the very moderate salaries paid by the government as their remuneration, and to be content with acting as the conscientious guardians of the Indians, as well as the economical agents of the government expenditures in their behalf, without supplementing their salaries by conniving with traders, contractors, or other parties; and when such agents are found, I can but feel that any change must be for the worse. I trust that such agents may be supplied, if it is possible, where we do not have them now; and should be pleased, and am sure that the interests of the government would be subserved, if such as we now have could be retained.

I should mention, before leaving this superintendency, that during the last winter one of the agencies was visited by a delegation from the Moqui village Indians, living in northeast Arizona, who had come, at the peril of their lives, a distance of several hundred miles to obtain food to save their people from starvation, their crops having failed last year for want of water. Some relief was given them, and they returned rejoicing. An interesting account of these Moqui Indians has been given in previous reports, and their country abounds in remains of large buildings and populous towns, the relics of old Aztec times. Their country appears to be gradually drying up, and becoming unfit for the habitation of man. They number about 2,500, and, as they belong to Arizona, the attention of that superintendency will be called to their condition and wants.

COLORADO.

Affairs in this superintendency, on the eastern side of the mountain range which occupies the central ridge of the Territory, have been in a very unsettled condition throughout the year. We are without any annual report from Governor Evans, *ex officio* superintendent, but those of Agents Head and Oakes have been received, and from these, and from the correspondence of the office since the last annual summary, the following state of affairs appears:

There are now but two established agencies in Colorado, to wit: Tabeguache Utes, at Conejos, in the southwest, Agent Head, numbering about 4,500; Grand River and Uintah bands of Utes, Middle Park agency, having headquarters at present at Denver, and claiming a large district in the northwest, Agent Oakes, numbering 2,500.

The agency for the Arapahoes and Cheyennes, established under the treaty of Fort Wise, in the southeast part of the Territory, had under charge about 1,500 Arapahoes and 1,500 Cheyennes, and was known as the Upper Arkansas agency, having its headquarters at Fort Lyon.

The northeastern portion of the Territory was within the limits of the region claimed by the Arapahoes and Cheyennes, who were considered as being, with two bands of Sioux, under charge of the Fort Laramie agency, now included within the northern superintendency.

From Agent Head's report in regard to the Tabeguache Utes, we learn that those Indians have been very quiet during the past year, making no trouble, except in one instance, where a portion of one of the bands took forcible possession of a few sacks of flour, to save themselves from starving. The agent took immediate measures to supply their pressing necessities, since which occasion they have been quiet, although there were reasons for discontent in the unavoidable delay in the delivery of the goods promised them by treaty. That treaty provides that whenever their chiefs shall express a desire, on behalf of their people, to settle down into cultivation of the soil, certain supplies of stock, &c., shall be furnished to them. The agent states that such is now the desire of the chiefs, and urges the fulfilment by government of this provision of the treaty. A detailed estimate of the amount required for the purpose will be called for, and transmitted for your information when received. Governor Evans, during the month of August, represented the tribe as very uneasy at the failure of their goods to arrive, and expressed fear that hostilities would break out, but there is no mention in their agent's report of any such excitement. However, steps were taken to push forward the goods as rapidly as possible, and advices of their arrival have recently been received. Occasion is elsewhere taken to refer to the subject of transportation across the plains. Delays and failures in the delivery of annuity goods are a fruitful cause of trouble with the Indians, who yield the occupancy of portions of their ranges, on consideration of the receipt of sundry articles necessary to their comfort, and expect to obtain them in due season in the fall, so that they can leave for their winter hunt. The suggestion that hereafter, if it could be accomplished at a reasonable price,

these goods should be forwarded by mule trains instead of by oxen, is considered a good one, and by adopting this course, and by greater care in the shipment from the frontier, I think that all cause for dissatisfaction can be avoided.

Agent Head is of the opinion that ultimately the bands of Utes, now in New Mexico, can be concentrated with the Tabeguaches to advantage.

Agent Oakes's report as to the Grand river and Uintah bands is very brief and unsatisfactory, his connexion with them having been very short. He had charge of a small number of friendly Arapahoes at Camp Collins before being appointed to this agency, but the Arapahoes left him and joined the war parties to the north in the early spring. He represents the Indians of his present charge as very peaceable and friendly, and anxious to go upon a reservation. At the latest dates he was engaged in exploring the country in search of a suitable place for such reservation.

A new agent has been appointed by the President to the Upper Arkansas agency, heretofore filled by Mr. Colley, until it was finally broken up a year ago last summer by the Indians, of his charge joining with the northern Sioux and others in hostilities against the whites. The various circumstances leading to this disastrous occurrence were detailed in the annual report of last year, but no official account has ever reached this office, from its own proper sources, of that most disastrous and shameful occurrence of all, the massacre of a large number of men, women and children of the Indians of this agency by the troops under command of Colonel Chivington, of the United States volunteer cavalry of Colorado. Certain facts are apparent from the documents accompanying the report of last year, and others have been detailed in a report to Congress, and these show that during the spring and summer of last year persistent efforts were made by a part of these Indians to make peace, which efforts were repelled by some of the military officers; and that when several hundred of them had come in to a place designated by Governor Evans as a rendezvous for those who would separate themselves from the hostile parties, these Indians were set upon and butchered in cold blood by troops in the service of the United States. The few who escaped to the northward told a story which effectually prevented any more advances towards peace by such of those bands as were well disposed, except that during the last spring Roman Nose, an Arapahoe chief, sent word to an officer at one of the posts that he was anxious to obtain permission to live with his people in a locality in the vicinity of the Little Chug river. Governor Evans advised this office of the fact, and some correspondence took place upon the subject, but before any interview could be had with the chief, General Connor's campaign commenced.

A considerable amount of money had been expended at the last mentioned agency for permanent buildings, and for an extensive *acequia*, or ditch, for the purpose of irrigating the lands for cultivation. How far this expenditure has been made unavailable for agency purposes in future by damages done by the Indians or others we have no means of knowing at present. Several bands of these Arapahoes and Cheyennes went south and east, and took refuge among the Kiowas and Comanches, of Agent Leavenworth's charge, and were represented at the council which was held at Bluff creek, in southwestern Kansas, in the early part of this month. That commission, the history of which is more particularly given under the head of the Central Superintendency, after being in session about a fortnight, had succeeded, as stated in another part of this report, in negotiating a treaty with the Arapahoes and Cheyennes of this agency, numbering 2,800; and they have agreed to use their utmost endeavors to bring in those of the Upper Platte who have been associated with the Sioux and other hostile Indians in the northwest, having already sent out runners to inform them that peace had been offered them. The Apaches, too, leaving the Kiowas and Comanches, had given their assent to this treaty, and confederated with the Arapahoes and Cheyennes, the new combination being designated as "the confed-

erated tribes and bands of Cheyennes, Arapahoes and Apaches." This treaty will soon be laid before you, with a special report in reference to it.

The new agent, Mr. Taylor, who was lately appointed to the Upper Arkansas agency, was directed to report to Governor Evans, or to his successor, Governor Cumming, for assignment to such duty as he should designate in connexion with the Indian service. As the Indians, under arrangements made at the council above referred to, are to reside temporarily on the reservation made by the treaty of Fort Wise, and at the place where the improvements were being made for them, this agent has been sent to that point to remain with the Indians there until the necessary steps can be taken to remove the latter to their new reservation south of the Arkansas river.

The report of the commission above referred to will be found among the documents accompanying this report.

DAKOTA.

This superintendency, comprising the Territory of Dakota, has been for a considerable time the scene of interesting events, it being the region in which General Sully has carried on his campaigns against the Sioux Indians of the upper Missouri and country adjacent thereto; while General Conner's operations against the Sioux and other Indians of the upper Platte, whose agency was at Fort Laramie, have driven those Indians far up into the region attached to Dakota for judicial purposes, but lying west of that Territory, and between Colorado on the south and Montana on the north.

There are five agencies in this superintendency, viz:

Yanktons, at their reservation on the Missouri river, near Fort Randall, and near the southern boundary of the Territory; P. H. Conger is the agent, the number of Indians being 2,300.

Poncas, near the Yankton reservation, on the Niobrara river, which forms part of the boundary between Dakota and Nebraska; Agent Potter has them in charge, numbering at the last census 1,100.

Crow Creek Agency, near old Fort Pierre, on the Missouri. This is the point selected for a home for both the Winnebagoes and Sioux of the Mississippi, who were removed from Minnesota. The Winnebagoes have gone down to the Omaha reservation, in Nebraska Territory, leaving the Sioux, numbering 1,039, by a late enumeration, under the charge of Agent Stone.

Upper Missouri Sioux. This agency has scarcely a local habitation; Mr. S. N. Latta, who held, until recently, the office of agent, and who has from time to time distributed the annuity goods due to the Indians, having had of late very little to do with them, as they have for the most part been included among the hostile tribes. Governor Edmunds, *ex-officio* superintendent, estimates the number of the various bands as follows: Two Kettles, 780; Minnecongos, 2,220; Yanktonnais, 4,300; Uncpapas, 2,400, and Blackfoot Sioux, 1,200; Sioux of the Mississippi (not on the reservation) about 800, making a total of about 11,690.

Upper Missouri. The tribes held as belonging to this agency, having its headquarters at Fort Berthold, far up on the Missouri river, under the charge of Agent Wilkinson, are the Gros Ventres, Arickarees and Mandans, together numbering 2,500; the Assinaboines, estimated at 3,280; and the Crows at 3,500; the latter tribe, however, ranging into what is now Montana Territory.

New agents have, during the past season, been appointed for the Yanktons, Poncas, and Sioux at Crow creek, the commission of Mr. Burleigh at the first-named agency having expired, the second having been vacant for a year, and Agent Balcombe, who had charge of both the Sioux and Winnebagoes, having gone down to the Omaha reservation with the latter tribe. Special reports, required by the superintendent of each of these new agents, in regard to the condition of affairs as they found them, were forwarded to this office, and from these and the monthly reports since sent in we obtain much valuable information.

Agent Conger found the Yanktons in a very unsatisfactory condition, and expressing much discontentment, and complaining that government had not kept its promises to them, as made in the treaty by which they ceded what is now the settled portion of Dakota. He reported the agency buildings in a dilapidated condition, and everything run down; no cattle or stock, farming tools few and in bad condition, and very small preparation for a crop this year. It being already the 1st of May when Mr. Conger took the agency, but little could be done towards getting in a crop, and, for want of good seed, that little for the most part failed. The Indians are represented as being very idle and improvident. There is no school on the reservation, and none has been in existence, although the treaty provides liberally for one, and the vouchers of late Agent Burleigh are on file for the expenditure of considerable sums of money for the purpose; and there are no missionaries or teachers, though the Indians express a desire for their services.

It being considered that the annuities of the tribe are sufficient, under proper management, to place these Indians in a much better condition, and that they ought to be at least as well provided with the comforts of life as the neighboring tribes of Nebraska, the superintendent and agent are doing everything in their power to accomplish this end. On account of the failure of crops, special supplies of food must be furnished to the tribe for the coming winter, and with this fact in view I have been husbanding the funds applicable to them; but as nearly one-half of the appropriation for them for the current fiscal year had been used before the year commenced, it is doubtful whether the amount on hand will be sufficient to prevent suffering among them. The cause of this deficiency, and the remedy proposed for it, are stated in that part of this report relating to "Finances."

It is hoped that another year these Indians, being better provided, and influenced by pressing necessity, will be found cultivating good crops. The agency farms, at all events, will be under cultivation.

The Poncas, who had been without a regularly appointed agent for some time, but who were under the charge of a person specially detailed by the superintendent, were found to have some 250 acres under cultivation, with a prospect of an abundant crop. This hope has been fully realized, and the tribe, with the proceeds of a successful hunt, is in a comfortable condition for the winter, and, as appears by the report of Governor Edmunds, *ex-officio* superintendent, they are affording aid to their neighbors the Yanktons. The buildings of the agency are stated to be much in need of repairs, being built of cottonwood, which makes very poor lumber. There is no school upon the reservation; the treaty requires one, and money to a considerable amount has been forwarded from time to time, on the requisition of former agents, for school purposes. Special inquiry has been directed to this point. The agent proposes to employ Indians to do the necessary labor upon the reservation, and finds them willing to work for reasonable wages, and anxious to increase their stock of teams, wagons, &c. We shall, I am confident, find matters much improved also at this agency another year, if the season is favorable for crops.

Attention was called last year to the fact that the murderers of several of this loyal and friendly tribe had not been discovered and punished. I trust that, as there seems to be no probability that this will be done, a special appropriation may be made for presents to the relatives of the deceased.

Considering the character of the soil at the Crow Creek agency, the fact that the Sioux removed thither were mostly old men, women and children, who had been taken captive or given themselves up soon after the Minnesota massacres, and the further fact that their small attempts at hunting had been frustrated by their parties being turned back by the military forces, these Indians are in as good a condition as could well be expected. They are provided for out of an appropriation of \$100,000 made by Congress, all treaties with their tribe having been

declared abrogated, and of course all annuities stopped. Agent Stone found many things needed, which, with good management, the funds appropriated to their use ought to supply, particularly working cattle and cows. The buildings also were in poor condition, and the tribe ill provided as to shelter. Measures were taken towards an improvement in these matters. The Indians were somewhat afflicted with scurvy, and, on the recommendation of the superintendent, and at the suggestion of Hon. Mr. Hubbard, of the congressional committee, who visited the agency, an ample supply of potatoes has been provided.

The schools at the agency are in a good condition, and the Indians appreciate their advantages.

The able-bodied adult males belonging to the families at this agency are, for the most part, still confined, under charge of the military, near Davenport, Iowa. The only offence of which many of them appear to have been guilty is that of being Sioux Indians, and of having, when a part of their people committed the terrible outrages in Minnesota, taken part with them so far as to fly when pursued by the troops. At all events, as soon as the troops came near enough to give them protection they came in, and brought with them, rescued from the horrors of Indian captivity, a large number of white women and children. Their reward appears to have been a sorry one, but they have patiently endured their captivity. It is believed that measures are about being taken to release nearly all of them and send them to their people at Crow creek, where the addition of their labor will be an important help in farming operations.

In this connexion allusion may properly be made to certain Sioux, mostly Sissetons, it is believed, who were occupants of land in western Minnesota, but who, being either captured or having voluntarily surrendered, have been supported mostly by issues of supplies from Fort Wadsworth, in eastern Dakota, but partly by cultivating some crops in that vicinity. A part of them have done faithful service to the government as scouts along the frontier. Congress made special provision for such of these Indians as were known to have exerted themselves to bring in the captive whites, by setting apart eighty acres of land for each, in their old country. Steps were taken by some of these Indians last spring to avail themselves of this provision, though not without strong opposition on the part of whites who had already occupied much of their lands.

Returning to the Missouri river, the next agency above Crow creek is that to which the various tribes of Sioux belong, lying on both sides of the river. General Sully, having placed sufficient garrisons in the posts along the river and in the line of posts nearer the Minnesota frontier, has, with his movable column, been in search of the hostile Sioux during most of the spring and summer without being able to bring them to action. It was thought, at the last session of Congress, upon representations made to and through this office, that nearly all of the hostile Sioux would be glad to make peace, having suffered enough. Indeed, the same opinion was entertained the previous year, and an agent of this office, Rev. Father De Smet, was sent up the Missouri to get access to the tribes, but he was not allowed by General Sully to communicate with them.

Last winter Congress appropriated \$20,000 for the purpose of paying the expenses of negotiating a treaty with these Indians, and that amount, in goods and money, was placed at the disposal of Governor Edmunds, to enable him to proceed in the discharge of this duty; but the governor found the military officers still disinclined to act in concurrence with him, and determined upon another campaign as necessary to subdue the Indians, and the attempt to make a treaty was, for the time, abandoned.

General Sully followed the Indians as far north as the British possessions, and thence followed the course of the Missouri river down until, at last advices, he was at Fort Sully, not very far above the Crow Creek agency. Several interesting reports of the general's marches have been transmitted to this office, and it would appear that while at Fort Rice, on his way down the Missouri, a

large force of the hostile Indians, too large to be attacked with safety, were in the country to the eastward of that post. The general's report estimates the number at ten thousand warriors, but this is probably the error of a copyist, as the total population of the hostile tribes would scarcely afford so many able-bodied men, and it is understood that a large number had already separated themselves from the bands so hotly pursued. The general was under the apprehension that his failure to attack and continuance of his march down the river would be considered by the Indians as a retreat.

In the latter part of August, under the direction of the President, a commission, comprising Governor Edmunds, Major General Curtis, Superintendent Taylor, General Sully, and Hon. Orrin Gurnsey, was appointed to go up the Missouri to endeavor to meet and negotiate with these Indians, and this commission is now at its appointed rendezvous.

No report has yet been received from this commission except such as is contained in the report of Governor Edmunds, herewith, under date of the 14th October, and in other advices referred to in the preliminary part of this report. They had, on the 10th, signed a treaty with the Minnecongos, numbering, as represented by their chiefs, three hundred and seventy lodges. This band was represented by eight of their principal chiefs—including One Horn, head chief—and twenty-three warriors. These claimed also to represent ten other bands of Sioux, nearly all of whom have been hostile; all of whom, they said, were anxious for peace, and would willingly treat on the same terms as offered to the Minnecongos. It is highly probable that other treaties have ere this been entered into with other bands, and that we are now actually at peace with this numerous and troublesome people. In case the report of the commission reaches this office in time, it will be published among the papers accompanying this report.

Treaties cannot, however, be completed at this time with all who are anxious for peace. This is owing to the lateness of the season, and the very widely scattered position of the Indians. I am satisfied that, with the opening of spring, the Indians being accessible, treaties of peace can readily be effected with all the tribes of the southwest; and when it is considered that ten years of such peace will be much less expensive than one year of war, I cannot but congratulate you on the abundant success of your earnest efforts in this behalf.

General Sully states, in a recent report, that he thinks that at least two-thirds of the tribes originally hostile will have, by this time, either given themselves up or detached themselves from the remainder. The cost of these military campaigns is enormous, and it still remains doubtful whether a reliable peace could not have been made last year at infinitely less price. Every possible effort, under your instructions, has been made, during these operations, to prevent the occasional differences of opinion between civil and military officers from affecting the efficiency of military operations; and if they have not fully succeeded in accomplishing their end, no fault can be found with subordinates of this department; while, if they are successful, their success will be highly gratifying to this office.

Governor Edmunds has felt it to be his duty, as governor of the Territory and superintendent of Indian affairs, to call attention to sundry irregularities, of which he considered the proof to be ample, in the conduct of parties connected with the military posts on the Missouri river, in furnishing the Indians with articles contraband of war, in exchange for articles which they had for sale. Doubtless these transactions, if brought to the knowledge of the commanding officer, have been checked. General Sully has exhibited every desire to have his operations interfere as little as possible with the intercourse with and supplies for the friendly tribes in the northern part of the Territory.

The Gros Ventres, Arickarees, and Mandans, to whom distribution of annuity goods is made by Agent Wilkinson at and near Fort Berthold, were supplied satisfactorily, except that the diminution of the quantity, caused by depreciation of the currency, was difficult of explanation.

These friendly tribes have for a long time expressed an earnest desire to concentrate upon a reservation near Fort Berthold, where they cultivate successfully a large body of land; and to receive the benefits of a treaty, in instruction in labor, agricultural implements, and particularly in schools for their children.

It is hoped that, either by the commission now up the Missouri, or by others, such a treaty may be made with these Indians. The appeal of the old Arickaree chief, White Shield, published in the annual report last year, and the statements made by Rev. Mr. De Smet, also published in that report, are fully confirmed and strengthened by the statements of Agent Wilkinson this year. I trust that action in their behalf may not be longer delayed.

Of the Assinaboines, no advices have been received, except that they were, about September 1, below Fort Union, at some distance north of the Missouri, divided into small bands for hunting, quite poor, but friendly.

Agent Wilkinson represents the Crows as behaving well, friendly to the whites, keeping out of the way of their old enemies, the Sioux, and anxious to have an agency established among them some seventy-five miles above the mouth of the Yellowstone, but thinks that they would consent to remove to reserved lands north of the Missouri river.

Measures should, in my judgment, be taken to compel the permanent residence of the agents with the upper Missouri tribes, of whom they have the charge. Of course this cannot be done as to the Sioux until a final arrangement is made with them; but as to the Indians about Fort Berthold, there seems to be no good reason why the agent should not be with them. The law of Congress requires it, and it is every way desirable, for the benefit of the Indians and their protection from the effects of unlawful traffic.

IDAHO.

This office has been without authentic intelligence in regard to Indian affairs in this new Territory for many months, sundry reports forwarded by Governor Lyon, *ex officio* superintendent, having failed to come to hand. But one agent has been on duty in the Territory, Mr. O'Neill, in charge of the Nez Percés, a large and friendly tribe, numbering 2,830 by a late census, and located in various bands within seventy-five miles of the agency. Through failure of the mails, Mr. O'Neill's bond, which had been forwarded by Governor Lyon, did not reach this office, and no funds could be forwarded to him for the necessary expenditures under the treaty with those Indians. Much dissatisfaction was the necessary result; but through the influence of Lawyer, the faithful head chief, the efforts of those anxious to commence hostilities have been defeated, and no outbreak had occurred at the latest dates. The causes of dissatisfaction have certainly been great. The first treaty made with these Indians, which was satisfactory to them, had been superseded by another, made by Superintendent Hale, of Oregon, of which Idaho was formerly a part, and this has not yet been ratified by the Senate. Meantime the promised payments under the first treaty were delayed, and disloyal persons were not wanting to persuade the Indians that the government was acting in bad faith towards them. However, as stated above, the efforts of the head chief, Lawyer, and others, with those of the agent, were successful in preventing any outbreak, and funds have recently been forwarded to make the deferred payments. Agent O'Neill's report sets forth the condition of things among these Indians very clearly. The rapid increase of the white population, now numbering, by Governor Lyon's estimate, nearly fifty thousand in the Territory, and the influx of a mining population, extending their prospecting tours in every direction, has still further tended to render it difficult to preserve peace.

Advantage has been taken of Governor Lyon's recent visit to this city to obtain much valuable information in regard to the Indians of Idaho, and he has returned with funds to pay the sums past due under treaty stipulations with the Nez Percés, and with authority to conclude a new treaty with that tribe, which, it is hoped, will reach this city in time to be ratified by the Senate instead of the one now before that body. Authority has also been given to Governor Lyon to conclude a treaty, if possible, with the Kootenais and Cœur d'Alene Indians in the extreme northern part of Idaho, and it is expected that very large tracts of mining and agricultural land will be opened to the public by these treaties, while the Indians will be rendered secure from molestation upon their diminished reserves. From the report of Agent Hutchins, of Montana, it would appear doubtful whether many of the Kootenais, beyond those who are already included within the provisions of the Flathead treaty, can justly claim any rights this side of the British line, and the attention of Governor Lyon will be called to this point.

In the course of the governor's extended tour through the Territory, he met, at a point not very far distant from the present capital, Boise City, the chiefs of the Boise Shoshonees, and made with them a kind of preliminary treaty agreement, by which the Indians agreed, on the fulfilment by the government of certain rather loosely defined conditions, to cede to the United States an extent of country estimated at many millions of acres, and comprising a large part of southern Idaho, and to concentrate upon a reservation of moderate dimensions. This treaty not being in a condition for submission to the Senate, authority has been given to Governor Lyon to conclude a formal treaty with the tribe referred to, upon the general basis of the arrangement above mentioned.

In the region about Fort Hall, in southeastern Idaho, and bordering upon and occupying the northern part of Utah, so far as their limited numbers and migratory habits allow them to occupy any territory, is another band of Shoshonees, understood to be one of those with whom the late Governor Doty concluded treaties of amity, providing for unmolested travel through the country by the whites, and a small annual payment by government to offset the necessary limitation of the means of subsistence of the Indians, resulting from the driving off of game and destruction of nut-bearing trees, &c. These Indians are called by Governor Lyon the Kammas Prairie tribe, and are represented by him as desirous of being concentrated upon a reservation of limited extent; and the necessary powers for the purpose have been given to him.

The Nez Percés are supposed to number about forty-five hundred, the Cœur d'Alenes, Kootenais, &c., some two thousand, the Boise Shoshonees one thousand, and the Kammas Prairie Indians about two thousand; and if the proposed arrangements with these tribes are successfully made, the whole Territory of Idaho will be thrown open to settlement, except the limited reservations above referred to.

New mail routes have just been opened, greatly facilitating the communications between the capital of Idaho and San Francisco, and this will probably be for some time to come the shortest route for letters and supplies.

MONTANA.

The Indians within this superintendency are comprised in two divisions, the Gros-Ventres of the mountains and the various tribes or bands of Blackfeet Indians—all east of the Rocky mountains, and whose numbers are estimated as follows: Gros-Ventres, 1,800; Piegans, 1,870; Bloods, 2,150, and Blackfeet proper, 2,450, the last three making the Blackfeet nation; and west of the mountains, the confederated tribes represented at the Flathead treaty, and numbering as follows, according to a census taken last spring: Flatheads, 551;

Pend d'Oreilles, 908; Kootenais, 273; total, 1,732. Agent Upson, at Fort Benton, has charge of the tribes east, and Agent Hutchins of those who are west of the mountains, Mr. Chapman having been appointed to succeed the latter.

Whether or not there are any tribes or bands who range in the mountain country now being overrun in the search for gold in the southwestern part of the Territory, we have no means of knowing, as we have no report, either this year or last, from Governor Edgerton, *ex officio* superintendent.

Provision was made by Congress at its last session by which to effect a treaty with the Blackfeet nation, having for its object the cession of their right to occupy all lands south of the Missouri river and the Teton, one of its upper branches, the object being to throw open to settlement by the large number of emigrants that region, supposed to abound in gold; and the sum of \$15,000 was appropriated for the purpose. Under date of March 24, instructions, prepared under the direction of your predecessor, were given to Agent Upson for his guidance, and the funds placed at his disposal. No report has been received from him, except that on the 12th of June he had arrived within the bounds of his agency, and was met with reports that a portion of his Indians had broken out into hostilities. His information was that the Bloods and Blackfeet proper were the hostile bands, but that the Piegans and Gros-Ventres were still friendly. Should this latter statement be correct, the conduct of those tribes may justly be ascribed to the pains taken last year by Agent Upson to bring about a peace between them and a friendly feeling towards the whites. Nothing further has been heard from the agent, the means of communication between this city and his post at Fort Benton being irregular and precarious. As a confirmation, however, of this unpleasant news, we have a letter from Agent Hutchins, dated August 3, in which he gives some information, obtained from a Flathead Indian of much intelligence, who had just returned from a hunting tour east of the mountains, to the effect that the Blackfeet had broken out into war with the whites, but that the Crows, under the influence of the good treatment which they had received last year at Fort Union, would remain at peace.*

Agent Hutchins's annual report, dated June 30, gives a favorable idea of the Indians under his charge. He had distributed, partly last fall and partly in the early spring, the goods which were sent out the previous year, being useful articles and mostly agricultural implements; and the Indians, who are decidedly improving in attention to cultivation of the soil, expressed themselves as delighted with these goods. The Flatheads live mostly in the valley of the Bitter Root river, outside of the reservation, the Pend d'Oreilles upon the reservation a few miles from the agency at Jocko, and the Kootenais just outside of the reservation, but intend to remove upon it and open farms. A portion of the Kootenai tribe, which lives principally beyond the British line, did not share in the distribution of goods. The agent thinks that the Flatheads ought to be required to remove upon the reservation, to withdraw them from the influence of and from trouble with the white population which is "prospecting" the country, but suggests that justice to the Indians requires that if they do remove, some remuneration should be given to them for their improvements, the work of their own hands.

There is now no school at this agency, a report made by Agent Hutchins, which reached this office last winter, showing the one in operation to have been so useless that he had closed it, and submitted a plan for re-establishing it on the manual labor plan. He was directed to forward estimates for this purpose, and these have but recently come to hand. They appear to be quite reasonable, and within the means at the disposal of this office. Meantime a new agent has been appointed to succeed Mr. Hutchins, and the agency has been transferred

* See Appendix for Agent Upson's annual report.

to Idaho, for greater facility of communication; and the subject of the school has been referred to Governor Lyon, with instructions to cause the plan to be put in operation, if, after inquiry, he shall deem it advisable. The Flathead agent has recently been directed to report to the governor of Idaho.

A year ago last July Mr. O. D. Barrett, under a special commission from your predecessor, and with instructions to report to Governor Edgerton, of Montana Territory, was intrusted with a quantity of goods for the Indians of that region, and provided at St. Joseph with an excellent four-mule team and wagon in which to convey the goods with himself to his destination, and a sufficient sum was advanced to him for his expenses. Governor Edgerton was advised of his appointment, and directed to discharge him upon his arrival and delivery of the goods, if his services were not needed. Mr. Barrett was heard from late in the fall, having had bad luck in his journey; again in the spring, having left his goods at Salt Lake City, and borrowed \$50 of Superintendent Irish to get them out of store; and again, two or three weeks since, having arrived in Montana with neither team nor goods. At about the same time Governor Edgerton advised this office of Mr. Barrett's arrival, and that he had notified him that his services were not necessary, and that thereupon the agent declined to be discharged, claiming to hold a commission irrevocable by the governor. Governor Edgerton has been directed to "stop the supplies," and pay over no money to Mr. Barrett, on any account, until all money and property placed in his hands shall be fully accounted for.

SOUTHERN SUPERINTENDENCY.

At the period of the last annual report from this office, affairs in this superintendency, comprising what is known as the "Indian country," south of Kansas, together with the Osages along the southern border of that State, were still in the confused and discouraging condition which necessarily resulted from the war. Portions of the country about Forts Gibson and Smith, and the travelled route for government trains from the north to those posts, were held by United States troops; and a portion of the Indians, who had remained loyal to the government, were attempting to subsist themselves in the neighborhood of the above forts. Many of the able-bodied men of the loyal sections of the tribes were in the United States service as soldiers, but many thousands of the people were, in Kansas and portions of the Indian country, subsisting at the expense of the funds which, if the tribes had remained steadfast to the Union, would have gone to them as annuities. Serious complaints were being made to the department that stock owned by Indians, and necessary for their subsistence, and the small crops of corn raised by those who had been able to till the ground, were being taken from them by unprincipled speculators. Some of the military officers had laid the blame for this state of things upon the Indian agents, but an investigation of these charges showed them to be without foundation. The most stringent rules and regulations in regard to the sale of stock from the Indian country were adopted and issued, but it is apparent that the practice of running stock out of the country has continued, the keeness of the speculators enabling them to elude the vigilance of the officers, and it is believed that an immense amount of such stolen stock has been purchased at large prices by the government. The information obtained by Superintendent Sells, as given in his report, furnishes some idea of the enormous extent as well as profit of the business, where contractors obtain ready sale for the plunder at such rates as they have received from the government. The reports of Agents Harlan and Reynolds throw further light upon the subject, and it is gratifying to know that by their efforts, aided in good earnest by the military force put at their disposal by Major General Mitchell, who has shown every disposition to assist them, much has been done towards breaking up this nefarious traffic. It is manifest, however, that

something more is needed in the form of legislation. Superintendent Sells informs us that the system of plunder is thoroughly organized, having its grade, of agents and participants, from the reckless and daring scouts and drivers, who are well acquainted with the country, and who steal and run off the cattle to the Kansas line, up through the agents of the contractors, who receive and arrange fraudulent bills of sale for them, to men of higher position in the social scale, who, incited by avarice, have seized with avidity this disgraceful means of gain. In fact, it appears as if an obliquity of conscience had affected the whole community on the border, for the great majority of the people seemed to favor the speculation, or regard it with indifference.

In confirmation of the estimate made by the superintendent as to the extent of this traffic, the position and influence, civil and military, of the persons engaged in it, the difficulty of preventing its continuance and of punishing its operators, I here subjoin brief extracts from a report which has just been received from Lieutenant George Williams, who was some time since detailed by the War Department to investigate these matters, under instructions from this office.

After alluding to the large number of persons who have made independent fortunes in the business, he says:

"Not content with having this odium attached to their own names, having carried it on so successfully and without interruption from those in authority, who knew of the whole transaction in this line, but who were too deeply interested themselves to try any measures to put a stop to it, they have induced men by the hundred to go down into the Indian territory and steal and drive out cattle," &c.

Again: "The military force sent into this State for the protection of these Indians have been the agents through whom a great portion of the stealing has been accomplished," &c.

After giving the names of some thirty or forty prominent men, merchants, military officers, Indian agents, traders and others, whom he charges directly with being implicated in this traffic in one way or another, Lieutenant Williams says:

"The above-mentioned parties and their allies, the cattle thieves, have been engaged in the business since 1862, and I have evidence against most of them in my possession, but there is scarcely if any use to attempt to prosecute them before any court in Kansas, because they openly make their boasts that they can buy men enough to swear anything they want them to, and I know they speak the truth from experience."

As to the extent of the business: "In my opinion, during the past four years there have been at least 300,000 head of cattle stolen from the Indian territory, a country at one time rich in their cattle possessions, and now scarcely a head can be seen in a ride of 200 miles."

The very late arrival of Lieutenant Williams's report, just as I am about closing this paper, makes it impossible for me to give it, with the voluminous accompanying testimony, sufficient examination to enable me to form a judgment as to whether the testimony fully supports the sweeping charges made by him, and I do not therefore feel at liberty to incorporate his report and testimony among the documents to be published with this report, but submit the papers for your information, and for such directions as you may see proper to communicate after having given them examination. I will only remark, that so far as the charges implicate any of the agents or employes of this bureau, every possible effort will be made to ascertain their truth, and bring to justice any that are found guilty.

The law enacted by the last Congress on this subject provides only for the punishment of those who actually drive or remove "any cattle, horses, or other stock from the Indian territory for the purpose of trade or commerce." This does not seem to reach the case of those who deal in the stolen property, and

it is to be hoped that the wisdom of the next Congress will provide a more stringent act, reaching all concerned in the transaction, and making the possession of Indian cattle *prima facie* evidence of their larceny; or in some other manner provide a more effectual remedy for this great evil, by insuring severe and certain punishment to the guilty parties.

Hopes have been entertained that, when the war was ended, such arrangements could be made with the tribes occupying the Indian territory as would enable the department to find room within its ample bounds for many of the tribes in Kansas, or such portions of them as did not choose to abandon their tribal relations and become citizens, and that affairs in that country might be reorganized in such a manner as to render such an arrangement highly advantageous both to the Indians and the government. It was therefore with great satisfaction that I learned, through your department, early in July, that a council had been held on the 24th of May, by the tribes of the southwest, lately allied with the rebellion, at which delegates had been appointed from each of them to visit this city for a conference with the government.

It was at first contemplated to allow these delegates to come to Washington, but subsequent correspondence resulted in the designation of a board of commissioners to proceed to the Indian country, and meet them at Fort Smith, Arkansas, and the President appointed a commission comprising the following persons: D. N. Cooley, Commissioner of Indian Affairs; Hon. Elijah Sells, superintendent southern superintendency; Thomas Wistar, a leading member of the society of Friends; Brigadier General W. S. Harney, United States army; and Colonel Ely S. Parker, of General Grant's staff. As a prominent part of the history of Indian affairs during the past year I have included the report and official record of the proceedings of this commission, which was continued for thirteen days, among the documents accompanying this report, and need only notice briefly here the results which are more fully detailed in those papers.

The council assembled at Fort Smith, September 8, and delegates were present in the course of the sittings (though not all in attendance at first) representing the Creeks, Choctaws, Chickasaws, Cherokees, Seminoles, Osages, Senecas, Shawnees, Quapaws, Wyandotts, Wichitas, and Comanches. Immediately upon the opening of proceedings, the tribes were informed generally of the object for which the commission had come to them; that they for the most part, as tribes, had, by violating their treaties—by making treaties with the so-called Confederate States, forfeited all rights under them, and must be considered as at the mercy of the government; but that there was every disposition to treat them leniently, and above all a determination to recognize in a signal manner the loyalty of those who had fought upon the side of the government, and endured great sufferings on its behalf. On the next day the delegates were informed that the commissioners were empowered to enter into treaties with the several tribes, upon the basis of the following propositions:

- 1st. That each tribe must enter into a treaty for permanent peace and amity among themselves, each other as tribes, and with the United States.
- 2d. The tribes settled in the "Indian country" to bind themselves, at the call of the United States authorities, to assist in compelling the wild tribes of the plains to keep the peace.
- 3d. Slavery to be abolished, and measures to be taken to incorporate the slaves into the tribes, with their rights guaranteed.
- 4th. A general stipulation as to final abolition of slavery.
- 5th. A part of the Indian country to be set apart, to be purchased for the use of such Indians, from Kansas or elsewhere, as the government may desire to colonize therein.
- 6th. That the policy of the government to unite all the Indian tribes of this region into one consolidated government should be accepted.
- 7th. That no white persons, except government employes, or officers or em-

ployes of internal improvement companies authorized by government, will be permitted to reside in the country, unless incorporated with the several nations.

Printed copies of the address of the commissioners involving the above propositions were placed in the hands of the agents, and of members of the tribes, many of whom were educated men.

On the third day the delegates from the loyal Chickasaws, Choctaws, Senecas, Osages, and Cherokees, principally occupied the time with replies to the address and propositions of the commissioners, the object being partly to express a willingness to accept those propositions, with some modifications, if they had been clothed with sufficient power by their people, but chiefly in explanation of the manner in which their nations became involved with the late confederacy. The address of the Cherokees was especially noteworthy, inasmuch as they attempted to charge the causes of their secession upon the United States, as having violated its treaty obligations, in failing to give the tribe protection, so that it was compelled to enter into relations with the confederacy. The next day the loyal Seminoles expressed their willingness to accede to the policy of the government, and to make peace with those of their people who had aided the rebellion. The president of the commission then read a reply to the address of the loyal Cherokees above referred to, showing, from original and official documents, that, *as a tribe*, by the action of their constituted authorities, John Ross being then, as at the time of the council, their head, they had, at the very opening of the rebellion, entered into alliance with it, and raised troops for it, and urged the other tribes to go with them, and that they could not now, under the facts proven, deny their original participation in the rebellion. (The documents establishing the bad faith of John Ross had but recently come into possession of the department. They are very interesting, and taken in connexion with his course at Fort Smith in keeping aloof from the council, but exercising his powerful influence to prevent an amicable settlement with the hitherto disloyal part of the nation, will be found fully to justify the course taken by the commission in refusing to recognize him in any manner as chief of the Cherokees.)

The loyal Creeks on this day presented their address of explanation, setting forth the manner in which their nation, by the unauthorized action of its chief, entered into treaty relations with the confederacy, and the terrible sufferings which the loyal Creeks endured in battle and on the march to Kansas seeking protection from the United States, and asking "to be considered not guilty."

It being certain that no final treaties could be now concluded with the tribes represented, for the reason that, until the differences between the loyal and disloyal portions were healed, there could be no satisfactory representation of most of them, it was determined to prepare for signature by the commission, and by the delegates representing all factions and opinions, a preliminary treaty, pledging anew, on behalf of the Indians, allegiance to the United States, and repudiating all treaties with other parties; and on the part of the United States agreeing to re-establish peace and friendship with them. This was considered essential as preliminary to the main business of the commission, to wit: to make peace between the several tribes, and negotiations as to purchasing lands, territorial government, &c. This work was diligently pursued until, on the breaking up of the commission on the 13th day, all of the delegates representing the following tribes and sections of tribes, in the order given, had signed treaties, (some of them holding out for several days until they could agree among themselves:) Senecas, Senecas and Shawnees, Quapaws, loyal Seminoles, loyal Chickasaws, loyal Creeks, Kansas, Shawnees (uncalled for, but asking to be permitted again to testify their allegiance,) loyal Osages, tribes of the Wichita agency, loyal Cherokees, disloyal Seminoles, disloyal Creeks, disloyal Cherokees, disloyal Osages, Comanches, disloyal Choctaws, and Chickasaws.

Friendly relations were established between the members of the various tribes hitherto at variance, except in the case of the Cherokees. The ancient feuds

among this people are remembered still, and the Ross, Ridge, and Boudinot difficulties have never been healed. This portion of the nation was ably represented in council by Boudinot and others, and having learned from the action of those representing the loyal party that if they came back it must be as beggars and outlaws, asked the protection and good offices of the commission. Efforts were then made on the part of the commission to effect a reconciliation, but all that could be brought about was a promise upon the part of those representing the loyal party to present the question to their council, which is now in session, and I entertain the hope that soon I shall be able to furnish you a report of their proceedings, in which they offer fair and honorable terms of adjustment. If, however, I should be disappointed in this reasonable expectation, I trust the government will take the matter in hand, and, by a just and equitable division of their property, make a final settlement of all their difficulties.

When the majority of this nation returned to their allegiance to the government, in 1863, action was taken by their council, under direction of John Ross, confiscating the property of those who still continued in the service of the confederacy, thus cutting off about five thousand five hundred of the nation, leaving them homeless and houseless. This destitute portion of the tribe are still refugees on the Red river, suffering from the want of every necessary of life, and existing only upon the charity of the humane people of northeastern Texas. The department has, however, sent a special agent to look into the wants of these refugees, and must rely upon Congress for the necessary means to relieve their necessities.

The commission did not adjourn without having made valuable progress towards the consummation of treaty arrangements with several of the most important tribes. With the Osages a treaty was made, signed by the lately disloyal party at the council, and by the loyal chiefs afterwards at their agency, by which they cede to the United States a very large area of valuable land, which may be used for colonization of other tribes if it shall be needed for the purpose, or sold for their benefit. That treaty has just reached this office by the hand of Superintendent Sells, and will be submitted to you with his report.

The terms of a treaty were agreed upon with both parties of the Creeks, whereby they cede to the United States, for the use of the friendly Indians from Kansas or elsewhere, all of their lands north of the Arkansas river, and one-half of the remainder lying south of that river, on terms which I trust will meet the approval of the government. This treaty is to be signed in this city by delegates properly accredited by the united Creek nation.

With the Choctaws and Chickasaws a treaty was agreed upon, upon the basis of the seven propositions heretofore stated, and in addition to which those tribes agreed to a thorough and friendly union among their own people, and forgetfulness of past differences; to the opening of the "leased lands" to the settlement of any tribes whom the government of the United States may desire to place thereon; and to the cession of one-third of their remaining area for the same purpose; the United States to restore these tribes to their rights forfeited by the rebellion. This treaty, after its approval by the councils of the Choctaws and Chickasaws, is to be signed in this city by three delegates from each nation sent here for that purpose.

It is not intended to hold any general council in this city, but it was understood that delegates would, if necessary, visit Washington on behalf of any of the tribes owning lands in the Indian country which the government might desire to purchase for the use of other Indians, so that, by properly accredited delegates, all necessary arrangements with the several tribes might be made.

It became sufficiently evident, in the course of the council, that one great object in view by the government, the colonization of such of the tribes or portions of tribes from further north as should desire a permanent home in the Indian country, would be secured when the policy of the government in regard to them

or provided for elsewhere; and, at all events, suggested that their consent ought first to be obtained before any survey should be made. The subject having been submitted to your department, it was determined that an attempt should be made to obtain the formal consent of all of the Utah bands, on consideration of substantial and permanent benefits to be received, to remove to the Uintah valley, and cede their right of occupancy of all other lands in the Territory. Accordingly, instructions to this end were sent to Superintendent Irish in the spring; and during the month of June he succeeded in convening the leading men of the tribes at Spanish Fork, and making a treaty which has received the assent of all the Utah bands above named, and which has been recently laid before you. The superintendent's interesting report, which accompanied the treaty, gives ground for hope that a great work is well-nigh accomplished for the Territory, in throwing its lands open to settlement, as well as for the Indians, in providing for them a comfortable home.

The treaty cedes nearly the whole of Utah Territory, excepting only the Uintah valley, and a strip along the southern end of the Territory, and if the superintendent is successful in his attempt to bring the Pi-Edes to agree to the treaty, that strip also will be ceded. It may be observed by those critical in geographical lines that the northwestern part of Utah is also covered by claims made by different bands of Shoshonees in the treaties of amity with them; but as the last-named tribes will soon be under treaty in Idaho, where they properly belong, no conflict of jurisdiction is likely to arise.

I recommend that medals and presents be given to Washakee, chief of the northeast Shoshonees, and to Konosh, chief of the Pali-Vants, as a special testimonial of appreciation by the department of their good conduct and good influence over their people. Washakee recently asked permission to take part in the campaign against the western Sioux, and this was granted, subject to the arrangements to be made with the military commander of the district of the Upper Platte.

There has been, as appears from the superintendent's report, considerable uneasy feeling among all the Utah Indians, resulting from representations made to them by disloyal whites as well as by Indians, that the white troops were not succeeding in their campaign against the Sioux, who were represented as fighting for the rights of the whole red race, and to save themselves from extermination. Still further cause of dissatisfaction occurred in the delays incident upon the delivery of the goods promised to the Indians, which delay was caused by the goods being turned back by the military officers in command along the overland route, after having been started in good season from Nebraska City; but in spite of these untoward circumstances the Indians have behaved remarkably well.

The superintendent suggests that hereafter the goods be forwarded over the plains by mule trains, instead of by oxen, so that, by being started in good season, they may with some degree of certainty be expected to arrive at their destination in time to be distributed to the Indians before they leave for their winter hunt.

NEW MEXICO.

But three of the Indian agents in New Mexico have made their annual reports this year—Agents Ward, Archuleta, and Labadi. Those of the two former are somewhat meagre. That of the latter is more full, and gives some interesting information in regard to the tribes now and heretofore under his charge; but it comes at too late a day to receive any extended notice.

It is understood that most of the agents appointed in New Mexico can neither read nor write in the English language, which may account for the slowness of some and the delinquency of others in furnishing reports. I have some information in regard to the present condition of Indian affairs in New Mexico, from the superintendent's annual report, but he states that he is obliged to present it

without assistance from the agents, although, like them, he speaks the Spanish language. In order to give an intelligible summary as to matters in this Territory, I am obliged to rely much on previous reports, and upon information obtained from the late superintendent, Dr. Steck, on his late visit to this city.

The Indians of New Mexico may be best divided into four classes, to wit:

Apaches, of which there are four divisions, the Mescaleros and Mimbres, whose range was, and for the most part still is, the southeast quarter of the Territory; the Jicarillas, numbering, according to Agent Labadi, 987 souls, ranging in the northeast portion—these tribes or bands, together, being estimated to number some 3,500; and the Gila Apaches, in southwest New Mexico, estimated at, say, 4,000 or 4,500.

Utahs, being the Mohuaches, a small band of some 500, who range along the north end of the Territory, partly in Colorado; and the Capotes and Wannemuches, living in the northwest, numbering some 2,500.

Pueblos, or "Village Indians," occupying some nineteen villages, scattered for a long distance along a line drawn northeast and southwest through Santa Fe, holding their lands by grants from the Spanish government, confirmed to them by the United States, and numbering about 7,000 souls.

Navajos, taken prisoners by the military forces, and removed to the reservation at Bosque Redondo, on the Pecos river, in the eastern part of the Territory in 1863-'64, and numbering, at latest accounts, a little over 7,000; their original home being in what is now Arizona, though ranging into northwestern New Mexico.

Of the Apaches, my information, through Superintendent Delgado's report, is meagre. The reservation at the Bosque Redondo was (by recommendation from this office of January 14, 1864, laid before the President of the United States, and approved by him, as appears from department letter of January 16, 1864) set apart for the Apaches, it being intended to colonize all of the various bands of that tribe upon it; and as it was estimated to contain about 6,000 or 7,000 acres of arable land, it was deemed sufficient for the purposes. A beginning was made with a portion of the Mescaleros, who were represented as progressing with their agricultural operations in such a manner as to give good reason to hope that the remainder of the bands could be induced to come in. The removal of the Navajos to the reservation, being old enemies of the Apaches, and so largely outnumbering them as to nearly monopolize the reservation, is understood to have checked the further concentration of the Apaches at that place, and the number upon the reservation has remained about the same as last year, the superintendent reporting it at 472. The Jicarilla Apaches, who are supposed to be cared for by the agency situated upon the Cimarron river, in the northeast, are represented by Agent Labadi as being further advanced in civilization than the other wild tribes, having been more in the settlements, and many of them speaking the Spanish language. From other sources they are represented as hard cases—worthless vagabonds—concerning whose improvement the superintendent suggests their removal to the Bosque Redondo, where I doubt if there is room for them, or if they could be induced to go and remain. The agent recommends that they be established on a good reservation in their own country, and says that if this were done, and some assistance afforded them by the government, they would raise good crops, establish schools, and learn to obtain an honest living.

Of the Gila Apaches very little is known. Some years ago they were visited, and exhibited a disposition to concentrate upon a reservation, which was at that time selected by Superintendent Steck, on the dividing line between New Mexico and Arizona, in a fertile and isolated valley, but nothing further has been done in regard to them.

In regard to the Utahs, the small band of Mohuaches, being allied to the Tabeguaches of Colorado, should, it is thought, be turned over to that superintendency, and concentrated with them on the proposed reservation on the San Juan river,

in southwestern Colorado. They and the Jicarilla Apaches, having long been neighbors and intermarried, expressed to Agent Labadi a strong desire to continue united, which desire should certainly be gratified.

The Capotes and Wannemuchés (Guiguimuchés) are represented as friendly tribes of the great family of Utahs, powerful, warlike, and independent.

Agent Archuleta represents them as a wandering people, living partly by the chase, partly by the aid of government, and partly by stealing and begging; that they are utterly debased, and of the lowest grade of intelligence. They are disinclined to settle upon any reservation, and the superintendent appears to think that such concentration is unnecessary at present; and that when the progress of white population shall demand it, it can be effected without serious difficulty.

The Pueblos Indians, concerning whom an elaborate report was furnished last year by Agent Ward, showing their number in the different villages, with much other valuable information, remain in much the same condition, except that two or three of the villages or settlements have suffered greatly from drought, and from sudden overflow of streams, destroying their crops of grain and fruit, so that relief is necessary to keep them from starvation. Such directions have been given as will enable this office to know to what extent relief is necessary, and such relief will be given as the funds at hand will allow.

These Indians are a quiet agricultural people, industrious and self-sustaining, and need only, in ordinary circumstances, aid in the way of agricultural implements; but they are very desirous to have schools established among them, and this will be done as soon as it can be ascertained where, among the many villages, schools can be established to the best advantage, as it is apparent that the funds at the disposal of this office will not allow of provision for a school at each of the nineteen villages.

In regard to the Navajos, now established at the Bosque Redondo reservation, the accumulated testimony is so conflicting, derived from sources equally entitled to credit, and from persons who should have, and, so far as appears, have had but one object in view—the best interest of the government and of the Indians, that I am reluctant at present to express a decided opinion in regard to the permanent policy to be adopted. The difference is wide between the views of the late superintendent, Dr. Stock, who urged, and was supported by excellent authority in urging, that the Bosque Redondo reservation was barely sufficient for the Apaches, for whom it was set apart—that the Navajos and Apaches could not live together upon it; that the Navajos could best support themselves upon a reservation in their own country, where they had always been an agricultural and pastoral people, raising large crops, and making their own garments from the produce of their own flocks, and that the enormous expense of feeding them at the Bosque Redondo, counting by millions almost, was an unnecessary expenditure—and those of General Carleton, the military commandant of the district, who insisted that, for the sake of permanent peace, the Navajos must be taken entirely away from their own country, and that when once settled upon a reservation they would provide for their own support.

General Carleton took the responsibility of testing the question by removing the Navajos to the reservation; and this being done, they have been supported there by the War Department, with the aid of an appropriation of a comparatively small amount by Congress, placed at the disposal of the Interior Department. An attempt was made late in 1864, by sending a special agent to the Territory, to obtain such definite information as to the case as to enable Congress to act finally upon the subject, but the report of the agent did not reach this office in time for action; and, indeed, while much valuable testimony was furnished on both sides of the mooted question, and much light thrown upon both sides, it seemed as difficult as ever to make a just decision. On the whole, inasmuch as the Navajos are at the reservation, where, as appears from Superintendent Del-

gado's report, the most of them are quietly, under military supervision, working the land, cultivating 3,500 acres this year, raising good crops and having some supply of stock of their own, and on the whole are doing well; and inasmuch as their removal from the former scenes of their predatory warfare has resulted in giving quiet and security to a considerable portion of the Territory, it has been deemed best to accept, for the present at all events, the location at the Bosque as a settled fact, and an agent has been appointed, with special instructions to take charge of the expenditures of the department on their behalf, while a special agent has been charged with the duty of purchasing and conveying to the reservation a large quantity of useful implements and articles, having reference to their becoming self-sustaining at the earliest possible day. These articles are now on their way across the plains in a train of wagons, which, with the stock drawing them, will be needed upon the reservation. With a fair season for crops next year it is expected that the Navajos, by their agricultural labor, will relieve the government of the cost of subsistence after next year; and if they can be supplied with sufficient stock, will manufacture a good share of their own clothing.

The special agent, Mr. J. K. Graves, is instructed to inform himself fully, and report at the earliest possible day, in regard to the facts necessary to a conclusion as to retaining the Navajos at the Bosque permanently, and as to the cost of providing for them there, with allotments of land, &c.; and he is also to make examination and report as to the condition of affairs at each of the other agencies, in regard to which this office is lamentably deficient in information, knowing neither what has been done, nor what ought to be done, in behalf of the Indians. Almost immediately after the last adjournment of Congress, a change was made in the superintendent, and four new agents appointed, three of whom can neither read nor write the English language, and not assigned to any particular agencies.

It is a fact, that, with the exception of Agent Archuleta, who is mentioned by Superintendent Delgado as having charge of the agency of Abiqui, for the Capote Utahs, &c., and Agent Labadi, in charge of the agency on the Cimarron river, this office has no knowledge, and has been unable to obtain any, as to the location of the several agents since last spring. It is confidently expected that from the report of Special Agent Graves some definite information will be obtained. I trust that I shall not exceed my proper province in this report when I suggest that hereafter, whenever the subject of a change of persons charged with the management of Indian matters is proposed, your department, at least, may be consulted as to the propriety or necessity of any change, or at all events, as to the existence of vacancies, and their location and circumstances. I feel confident that if this course had been always taken, and the information easily furnished had been laid before the appointing power, some of the changes of the last year would not have been made; or if it was deemed advisable to make them, this office would have been furnished with more accurate information in regard to the changes intended, and thus with more certain means of conducting the public business intrusted to it. It appears, from the information which my brief tenure of this office has enabled me to obtain, that it has always been difficult to obtain the services, as Indian agents, of persons who are willing to accept the very moderate salaries paid by the government as their remuneration, and to be content with acting as the conscientious guardians of the Indians, as well as the economical agents of the government expenditures in their behalf, without supplementing their salaries by conniving with traders, contractors, or other parties; and when such agents are found, I can but feel that any change must be for the worse. I trust that such agents may be supplied, if it is possible, where we do not have them now; and should be pleased, and am sure that the interests of the government would be subserved, if such as we now have could be retained.

I should mention, before leaving this superintendency, that during the last winter one of the agencies was visited by a delegation from the Moqui village Indians, living in northeast Arizona, who had come, at the peril of their lives, a distance of several hundred miles to obtain food to save their people from starvation, their crops having failed last year for want of water. Some relief was given them, and they returned rejoicing. An interesting account of these Moqui Indians has been given in previous reports, and their country abounds in remains of large buildings and populous towns, the relics of old Aztec times. Their country appears to be gradually drying up, and becoming unfit for the habitation of man. They number about 2,500, and, as they belong to Arizona, the attention of that superintendency will be called to their condition and wants.

COLORADO.

Affairs in this superintendency, on the eastern side of the mountain range which occupies the central ridge of the Territory, have been in a very unsettled condition throughout the year. We are without any annual report from Governor Evans, *ex officio* superintendent, but those of Agents Head and Oakes have been received, and from these, and from the correspondence of the office since the last annual summary, the following state of affairs appears:

There are now but two established agencies in Colorado, to wit: Tabeguache Utes, at Conejos, in the southwest, Agent Head, numbering about 4,500; Grand River and Uintah bands of Utes, Middle Park agency, having headquarters at present at Denver, and claiming a large district in the northwest, Agent Oakes, numbering 2,500.

The agency for the Arapahoes and Cheyennes, established under the treaty of Fort Wise, in the southeast part of the Territory, had under charge about 1,500 Arapahoes and 1,600 Cheyennes, and was known as the Upper Arkansas agency, having its headquarters at Fort Lyon.

The northeastern portion of the Territory was within the limits of the region claimed by the Arapahoes and Cheyennes, who were considered as being, with two bands of Sioux, under charge of the Fort Laramie agency, now included within the northern superintendency.

From Agent Head's report in regard to the Tabeguache Utes, we learn that those Indians have been very quiet during the past year, making no trouble, except in one instance, where a portion of one of the bands took forcible possession of a few sacks of flour, to save themselves from starving. The agent took immediate measures to supply their pressing necessities, since which occasion they have been quiet, although there were reasons for discontent in the unavoidable delay in the delivery of the goods promised them by treaty. That treaty provides that whenever their chiefs shall express a desire, on behalf of their people, to settle down into cultivation of the soil, certain supplies of stock, &c., shall be furnished to them. The agent states that such is now the desire of the chiefs, and urges the fulfilment by government of this provision of the treaty. A detailed estimate of the amount required for the purpose will be called for, and transmitted for your information when received. Governor Evans, during the month of August, represented the tribe as very uneasy at the failure of their goods to arrive, and expressed fear that hostilities would break out, but there is no mention in their agent's report of any such excitement. However, steps were taken to push forward the goods as rapidly as possible, and advices of their arrival have recently been received. Occasion is elsewhere taken to refer to the subject of transportation across the plains. Delays and failures in the delivery of annuity goods are a fruitful cause of trouble with the Indians, who yield the occupancy of portions of their ranges, on consideration of the receipt of sundry articles necessary to their comfort, and expect to obtain them in due season in the fall, so that they can leave for their winter hunt. The suggestion that hereafter, if it could be accomplished at a reasonable price,

these goods should be forwarded by mule trains instead of by oxen, is considered a good one, and by adopting this course, and by greater care in the shipment from the frontier, I think that all cause for dissatisfaction can be avoided.

Agent Head is of the opinion that ultimately the bands of Utes, now in New Mexico, can be concentrated with the Tabeguaches to advantage.

Agent Oakes's report as to the Grand river and Uintah bands is very brief and unsatisfactory, his connexion with them having been very short. He had charge of a small number of friendly Arapahoes at Camp Collins before being appointed to this agency, but the Arapahoes left him and joined the war parties to the north in the early spring. He represents the Indians of his present charge as very peaceable and friendly, and anxious to go upon a reservation. At the latest dates he was engaged in exploring the country in search of a suitable place for such reservation.

A new agent has been appointed by the President to the Upper Arkansas agency, heretofore filled by Mr. Colley, until it was finally broken up a year ago last summer by the Indians, of his charge joining with the northern Sioux and others in hostilities against the whites. The various circumstances leading to this disastrous occurrence were detailed in the annual report of last year, but no official account has ever reached this office, from its own proper sources, of that most disastrous and shameful occurrence of all, the massacre of a large number of men, women and children of the Indians of this agency by the troops under command of Colonel Chivington, of the United States volunteer cavalry of Colorado. Certain facts are apparent from the documents accompanying the report of last year, and others have been detailed in a report to Congress, and these show that during the spring and summer of last year persistent efforts were made by a part of these Indians to make peace, which efforts were repelled by some of the military officers; and that when several hundred of them had come in to a place designated by Governor Evans as a rendezvous for those who would separate themselves from the hostile parties, these Indians were set upon and butchered in cold blood by troops in the service of the United States. The few who escaped to the northward told a story which effectually prevented any more advances towards peace by such of those bands as were well disposed, except that during the last spring Roman Nose, an Arapahoe chief, sent word to an officer at one of the posts that he was anxious to obtain permission to live with his people in a locality in the vicinity of the Little Chug river. Governor Evans advised this office of the fact, and some correspondence took place upon the subject, but before any interview could be had with the chief, General Connor's campaign commenced.

A considerable amount of money had been expended at the last mentioned agency for permanent buildings, and for an extensive *acequia*, or ditch, for the purpose of irrigating the lands for cultivation. How far this expenditure has been made unavailable for agency purposes in future by damages done by the Indians or others we have no means of knowing at present. Several bands of these Arapahoes and Cheyennes went south and east, and took refuge among the Kiowas and Comanches, of Agent Leavenworth's charge, and were represented at the council which was held at Bluff creek, in southwestern Kansas, in the early part of this month. That commission, the history of which is more particularly given under the head of the Central Superintendency, after being in session about a fortnight, had succeeded, as stated in another part of this report, in negotiating a treaty with the Arapahoes and Cheyennes of this agency, numbering 2,800; and they have agreed to use their utmost endeavors to bring in those of the Upper Platte who have been associated with the Sioux and other hostile Indians in the northwest, having already sent out runners to inform them that peace had been offered them. The Apaches, too, leaving the Kiowas and Comanches, had given their assent to this treaty, and confederated with the Arapahoes and Cheyennes, the new combination being designated as "the confed-

erated tribes and bands of Cheyennes, Arapahoes and Apaches." This treaty will soon be laid before you, with a special report in reference to it.

The new agent, Mr. Taylor, who was lately appointed to the Upper Arkansas agency, was directed to report to Governor Evans, or to his successor, Governor Cumming, for assignment to such duty as he should designate in connexion with the Indian service. As the Indians, under arrangements made at the council above referred to, are to reside temporarily on the reservation made by the treaty of Fort Wise, and at the place where the improvements were being made for them, this agent has been sent to that point to remain with the Indians there until the necessary steps can be taken to remove the latter to their new reservation south of the Arkansas river.

The report of the commission above referred to will be found among the documents accompanying this report.

DAKOTA.

This superintendency, comprising the Territory of Dakota, has been for a considerable time the scene of interesting events, it being the region in which General Sully has carried on his campaigns against the Sioux Indians of the upper Missouri and country adjacent thereto; while General Conner's operations against the Sioux and other Indians of the upper Platte, whose agency was at Fort Laramie, have driven those Indians far up into the region attached to Dakota for judicial purposes, but lying west of that Territory, and between Colorado on the south and Montana on the north.

There are five agencies in this superintendency, viz:

Yanktons, at their reservation on the Missouri river, near Fort Randall, and near the southern boundary of the Territory; P. H. Conger is the agent, the number of Indians being 2,300.

Poncas, near the Yankton reservation, on the Niobrara river, which forms part of the boundary between Dakota and Nebraska; Agent Potter has them in charge, numbering at the last census 1,100.

Crow Creek Agency, near old Fort Pierre, on the Missouri. This is the point selected for a home for both the Winnebagoes and Sioux of the Mississippi, who were removed from Minnesota. The Winnebagoes have gone down to the Omaha reservation, in Nebraska Territory, leaving the Sioux, numbering 1,039, by a late enumeration, under the charge of Agent Stone.

Upper Missouri Sioux. This agency has scarcely a local habitation; Mr. S. N. Latta, who held, until recently, the office of agent, and who has from time to time distributed the annuity goods due to the Indians, having had of late very little to do with them, as they have for the most part been included among the hostile tribes. Governor Edmunds, *ex-officio* superintendent, estimates the number of the various bands as follows: Two Kettles, 780; Minnecongus, 2,220; Yanktonnais, 4,300; Uncpapas, 2,400, and Blackfoot Sioux, 1,200; Sioux of the Mississippi (not on the reservation) about 800, making a total of about 11,690.

Upper Missouri. The tribes held as belonging to this agency, having its headquarters at Fort Berthold, far up on the Missouri river, under the charge of Agent Wilkinson, are the Gros Ventres, Arickarees and Mandans, together numbering 2,500; the Assinaboines, estimated at 3,280; and the Crows at 3,500; the latter tribe, however, ranging into what is now Montana Territory.

New agents have, during the past season, been appointed for the Yanktons, Poncas, and Sioux at Crow creek, the commission of Mr. Burleigh at the first-named agency having expired, the second having been vacant for a year, and Agent Balcombe, who had charge of both the Sioux and Winnebagoes, having gone down to the Omaha reservation with the latter tribe. Special reports, required by the superintendent of each of these new agents, in regard to the condition of affairs as they found them, were forwarded to this office, and from these and the monthly reports since sent in we obtain much valuable information.

Agent Conger found the Yanktons in a very unsatisfactory condition, and expressing much discontentment, and complaining that government had not kept its promises to them, as made in the treaty by which they ceded what is now the settled portion of Dakota. He reported the agency buildings in a dilapidated condition, and everything run down; no cattle or stock, farming tools few and in bad condition, and very small preparation for a crop this year. It being already the 1st of May when Mr. Conger took the agency, but little could be done towards getting in a crop, and, for want of good seed, that little for the most part failed. The Indians are represented as being very idle and improvident. There is no school on the reservation, and none has been in existence, although the treaty provides liberally for one, and the vouchers of late Agent Burleigh are on file for the expenditure of considerable sums of money for the purpose; and there are no missionaries or teachers, though the Indians express a desire for their services.

It being considered that the annuities of the tribe are sufficient, under proper management, to place these Indians in a much better condition, and that they ought to be at least as well provided with the comforts of life as the neighboring tribes of Nebraska, the superintendent and agent are doing everything in their power to accomplish this end. On account of the failure of crops, special supplies of food must be furnished to the tribe for the coming winter, and with this fact in view I have been husbanding the funds applicable to them; but as nearly one-half of the appropriation for them for the current fiscal year had been used before the year commenced, it is doubtful whether the amount on hand will be sufficient to prevent suffering among them. The cause of this deficiency, and the remedy proposed for it, are stated in that part of this report relating to "Finances."

It is hoped that another year these Indians, being better provided, and influenced by pressing necessity, will be found cultivating good crops. The agency farms, at all events, will be under cultivation.

The Poncas, who had been without a regularly appointed agent for some time, but who were under the charge of a person specially detailed by the superintendent, were found to have some 250 acres under cultivation, with a prospect of an abundant crop. This hope has been fully realized, and the tribe, with the proceeds of a successful hunt, is in a comfortable condition for the winter, and, as appears by the report of Governor Edmunds, *ex-officio* superintendent, they are affording aid to their neighbors the Yanktons. The buildings of the agency are stated to be much in need of repairs, being built of cottonwood, which makes very poor lumber. There is no school upon the reservation; the treaty requires one, and money to a considerable amount has been forwarded from time to time, on the requisition of former agents, for school purposes. Special inquiry has been directed to this point. The agent proposes to employ Indians to do the necessary labor upon the reservation, and finds them willing to work for reasonable wages, and anxious to increase their stock of teams, wagons, &c. We shall, I am confident, find matters much improved also at this agency another year, if the season is favorable for crops.

Attention was called last year to the fact that the murderers of several of this loyal and friendly tribe had not been discovered and punished. I trust that, as there seems to be no probability that this will be done, a special appropriation may be made for presents to the relatives of the deceased.

Considering the character of the soil at the Crow Creek agency, the fact that the Sioux removed thither were mostly old men, women and children, who had been taken captive or given themselves up soon after the Minnesota massacres, and the further fact that their small attempts at hunting had been frustrated by their parties being turned back by the military forces, these Indians are in as good a condition as could well be expected. They are provided for out of an appropriation of \$100,000 made by Congress, all treaties with their tribe having been

declared abrogated, and of course all annuities stopped. Agent Stone found many things needed, which, with good management, the funds appropriated to their use ought to supply, particularly working cattle and cows. The buildings also were in poor condition, and the tribe ill provided as to shelter. Measures were taken towards an improvement in these matters. The Indians were somewhat afflicted with scurvy, and, on the recommendation of the superintendent, and at the suggestion of Hon. Mr. Hubbard, of the congressional committee, who visited the agency, an ample supply of potatoes has been provided.

The schools at the agency are in a good condition, and the Indians appreciate their advantages.

The able-bodied adult males belonging to the families at this agency are, for the most part, still confined, under charge of the military, near Davenport, Iowa. The only offence of which many of them appear to have been guilty is that of being Sioux Indians, and of having, when a part of their people committed the terrible outrages in Minnesota, taken part with them so far as to fly when pursued by the troops. At all events, as soon as the troops came near enough to give them protection they came in, and brought with them, rescued from the horrors of Indian captivity, a large number of white women and children. Their reward appears to have been a sorry one, but they have patiently endured their captivity. It is believed that measures are about being taken to release nearly all of them and send them to their people at Crow creek, where the addition of their labor will be an important help in farming operations.

In this connexion allusion may properly be made to certain Sioux, mostly Sissetons, it is believed, who were occupants of land in western Minnesota, but who, being either captured or having voluntarily surrendered, have been supported mostly by issues of supplies from Fort Wadsworth, in eastern Dakota, but partly by cultivating some crops in that vicinity. A part of them have done faithful service to the government as scouts along the frontier. Congress made special provision for such of these Indians as were known to have exerted themselves to bring in the captive whites, by setting apart eighty acres of land for each, in their old country. Steps were taken by some of these Indians last spring to avail themselves of this provision, though not without strong opposition on the part of whites who had already occupied much of their lands.

Returning to the Missouri river, the next agency above Crow creek is that to which the various tribes of Sioux belong, lying on both sides of the river. General Sully, having placed sufficient garrisons in the posts along the river and in the line of posts nearer the Minnesota frontier, has, with his movable column, been in search of the hostile Sioux during most of the spring and summer without being able to bring them to action. It was thought, at the last session of Congress, upon representations made to and through this office, that nearly all of the hostile Sioux would be glad to make peace, having suffered enough. Indeed, the same opinion was entertained the previous year, and an agent of this office, Rev. Father De Smet, was sent up the Missouri to get access to the tribes, but he was not allowed by General Sully to communicate with them.

Last winter Congress appropriated \$20,000 for the purpose of paying the expenses of negotiating a treaty with these Indians, and that amount, in goods and money, was placed at the disposal of Governor Edmunds, to enable him to proceed in the discharge of this duty; but the governor found the military officers still disinclined to act in concurrence with him, and determined upon another campaign as necessary to subdue the Indians, and the attempt to make a treaty was, for the time, abandoned.

General Sully followed the Indians as far north as the British possessions, and thence followed the course of the Missouri river down until, at last advices, he was at Fort Sully, not very far above the Crow Creek agency. Several interesting reports of the general's marches have been transmitted to this office, and it would appear that while at Fort Rice, on his way down the Missouri, a

large force of the hostile Indians, too large to be attacked with safety, were in the country to the eastward of that post. The general's report estimates the number at ten thousand warriors, but this is probably the error of a copyist, as the total population of the hostile tribes would scarcely afford so many able-bodied men, and it is understood that a large number had already separated themselves from the bands so hotly pursued. The general was under the apprehension that his failure to attack and continuance of his march down the river would be considered by the Indians as a retreat.

In the latter part of August, under the direction of the President, a commission, comprising Governor Edmunds, Major General Curtis, Superintendent Taylor, General Sully, and Hon. Orrin Gurnsey, was appointed to go up the Missouri to endeavor to meet and negotiate with these Indians, and this commission is now at its appointed rendezvous.

No report has yet been received from this commission except such as is contained in the report of Governor Edmunds, herewith, under date of the 14th October, and in other advices referred to in the preliminary part of this report. They had, on the 10th, signed a treaty with the Minnecongos, numbering, as represented by their chiefs, three hundred and seventy lodges. This band was represented by eight of their principal chiefs—including One Horn, head chief—and twenty-three warriors. These claimed also to represent ten other bands of Sioux, nearly all of whom have been hostile; all of whom, they said, were anxious for peace, and would willingly treat on the same terms as offered to the Minnecongos. It is highly probable that other treaties have ere this been entered into with other bands, and that we are now actually at peace with this numerous and troublesome people. In case the report of the commission reaches this office in time, it will be published among the papers accompanying this report.

Treaties cannot, however, be completed at this time with all who are anxious for peace. This is owing to the lateness of the season, and the very widely scattered position of the Indians. I am satisfied that, with the opening of spring, the Indians being accessible, treaties of peace can readily be effected with all the tribes of the southwest; and when it is considered that ten years of such peace will be much less expensive than one year of war, I cannot but congratulate you on the abundant success of your earnest efforts in this behalf.

General Sully states, in a recent report, that he thinks that at least two-thirds of the tribes originally hostile will have, by this time, either given themselves up or detached themselves from the remainder. The cost of these military campaigns is enormous, and it still remains doubtful whether a reliable peace could not have been made last year at infinitely less price. Every possible effort, under your instructions, has been made, during these operations, to prevent the occasional differences of opinion between civil and military officers from affecting the efficiency of military operations; and if they have not fully succeeded in accomplishing their end, no fault can be found with subordinates of this department; while, if they are successful, their success will be highly gratifying to this office.

Governor Edmunds has felt it to be his duty, as governor of the Territory and superintendent of Indian affairs, to call attention to sundry irregularities, of which he considered the proof to be ample, in the conduct of parties connected with the military posts on the Missouri river, in furnishing the Indians with articles contraband of war, in exchange for articles which they had for sale. Doubtless these transactions, if brought to the knowledge of the commanding officer, have been checked. General Sully has exhibited every desire to have his operations interfere as little as possible with the intercourse with and supplies for the friendly tribes in the northern part of the Territory.

The Gros Ventres, Arickarees, and Mandans, to whom distribution of annuity goods is made by Agent Wilkinson at and near Fort Berthold, were supplied satisfactorily, except that the diminution of the quantity, caused by depreciation of the currency, was difficult of explanation.

These friendly tribes have for a long time expressed an earnest desire to concentrate upon a reservation near Fort Berthold, where they cultivate successfully a large body of land; and to receive the benefits of a treaty, in instruction in labor, agricultural implements, and particularly in schools for their children.

It is hoped that, either by the commission now up the Missouri, or by others, such a treaty may be made with these Indians. The appeal of the old Arickaree chief, White Shield, published in the annual report last year, and the statements made by Rev. Mr. De Smet, also published in that report, are fully confirmed and strengthened by the statements of Agent Wilkinson this year. I trust that action in their behalf may not be longer delayed.

Of the Assinaboines, no advices have been received, except that they were, about September 1, below Fort Union, at some distance north of the Missouri, divided into small bands for hunting, quite poor, but friendly.

Agent Wilkinson represents the Crows as behaving well, friendly to the whites, keeping out of the way of their old enemies, the Sioux, and anxious to have an agency established among them some seventy-five miles above the mouth of the Yellowstone, but thinks that they would consent to remove to reserved lands north of the Missouri river.

Measures should, in my judgment, be taken to compel the permanent residence of the agents with the upper Missouri tribes, of whom they have the charge. Of course this cannot be done as to the Sioux until a final arrangement is made with them; but as to the Indians about Fort Berthold, there seems to be no good reason why the agent should not be with them. The law of Congress requires it, and it is every way desirable, for the benefit of the Indians and their protection from the effects of unlawful traffic.

IDAHO.

This office has been without authentic intelligence in regard to Indian affairs in this new Territory for many months, sundry reports forwarded by Governor Lyon, *ex officio* superintendent, having failed to come to hand. But one agent has been on duty in the Territory, Mr. O'Neill, in charge of the Nez Percés, a large and friendly tribe, numbering 2,830 by a late census, and located in various bands within seventy-five miles of the agency. Through failure of the mails, Mr. O'Neill's bond, which had been forwarded by Governor Lyon, did not reach this office, and no funds could be forwarded to him for the necessary expenditures under the treaty with those Indians. Much dissatisfaction was the necessary result; but through the influence of Lawyer, the faithful head chief, the efforts of those anxious to commence hostilities have been defeated, and no outbreak had occurred at the latest dates. The causes of dissatisfaction have certainly been great. The first treaty made with these Indians, which was satisfactory to them, had been superseded by another, made by Superintendent Hale, of Oregon, of which Idaho was formerly a part, and this has not yet been ratified by the Senate. Meantime the promised payments under the first treaty were delayed, and disloyal persons were not wanting to persuade the Indians that the government was acting in bad faith towards them. However, as stated above, the efforts of the head chief, Lawyer, and others, with those of the agent, were successful in preventing any outbreak, and funds have recently been forwarded to make the deferred payments. Agent O'Neill's report sets forth the condition of things among these Indians very clearly. The rapid increase of the white population, now numbering, by Governor Lyon's estimate, nearly fifty thousand in the Territory, and the influx of a mining population, extending their prospecting tours in every direction, has still further tended to render it difficult to preserve peace.

Advantage has been taken of Governor Lyon's recent visit to this city to obtain much valuable information in regard to the Indians of Idaho, and he has returned with funds to pay the sums past due under treaty stipulations with the Nez Percés, and with authority to conclude a new treaty with that tribe, which, it is hoped, will reach this city in time to be ratified by the Senate instead of the one now before that body. Authority has also been given to Governor Lyon to conclude a treaty, if possible, with the Kootenais and Cœur d'Alene Indians in the extreme northern part of Idaho, and it is expected that very large tracts of mining and agricultural land will be opened to the public by these treaties, while the Indians will be rendered secure from molestation upon their diminished reserves. From the report of Agent Hutchins, of Montana, it would appear doubtful whether many of the Kootenais, beyond those who are already included within the provisions of the Flathead treaty, can justly claim any rights this side of the British line, and the attention of Governor Lyon will be called to this point.

In the course of the governor's extended tour through the Territory, he met, at a point not very far distant from the present capital, Boise City, the chiefs of the Boise Shoshonees, and made with them a kind of preliminary treaty agreement, by which the Indians agreed, on the fulfilment by the government of certain rather loosely defined conditions, to cede to the United States an extent of country estimated at many millions of acres, and comprising a large part of southern Idaho, and to concentrate upon a reservation of moderate dimensions. This treaty not being in a condition for submission to the Senate, authority has been given to Governor Lyon to conclude a formal treaty with the tribe referred to, upon the general basis of the arrangement above mentioned.

In the region about Fort Hall, in southeastern Idaho, and bordering upon and occupying the northern part of Utah, so far as their limited numbers and migratory habits allow them to occupy any territory, is another band of Shoshonees, understood to be one of those with whom the late Governor Doty concluded treaties of amity, providing for unmolested travel through the country by the whites, and a small annual payment by government to offset the necessary limitation of the means of subsistence of the Indians, resulting from the driving off of game and destruction of nut-bearing trees, &c. These Indians are called by Governor Lyon the Kammas Prairie tribe, and are represented by him as desirous of being concentrated upon a reservation of limited extent; and the necessary powers for the purpose have been given to him.

The Nez Percés are supposed to number about forty-five hundred, the Cœur d'Alenes, Kootenais, &c., some two thousand, the Boise Shoshonees one thousand, and the Kammas Prairie Indians about two thousand; and if the proposed arrangements with these tribes are successfully made, the whole Territory of Idaho will be thrown open to settlement, except the limited reservations above referred to.

New mail routes have just been opened, greatly facilitating the communications between the capital of Idaho and San Francisco, and this will probably be for some time to come the shortest route for letters and supplies.

MONTANA.

The Indians within this superintendency are comprised in two divisions, the Gros-Ventres of the mountains and the various tribes or bands of Blackfeet Indians—all east of the Rocky mountains, and whose numbers are estimated as follows: Gros-Ventres, 1,800; Piegiens, 1,870; Bloods, 2,150, and Blackfeet proper, 2,450, the last three making the Blackfeet nation; and west of the mountains, the confederated tribes represented at the Flathead treaty, and numbering as follows, according to a census taken last spring: Flatheads, 551;

Pend d'Oreilles, 908; Kootenais, 273; total, 1,732. Agent Upson, at Fort Benton, has charge of the tribes east, and Agent Hutchins of those who are west of the mountains, Mr. Chapman having been appointed to succeed the latter.

Whether or not there are any tribes or bands who range in the mountain country now being overrun in the search for gold in the southwestern part of the Territory, we have no means of knowing, as we have no report, either this year or last, from Governor Edgerton, *ex officio* superintendent.

Provision was made by Congress at its last session by which to effect a treaty with the Blackfeet nation, having for its object the cession of their right to occupy all lands south of the Missouri river and the Teton, one of its upper branches, the object being to throw open to settlement by the large number of emigrants that region, supposed to abound in gold; and the sum of \$15,000 was appropriated for the purpose. Under date of March 24, instructions, prepared under the direction of your predecessor, were given to Agent Upson for his guidance, and the funds placed at his disposal. No report has been received from him, except that on the 12th of June he had arrived within the bounds of his agency, and was met with reports that a portion of his Indians had broken out into hostilities. His information was that the Bloods and Blackfeet proper were the hostile bands, but that the Piegans and Gros-Ventres were still friendly. Should this latter statement be correct, the conduct of those tribes may justly be ascribed to the pains taken last year by Agent Upson to bring about a peace between them and a friendly feeling towards the whites. Nothing further has been heard from the agent, the means of communication between this city and his post at Fort Benton being irregular and precarious. As a confirmation, however, of this unpleasant news, we have a letter from Agent Hutchins, dated August 3, in which he gives some information, obtained from a Flathead Indian of much intelligence, who had just returned from a hunting tour east of the mountains, to the effect that the Blackfeet had broken out into war with the whites, but that the Crows, under the influence of the good treatment which they had received last year at Fort Union, would remain at peace.*

Agent Hutchins's annual report, dated June 30, gives a favorable idea of the Indians under his charge. He had distributed, partly last fall and partly in the early spring, the goods which were sent out the previous year, being useful articles and mostly agricultural implements; and the Indians, who are decidedly improving in attention to cultivation of the soil, expressed themselves as delighted with these goods. The Flatheads live mostly in the valley of the Bitter Root river, outside of the reservation, the Pend d'Oreilles upon the reservation a few miles from the agency at Jocko, and the Kootenais just outside of the reservation, but intend to remove upon it and open farms. A portion of the Kootenai tribe, which lives principally beyond the British line, did not share in the distribution of goods. The agent thinks that the Flatheads ought to be required to remove upon the reservation, to withdraw them from the influence of and from trouble with the white population which is "prospecting" the country, but suggests that justice to the Indians requires that if they do remove, some remuneration should be given to them for their improvements, the work of their own hands.

There is now no school at this agency, a report made by Agent Hutchins, which reached this office last winter, showing the one in operation to have been so useless that he had closed it, and submitted a plan for re-establishing it on the manual labor plan. He was directed to forward estimates for this purpose, and these have but recently come to hand. They appear to be quite reasonable, and within the means at the disposal of this office. Meantime a new agent has been appointed to succeed Mr. Hutchins, and the agency has been transferred

* See Appendix for Agent Upson's annual report.

to Idaho, for greater facility of communication; and the subject of the school has been referred to Governor Lyon, with instructions to cause the plan to be put in operation, if, after inquiry, he shall deem it advisable. The Flathead agent has recently been directed to report to the governor of Idaho.

A year ago last July Mr. O. D. Barrett, under a special commission from your predecessor, and with instructions to report to Governor Edgerton, of Montana Territory, was intrusted with a quantity of goods for the Indians of that region, and provided at St. Joseph with an excellent four-mule team and wagon in which to convey the goods with himself to his destination, and a sufficient sum was advanced to him for his expenses. Governor Edgerton was advised of his appointment, and directed to discharge him upon his arrival and delivery of the goods, if his services were not needed. Mr. Barrett was heard from late in the fall, having had bad luck in his journey; again in the spring, having left his goods at Salt Lake City, and borrowed \$50 of Superintendent Irish to get them out of store; and again, two or three weeks since, having arrived in Montana with neither team nor goods. At about the same time Governor Edgerton advised this office of Mr. Barrett's arrival, and that he had notified him that his services were not necessary, and that thereupon the agent declined to be discharged, claiming to hold a commission irrevocable by the governor. Governor Edgerton has been directed to "stop the supplies," and pay over no money to Mr. Barrett, on any account, until all money and property placed in his hands shall be fully accounted for.

SOUTHERN SUPERINTENDENCY.

At the period of the last annual report from this office, affairs in this superintendency, comprising what is known as the "Indian country," south of Kansas, together with the Osages along the southern border of that State, were still in the confused and discouraging condition which necessarily resulted from the war. Portions of the country about Forts Gibson and Smith, and the travelled route for government trains from the north to those posts, were held by United States troops; and a portion of the Indians, who had remained loyal to the government, were attempting to subsist themselves in the neighborhood of the above forts. Many of the able-bodied men of the loyal sections of the tribes were in the United States service as soldiers, but many thousands of the people were, in Kansas and portions of the Indian country, subsisting at the expense of the funds which, if the tribes had remained steadfast to the Union, would have gone to them as annuities. Serious complaints were being made to the department that stock owned by Indians, and necessary for their subsistence, and the small crops of corn raised by those who had been able to till the ground, were being taken from them by unprincipled speculators. Some of the military officers had laid the blame for this state of things upon the Indian agents, but an investigation of these charges showed them to be without foundation. The most stringent rules and regulations in regard to the sale of stock from the Indian country were adopted and issued, but it is apparent that the practice of running stock out of the country has continued, the keeness of the speculators enabling them to elude the vigilance of the officers, and it is believed that an immense amount of such stolen stock has been purchased at large prices by the government. The information obtained by Superintendent Sells, as given in his report, furnishes some idea of the enormous extent as well as profit of the business, where contractors obtain ready sale for the plunder at such rates as they have received from the government. The reports of Agents Harlan and Reynolds throw further light upon the subject, and it is gratifying to know that by their efforts, aided in good earnest by the military force put at their disposal by Major General Mitchell, who has shown every disposition to assist them, much has been done towards breaking up this nefarious traffic. It is manifest, however, that

something more is needed in the form of legislation. Superintendent Sells informs us that the system of plunder is thoroughly organized, having its grade, of agents and participants, from the reckless and daring scouts and drivers, who are well acquainted with the country, and who steal and run off the cattle to the Kansas line, up through the agents of the contractors, who receive and arrange fraudulent bills of sale for them, to men of higher position in the social scale, who, incited by avarice, have seized with avidity this disgraceful means of gain. In fact, it appears as if an obliquity of conscience had affected the whole community on the border, for the great majority of the people seemed to favor the speculation, or regard it with indifference.

In confirmation of the estimate made by the superintendent as to the extent of this traffic, the position and influence, civil and military, of the persons engaged in it, the difficulty of preventing its continuance and of punishing its operators, I here subjoin brief extracts from a report which has just been received from Lieutenant George Williams, who was some time since detailed by the War Department to investigate these matters, under instructions from this office.

After alluding to the large number of persons who have made independent fortunes in the business, he says:

"Not content with having this odium attached to their own names, having carried it on so successfully and without interruption from those in authority, who knew of the whole transaction in this line, but who were too deeply interested themselves to try any measures to put a stop to it, they have induced men by the hundred to go down into the Indian territory and steal and drive out cattle," &c.

Again: "The military force sent into this State for the protection of these Indians have been the agents through whom a great portion of the stealing has been accomplished," &c.

After giving the names of some thirty or forty prominent men, merchants, military officers, Indian agents, traders and others, whom he charges directly with being implicated in this traffic in one way or another, Lieutenant Williams says:

"The above-mentioned parties and their allies, the cattle thieves, have been engaged in the business since 1862, and I have evidence against most of them in my possession, but there is scarcely if any use to attempt to prosecute them before any court in Kansas, because they openly make their boasts that they can buy men enough to swear anything they want them to, and I know they speak the truth from experience."

As to the extent of the business: "In my opinion, during the past four years there have been at least 300,000 head of cattle stolen from the Indian territory, a country at one time rich in their cattle possessions, and now scarcely a head can be seen in a ride of 200 miles."

The very late arrival of Lieutenant Williams's report, just as I am about closing this paper, makes it impossible for me to give it, with the voluminous accompanying testimony, sufficient examination to enable me to form a judgment as to whether the testimony fully supports the sweeping charges made by him, and I do not therefore feel at liberty to incorporate his report and testimony among the documents to be published with this report, but submit the papers for your information, and for such directions as you may see proper to communicate after having given them examination. I will only remark, that so far as the charges implicate any of the agents or employes of this bureau, every possible effort will be made to ascertain their truth, and bring to justice any that are found guilty.

The law enacted by the last Congress on this subject provides only for the punishment of those who actually drive or remove "any cattle, horses, or other stock from the Indian territory for the purpose of trade or commerce." This does not seem to reach the case of those who deal in the stolen property, and

it is to be hoped that the wisdom of the next Congress will provide a more stringent act, reaching all concerned in the transaction, and making the possession of Indian cattle *prima facie* evidence of their larceny; or in some other manner provide a more effectual remedy for this great evil, by insuring severe and certain punishment to the guilty parties.

Hopes have been entertained that, when the war was ended, such arrangements could be made with the tribes occupying the Indian territory as would enable the department to find room within its ample bounds for many of the tribes in Kansas, or such portions of them as did not choose to abandon their tribal relations and become citizens, and that affairs in that country might be reorganized in such a manner as to render such an arrangement highly advantageous both to the Indians and the government. It was therefore with great satisfaction that I learned, through your department, early in July, that a council had been held on the 24th of May, by the tribes of the southwest, lately allied with the rebellion, at which delegates had been appointed from each of them to visit this city for a conference with the government.

It was at first contemplated to allow these delegates to come to Washington, but subsequent correspondence resulted in the designation of a board of commissioners to proceed to the Indian country, and meet them at Fort Smith, Arkansas, and the President appointed a commission comprising the following persons: D. N. Cooley, Commissioner of Indian Affairs; Hon. Elijah Sells, superintendent southern superintendency; Thomas Wistar, a leading member of the society of Friends; Brigadier General W. S. Harney, United States army; and Colonel Ely S. Parker, of General Grant's staff. As a prominent part of the history of Indian affairs during the past year I have included the report and official record of the proceedings of this commission, which was continued for thirteen days, among the documents accompanying this report, and need only notice briefly here the results which are more fully detailed in those papers.

The council assembled at Fort Smith, September 8, and delegates were present in the course of the sittings (though not all in attendance at first) representing the Creeks, Choctaws, Chickasaws, Cherokees, Seminoles, Osages, Senecas, Shawnees, Quapaws, Wyandotts, Wichitas, and Comanches. Immediately upon the opening of proceedings, the tribes were informed generally of the object for which the commission had come to them; that they for the most part, as tribes, had, by violating their treaties—by making treaties with the so-called Confederate States, forfeited all rights under them, and must be considered as at the mercy of the government; but that there was every disposition to treat them leniently, and above all a determination to recognize in a signal manner the loyalty of those who had fought upon the side of the government, and endured great sufferings on its behalf. On the next day the delegates were informed that the commissioners were empowered to enter into treaties with the several tribes, upon the basis of the following propositions:

- 1st. That each tribe must enter into a treaty for permanent peace and amity among themselves, each other as tribes, and with the United States.
- 2d. The tribes settled in the "Indian country" to bind themselves, at the call of the United States authorities, to assist in compelling the wild tribes of the plains to keep the peace.
- 3d. Slavery to be abolished, and measures to be taken to incorporate the slaves into the tribes, with their rights guaranteed.
- 4th. A general stipulation as to final abolition of slavery.
- 5th. A part of the Indian country to be set apart, to be purchased for the use of such Indians, from Kansas or elsewhere, as the government may desire to colonize therein.
- 6th. That the policy of the government to unite all the Indian tribes of this region into one consolidated government should be accepted.
- 7th. That no white persons, except government employes, or officers or em-

ployes of internal improvement companies authorized by government, will be permitted to reside in the country, unless incorporated with the several nations.

Printed copies of the address of the commissioners involving the above propositions were placed in the hands of the agents, and of members of the tribes, many of whom were educated men.

On the third day the delegates from the loyal Chickasaws, Choctaws, Senecas, Osages, and Cherokees, principally occupied the time with replies to the address and propositions of the commissioners, the object being partly to express a willingness to accept those propositions, with some modifications, if they had been clothed with sufficient power by their people, but chiefly in explanation of the manner in which their nations became involved with the late confederacy. The address of the Cherokees was especially noteworthy, inasmuch as they attempted to charge the causes of their secession upon the United States, as having violated its treaty obligations, in failing to give the tribe protection, so that it was compelled to enter into relations with the confederacy. The next day the loyal Seminoles expressed their willingness to accede to the policy of the government, and to make peace with those of their people who had aided the rebellion. The president of the commission then read a reply to the address of the loyal Cherokees above referred to, showing, from original and official documents, that, *as a tribe*, by the action of their constituted authorities, John Ross being then, as at the time of the council, their head, they had, at the very opening of the rebellion, entered into alliance with it, and raised troops for it, and urged the other tribes to go with them, and that they could not now, under the facts proven, deny their original participation in the rebellion. (The documents establishing the bad faith of John Ross had but recently come into possession of the department. They are very interesting, and taken in connexion with his course at Fort Smith in keeping aloof from the council, but exercising his powerful influence to prevent an amicable settlement with the hitherto disloyal part of the nation, will be found fully to justify the course taken by the commission in refusing to recognize him in any manner as chief of the Cherokees.)

The loyal Creeks on this day presented their address of explanation, setting forth the manner in which their nation, by the unauthorized action of its chief, entered into treaty relations with the confederacy, and the terrible sufferings which the loyal Creeks endured in battle and on the march to Kansas seeking protection from the United States, and asking "to be considered not guilty."

It being certain that no final treaties could be now concluded with the tribes represented, for the reason that, until the differences between the loyal and disloyal portions were healed, there could be no satisfactory representation of most of them, it was determined to prepare for signature by the commission, and by the delegates representing all factions and opinions, a preliminary treaty, pledging anew, on behalf of the Indians, allegiance to the United States, and repudiating all treaties with other parties; and on the part of the United States agreeing to re-establish peace and friendship with them. This was considered essential as preliminary to the main business of the commission, to wit: to make peace between the several tribes, and negotiations as to purchasing lands, territorial government, &c. This work was diligently pursued until, on the breaking up of the commission on the 13th day, all of the delegates representing the following tribes and sections of tribes, in the order given, had signed treaties, (some of them holding out for several days until they could agree among themselves:) Senecas, Senecas and Shawnees, Quapaws, loyal Seminoles, loyal Chickasaws, loyal Creeks, Kansas, Shawnees (uncalled for, but asking to be permitted again to testify their allegiance,) loyal Osages, tribes of the Wichita agency, loyal Cherokees, disloyal Seminoles, disloyal Creeks, disloyal Cherokees, disloyal Osages, Comanches, disloyal Choctaws, and Chickasaws.

Friendly relations were established between the members of the various tribes hitherto at variance, except in the case of the Cherokees. The ancient feuds

among this people are remembered still, and the Ross, Ridge, and Boudinot difficulties have never been healed. This portion of the nation was ably represented in council by Boudinot and others, and having learned from the action of those representing the loyal party that if they came back it must be as beggars and outlaws, asked the protection and good offices of the commission. Efforts were then made on the part of the commission to effect a reconciliation, but all that could be brought about was a promise upon the part of those representing the loyal party to present the question to their council, which is now in session, and I entertain the hope that soon I shall be able to furnish you a report of their proceedings, in which they offer fair and honorable terms of adjustment. If, however, I should be disappointed in this reasonable expectation, I trust the government will take the matter in hand, and, by a just and equitable division of their property, make a final settlement of all their difficulties.

When the majority of this nation returned to their allegiance to the government, in 1863, action was taken by their council, under direction of John Ross, confiscating the property of those who still continued in the service of the confederacy, thus cutting off about five thousand five hundred of the nation, leaving them homeless and houseless. This destitute portion of the tribe are still refugees on the Red river, suffering from the want of every necessary of life, and existing only upon the charity of the humane people of northeastern Texas. The department has, however, sent a special agent to look into the wants of these refugees, and must rely upon Congress for the necessary means to relieve their necessities.

The commission did not adjourn without having made valuable progress towards the consummation of treaty arrangements with several of the most important tribes. With the Osages a treaty was made, signed by the lately disloyal party at the council, and by the loyal chiefs afterwards at their agency, by which they cede to the United States a very large area of valuable land, which may be used for colonization of other tribes if it shall be needed for the purpose, or sold for their benefit. That treaty has just reached this office by the hand of Superintendent Sells, and will be submitted to you with his report.

The terms of a treaty were agreed upon with both parties of the Creeks, whereby they cede to the United States, for the use of the friendly Indians from Kansas or elsewhere, all of their lands north of the Arkansas river, and one-half of the remainder lying south of that river, on terms which I trust will meet the approval of the government. This treaty is to be signed in this city by delegates properly accredited by the united Creek nation.

With the Choctaws and Chickasaws a treaty was agreed upon, upon the basis of the seven propositions heretofore stated, and in addition to which those tribes agreed to a thorough and friendly union among their own people, and forgetfulness of past differences; to the opening of the "leased lands" to the settlement of any tribes whom the government of the United States may desire to place thereon; and to the cession of one-third of their remaining area for the same purpose; the United States to restore these tribes to their rights forfeited by the rebellion. This treaty, after its approval by the councils of the Choctaws and Chickasaws, is to be signed in this city by three delegates from each nation sent here for that purpose.

It is not intended to hold any general council in this city, but it was understood that delegates would, if necessary, visit Washington on behalf of any of the tribes owning lands in the Indian country which the government might desire to purchase for the use of other Indians, so that, by properly accredited delegates, all necessary arrangements with the several tribes might be made.

It became sufficiently evident, in the course of the council, that one great object in view by the government, the colonization of such of the tribes or portions of tribes from further north as should desire a permanent home in the Indian country, would be secured when the policy of the government in regard to them

was fully understood; and it was gratifying to notice that the subject of the organization of an Indian territory, with provisions securing a certain degree of individuality to the various tribes—indeed, based upon the admirable form of government of the United States, and with a representative delegate in Congress—although at first distasteful to the leading spirits among the Indians, gradually increased in favor by the study of the few copies at hand of the bill proposed by yourself in the Senate last winter, until, near the close of the council, Mr. Boudinot, a man of education and ability, speaking on behalf of the Cherokees and others who had taken part in the rebellion, (his remarks being assented to by all present,) declared in a speech, a note of which is preserved among the records of the council herewith, that the plan was eminently satisfactory, and would entitle its projectors to the everlasting gratitude of the Indians. We may, then, reasonably hope to see this admirable project carried into operation at no distant day.

From the able and elaborate report of Superintendent Sells, and the several agents in charge of the tribes within this superintendency, we obtain much valuable information as to their present condition, in reference to both the loyal portions of them, who have been refugees from their homes during the war; and the disloyal, who made treaties and engaged actively with the late "southern confederacy." The contrast between their condition now and before the war, whether we refer to either loyal or disloyal, is sad indeed. Most of these tribes had advanced far in civilization, and their country was well provided with good schools and academies. Many of their leading men are to-day thoroughly educated men, of statesmanlike views, fully able to express those views in our language, in a manner which can be excelled in few of our deliberative assemblies. Their people were rich in real and personal property, living in the enjoyment of every thing needed for their comfort; and considerable wealth had accumulated in the hands of some of them—the slaveholders—so that they lived in a style of luxury to which our thriving northern villages are mostly unaccustomed. Their crops were abundant, but their chief element of prosperity was stock-raising, and vast herds of cattle were in their hands as a means of wealth. The change is pitiful. Their land has been desolated by the demon of war till it lies bare and scathed, with only ruins to show that men have ever dwelt there. A perusal of the reports herewith will satisfy you that these remarks are no exaggeration, particularly as to the Cherokee, Quapaw, and part of the Creek bands; the condition of affairs in the Choctaw and Chickasaw country is not so serious, for the reason that those tribes went almost unanimously with the rebellion, and of course had no object in destroying their own property; though even there the effects of the war are distinctly visible. But in the Cherokee country, where the contending armies have moved to and fro—where their foraging parties have gone at will, sparing neither friend nor foe—where the disloyal Cherokees, in the service of the rebel government, were determined that no trace of the homesteads of their loyal brethren should remain for their return, and where the swindling cattle-thieves have made their ill-gotten gains for two years past, the scene is one of utter desolation. Of course, the loyal portions of all of these tribes have suffered most; for they became refugees from their homes, leaving them in the hands of their enemies, and everything that they left was destroyed. A large number of the loyal Indians of all the tribes entered the service of the United States, and many of them sealed their fidelity with their life-blood, while many others are maimed for life. Now that the war is over, the survivors of these loyal bands claim the sympathy and aid of the government. They are anxious to return to their country, but they have no homes there, and no subsistence. They are utterly destitute, and entirely dependent upon the government for food and clothing. In another season, if timely assistance in the way of agricultural implements and other aid is afforded them, they may become self-sustaining by

tilling the ground; but for the present, at least, they must be dependent upon the government.

Let us glance at the condition of the several tribes as portrayed in the report of the superintendent and agents:

The Seminoles numbered before the war nearly 2,500, of whom more than half came out with the loyal Creeks and took refuge in Kansas, their able-bodied men joining the United States army. There are about 2,000 of the tribe left. Some 500 of them were furnished with seed and a few agricultural implements last spring, and, upon land near Fort Gibson, in the Cherokee country, labored diligently and with some degree of success for the means of subsistence, having raised produce to the value of \$2,500. The records of their old agency have been preserved through the war, and are safe at Fort Washita. They are anxious to go to their own country south and west of the Creek region, but matters there are not sufficiently settled as yet, and the agent thinks that they should be removed to some point among the Creeks and subsisted there, to be near their own lands at the opening of spring. About 1,000 of them are now drawing rations from government. They are very poor and destitute, and must be fed and clothed, or suffer and starve. Agent Reynolds says that they wish to settle upon individual lands, where they can own and enjoy the fruit of their own labors. As they are closely allied to the Creeks, and speak that language, they might perhaps be consolidated with them; or, if not, it is thought that they would be glad to dispose of the western portion of their lands, to be used for a home for other Indians, and thus procure the means for establishing themselves again in a condition to become self-supporting, and educate their children.

Agent Reynolds has been especially active in efforts to stop the plundering of Indian stock, and thinks that his efforts have been successful.

Of the Cherokees, all of the nation at first joined the rebels, including all factions, of full and mixed blood. Regiments were raised by the order of the party in power, then and now the majority, called the Ross party, which regiments fought against the Union forces at Pea Ridge and on other occasions. All seem to have agreed as to their course of action down to the fall of 1862, when a portion of the troops, under Colonel Downing, 2d chief, and a majority of the nation, abandoned the rebel cause and came within our lines. About 6,500 of the more wealthy portion still continued to co-operate with the south till the close of the war; and about 9,000, early and late, came back to their allegiance.

Two regiments of these people, numbering 2,200 men, deserted the rebel cause as above stated, and since that time, to the end of the war, have fought on the side of the Union. The total population of the nation is now estimated at about 14,000.

Bad as is the condition of all these southern Indians, that of the Cherokees is much worse than the remainder of the tribes. They have a domestic feud, of long standing, which prevents them from coming together for mutual aid and support in their manifold troubles. In 1863 a portion of them had gone back to their country, expecting to be protected by the United States troops in raising a crop for their support; but they were driven from their fields by rebel parties; and while their former brothers were plundering them from one direction, their white friends from Kansas were stripping the country of their stock from the other. The account given by Agent Harlan of the *modus operandi* of the cattle-thieving business would be amusing, if the thing described were not outrageously criminal. Some idea of the extent of this business may be obtained when it is seen that the agent estimates the losses of the Cherokees in stock alone at two millions (\$2,000,000,) while Superintendent Sells thinks that the losses of all the tribes have amounted to full four millions.

About 9,000 Cherokees are now receiving rations from government, and a large portion of those lately disloyal are suffering greatly for the necessities of life. They need food, clothing, tools, everything in fact, to begin life again;

and their condition must be that of extreme destitution until they can again realize the fruits of their labor upon their own soil. The Cherokees own a tract of 800,000 acres in the southeast corner of Kansas, which should be made available for their benefit; and have, besides, a vast tract of land below the Kansas line, very largely beyond their possible wants. All beyond those wants should be purchased by government, and the avails used for the benefit of the whole people. Superintendent Sells doubts whether the loyal and disloyal Cherokees can ever live in friendship together, and suggests that in case this proves to be impossible, the latter can easily make terms with the Chickasaws to join with them. I have already alluded to the condition in which this southern portion of the nation is left by the action of the party in power, and will only add here, that the sweeping act of confiscation passed by the council takes from them every acre of land, and all their improvements; and that by the hasty action taken under the law, everything has been sold for the most trivial consideration, improvements which were worth thousands selling often as low as five dollars; and when the repentant rebel party, no more guilty at first than the Ross party, came back and proposed to submit and live in peace and harmony with them again, they were told that they might all return, except their leaders, and go upon new lands and begin the world again; but no hope was held out to them of any restoration of property. They are thus left entirely dependent, being stripped of everything by the act referred to.

The Creeks were nearly divided in sentiment at the opening of the war; about 6,500 having gone with the rebellion, while the remainder, under the lead of the brave old chief Opothleyoholo, resisted all temptations of the rebel agents and of leading men, like John Ross, among the Indians, and fought their way out of the country northward, in the winter, tracked by their bloody feet upon the frozen ground. They lost everything—houses, homes, stock, everything that they possessed. Many joined the United States army. A large number have been constantly subsisted, often with scanty rations, by government. A part having gone this year to the Indian country, have raised some crops under many difficulties, and about one half of those who thus went south again will have enough corn to carry them through the winter; the others must be subsisted by government, while 5,000 are now receiving rations. A large number of the southern Creeks are in the same deplorable state. The aggregate number of the tribe is now stated at 14,396. Agent Dunn says that the buildings of the old Creek agency are in ruins, but the valuable mission buildings are standing, though badly injured. He thinks that a new location should be selected for the agency, at a point where there is water and timber; but as there may be other arrangements made as to the final settlement of the tribe, he suggests that such temporary shelter for the agency as is necessary should now be provided.

The Choctaws and Chickasaws, who now number respectively about 12,500 and 4,500, or 17,000 in all, are supposed to have had a population of 25,000 at the beginning of the war, including 5,000 slaves. They have regularly organized governments and legislatures, written laws, and a regular judiciary system. They possessed admirable schools, and education had made great progress among them. Nearly the whole of these tribes proved disloyal, under the various influences brought to bear upon them. Agent Coleman ascribes their disloyalty, in a great degree, to the influence of the whites living among them, some of whom have had the assurance to apply for licenses to remain in the country as traders; but I am entirely satisfied, as the result of my inquiries when lately in the Indian country, that the disloyal action of these tribes is mostly, if not altogether, to be ascribed to the influence of the then superintendent, Mr. Rector, and the agents appointed by the United States government. The tribes are educated to respect the authority and be guided by the directions of these representatives of the government; and when, in the spring of 1861, these men, appointed under President Buchanan, came back from Washington and told the

Indians that there was no longer a United States government to protect them, that its organization was broken up, and that they must join with the new government, (which by its location and its slaveholding basis would be in sympathy with them,) or be ground to powder, they readily acceded. They now see their error. No men were ever more penitent; and since they learned at the Fort Smith council the wishes of the government, their own council has met and taken prompt action upon the proposition submitted to them, and appointed a delegation to visit Washington to sign a final treaty. This appears more fully in the despatch from General Hunt, commanding at Fort Smith, dated October 24, communicating a letter from Governor Colbert, of the Chickasaw nation, which despatch will be found among the accompanying documents.

Only 212 persons belonging to these tribes are known to have remained loyal to the government. The disloyal portion need some help to get through the winter without suffering, but their country having been held by the rebels all the time during the war, and not traversed by the contending armies, and rations having been issued to them till last March, they have not suffered as much as the other tribes. Two thousand of both tribes are now receiving government rations. I have elsewhere referred to the propositions in regard to a cession of a portion of the Choctaw and Chickasaw lands.

Agent Snow has in charge the Neosho agency, comprising the Osages, and the small bands known as the Quapaws, Senecas, and Shawnees.

The Osage lands are in Kansas, and comprise about 4,000,000 acres. In 1859 they had a population of 3,500; the agent thinks that their number does not now exceed 2,500. About 1,000 of the tribe joined the rebellion. Some two hundred and forty of their warriors were at one time in the service of the United States, but left from some difficulty with their officers, and cannot understand the propriety of the rule by which they have forfeited their pay. The report of Superintendent Sells is very full in its information as to the habits and mode of life of this tribe, which is entirely nomadic in its character, using the bow and arrow in the chase, and hunting the buffalo in the ranges southwest of their country. Their special home is near where the Verdigris river crosses the Kansas line. The sad example of the whites, who steal their stock, leads them to retaliate, and frequent collisions and difficulties with the settlers are the consequence. By the recent treaty with this tribe, their factions have become reconciled; and by the cession to the United States of a large body of land, it will be open to settlement, and they obtain from its avails the means of becoming civilized. In view of their nomadic habits, however, Agent Snow suggests their entire removal from Kansas and the neighborhood of the whites, and settlement upon lands in the western part of the Indian country, near the buffalo range; which suggestion I approve, and trust that within a few months their country will be so far at the disposal of the government, through the operation of the treaties now in progress, as the result of the recent council, that these and all of the other Kansas Indians who do not elect to become citizens may be removed into the Indian country.

The Quapaws and other small tribes of this agency, numbering only 670 in all, never showed any sympathy with the rebellion, but came north, abandoning their homes, and continued as refugees upon the Ottawa reservation until last spring, when they were removed to a point eighty miles further south, where they have raised some small supply of vegetables this year. An exploration of their former reservations, just below the Kansas line, exhibited the usual desolation of war; and everything must be provided anew for them. They had attained a fair degree of civilization, and were prosperous and comfortable before the war; and they, like the other loyal Indians, think that the government for which they suffered the loss of everything should in some degree compensate them for such loss. These people all receive rations at present from the United States.

The Catholic mission school at the Neosho agency has been continued in operation, though under great difficulties. On the occasion of the recent visit of Superintendent Sells to the agency, the school had in attendance sixty-five Osage and Quapaw boys, and fifty girls. The Indians regard this school with great favor.

The Wichita agency (Agent Gookins in charge) comprises about 500 Shawnees, absentees from their tribes in Kansas, and who, it is probable, will not return to that State to remain permanently, but who are now in Osage county, Kansas; and the Wichitas and fragments of the Caddoes, Comanches, and others, amounting to about 1,800. These last were, before the war, settled upon lands leased from the Choctaws. They have never had much attention given them by the government, and were driven from Texas by the greed of white men. Thus they have not for years had a settled home. About 1,000 of them are now near Fort Washita, having done but little towards subsisting themselves, a flood having destroyed most of their crops. They are very poor and miserable, and must have help; and they ask to be placed somewhere, where they can feel that they have a permanent home, and go to work in earnest next spring. Rations are issued to 1,400 of the Indians belonging to this agency.

After a careful consideration of the facts set forth in these reports, and from my information obtained while in the Indian country, I am prepared to recommend prompt and liberal action on the part of the government in providing food, and necessary clothing, and shelter, and the materials for commencing early next spring the labor of getting in the crops which must feed them. In regard to food and clothing, the demand is immediate and pressing; as to the other, it must be provided in good time, and the sooner and better it is done, the sooner will the people relieve the government of the necessity of feeding them. It needs no argument—the bare suggestion is enough—to show the duty of the government towards the loyal and friendly portions of these tribes, who have sealed their devotion with their blood; but the necessity is none the less pressing on the part of many of the others. They must be fed and clothed, or their sufferings will surely lead them to steal; and difficulties will at once arise, out of which will come the necessity of stationing several regiments of troops in the country, with their concomitants of contractors, supply trains, &c., &c., the cost of which would amount to double what is needed to take care of these Indians till they can be re-established. The principle that it is cheaper to feed than to fight Indians is illustrated daily, and the cost of sustaining a small army in the far west in a campaign against the Indians, or even at posts where no speck of war ever appears on the horizon, is greater than the whole annual expenditure of the Indian department. On every account, then, of patriotism, humanity, and economy, I trust that there may be quick and liberal action in reference to the wants of these Indians.

In regard to the question of compensation of the loyal portion of these southern tribes for their untold losses and sufferings, I do not feel it necessary to use many words. A great many white people have endured severe losses, and undergone great sufferings, by reason of the rebellion; and many thousands of white people in the south have been abused and outraged, and driven from their homes by the demon of civil discord and war; and government has not yet made provisions for compensation in those cases; but our government was under obligations by solemn treaties to defend and protect these Indians; and without discussing the extent of this obligation, it can do no less now than to aid those who are actually suffering for the simplest necessities of life. This is only the dictate of humanity.

For the rest, the Indians must await their time; but when that time comes, their claim will be very strong, and must be heard. If the government will but act promptly in furnishing them liberally with the ordinary necessities of life

now, and with means to make themselves and their families comfortable till they can raise a crop, it will go far to satisfy them that they have not suffered for a government which, in their distress and poverty, the result of their devotion to its cause, and faith in its protecting care, has forgotten them.

Whenever, in the progress towards a final settlement of the questions remaining open in regard to the reorganization of the Indian country, the proper time shall come, it will be advisable to provide for the construction of internal improvements in that region calculated to develop its magnificent resources. With a territorial government organized and in operation, its feuds healed, the scars of war gone from view, a judicious educational system in operation, the missionary establishments which have done so much for the people in the past reopened, and the industry of the country in full process of development, will have come a time when railroads must traverse the country, binding its several parts together, and all to one common Union, and giving a choice of markets and depots for exchange and shipment of produce, either on the Gulf of Mexico, say at Galveston, or northward, to connect with the great central converging points of railroads in Kansas. Whatever can properly be done by the government of the United States in paving the way for these improvements should, in my judgment, be done now, and thus avoid difficulties which may arise in the future.

CENTRAL SUPERINTENDENCY.

By the reorganization of the northern superintendency the following agencies have been taken from the central and annexed to the northern, to wit: the Omahas, Sacs and Foxes of Missouri, Ottobas and Missourias, Pawnees, and Upper Platte agency; and the tribes now under the charge of Superintendent Murphy, who succeeded Mr. Albin on the 1st of July last, are the following: Delawares, Agent Pratt; Pottawatomies, Agent Palmer; Sacs and Foxes of Missouri, Agent Martin; Osage River agency, Miamies, and confederate bands of Kaskaskias, Weas, Peorias, and Piankeshaws, Agent Colton; Shawnees, Agent Abbot; Kansas, (or Kaws,) Agent Farnsworth; Kickapoos, Agent Adams; Ottawas, Agent Hutchinson; Kiowas, Comanches, and Apaches, Agent Leavenworth—all of these agencies being in Kansas.

The headquarters of this superintendency have been, until the assumption of the duties of the office by the present incumbent, at St. Joseph, Missouri, but were then changed to Atchison, that being deemed the most convenient point for the transaction of the business of the superintendency.

The location of this superintendency on the border, whence the freighting trains take their departure to cross the plains, has induced the custom of requiring the superintendent to supervise the shipment of the large quantities of Indian goods, annually forwarded to the upper Missouri, Colorado, New Mexico, and Utah, and the tribes in the western portions of Nebraska and Kansas. The experience of the last two or three years has developed irregularities and unreasonable delays in the transaction of this important business, which have received the special attention of this office, and which measures will be taken to avoid, if possible, in future, by insisting upon a strict accountability on the part of contractors for transportation, and, if necessary, by the designation of a special agent to attend to this business alone, under instructions.

There are several interesting questions affecting alike a number of the tribes located in Kansas, which do not at present apply to those in other States or Territories. When the present policy of concentrating Indians upon reservations, and inducing them to turn their attention to agriculture was adopted, a large portion of Kansas was set apart for their use. The advance of the white population, and the gradually increasing attention of the Indians to farming, and their abandonment of the chase, resulted in new treaties, by which the la-

dians consented to take allotments of specified quantities of land for each person, old and young, and that the surplus land should be sold for their benefit; though experience has proved that in many cases the avails of this surplus have been swallowed up by debts acknowledged by the Indians. Out of these allotments have arisen questions as to alienation of and heirship to real property, rights of orphan children, distribution of annuities, &c., which frequently embarrass this office; and among these troublesome questions is a feature in some of the treaties, providing that, under certain conditions, such as naturalization in a United States court in Kansas, upon certificate of a judge that the applicant is fit to take charge of his own affairs, the Indian may obtain a patent for his allotted land, and become invested with the rights of citizenship. Experience has shown that in too many cases this process of naturalization has been attempted upon Indians who are notoriously unfit for citizenship; and to avoid the entire waste of the means of living of the family dependent upon him, this office has been obliged to take the responsibility of declining to carry the proposed arrangement into effect. This subject will be made more clear in subsequent remarks referring to particular tribes. Such general rules have been adopted and promulgated from time to time as have been deemed necessary to guard the interests of the Indians, these rules having in every instance received the sanction of your department.

A question of some interest, as relating particularly to the Indians of this superintendency, deserves some notice here. Complaints were made some months since of difficulties arising, and likely to grow serious, from the habit of Indians, lately returned from service in the army, carrying arms, which they drew and used upon the slightest provocation or excitement. An order was at first issued to disarm the Indians generally, but this was modified so as to require them, when in public assemblies, at payments, or on the occasion of their visiting the towns, to deposit their arms with their agent, receiving receipts therefor. The order, it is believed, has had an excellent effect.

I proceed to notice the several agencies in detail, with such suggestions as occur to me:

Delawares.—The Delaware agent, Mr. Pratt, represents the agricultural operations of the tribe as unusually successful, and in this there appears to be a marked improvement over the previous year; the result being a much better condition of the Indians for the approaching winter. Upon the large and fertile tract which they own, much greater results should have been produced, but their crops, as returned, show 56,700 bushels corn, 2,565 bushels wheat, 10,000 bushels potatoes, besides many other articles of farm produce. The Indians number about 1,000, and maintain fully their reputation for devoted loyalty, having furnished many good soldiers to the army.

Their school is in a flourishing condition, having won very high praise from the superintendent on the occasion of a special visit, and has an excellent effect upon the whole tribe.

The Wyandotts, who are attached to this agency, do not seem to be in as favorable condition as the Delawares, and are desirous of a new treaty, by which they hope to better their condition. A special report on their case will be submitted for your consideration.

Pottawatomies.—The census of last June showed the population of this tribe to be 1,874, being a decrease of 404 within a year. Most of this decrease is accounted for by Agent Palmer, by the absence of about forty members of the tribe, who went south some months since to hunt and support themselves beyond the restraints of civilized life; and of a much larger number who are said to be wandering about in Iowa and Wisconsin. A considerable number of Pottawatomies, supposed to be a portion of those belonging in Kansas, have been heard of recently as being in the northern part of Wisconsin. The agent for the wandering Wisconsin Indians, Mr. Lamoreaux, who was sent to make in-

quiries as to this party, reports them as doing no harm, and creating no bad feeling among the settlers, but the earliest possible means will be adopted to return them to their proper places. The shiftless conduct of this portion of the tribe, known as the "Prairie band," is very prejudicial to the interests of the remainder, the majority, who have taken allotments and settled down to farming; while the others refused to do so, and had a tract set apart for their use in common. This, however, as is mentioned above, they have abandoned; and it may, perhaps, be well to remove them entirely, and settle them further south, when the way is opened for that purpose.

Agent Palmer represents the settled portion of the tribe in very favorable terms, and, as the result of their farming operations, that they are "as independent as their white neighbors," having raised 64,000 bushels corn, besides other large crops, and owning 2,200 horses, 1,600 cattle, &c. As they become assured of the permanent ownership of their lands, they have become more settled and industrious. This tribe has furnished seventy-one soldiers for the United States army, and the agent states that a large percentage of them have died in the service.

The school (St. Mary's mission) appears to be admirably conducted, and a very efficient help in educating the Indians, not only in the branches usually taught in schools, but in agriculture and the arts of housewifery, and habits of industry generally. The teachers are desirous to accommodate more pupils, who are anxious to receive the benefits of their care and labor, and measures will be taken to make the civilization fund provided by Congress available for this purpose.

The treaty with this tribe provides that, on application to the department by Indians who have taken out certificates of naturalization in the Kansas courts, they shall receive patents for their lands, and their *pro rata* share of the funds of the tribe, and become citizens of the United States. Under this provision about 150 applications for patents, &c., have been made to this office; but on careful inquiry it was found that gross carelessness (or worse) had occurred in furnishing the certificates of good conduct, sobriety, and ability to conduct their own affairs, which certificates were a necessary preliminary to naturalization. The whole matter has undergone a careful examination, and, with your concurrence, a policy has been adopted which will, it is hoped, secure the real interests of the tribe. It has been decided to issue patents to such only as are certified by both the agent and a business committee, (appointed by the tribe to conduct its affairs, and composed of its best men,) to be thoroughly fitted for citizenship and the control of their own affairs, and patents are now in preparation for about fifty who come up to this standard; others will be furnished with patents as soon as they come up to the standard. In regard to the capitalization of their annuities and other funds, it is found that an appropriation by Congress for that purpose, of such amount of the tribal funds as is necessary, should be made before it can be paid to the persons entitled to it. A special report will be prepared and laid before you, showing the number of persons entitled to their *pro rata* share of the funds, and the amount necessary to be appropriated for the purpose.

Sacs and Foxes of the Mississippi, and Chippewas and Munsees, or Christian Indians.—Agent Martin reports the Sacs and Foxes under his charge as exhibiting a decided improvement morally, being more quiet and peaceable, more industrious, and willing to contribute something for education, their treaty laying aside nothing for the purpose. They number 805, being a decrease of 86 since last year, a fact for which the agent is unable to account. They have personal property estimated at \$71,900, and raised this year 7,500 bushels of corn, besides other produce. Considering the means available, their school has been reasonably successful.

The Chippewas and Munsees are a small tribe, numbering only 80 persons occupying their lands in severalty upon a small reservation, and are quiet and industrious, owning property to the amount of about \$10,000. They have a good school, and are favorably situated in every respect.

The largest portion of the extensive reservation of the Sacs and Foxes has been sold at public sale, the funds realized being, however, swallowed up in the payment of certificates of indebtedness of the Indians, the tribe having withdrawn to a diminished reservation, which, however, still greatly exceeds their necessities, if they can be induced to turn their attention more to agriculture.

The Chippewas and Munsees, having a small portion of land outside of their allotments, and more than they need, have expressed a desire that it shall be sold for their benefit. Steps have been taken to appraise this land, amounting to 1,428 acres, preparatory to a public sale.

Osage River agency: Miamies, Kaskaskias, Peorias, Weas, and Piankeshawes.—These Indians, under the charge of Agent Colton, are considerably advanced in civilization, and live upon land held in severalty. The Miamies number only 127, and own property averaging about \$120 to each individual, apart from the land valuation. But a small portion of their land is under cultivation, the amount being stated at fifteen acres for each family, but the people maintain themselves comfortably. The agent represents that the progress of improvement has been slower than usual, on account of the disturbed condition of affairs upon the border during the war. The Miamies pay great attention to the education of their children, and contribute largely of their own means for their maintenance at good schools, and they desire to be allowed to set apart still more of their funds for the purpose. They have some trouble resulting from trespasses of unauthorized persons upon their surplus land, and are desirous to effect a sale of it.

A question of much importance to the Miamies is undergoing investigation, having reference to an alleged wrong done to them by the setting apart of some 14,000 acres of land and \$15,000 in money for certain Miamies of Indiana, the Kansas Miamies alleging fraud in the list of persons, &c.

The Peorias and other tribes confederated with them number 236 in all, and own personal property to the average value of \$140 per each individual, and cultivate an average of 20 acres to each family. The Indians of this agency have raised this year nearly 40,000 bushels of corn, and own 600 horses, 750 head of cattle, and 1,100 hogs.

A great defect in the treaty made with these Indians is that the lands allotted to individuals, when patented to them, were patented for whole families in the name of the heads of those families; and as the restriction upon alienation of land only applied to one-half of the amount patented, the result has been that the share of the children has been sold by the fathers in many cases. As a further consequence, orphan children, who were placed in families here and there for enumeration and allotment, lose their proper and just share of land. In regard to the orphan children, the case has a worse aspect, for in most cases the families with whom they are placed care only for them so far as to get their annuities. The agent has suggested, and, to the credit of the leading men of the tribe, they desire, that measures shall be taken to have these orphan children placed under legally appointed guardians, who shall, under proper bonds, take charge of them and see that they are properly educated and maintained till of age, when their accumulated annuities would give them a fair start in life. This whole subject has been referred to the superintendent for investigation and report as to the practical method of bringing about the desired reform.

Kansas, or Kaws.—This tribe, under charge of Agent Farnsworth, numbers 631 persons, showing a decrease of 70 since last year. The agent ascribes the gradual decay of the tribe to the pernicious habit of intermarriage of relatives, and to dissipation. The people are well disposed towards the whites, friendly

and loyal, (the latter characteristic shown by their having furnished 84 soldiers for the army, of whom 24 have died,) but they do not appear to appreciate the benefits of a settled life, and care little for education. The Friends, mission school upon the reservation is, however, reasonably successful with the limited number of children who will attend, and some thirty are able to read in English.

This tribe spent the early part of the season in the buffalo country, and had a successful hunt, from which they returned to put in their corn crop, which was also successful.

Nothing of special interest has occurred relative to these Indians since the last report, except a kind of negotiation entered upon, and carried forward with every pretence of solemnity by some of their chiefs with the Pawnees, having reference to the return of certain horses stolen from the Kaws by the Pawnees. The latter tribe were profuse in their joy at the idea of making peace, but reticent of horses. They, however, succeeded in finding a few, which they were ready to return; whereupon the Kaw agent refused, on their behalf, to receive these horses, unless the remainder were returned. The agent was instructed to receive the instalment, and the Pawnee agent to return the remainder when found.

Kickapoos.—Agent Adams represents this tribe as numbering 238 persons on the reservation, including a number of Pottawatomies, who, a few years since, purchased a right to share the head-rights and annuities of the Kickapoos. Only thirty families were found willing to accept separate allotments of land, and they are doing well. The remainder reside upon a diminished reserve, held in common, there being also reserved a sufficient quantity of land for 120 Kickapoos, who have for a long time been absentees from their tribe, and in regard to whom it is rumored that they have been destroyed in an encounter with the wild Indians of the southwest. The remainder of the lands of the tribe, amounting to 123,832 acres, has been disposed of at \$1 25 per acre, in accordance with the terms of treaty, to the Atchison and Pike's Peak Railroad Company; and the interest upon the purchase money will furnish a handsome income for the tribe. No school now exists upon the reservation, the mission school which formerly existed having been abandoned, but the agent promises a special report, with a plan for its re-establishment. The crops raised by the tribe are abundant for their support.

Ottawas.—None of the Kansas tribes have advanced in civilization with greater rapidity or certainty than this, and they are independent and self-sustaining, and will soon assume the position of citizens of the United States, and abandon their tribal relations entirely. Many of them are doing very well as farmers, and are independent of all outside aid. They number two hundred in all, their loss of some thirty by small-pox, besides deaths from other diseases, having been made up by accessions to their number from the Ottawas of Michigan. They have made excellent provision for educating their children, and an extensive building is in progress, aided by large contributions from white friends. Sales of their lands, aside from those reserved for educational purposes, have amounted to about \$10,500 during the past year.

Kiowas, Comanches and Apaches.—Although the headquarters of this agency is in Kansas, it is rather an independent agency, reporting directly to this office. The Indians have no reservation, but were entitled, under treaty stipulations, to a periodical distribution of goods, and after receiving these goods, left for their various places of resort. Their agent, Colonel J. H. Leavenworth, has for a long time possessed their confidence, and by his influence over them they have, for the most part, if not entirely, abstained from all hostilities or interference with travel over the Santa Fé road. A portion of those who escaped from the Chivington massacre took refuge with them, and they have had many temptations to join the other Indians of the plains in their hostilities. Various communications from their agent, dated at Crow Creek ranch, sixty miles west of Fort Larned,

during the last spring, assured this office that the Indians had promised him to keep away from the emigrant road, and abstain from hostilities; but it was only by great efforts, in which the agent was assisted by Hon. J. R. Doolittle, then acting as one of the congressional Committee of Investigation into Indian matters who was furnished with special authority from the department for the purpose, that a collision between these Indians and the military was prevented, and an arrangement was finally made by which a formal conference for treaty purposes was agreed upon, to take place on the 4th of October, instant, and for which purpose a mixed commission of civilians and military officers was appointed to attend on the part of the government. This commission comprises the agent, Colonel Leavenworth; the superintendent of the Kansas tribes, Thomas Murphy, esq.; James Steele, esq., detailed from this office; Brigadier General Sanborn, commanding the military district; and Major Bent, an old resident of the Indian country. Major General Harney, of the commission to the southern Indians, was also present as a commissioner with this party. The party from Leavenworth left that place late in September, taking with them a large amount of goods provided for these Indians under the treaty, but which had been retained pending the question as to their connexion with the hostilities upon the plains.

The Kiowas had in 1862 an estimated population of 1,800, the Comanches 1,800, and the Apaches 500, making 4,100 in all, included in this agency.

With these Indians are a large number of Arapahoes and Cheyennes, parties to the treaty of Fort Wise, although a portion of them fled northward after the Sand Creek massacre, and joined their people connected with the Upper Platte agency.

Several communications have been received from the commission *en route* to, and since their arrival at the place of rendezvous, which appears to have been finally fixed at a short distance above the mouth of the Little Arkansas river; and, under date of October 23, General Sanborn telegraphed that a treaty had been concluded with the Arapahoes, Cheyennes, and Apaches, and that the Kiowas and Comanches had sent out runners to bring in several white captives which they held, and that on their return a treaty, the terms of which had been agreed upon, would be concluded with the last-named tribes.

By later advices, which have just been received, I learn that the prisoners alluded to had been brought in, and a treaty had been concluded with the Kiowas and Comanches, the Apaches preferring to join with the Arapahoes and Cheyennes, by which they have agreed to accept a reservation south of the Arkansas river, and leave unmolested, so far as they are concerned, the great travelled routes across the plains. So soon as I am in possession of all the facts I will lay this treaty before you, with a special report.*

NORTHERN SUPERINTENDENCY.

As constituted at the date of the last annual report from this office, this superintendency comprised the various bands of Chippewas in Minnesota and Wisconsin, together with the Sioux and Winnebagoes who had been removed to the reservation at Crow Creek, in Dakota Territory; the Winnebagoes, however, having already migrated to the Omaha reservation, in Nebraska Territory. The headquarters of the superintendent were at St. Paul, Minnesota. Clark W. Thompson, esq., being the incumbent of the office. Early in the last summer changes were made, by which the agencies at Bayfield, Wisconsin, for the Chippewas of Lake Superior, and at Crow Wing, Minnesota, for the Chippewas of the Mississippi, &c., became independent, and reporting directly to this office; and the Sioux remaining at Crow Creek were transferred to the Dakota superintendency; and the northern superintendency as now constituted,

* For report of this commission see Appendix.

having its headquarters at Omaha, Nebraska Territory, under E. B. Taylor, esq., comprises the following tribes and agencies, all in Nebraska, to wit:

Omahas, Agent Furnas, at Omaha agency, estimated population 1,000.

Winnebagoes, Agent Matthewson, at Omadi, occupying a part of the Omaha reservation, estimated population 1,900.

Ottos and Missourias, Agent Daily, at Dennison, population 708.

Sacs and Foxes of Missouri and Iowas, (or Great Nemaha agency,) John A. Burbank agent, population 389.

Pawnees, Agent Wheeler, at Genoa, population 2,800.

Sioux, Arapahoes, and Cheyennes, of the Upper Platte, at Fort Laramie. Agent Vital Jarrot, population estimated as follows: Sioux, (Brulés and Ogallalas,) 7,865; Arapahoes, 1,800; Cheyennes, 720—total, 10,385.

The total Indian population in the superintendency is thus estimated from the latest sources at 17,182. I proceed to notice such matters in regard to each of the above tribes and agencies as are deemed worthy of special remark.

Omahas.—From the annual report of Agent Furnas, as well as from a special report made at an earlier date by the superintendent, we obtain the most satisfactory information in regard to this tribe. Located upon an ample reservation of good land, and well disposed to the pursuits of agriculture, the Indians have cultivated nearly one thousand acres during the present year, with such success as to raise enough for their own use, with a surplus for sale. Their school, under the charge of missionaries of the Presbyterian Board of Missions, appears to be doing great good, though receiving a much less number of pupils than the joint contributions of the tribe and the mission board would seem to provide for.

The tribe appears to be satisfied with the terms of the treaty made last spring, by which they cede to the United States a portion of their reservation for the use of the Winnebagoes, and are impatient to realize the purchase-money, in order that a portion of it may be used for their permanent benefit. They have so far advanced in civilization as to begin to desire separate allotments of land, so that they may feel that the products of their industry are their own. Sundry complaints made by the chiefs to the superintendent at the time of his visit to them have been made the subject of examination by this office, and explanations made and such grievances redressed as were in the power of the office to redress. It was found that the mill had not been run, nor certain employees kept in service, for the full time provided in the treaty, and the agent has been directed to continue them in service. The Indians have a just cause for complaint in certain depredations upon them by the hostile Sioux, and the government having failed to protect them, they ask compensation from Congress. A special report upon this subject has been called for from the agent, and when received will be laid before you.

Winnebagoes.—I regret that I am unable to report much improvement in the condition of this unfortunate tribe since the last annual report. Full details as to their condition, wants, and suggestions for their benefit, are furnished in the accompanying reports, and your attention is particularly invited to the special report of Superintendent Taylor. The urgent request of the chiefs for a change of agent has been granted, and such measures have been taken as will, it is hoped, render the people more comfortable than hitherto, and enable them still to support, with the commendable patience which has thus far characterized them, the necessary privations and troubles incident to their unsettled condition, until Congress can ratify the treaty providing for their permanent settlement upon the Omaha reservation. This I earnestly hope will be done at an early day, so that preparations can be made at the first opening of spring for the necessary work towards establishing them in comfortable quarters, and enabling them to support themselves by agriculture as soon as possible.

I doubt whether there is another tribe of Indians in the country—indeed I doubt whether there is an equal number of white men—who would have sub-

mitted patiently, as these Indians did, to be taken from their homes and farms in the "very garden of Minnesota," as it has been called, where they were independent and happy, and always friendly to the whites and loyal to the government, and transferred to a region from whence they were compelled to migrate or starve; and to continue thus without homes, and in the condition of paupers for three years. With the ratification of the treaty referred to, and such legislation as may be deemed necessary by Congress, we may look for better things. The resources of the tribe, with their industrious habits, when once a place is found for their application, are sufficient to place them in comparative comfort, and it will be the duty as well as the pleasure of this office to aid this interesting tribe by every means in its power.

Connected with this tribe are a number of persons who, being residents of Minnesota at the time of the semi-compulsory removal of their brethren, refused to leave their homes. Their case has recently been brought to the attention of this office, and, with your concurrence, the parties have been assured that their lands shall be secured to them.

They ask also that their share of the property of the tribe shall be paid to them at one payment, so that they may have the benefit of it upon their farms, and release the government from further liability to them. If practicable, I beg leave to suggest that provision might be made for these Winnebagoes by a special act of Congress, so that the treaty with the tribe may not be delayed by amendments requiring the delay involved in a submission to the tribe.

You will not fail to observe the request of the tribe, approved by the agent, for the addition to their proposed reservation of a small strip of land well adapted for farming, and convenient for their agency. A special report upon this point will be made by the present agent.

Ottos and Missourias.—The reports from these two tribes, under the charge of Agent Daily, are decidedly favorable as to their peaceable and sober conduct and increased attention to farming. Failure in their hunt last year drove them to cultivate more land this year; but the agent fears that their successful hunt this season may again draw them from their fields.

Their excellent crop, however, has this year so encouraged them, that there are good hopes of their settling down to the pursuits of agriculture; and the expiration of the time when they can, under their treaty, have the benefit of the aid of a farmer and other employes, makes it quite necessary that they should labor for themselves. This they appear quite ready to do. Some 12,000 bushels of corn have been raised at this agency this year, of which nearly half was by the Indians themselves.

There is now no school upon the reservation, and the treaty provides for none. I shall endeavor to interest some of those who have been most successful in teaching the Indians, in the re-establishment of a school for these tribes, in order that their children may not grow up in ignorance.

Sacs and Foxes of Missouri and Iowas.—Agent Burbank, who has these Indians in charge, makes a very favorable report as to the latter and more numerous tribe, the census showing a population of 294. As evidence of their loyalty, it appears that no less than forty-three of their number have been enlisted in the army of the United States during the late war, and those who have thus served have been commended by their officers as good soldiers. What is more and remarkable, they have come out of the army able to speak English well, and with hearts not spoiled by dissipation, earnestly desirous to live like white men, cultivating the soil. Those who remained at home cultivated the fields for the families of the soldiers, and with the aid of the returning braves a handsome crop was harvested. The chiefs desire that a liberal share of the tribal annuities should be expended in agricultural implements to enable these soldiers to make further progress in civilization by means of agriculture; and they express a de-

sure to have their treaty so amended as to enable them to allot their lands in severalty and become citizens. The agent does not regard the school as a very successful one, on account of the irregular attendance of the pupils.

The Sacs and Foxes are but a small tribe, numbering but 95 persons, and occupy some twenty-five sections of land. They make but poor progress in civilization, being represented as lazy and shiftless, and have raised but little for their own support this year. Of course they are negligent of the interests of their children, and will not send them to school.

Both of these tribes will be permitted to send delegates to this city during the coming winter, and it is hoped that satisfactory measures for their improvement may be devised.

Pawnees.—This tribe, numbering now 2,800 persons, has for a long time been friendly to the whites, though enjoying a high reputation among their own race for their skill in possessing themselves of the property of others. It is gratifying to know that their character for honesty is much improved of late years, as a natural consequence of their improvement in civilization, and accumulation of home comforts by their own labor on their reservation.

During last winter eighty-seven of their braves were regularly mustered into the United States service as scouts, and employed in the military operations on the plains; and a still larger number is now in the government service against their old enemies, the Sioux. The superintendent, in his visit to the agency in September, found that the tribe had returned from a successful summer hunt, and were harvesting a fine crop, raised by themselves upon the excellent land of their reservation; and their condition for the winter was expected to be favorable to their comfort. The superintendent found that affairs at the agency proper were not in so satisfactory a condition, the late agent not having, for reasons stated in the special report of the superintendent, attended to the raising of any crop upon the agency farm; the consequence being that grain and other supplies must be purchased for the use of the employes.

It is suggested that the steam mill provided by treaty causes a useless expenditure of money, and that a fine stream in the immediate vicinity may be availed of for running a mill by water-power, which will save the salary of an engineer and laborer, as well as a large consumption of fuel. Although the treaty provides for a steam mill, the benefit to be derived from this change is so apparent, that I think a diversion of the funds for this object would be proper, and have no doubt the Indians would gladly consent to it.

The posting of a company of United States troops at the agency has given the employes as well as the Indians a sense of security which they have not enjoyed for several years, and protected the latter during their hunt. The present agent, Mr. Wheeler, represents the Indians as desiring that their annuity provided for in goods by treaty be given to them in money, to be expended by their agent for agricultural implements. This office will take pleasure in carrying into effect, so far as is practicable, this laudable desire of the tribe.

The manual labor school-house, which has been in course of construction for parts of the two years past, is nearly completed, though it has not been formally accepted. It has cost a large sum of money, and there are deficiencies in its construction, and irregularities connected with the operations of the late agent and the contractors, into which an investigation is being made. It has been deemed advisable, however, to remove the scholars to it from the unhealthy quarters where they have been, and it is intended to provide at the earliest possible day for at least one hundred children at the school. Great hopes are entertained by the better class of the Indians of the good to be done by this school, and there is now some prospect of their being realized.

The agent recommends an appropriation of \$100 to satisfy with presents, in a manner approved by this people, the relatives of a Pawnee who was not

long since, murdered by some unknown white man, and this request will be granted.

Indians of the Upper Platte.—Early last spring, it being then understood that peace could probably be made with the Sioux, Arapahoes, and Cheyennes, who had been and are confederated in hostilities upon the emigrant route over the plains, the late Secretary of the Interior deemed it advisable to send an agent to the then abandoned agency at Fort Laramie; and Mr. Vital Jarrot, who from long residence among the Indians, and their known friendly disposition toward him, was supposed to be peculiarly well adapted for the mission, was sent out with instructions to attempt a negotiation, acting in concurrence with the military officers of the district. On his arrival at or near his post, however, he found an active campaign going on against these Indians, who had been already driven far to the north and west. The campaign against them has been a severe one, and entailed very heavy losses upon them, as well as great expense upon the government; and it is to be hoped that the punishment of the Indians will be sufficient to compel a peace. At the same time, it must be confessed that these hostilities are doubtless protracted and bitter in proportion to the sense of wrong felt by the refugees from the Chivington massacre of last fall, who have gone north among these tribes. It will be long before faith in the honor and humanity of the whites can be re-established in the minds of these barbarians; and the last Indian who escaped from the brutal scene at Sand creek will probably have died before its effects will have disappeared.

Hopes are entertained that representatives of these Indians, authorized to speak for them, may be present at the council to be held at Fort Sully, on the Missouri, inasmuch as they were, with the Upper Missouri Indians, represented at the Fort Laramie treaty. If such attendance cannot be secured, the arrangement anticipated as the result of the military campaign must be postponed till the next spring.

From the latest advices from the region of hostilities, it would appear that so far as the Indians especially belonging to the Fort Laramie agency are concerned, the campaign against them is one tending towards extermination; and Agent Jarrot has been directed to return to his post, to be at hand in case anything can be done by him, in concert with the military, for such of the Indians as remain. Agent Jarrot is decided in the expression of his opinion that there have always been many of the Sioux and Arapahoes who would have been glad to make peace if their lives would have been safe in approaching the posts; but he thinks the Cheyennes so exasperated that they will almost suffer extermination rather than submit.

I feel confident, however, that when these Arapahoes and Cheyennes learn the terms of the treaty negotiated with their brethren on the Arkansas, and when they know, as they will from the proceedings of that council, the merited and unmeasured condemnation bestowed by the government upon the Chivington massacre, they will bury the tomahawk and accept the proffered peace.

GREEN BAY AGENCY.

The annual report of this agency is, as usual, punctual as to time and full in information. The tribes under charge of Agent Davis are the Menomonees, Oneidas, and Stockbridges and Munsees.

The Menomonees number one thousand eight hundred and seventy-nine, having increased to some extent since last year, notwithstanding the ravages of the small-pox the past summer, and the death, in battle and in hospital, of about one-third of the one hundred and twenty-five men whom they have furnished to the United States army, enlisted in Wisconsin regiments. Their reservation, although of abundant extent, is not well adapted for agricultural pursuits, unless by clearing out farms in heavy-timbered lands, which has been

done to some extent, and considerable produce has been raised. Depredations upon the timbered (pine) lands of the tribe have been made to a large extent by whites, and the agent has taken the necessary steps to prosecute the guilty parties, and recover for the tribe the value of the timber.

There were one hundred and fifty cases of small-pox among the Menomonees, the ravages of the disease being greatly increased by the conduct of a priest, as stated by the agent, in insisting upon taking to the church the bodies of the deceased, and holding services over them in the presence of a crowd of the people. This practice was only terminated by the expulsion of the priest from the reservation. Some eight hundred of the Indians were vaccinated, and the disease was after a time stayed, but the agricultural operations of the people were much interfered with. In other respects, referred to by Agent Davis, the conduct of the same priest has been reprehensible and prejudicial to the interests of the tribe; and measures will be taken towards an improvement in this respect. While there is no disposition on the part of this office to interfere with the rooted religious prejudices of Indian tribes who have long been accustomed to the ministrations of particular denominations of Christians, a just control over these matters must be maintained, where the interests of the Indians clearly require it.

The schools upon the reservation are under the charge of devoted Catholic women, who have been long in the service, and are doing much good. The blacksmith employed for the tribe is a native Menomonee, and does his work well.

An interesting question as to the right of the State of Wisconsin to the 16th sections in the townships comprising this reservation, which has been in dispute for some time, has been decided in favor of the Indians by the department.

The Oneida reservation is near Green Bay, and includes an abundance of good land, which is availed of to a very limited extent by the Indians. Their vicinity to several thriving towns, where they are readily supplied with liquor, has had a bad effect upon them. Many of them find it easier to cut and sell the timber from their reserve than to engage steadily in farming; and the best among them, having no allotments of land, have not that incentive to effort which a home of their own would give them. I propose, with your concurrence, to endeavor to bring about an improvement in this respect. The Oneidas furnished one hundred and eleven men for the United States army, their total population being one thousand and sixty-four by the last census—a decrease of fifty-seven since last year. Their crops have furnished them a sufficient subsistence. The small-pox prevailed among them to some extent, there being forty-three cases and fifteen deaths by that disease.

They have two schools, one under charge of the Methodist, and the other the Protestant Episcopal church, the reports of both schools being herewith. Recently, application has been made by a native Oneida, educated at a college in Wisconsin, for the appointment as teacher of the first named of these schools.

The Stockbridges and Munsees, being the remains of the tribes formerly settled on the east side of Lake Winnebago, and who declined to take allotments and abandon their tribal relations, were placed upon a reservation of two townships on the west end of the Menomonee reservation as at first established. They number 338 persons, but at latest dates only about one-half of them were upon their reservation, the remainder being absent among the white settlements, employed by the farmers as laborers.

They justly complain that the lands given to them are poor and barren, and unfit for their use. They are an industrious people, and would do well upon good lands, and be entirely independent. Out of their small population they had 43 soldiers in the United States army. Their school has been successful during the year.

Last winter, Congress provided, by a section of the Indian appropriation bill, that any of these Indians might select 160 acres of the public lands as a homestead; but, the subject having been brought to their attention by the agent, they have, as a tribe, declined to avail themselves of the privilege, alleging that they have not the means to remove upon and work such new farms. Many of them are desirous that their lands in Wisconsin, which are valuable for their pine timber, may be sold, and a new home provided for them in the southwest. It is probable that such an arrangement can be made to advantage as soon as treaties are completed with the tribes occupying the country south of Kansas. In such case, doubtless, many of the tribe would decide to take the portion of the lands offered to them in Wisconsin, and with their proportion of the funds of the tribe open new farms and become citizens. The loyalty and good conduct of this tribe deserve the favorable consideration of the government.

AGENCY FOR THE WINNEBAGOES, POTTAWATOMIES, ETC., IN WISCONSIN.

No report has been received from this agency. The Indians comprised within it are wandering bands, having no settled homes; and who, having refused to remove west with their tribes, obtain a precarious subsistence by hunting, fishing, gathering berries in their season, and by begging, in the northwestern counties of Wisconsin. Congress in 1864 provided a special agent to take charge of them, and made an appropriation for their relief. They number some 1,500, their aggregate having, it is supposed, been increased this year by the addition of some 350 Pottawatomies, who have wandered thither from Kansas and Iowa.

CHIPPEWAS OF THE MISSISSIPPI.

At this agency, at Crow Wing, Minnesota, Agent Clark has in charge the various bands of Chippewa Indians of that State, comprised under the following classifications: Chippewas of Mississippi, numbering about 2,050; Chippewas of Red Lake and Pembina, about 2,000; Pillager and Lake Winnebagoish bands of Chippewas, population last year 1,966—total, 6,016.

No report has been received from the agent—for what reason does not appear; and we are unable to present any statistics as to the condition and progress of these tribes, many of whom are industrious, thriving farmers. Last year they made and harvested a large quantity of maple sugar and wild rice, besides selling furs to a considerable amount. By recent treaties with two of the classes of tribes above mentioned, provision was made for the expenditure of a large amount of money in their behalf, in addition to the sum previously due to the Chippewas generally; and the removal of the agency establishment to a point further north and more central has been determined upon. Agent Clark some time since submitted a report with plans for the proposed buildings, upon a designated location near Leech lake; but action in the matter awaits the report of a special agent, who has been directed to make more particular inquiry as to the site and plans proposed. The large amount disbursed at this agency makes it one of the most important in the service, and I very much regret that, by the neglect of the agent to forward his report, I have no means of presenting a full statement of its condition.

CHIPPEWAS OF LAKE SUPERIOR.

This year, as well as last, the annual statement of Agent Webb fails to reach us in time to be made available for the annual report of this office. The Indians of this agency are all Chippewas, residing on and about reservations in northern Wisconsin, and number about 4,500. They have their farms and schools, receive annually a considerable sum of money, besides having the benefit of the labors of sundry employes of the government, and ought to be in a comfortable condition, but we have no data to show it.*

* For Agent Webb's annual report, see appendix.

MACKINAC AGENCY, MICHIGAN.

The annual report of this agency has but this moment been received, and too late for special notice. It will be found among the accompanying documents. From the statistics at hand, and which form a part of this report, we learn that the various tribes and remnants of tribes connected with the agency, and scattered along the shores of Lake Superior and at other points in Michigan, have had a very prosperous year. The various tribes and bands are classified as follows, with the more important footings of the tables referring to each:

Chippewas of Lake Superior: population, 1,058; individual personal property, \$24,900; two schools, with 91 pupils. Ottawas and Chippewas: population, 4,923; property, \$257,823; twenty schools, with 578 pupils. Chippewas of Saginaw, &c.: population, 1,581, property, \$7,691; six schools, with 214 pupils. Chippewas, Ottawas and Pottawatomies: population, 287; property, \$39,080; two schools, with 9 pupils.

These Indians have furnished 196 soldiers for the United States army. A large number of them are far advanced in civilization, fully deserving of and actually exercising the rights of citizenship. They are peaceable and industrious to a great extent, as is shown by the following aggregates of the principal crops raised, viz: 8,249 acres cultivated, producing 2,577 bushels wheat, 28,390 bushels corn, 88,492 bushels potatoes, 453,252 pounds maple sugar, and 9,877 barrels fish for sale, besides the quantity used for themselves; and have sold \$54,000 worth of furs.

They own and occupy 883 frame and log houses, and have, as is seen above, about 900 of their children at their numerous schools, taught for the most part by the self-denying missionaries of various denominations, who have long labored among them with success. For other interesting details I must refer to the report of the agent, not having time to make a summary of them.

NEW YORK.

The annual report from this agency is very unsatisfactory as to details, the agent, Mr. Rich, having depended for his statistical information upon the persons engaged by the State of New York in taking the census, who have failed to furnish him with the information in time for this report. This is very much to be regretted, as there are no full and reliable statistics of the agency since 1862. By a careful census that year the total population of the New York Indians was found to be 3,958. Of that number, the principal tribes, the Senecas, upon their reservations, Cattaraugus, Allegany, and Tonawanda, had a population of 2,854. A census of the Senecas in 1863 gave their number at 2,988, an increase of 134.

It is not probable that there has been any increase, and the present population of the "Six Nations," which now includes Senecas, Cayugas, Onondagas, Oneidas, and Tuscaroras, is probably about the same as in 1862, as given above. In that year these Indians had in operation nineteen schools upon their various reservations, including the mission schools and those organized under State laws, and 661 pupils were in attendance. The value of personal property belonging to individuals that year was estimated at \$262,500. This has doubtless largely increased.*

Agent Rich reports the Indians as paying increased attention to their farms, and, in many cases, doing in every respect as well as their white neighbors; and that their schools seem to be prosperous. The annual distribution of annuity money and goods has been made and accounts returned, the Oneidas expressing a desire to have the value of their goods in money hereafter.

There is some evidence that the influential men among these Indians, who

* For statistics of N. Y. agency, see appendix.

LIST OF EXAMINING SURGEONS—Continued.

Names.	States.	Counties.	Post office address.
L. Dovey Ross	Vermont	Rutland	Poultney.
Olin G. Dyer	do.	do.	Brandon.
C. M. Rublee	do.	Washington	Montpelier.
George F. Gale	do.	Windham	Brattleboro'.
Carlton P. Frost	do.	do.	Do.
D. W. Hamilton	do.	Windsor	Cavendish.
Shubael Converse	do.	do.	Norwich.
William McCollom	do.	do.	Woodstock.
Samuel P. Danforth	do.	do.	Royalton.
Walter S. Robinson	do.	do.	Felchville.
William A. Chapin	do.	do.	Ludlow.
James E. Morse	do.	do.	Royalton.
William Drainie	Virginia	Norfolk	Portsmouth.
E. W. Beck	do.	Berkeley	Martinsburg.
S. P. Bryan	do.	Harrison	Clarksburg.
James Putney	West Virginia	Kanawha	Kanawha Saline.
James E. Reeves	do.	Marion	Fairmount.
James H. Hooff	do.	Mason	Point Pleasant.
Joseph A. McLane	do.	Monongalia	Morgantown.
John C. Hupp	do.	Ohio	Wheeling.
William J. Bates	do.	do.	Do.
R. W. Hazlett	do.	do.	Do.
Thomas Kennedy	do.	Taylor	Grafton.
Rezin P. Davis	do.	Wood	Parkersburg.
S. E. Webster	Wisconsin	Adams	Friendship.
Uriel H. Peak	do.	Brown	Fort Howard.
Marvin Waterhouse	do.	Columbia	Portage City.
Robert W. Earle	do.	do.	Columbus.
John Conant	do.	Crawford	Prairie du Chien.
Joseph Robbins	do.	Dane	Madison.
A. M. Danton	do.	Dodge	Beaver Dam.
William T. Galloway	do.	Eau Claire	Eau Claire.
William H. Walker	do.	Eond du Lac	Fond du Lac.
J. H. Hyde	do.	Grant	Lancaster.
J. M. Ball	do.	Green	Monroe.
Stephen G. Lombard	do.	do.	Do.
George W. Burrall	do.	Iowa	Dodgeville.
John H. Vivian	do.	do.	Mineral Point.
S. F. S. Wason	do.	Jackson	Black River Falls.
W. W. Reed	do.	Jefferson	Jefferson.
William C. Spalding	do.	do.	Watertown.
D. C. Green	do.	Juneau	Mauston.
John Gridley	do.	Kenosha	Kenosha.
D. D. Cameron	do.	La Crosse	La Crosse.
D. T. Abell	do.	Lafayette	Darlington.
J. E. Thayer	do.	Marathon	Wausau.
N. Monroe Dodson	do.	Marquette	Berlin.
James Diefendorf	do.	Milwaukee	Milwaukee.
George W. Perrine	do.	do.	Do.
Jesse Bennett	do.	Monroe	Sparta.
Sidney L. Fuller	do.	Outagamie	Appleton.
William F. Fisher	do.	Ozaukee	Ozaukee.
John T. Scholl	do.	do.	Do.
A. D. Andrews	do.	Pierce	River Falls.
John Phillips	do.	Portage	Stevens's Point.
Philo R. Hoy	do.	Racine	Racine.
Daniel L. Downs	do.	Richland	Richland Centre.
Lyman J. Barrows	do.	Rock	Jamesville.
Henry McKernan	do.	Sauk	Sauk City.
Charles Cowles	do.	do.	Baraboo.
L. D. McIntosh	do.	Sheboygan	Sheboygan.
D. D. T. Hamlin	do.	Walworth	Elkhorn.
George F. Hunt	do.	Washington	West Bend.

LIST OF EXAMINING SURGEONS—Continued.

Names.	States.	Counties.	Post office address.
George R. Taylor	Wisconsin	Waupaca	Waupaca.
A. P. Barber	do.	Winnebago	Oshkosh.
Ansel F. Bowen	do.	do.	Neenah.
G. F. Witter	do.	Wood	Grand Rapids.
George Kellogg	Louisiana	Orleans	New Orleans.
George A. Blake	do.	do.	Do.
P. B. Rice	North Carolina	Craven	Newbern.
Roscoe G. Jennings	Arkansas	Pulaski	Little Rock.
Dean W. King	Colorado Ter.	Clear Creek	Empire City.
William S. Latta	Nebraska Ter.	Cass	Rock Bluffs.
G. C. Mendell	do.	Douglas	Omaha.
John F. Neill	do.	Nemaha	Peru.
Henry O. Hanna	do.	Richardson	Falls City.

In my last annual report reference was made to the desirableness of some method of securing greater uniformity in estimating the disabilities of invalid pensioners and claimants. The right of a discharged soldier or seaman to be pensioned at all, for a disability really existing, must in many cases depend upon questions properly to be determined by the examining surgeons. The highest order of professional qualification is often requisite to a sound and reliable opinion on cases presented. In the designation of physicians and surgeons for the performance of these duties, it has been my aim to secure the best available aid. For the sake of uniformity, however, and for the purpose of a professional supervision in these examinations, as well as for the settlement of questions requiring thorough education and experience in medicine and surgery as they arise in the adjudication of pension claims, it is suggested that a consulting and supervising surgeon might profitably be provided for, whose services shall be rendered in this bureau. The obvious advantages of such an officer would, no doubt, secure favorable action, should the subject be brought to the notice of Congress. In default of particular legislation to this end, the detail of an experienced surgeon now in the service would probably be made, if requested of the proper department.

The preparation of a scale of disabilities, proposed in my last report, to be intrusted to a commission of surgeons, would perhaps be equally well accomplished through the aid of an officer appointed as above indicated. This still seems to me an object worthy of attention, although so large a portion of the claims to be affected thereby have already been adjusted.

The power conferred on me by the eighth section of the act of July 4, 1864, to order special examinations of enrolled pensioners, as justice might seem to require, has been exercised with undoubted advantage to the government in many instances, and has sometimes secured to the pensioner a higher rate, to which he was fairly entitled. Special examinations have frequently been required annually or semi-annually, by the insertion of a clause to that effect in the pension certificates in cases of manifestly temporary and variable disability. In other instances, a surgeon has been specially detailed to investigate and report upon the merits of cases as to which reasonable doubts had arisen, either as to the existence of any disability or its degree. This action has tended to correct any departures from uniformity in estimating the rates of disability, and to correct erroneous allowances, either through inadvertence or through inaccuracies in testimony.

PENSION NOTARIES.

Only a very limited number of pension notaries have been designated for the accommodation of applicants residing at a distance from any place at which a court of record is held, the third section of the act of July 4, 1864, which confers this authority, having restricted its exercise to localities more than twenty-five miles distant from such court. In many instances the absolute requirement that the declaration be made before some officer of a court of record, with only the exception just stated, seems to be a hardship to claimants, and especially to the sick and infirm. A modification of the law for the benefit of such claimants, leaving a wider discretion as to the designation of pension notaries, would afford a desirable remedy for the evil.

THE COLLECTION OF PENSIONS.

Numerous complaints have been made to this office of exorbitant charges by attorneys for their services in the semi-annual drawing of pensions. Blanks are furnished, without expense, to all pensioners who desire them, for the execution of the requisite vouchers, and they can be readily made out by any intelligent person who can read and write, requiring only the expense of fees for administering the oaths required. The sum of from two to five dollars for filling out one of these blanks and transmitting the voucher to the agency has, nevertheless, been exacted every six months by many attorneys, who, availing themselves of the ignorance of the pensioner, retain numbers of pension certificates in their custody, permitting the impression that their services are indispensable to their clients. This practice has been partly broken up by requiring pensioners residing near the agency at which they are paid to present themselves in person with their certificates, without the intervention of an attorney. But the evil can only be partially remedied by administrative action. A stringent law in regard to fees for the collection of pensions, no less than for procuring the allowance of a pension claim as already enacted, would seem to be indispensable to protect those pensioners residing at a distance from the agency where they are paid, from these exactions.

For administering the necessary oaths to pensioners or their attorneys, pension agents are allowed by congressional statute the fees fixed by the local law for like services. Beyond this, under your order of the 21st ultimo, disbursing agents will not hereafter be permitted to charge any fee for filling out the necessary vouchers for pensioners. It is obvious that the small semi-annual stipend allowed to pensioners should reach them as promptly and with as little cost as possible, and it is in accordance with the spirit of our pension system to protect all pensioners, so far as may be necessary, from the diversion or retention of any portion of the periodical sums granted them.

NAVY PENSION FUND.

The amount of the navy pension fund, invested in gold-bearing bonds of the United States, under the direction of the Secretary of the Navy, as trustee, is \$9,000,000. There is now on hand of this fund, subject to use as may be required, or to investment, the sum of \$1,395,114 31. The annual income from the portion invested is now more than double what is required for the payment of navy pensions of all kinds, regardless of the difference in value between coin and paper currency. While it would appear that this fund is equitably liable for all classes of navy pensions alike, the act by which it is created specified invalids of the navy alone. Further legislative action, therefore, is necessary in order to make the fund available for the largest class of navy pensions.

GENERAL REMARKS.

From the estimates for the fiscal year ending June 30, 1867, heretofore submitted in a separate report, it will be seen that a sum exceeding \$15,000,000 is believed to be necessary for the payment of pensioners for that year. The applications for pensions during the first quarter of the current fiscal year have exceeded in number those of any previous quarter since the commencement of the late war. The number of claims now on file, and the probable number hereafter to be filed, are such as to justify the opinion that the pension list will continue to enlarge at a rate considerably exceeding the diminutions from deaths and other causes for at least three years to come. The maximum yearly amount of pensions thus attained can hardly be less than \$18,000,000. In four or five years a material falling off from this maximum may be anticipated, in the absence of hostilities.

In view of the magnitude of the interests involved, the most complete and effective organization of this branch of the department practicable is manifestly desirable. For this purpose, not only the experience of our own government, but also that of the older nations of Europe, may profitably be taken into account in giving symmetry and efficiency to our system. Little information on this subject from abroad, however, has been found attainable through the medium of official reports, compilations of laws or treatises, beyond the merest outline. Personal inspection of the practical working of the European systems, and a thorough and intelligent report thereon, either through the medium of consular agents abroad or of a special commission sent out for that purpose, would seem to be essential for the attainment of the detailed information desired. The cost would be trivial compared with the benefits to be anticipated from such observation properly made and reported.

While there has been no diminution in the business of this office, but rather a continued increase hitherto, there is at present no demand for additional clerical service, nor is such demand anticipated before the date at which a decrease in the number of new applications will commence. It gives me pleasure to recognize the hearty co-operation and constant assiduity which have generally characterized the labors of those employed in this bureau, and to refer to the results of the past year as evidence of the skill with which these services have been rendered. All pension claims, properly prepared and substantiated, have been allowed with a reasonable degree of promptitude, and the business of this bureau is generally in a satisfactory condition.

Very respectfully, yours,

JOSEPH H. BARRETT,
Commissioner.

HON. JAMES HARLAN,
Secretary of the Interior.

REPORT OF THE COMMISSIONER OF PUBLIC BUILDINGS.

OFFICE OF THE COMMISSIONER OF PUBLIC BUILDINGS,

CAPITOL OF THE UNITED STATES,

Washington, October 12, 1865.

SIR: In conformity with the requirement of the 15th section of the act of Congress, of August 4, 1854, "making appropriations for the civil and diplomatic expenses of the government for the year ending June 30, 1855, and for other purposes," I have the honor to submit the following report:

The duties of the office of Commissioner of Public Buildings are peculiar, the responsibilities under which he acts are heavy, and necessity very often requires that in the performance of his duties he should act promptly, and cause work to be done for the protection of the public property committed to his care, even when there are no funds at his immediate command to pay for the same.

During a portion of the past year I have been compelled, for the want of the necessary funds, thus to act; but I have been careful, in almost every instance, not to do so without the approbation of the Secretary of the Interior, and do not doubt that when the exigencies of the public service are made known to Congress, the necessary appropriations will be made to meet all deficiencies.

THE CAPITOL.

The old building has undergone many changes since my last report. When that was made we had just commenced constructing the marble floor in the old hall of representatives. The appropriation of \$15,000 was expended, and a further appropriation of three thousand eight hundred and seventy-five dollars was made at the last session to complete the same. The work has been completed for some time, and the attention of the President has been called to the law of July 2, 1864, authorizing him "to invite each and all the States to provide and furnish statues, in marble or bronze, not exceeding two in number for each State, of deceased persons who have been citizens thereof, and illustrious for their historic renown or from distinguished civic or military services, such as each State shall determine to be worthy of this national commemoration," to be placed in that hall, which, by that act, was set apart, "or so much thereof as may be necessary, as a National Statuary Hall." And I have received official notice from the Department of State that circulars had been sent to the governors of all the States, notifying them of the law of Congress, and inviting them to call the attention of their several legislatures to the subject. No statuary has yet been sent from any of the States.

Under the law of last session, authorizing "an enlargement of the library of Congress so as to include in two wings, built fire-proof, the space at either end of the present library," and appropriating \$160,000 therefor, the work is now going on most successfully, under the contract made with the Architectural Iron Works Company, of New York, by your direction, by which that company contracted to do the work, in accordance with certain specifications drawn out by the architect of the Capitol extension, Thomas D. Walter, esq., for the sum of \$146,000. The work has now progressed so far as that the insides of the two wings are torn out, and are both ready to receive the roofs, which will be in place probably before the meeting of the ensuing Congress. The roofs once on, the other work will proceed rapidly to completion. There must necessarily be considerable expenditure outside of the contract, such as the introduction of water into the library, where, by some strange omission, it has never been carried; the cutting off and replacing of the gas mains which supplied the building, and passed through the centres of the wings to be occupied by the library;

and many other incidental alterations which could not be foreseen, and were not specified.

The contractors are laboring, it is believed, with all possible energy to accomplish their work in conformity with their contract.

The removing of so much of the centre building, a large portion of which had been for years occupied by the officers of the House of Representatives as store-rooms, document rooms, &c., rendered it necessary that every nook and corner of the old building, available for office or store rooms, should be occupied, and the lobbies around the old hall have been converted into document and stationery rooms for the House of Representatives, and a portion of the west basement, never before used for any practical purpose, has been converted into store rooms; and, notwithstanding the addition of the two large wings, the Capitol has never been more crowded than at the present time.

Two large rooms under the Supreme Court room have, with your approbation, been converted, under my supervision, into a consultation room for the Supreme Court, at the solicitation of the Hon. Justices of that body.

These comprise all the radical changes that have been made in the centre building.

The work on the extension, being principally outside work, has progressed rapidly and successfully, and the prospect now is that if Congress will make the necessary appropriations it may be completed within another year. The new dome is nearly completed, and may deservedly be characterized as a great triumph of human skill and ingenuity.

As the architect will report fully upon both these improvements, it is not necessary that I should go into any detail concerning them.

The usual annual repairs of the Capitol have been made, and, in consequence of the great work in progress all about the building, they have been unusually heavy. The office of the Commissioner of Public Buildings was in that part of the building which has been removed to make room for the library extension, and the office has been removed to the rooms occupied many years ago by the Commissioner, in the western basement.

THE CAPITOL GROUNDS.

The necessity of extending the Capitol grounds becomes more and more apparent as the two wings approach their completion, and it is to be hoped that Congress will not suffer another session to pass away without making provision for enclosing at least all the ground north and south, contiguous to the building, which belongs to the United States. Such an enclosure would be a very great improvement to the appearance of the Capitol and its surroundings.

In my report of last year I called the attention of Congress to that part of the Washington and Georgetown street railroad which passes through the Capitol square. Congress took no final action upon the matter. It must be very evident to all that it is useless to attempt to enforce any regulation directing the Capitol grounds to be closed after a certain hour of the evening while the cars run regardless of hours! If they are still to be permitted by law to run through the grounds, the only method of remedying the inconvenience now experienced is that recommended in my last annual report, viz: "The erecting of an iron fence on each side of the track, with proper openings in front of the Senate and House entrances, to be closed with gates, thus leaving the railroad track to be controlled exclusively by the company, and the grounds exclusively under the control of the government."

THE PRESIDENT'S HOUSE.

In consequence of the change in the occupancy of the President's House, early in the summer heavy expenses in repairing and furnishing became necessary, and have been incurred.

The terrible and tragical event which led to the change, and the circumstances attending and following it, seem to me to be entirely out of place for comment or recital in a business paper like this. I therefore, with this brief allusion, express the hope that Congress will make all necessary appropriations to meet any extraordinary expenditures which have been made, and I do not doubt that it will readily and cheerfully be done.

The extensive greenhouse attached to the Executive Mansion was found, upon examination, to be in the most dilapidated condition possible. Upon removing the stands and floors, all the work beneath them was found to be thoroughly decayed. All the lower portion of the building had to be entirely renewed to prevent it from crushing down by its own weight, and it was almost wonderful that it had stood as long as it did.

It has been put in as complete repair as a building situated as that is, on the top of another building, never designed to support such a weight, could well be, and will probably stand for ten or fifteen years without further repairing of any consequence.

There has always been a very meagre supply of water at the President's House, the entire supply being from a one-inch pipe. This was found insufficient for even household purposes, and afforded no protection against fire. Under these circumstances, with the approbation of the President, a six-inch pipe was laid from the main on Pennsylvania avenue to the house, and two large hydrants were put down in proper places to afford a supply of water for protective and cleaning purposes, and sufficient carried into the building to afford a bountiful supply for the heating apparatus, bathing-room, and all household uses.

PORTRAITS OF THE PRESIDENTS.

In this connexion it is proper to call the attention of Congress to the fact that a number of portraits of the ex-Presidents of the United States have been painted by Mr. Healy, the artist, under contracts with the Joint Committee of the Library of Congress, and have been paid for, with the purpose of causing them to be placed upon the walls of the rooms of the Executive mansion. Those portraits have been handed over to me by the librarian of Congress, who had no place for them in the library, and I have caused them to be safely stored in the attic of the Executive mansion. They are without frames, and I respectfully suggest whether it would not be well to cause them to be framed and properly placed where it was the intention of Congress that they should be.

I have procured an estimate from Mr. Francis Lamb, a respectable framer and gilder of this city, of the cost of framing them in an appropriate and handsome style, amounting to nine hundred dollars, which I shall include in the regular estimates of this office, for the consideration of yourself and of Congress.

PENNSYLVANIA AVENUE.

This great roadway through the city can never be placed in a proper condition until it is entirely repaved; and, as I last year recommended either the Belgian or Nicholson wood pavement and having seen no cause to change my opinion, I again most respectfully recommend the repaving of the avenue with one of those pavements. The latter pavement can be laid for forty dollars per square of ten feet, which would be about \$253,440 per mile.

We have been constantly at work on the avenue for the past season, for absolute necessity required it; and although the roadway is very much improved, it is impossible to place it, with the present broken pavement, in the order that such a road should be. Crossings of the streets intersecting the avenue, of the best six-inch thick blue stone, filled in with Belgian pavement, have been laid at every street along the north side of the avenue, between the Capitol and

Treasury Department, and two on the south side, which will last for generations to come. This was a necessity, and a debt of about \$10,000 has been incurred in doing it.

As the mayor and corporation of Washington have exhibited a most praiseworthy and energetic spirit in repairing the streets under their control, it is to be hoped that the broad thoroughfare which Congress has heretofore so generously adopted will not be permitted to suffer in comparison with other streets of less prominence. F street, formerly a perfect slough, is now one of the finest streets in the city, and will compare favorably with any street I have ever seen anywhere.

EASTERN BRANCH BRIDGES.

The navy yard bridge is in excellent repair, but the draw can hardly be called "a draw," as it is almost useless.

In my last annual report I spoke as follows: "The old draw remains as it was. It should be replaced by a new one. With a view to the erection of a new draw you detailed Colonel Silas Seymour, engineer of the Washington aqueduct, to examine the old draw and furnish the drawings for and an estimate of the expense of a new draw. This he did, his plan being for a very elaborate and expensive draw, such a one as would be admirable for the Potomac bridge, but is, in my opinion, unnecessary for the one in question, where the draw is not opened more than two or three times a year. The draw estimated for by him is to cost, at the lowest, \$11,000. I submitted his plan and estimates to you on the 16th of September last, and they are now in your department. At the time I wrote you I supposed that the \$25,000 would be sufficient to repair the bridge and erect a cheap draw that would answer all the purposes needed. I now find that an appropriation of about one thousand dollars will be necessary to make the new draw, as new piles will be necessary for its foundation, and I have estimated for that sum."

The sum of \$1,000 was appropriated, but I soon found that it would be by no means sufficient to make a new draw, and I directed that the old draw should be made as secure as possible, which was done by placing large timbers at its sides, lengthwise with the bridge, and so fastening them that they could be removed when it became necessary to open the draw. By this means we have succeeded in keeping the draw up during the season, and no accident has happened. Since all the money appropriated was expended, a bill amounting to \$2,959 66 has been presented by the Navy Department for the use of a pile-driver, labor, coal, and oil, in operating it.

I shall therefore be under the necessity, in my estimates, of asking for an appropriation to meet this deficiency, and for \$5,000 to erect a new draw.

No repairs to the upper or Benning's bridge, beyond what the current appropriation will pay for, will be necessary. That bridge is now in very good repair.

PAUPER PATIENTS.

Providence Hospital continues to be the place where the patients are sent by the Commissioner, under the charitable and humane law for their care and medical treatment passed by Congress. Throughout the past year there has been constantly in the hospital the full number authorized by law, and nearly all the time an excess of from one to six. All the patients have been well and kindly treated. The excellent Sisters, who have the care of that charitable institution, have done all their duty toward the patients and the government.

The increase of transient paupers in this city has been large, even within the past year; and the hospital being full, I am compelled to turn away a large number of applicants every month who would be entitled to the benefits of the government charity were there room for them. If Congress would increase the

number, so that the Commissioner could be allowed to have sixty instead of forty in the hospital at one time, I think there would seldom be a necessity of turning away a single individual clearly entitled to the benefits of the appropriation.

APPROACHES TO THE CAPITOL.

By the original plan of the city, Pennsylvania, Maryland, Delaware, and New Jersey avenues intersect the Capitol square. All these avenues, except Delaware, have been opened and improved on both sides of the Capitol; Delaware avenue has been opened and partially improved northeast of the Capitol, but remains unopened and unimproved southwest. North, South and East Capitol streets commence at the Capitol, and run each in the direction indicated by their names. East Capitol street is of the same width as the avenues, and it was doubtless expected, when the plan of the city was adopted, that it would be one of the most prominent streets in the city, leading, as it does, from the main front of the Capitol. This street is regularly opened, but is in great need of grading.

North Capitol street and South Capitol street have neither of them ever been opened. The former, if opened, would give the most direct access from the Capitol to the public printing office.

The opening of these streets would add greatly to the pleasant view from the north and south porticos of the Capitol, and it is very desirable, not only for public convenience, but as a national feature, connected with the building occupied by the representatives of a great people, that those broad and intended to be imposing thoroughfares should be opened. It will not be in the power of the corporation of Washington to open and improve them for years to come, if ever. If they are to be opened at present, the United States must do it. I therefore most respectfully suggest whether it will not meet the approbation of Congress to provide for the opening and grading of North and South Capitol streets, and erecting a culvert across the Tiber creek where it intersects the former, whenever it shall be certified by the mayor of Washington to the Commissioner of Public Buildings that the corporation of Washington have taken the proper steps to insure the paving of those streets, as soon as they are graded; and also to grade East Capitol street, under the same proviso. No greater improvement touching the streets of the city could be made than the one here suggested, and the expense to the United States would not be over twenty thousand dollar.

ACT OF MAY 5, 1864.

In my last report I called the attention of Congress to this act, in the following language:

"The 3d section of the act of Congress approved May 5, 1864, (Statutes at Large, vol. 13, p. 68,) entitled 'An act to amend 'An act to incorporate the inhabitants of the city of Washington,' is in the following words:

"SEC. 3. *And be it further enacted*, That in all cases in which the streets, avenues, or alleys of the said city pass through or by any of the property of the United States, the Commissioner of the Public Buildings shall pay to the duly authorized officer of the corporation the just proportion of the expense incurred in improving such avenue, street, or alley, which the said property bears to the whole cost thereof, to be ascertained in the same manner as the same is apportioned among the individual proprietors of the property improved thereby."

I have already been called upon by the city authorities and by your department to pay the government proportion for improvements coming within the purview of the section above quoted, but there being no money appropriated to meet such payments, I had to decline paying.

I last year asked for an appropriation of five thousand dollars to enable me

to meet the demands which might be made upon me during the year under the provisions of that law.

I have been informed by the mayor of Washington that he has in progress improvements in the streets of the city which pass by or through property of the United States, that will require at least one hundred thousand dollars to be paid to him by the United States within the next year, under the above quoted law; and to carry out the provisions of the same in good faith, it will require the appropriation of that sum to be made for the next fiscal year.

NUISANCE FUND.

In my last annual report I thus called the attention of the Hon. Secretary and of Congress to the law relating to nuisances, viz:

"On the 3d of March, 1863, (Statutes at Large, vol. 12, p. 746,) an appropriation of five thousand dollars was made by Congress 'for making improvements provided for in the 13th section of the city charter, per act of May 17, 1848.'

"This sum was for the removal of nuisances, and has all been expended for that purpose. It is necessary that a like sum should be appropriated for a like purpose, as, in the present state of the city, nuisances are continually existing that cannot be removed in any other way than through an appropriation, contemplated by the law of May 26, 1834, (Laws of the United States, vol. 4, p. 77,) which is referred to in the law of May 17, 1848, (Laws, vol. 9, p. 229.) I have, therefore, in my regular estimates, asked for an appropriation for the improvements referred to."

No appropriation was made, and there has been a continual call upon me during the past year to remove nuisances under the law above referred to. After consultation with you, I have, where the nuisances were such as to very much incommode citizens residing in their vicinity, and endanger their health, caused them to be abated, in anticipation of an appropriation to enable me to pay for the work. As no appropriation has been made for the two past years, I have, in my regular estimates, asked for one of ten thousand dollars.

If these laws are to stand upon the statute books, thus holding out the promise of national aid, certainly Congress will not decline to pass the necessary laws to carry out their own enactments.

VIRGINIA AVENUE AND THE PUBLIC RESERVATIONS.

I have called the attention of the Secretary and of Congress to Virginia avenue in several of my reports, and cannot, in justice to my fellow-citizens and to the government, refrain from once more urging upon Congress the necessity of making some improvement to that important thoroughfare, from the western portion of the city to the navy yard, Giesboro', and the Insane Asylum. Nothing has ever been done to it by the United States, and it is in such a condition as that it can hardly be said to be properly opened. An appropriation of, say ten thousand dollars, judiciously and economically expended on the worst portions of that avenue, would make it a very good road. I hope Congress will think proper, in exercising their generosity toward the city, to remember Virginia avenue.

The Circle, on Pennsylvania avenue, where New Hampshire avenue intersects it, has been formed, handsomely enclosed with an iron fence, cultivated at much expense, and adorned by the placing in its centre of a bronze equestrian statue of Washington, and unless some proper measures are taken to take care of it, it might as well have been left in the state it was before any improvement was made upon it. No money has been appropriated to keep up the improvements upon it or to pay a watchman for taking care of it, and the consequence is that it is filled with cattle and horses, and with gangs of boys who make all sorts of depredations within the enclosure. Scarce a month passes that I do not receive

numerous complaints from the good citizens residing in that neighborhood of the desecration of "the Circle." I have endeavored, by placing the gates in such order that they could not well be left open, and by giving some official, doing duty in that neighborhood, a supervisory control over it, to remedy the evils complained of, but have failed. Persons will open the gates and fasten them open; boys will enter and make it their play-ground, and cattle and horses either go in of their own accord or are purposely turned in; and what should be a beautifully cultivated spot, and an ornament, is converted into almost a public nuisance. If Congress will make a small appropriation to put the place in complete order, and allow the Commissioner a watchman to take care of it, it can be kept in proper order, and be always, what it was intended to be, a beauty and an honor to the city.

Franklin square has been greatly improved within the past two years, but it can never be made the beautiful square it should be until it is enclosed with an iron fence that cannot be torn down and carried away by evil-disposed persons, and also placed in charge of a watchman.

Many of the triangular reservations belonging to the United States still remain open as places for the deposit of filth, instead of being made great ornaments to the city. Some years ago Congress made appropriations nearly every year to enclose one or more of them, and they were enclosed and beautified with trees and shrubbery, and present a beautiful feature in our expanded city. The last one enclosed with an iron fence was, it is believed, that on the south side of Pennsylvania avenue, between 13th and 14th streets west, some ten or twelve years ago. It is much to be desired that Congress will again turn its attention to some of those still remaining open, and make the necessary appropriations to enclose and beautify them.

On the 30th of June, 1864, Congress passed a joint resolution "authorizing the Secretary of the Interior to reclaim and preserve certain property of the United States."

That resolution was referred by your honorable predecessor, Secretary Usher, to this office. The whole subject was thoroughly examined, and an elaborate report made by me to the Secretary, which he transmitted to Congress on the 7th of December last, and the same was printed, by order of the House of Representatives, as "Ex. Doc. No. 5, 38th Congress, 2d session." Nothing further has ever been done in relation to the subject; and the foundation of the market-house on Pennsylvania avenue, between 7th and 9th streets, commenced by the corporation of Washington, and the work stopped by order of the Secretary of the Interior, in conformity with an order of Congress, remains, as it was left, an "eyesore" to every good citizen, which should be either removed or the building suffered to proceed. It is to be earnestly hoped, however, that some other locality may be found for a market-house, that the great street of the city may be relieved from what is now, as all must admit, a public nuisance.

At the last session of Congress an earnest application was made to that body, by persons owning property in the eastern part of the city, to cause the large and handsome reservation on East Capitol street, between 11th and 13th streets east, to be enclosed and beautified, and called "Lincoln Square." This would be a very great improvement to that portion of the eastern part of the city, where Congress has never yet bestowed any of its benefactions, and which it is fondly hoped will ere long be remembered.

SPRING ON SMITH'S FARM BELONGING TO THE UNITED STATES.

By an act of Congress, approved May 25, 1832, the Commissioner of Public Buildings was authorized to purchase the rights of individuals to water, (in the northern part of the District,) and bring the water in pipes to the Capitol; and

\$40,000 was appropriated for purchasing the rights and performing the work—(Stat. at Large, vol. 4, p. 518.)

Under this law the Commissioner purchased of John A. Smith certain land about two miles from the Capitol, on which there is a large and never-failing spring of the purest water.

A brick building was erected over the spring, and water-pipes laid from it to the Capitol, and from that spring comes the flow of water which fills the fountains directly east and west of the Capitol building, and also the beautiful flow at the hydrant in front of the arched entrance to the basement of the west front.

The spring from which this water is brought has had no other protection than the building over it gave, and until that part of the District was filled with troops it was found sufficient. But after the soldiers were encamped in that locality they destroyed the door of the house by shooting bullets through it, and broke into the house and defiled the water, so as to render it unfit for drinking purposes. As soon as the fact was made known to me I had the spring cleaned out, and a new door made and covered with iron, and securely put on and fastened.

As this spring is very important to the government, for from it all the drinking-water used in the Capitol is supplied, I respectfully recommend that an appropriation be made to build a common but secure fence around so much of the land on which the spring is situated as belongs to the United States.

I append herewith a statement of the receipts and expenditures of this office for the fiscal year ending June 30, 1865.

I have endeavored to bring to your attention such matters intrusted to my care as are deemed of sufficient importance to be made known to or considered by Congress.

There will doubtless be other matters requiring special attention during the ensuing session, which, if it be found necessary, will be brought to your notice or to that of Congress.

I am, with high respect, your obedient servant,

B. B. FRENCH.

Commissioner of Public Buildings.

Hon. JAMES HARLAN, Secretary of the Interior.

REPORT OF THE ARCHITECT OF THE CAPITOL EXTENSION.

ARCHITECT'S OFFICE, UNITED STATES CAPITOL,

Washington, D. C., November 1, 1865.

SIR: In relation to the public buildings in your department under my supervision, I have the honor to submit the following:

CAPITOL EXTENSION.

The progress of this work since the last report of my predecessor, T. U. Walter, esq. (November 1, 1864,) has been the completion of the eastern portico of the south wing, including the steps and carriage-ways to the same. The cheek-blocks remain, however, unfinished, owing to the difficulty of obtaining blocks of marble sufficiently large for the capping. There are eleven pieces of marble for this purpose now on the ground, and the number required for one of the cheek-blocks are now set in place.

The greater part of the marble-work for the north portico has been prepared during the present season, and is now being set. It is expected that this portion of the work will be done by the meeting of Congress.

In addition to the above, there have been seventy-three blocks for cornice, architraves, &c., prepared for the unfinished porticoes.

There have been received, in addition to those already set, nine monolithic columns, which have been wrought for the other porticoes, and there are also on hand, belonging to the government, blocks sufficient to make eight columns in two pieces.

As the contractors, under a provision of their contract, claim the right to deliver these stone in two pieces, and as they have been received and paid for, I respectfully recommend that they be used in the western porticoes, alternately with monolithic columns.

A marble balustrade is being prepared to go between the plinths of the columns of all the porticoes, except where the steps prevent. This will add to the beauty of the porticoes and to the security of visitors.

There will be required for the completion of the porticoes fifteen column shafts and about 20,000 cubic feet of marble.

Nearly all the marble work for the upper balustrades for the southern and western porticos has been prepared for several years, and is liable to damage. It is to be hoped that this work can be set during the next year.

Amount expended from October 31, 1864, to October 31, 1865.

Amount paid for marble-cutting, dressing, and setting.....	\$115,080 37
Amount paid for marble, from the quarries at Lee, Mass.....	46,773 87
Amount paid for fifteen monolithic columns, from the Maryland quarries.....	21,000 00
Amount paid for three column shafts, in two pieces.....	3,300 00
Amount paid for labor, as per detailed statement below.....	39,876 62
Amount paid for miscellaneous bills, such as lime, sand, cement, hardware, lumber, plaster, salaries, &c.....	66,120 17
	<hr/> 292,151 03 <hr/>

Amount paid for days' workmen, during the year ending October 31, 1865.

	Days.	Aggregate cost.
Clerks.....	788	\$3,524 96
Draftsman.....	226½	1,182 72
Foreman of marble-mill.....	326	1,464 75
Foreman and time-keeper.....	243	1,037 48
Carpenters.....	1,190½	3,980 87
Bricklayers.....	696½	2,783 00
Plasterers.....	513	207 00
Coppersmiths.....	414½	1,473 00
Blacksmiths.....	521½	1,834 87
Helpers.....	666	1,329 24
Finisher.....	636½	2,622 00
Photographer.....	50	200 00
Teamsters.....	1,856½	3,893 71
Laborers.....	5,096½	9,493 52
Watchmen.....	2,116	5,316 50
Stonecutters.....	33½	133 00
	<hr/> 14,912½ <hr/>	<hr/> 39,876 62 <hr/>

Cash account of the Capitol extension.

Amount available October 31, 1864.....	\$267,068 48
Amount refunded of retained percentage, by Provost, Winter and Co.....	15,000 00
Amount of proceeds of sale of horses, material, &c.....	19,108 86
	<hr/> 301,177 34 <hr/>
Amount expended from October 31, 1864, to October 31, 1865....	292,151 03
Leaving on the 31st of October, 1865, an unexpended balance of...	<hr/> 9,026 31 <hr/>

By an act of Congress, \$15,000 were expended in tiling and fitting up the old hall of representatives, which amount was paid out of the money appropriated for the Capitol extension.

No appropriation was asked for this work at the last session of Congress. By reference to Mr. Walter's report of November 1, 1864, it will be seen that he states that "no appropriation would be required for the Capitol extension during the ensuing fiscal year."

The balance on hand falling so far short of the sum necessary to prosecute the work to the end of the fiscal year, it is to be presumed, by some inadvertency, his estimate must have been limited to a period of twelve months.

An appropriation of \$175,000 will be required to continue this work to the end of the present fiscal year, and an appropriation of \$200,000 for the fiscal year ending June 30, 1867.

THE NEW DOME.

That portion of the base omitted to give place for the steam-engine and hoisting apparatus has been filled in. The stairways leading from the attic story of the centre building to the platform of the lantern have been put in place, rendering access to that elevated position of the dome easy and safe.

The picture over the eye of the dome is all painted in, but the artist is unwilling to have the scaffolding removed until the plastering is thoroughly dry, and the picture toned. As it will be at times viewed by gas-light, he wishes to have the opportunity of trying it by this light before dismissing it from his hands.

The arrangements for lighting the dome by means of Gardiner's electro-magnetic apparatus is now in progress, and will probably be finished early in the session.

Since the 31st of October last, 30,457 pounds of iron for the work of the dome have been received, which together with that heretofore received for this work make the entire weight of the iron used in the dome 8,000,200 pounds. An appropriation of \$50,000 will be needed to pay bills already due, and for the completion of the work.

ENLARGEMENT OF THE CONGRESSIONAL LIBRARY.

The walls and arches have been taken out of the north and south wings, and the iron rafters are being placed over the north wing. Nearly all the alcoves, shelves, galleries, &c., for one room are prepared at the foundry in New York, and will soon be ready for shipment. Owing to some inaccuracy in the plans, some changes have been made in the rafters, which will lead to slight delay and increased expenditure. An offset in the walls of the south wing has been discovered since the partition walls were taken out, which will increase the depth of some of the alcoves, and consequently their capacity for books. Additional shelving has been ordered, so as to make serviceable every portion of the wall space.

The gallery leading to the dome, which cut off part of the library-room in the north wing, has been abolished, and the approach made by a gallery across the small court. This change adds much to the capacity of the library.

It is proposed to change the mode of heating, from warm-air furnaces to steam; the heat from warm-air furnaces being considered objectionable, and, in such large rooms, uncertain.

EXTENSION OF THE CENTRE BUILDING.

I respectfully call attention to the necessity of extending the central building and portico out to the line of the porticos of the wings. This is imperatively demanded, in order to give prominence to the central portico, which should be the superior one of the three; whereas, at present, owing to its receding, and the encroachment of the dome upon it, it appears to be the inferior. Besides, the lower member of the dome overhangs the eastern wall of the building, giving the dome from some points of view an appearance of insecurity.

Mr. Walter has left plans for thus extending the central portico, which are in my opinion judicious and in good taste, and which, if adopted, will remedy the defects above mentioned.

EXTENSION OF THE CAPITOL GROUNDS.

It is important that the work on the terraces and slopes be commenced at an early day, and that steps be taken to extend these grounds.

A plan for this purpose was submitted by Mr. Walter in his last annual report, the adoption of which, with a few modifications, I earnestly recommend.

It is a question whether the grounds east of the Capitol should not also be extended to B streets north and south; but as this has no relation to the terraces, &c., or any other work near the building, it is unimportant that it should be acted upon at present.

As the filling of the terraces, &c., near the building, will be on the ground now owned by the government, the work should be commenced as soon as the authority is given, and an appropriation made for this purpose.

PATENT OFFICE BUILDING.

The marble-work of the portico of the north front has been renewed, after a suspension of nearly four years. The progress has not been satisfactory. This is owing to the fact that during the suspension of the work, the machinery, railways, &c., at the quarries, and hoisting apparatus at the building, have been destroyed. The quarry became filled up with water and mud. A steam apparatus had to be procured by the contractors to clean out and get it in working order.

Four months' time was consumed in the quarries by a respectable force of workmen before the contractors were able to get any material to the building.

This work is being done under a contract made in the year 1857. During the suspension of this work, wages and other expenses have increased to such an extent as to render this contract unremunerative.

In view of these facts, I consider the case of these contractors as one deserving the favorable consideration of Congress.

Fifty thousand dollars will be required to finish the portico, iron fence and pavement.

SALOON OF NORTH FRONT.

The show-cases for models, with galleries, have been put up. The walls and ceilings are yet to paint.

An appropriation of \$15,000 will be necessary to pay the bills already incurred and to finish the saloon.

GOVERNMENT PRINTING OFFICE BUILDING.

By authority of Congress, March 2, 1865, an addition 60 feet by 76 was made to this building, four stories in height, corresponding with the original building. It is now finished and occupied. For capacity and convenience it is unsurpassed by any establishment for similar purposes in this country.

The cost of this addition was \$23,915 74.

CITY HALL.

The following improvements have been made at the portion of the City Hall occupied by the United States Courts:

Additional windows in court-room for light and better ventilation, an extension to the grand jury room, and renovation of two petit jury rooms, and sundry slight repairs to the building.

I would respectfully call attention to the dilapidated condition of this building. The porticos and other portions of sandstone work, never having been painted, are in a state of decay. This material is so porous that paint is essential to its preservation. If anything is done in this direction, the city authorities should have the portion of the building occupied by them painted at the same time.

The steps, cornice, and other portions of the work should be pointed up, as, if this is not soon done much of this work will have to be reset.

By a small annual expenditure for repairs, timely and judiciously made, much damage might be prevented, and money saved.

I am, very respectfully, your obedient servant,

EDWARD CLARK,

Architect U. S. Capitol Extension, &c., &c.

Hon. JAMES HARLAN, Secretary of the Interior.

THE GOVERNMENT HOSPITAL FOR THE INSANE.

GOVERNMENT HOSPITAL FOR THE INSANE,

St. Elizabeth, D. C., October 1, 1865.

SIR: In compliance with a requirement of section 2 of the act organizing this institution, we have the honor to lay before you the following summary of its operations during the year ending June 30, 1865, prepared at our request by the superintendent.

The number of patients under treatment on the 30th day of June, 1864, was:

From the army, white males.....	186	
From the army, colored males.....	5	
	—	191
From the navy, white males.....	16	
From the navy, colored males.....	2	
	—	18
From civil life, white males.....	46	
From civil life, white females.....	70	
	—	116
From civil life, colored males.....	4	
From civil life, colored females.....	16	
	—	20
	—	136

From Soldiers' Home, white males.....	2
From rebel prisons, white males.....	4
Males, 265; females, 86; total.....	351

The number of patients admitted during the year ending June 30, 1865, was:

From the army, white males.....	407
From the army, colored males.....	19
From the navy, white males.....	9
From the navy, colored males.....	1
From civil life, white males.....	28
From civil life, white females.....	30
From civil life, colored males.....	8
From civil life, colored females.....	6
From quartermaster's department, white males.....	2
From subsistence department, white male.....	1
Rebel prisoners, white males.....	4
Males, 479; females, 35; total.....	515

The admissions this year, five hundred and twelve (512) altogether, exceeded those of the previous year by six (6). While the army and navy furnished nearly eighty-three (83) per cent. of the whole admissions, the number of military patients received was twelve (12) less, and the number of civil cases, including rebel prisoners, eighteen (18) more than last year.

Though the active operations of the war continued through most of the period embraced in this report, it will be seen that it exhibits the commencement of a return towards the old ratios which the military and civil cases bore to each other. The current year will doubtless exhibit a further movement in the same direction; but it is not probable that any generation of living men will witness the preponderance in our wards of the civil over the military cases which marked the status ante bellum.

It is an equally extraordinary and significant fact that the number of civil cases received into the institution during the four years of the war has exceeded the admissions during an equal preceding period only ten (10) per cent., notwithstanding an estimated increase of the permanent population of the District of one hundred (100) per cent., and two enactments by Congress—one providing for the care in the national hospital, during the war, of all transient insane persons found in the District without the means of self-support, and the other making like provision for the same period for all cases of insanity occurring in any part of the republic among the civil employes of the quartermaster's and commissary's departments of the army.

This evident diminution in the relative prevalence of insanity in the District accords with the history of the disease throughout the loyal States; and it is thought to show that the mind of the country was raised, by the war to a healthier tension and more earnest devotion to healthier objects than was largely the case amid the apathies and self-indulgences of the long-continued peace and

material prosperity that preceded the great struggle. Whether or not a kind of mental collapse will follow a return of peace, and be attended with an increase of mental disease, will depend upon circumstances which we cannot pretend to definitely foresee. If it unhappily should, the truth of this theory would be demonstrated beyond a question, and the old notions—doubtless true as observed at other times and under other systems of government—of the effects of violent national struggles upon the psychological condition of the peoples affected by them, entirely reversed as applied to the citizens of the North American republic. It is but a slight license to say that the nation laid down its life to save it; and that the national mind rapidly acquired a firmer strength and a higher tone amid the harrowing incidents of such a gigantic and all-pervading strife and sacrifice, must be accounted one of the most remarkable and interesting events in the mental history of our race! But, after all, the same natural law to which the nation appears to owe an increase of mental strength amid a sudden, vast and unprecedented expenditure of it, underlies some of the most familiar observations in psychology. The popular idea that weak and indolent minds in civilized society enjoy comparative immunity from derangement, is an erroneous one. All weakness invites disease, while strength repels it; and activity is a condition of strength. There is more insanity among the hinds and drones of mankind than among the Newtons and Websters. The capacity and application of philosophers and statesmen are associated with a strength and tone of the brain and nervous system which not only repel disease, but afford the innervation necessary to the vigor of the bodily functions. There are fewer dyspeptics among scholars than among unlettered men. It is true that poets—a class of most intellectual men—and madmen are thought to be allied; and it may be so. The mental constitution that affects the poetic fervor is not always—perhaps not generally—what is called a well-balanced one. Besides, the frequent exercise of the imagination in the conception of poetic images is apt to develop into inordinate activity a power of the understanding, especially when it is originally in excess, that is most prone to confound the ideal with the real, and thus establish one of the forms of the incipency of insanity.

The whole number treated in 1864-'65 was eight hundred and sixty-six (866) against seven hundred and eighty-seven (787) in 1863-'64. As the number of admissions was nearly the same in each of the two years, the excess of seventy-nine (79) treated this year was mainly due to the greater number in the house at the beginning of this than at the beginning of the preceding year.

The recoveries here reported were all, it is believed, genuine restorations to the normal mental state of the respective individuals. They were nearly fifty-eight (58) per cent. of the discharges, including deaths, and a little more than 40 per cent. of the whole number under treatment during the year. The proportion of recoveries was somewhat less during the last two than it was in the first two years of the war. The high proportion of incurable cases among the soldiers who have formed so large a moiety of our population during the war, and the payment of bounties for recruits, began at the same time. The relation that those concurrent events bore to each other is obvious. The various bounties, particularly the large sums paid for recruits during the last year of the rebellion, stimulated the cupidity of recruit and substitute brokers to the exercise of an ingenuity and perseverance, and to achieve a success, in imposing upon the army senility and childhood for vigorous manhood, and imbecility for soundness of understanding, which, had they been displayed in the genuine service of their country, would have commanded the blessings of a heroic patriotism. It was found that recovered soldiers discharged from the hospital and service, and paid off, and left to journey to their homes by themselves, were so frequently the victims, while on their way, of the diabolical arts of "drugging" and robbery, and then of literal sale as recruits or substitutes, that no such patients were permitted to leave the institution during the last six (6) months of the war,

except under the personal protection of friends or officials. The fact that nine (9) natives of Canada were admitted to the hospital during the period under review, while only two (2) were received during its previous history of nine (9) years, affords ground for the suspicion that our political neighbor on the north parted with some of her dependent population at a handsome premium. We could write the current history of several of the large alms-houses and municipal institutions for the insane from the declarations of patients received into the hospital during the past year.

The same causes that have slightly reduced the proportion of recoveries have increased the number in the table of discharges classed as *improv'd* and *unimprov'd*. The most of the improved cases had become mentally as comfortable as they were when cruelly imposed upon the service, or had in any probability been for many years, and a large proportion of them were taken to their homes by relatives or friends, where they could be usefully employed and enjoy a qualified liberty.

The discharge from the service of the few classed as *unimprov'd*, eight (8) out of nine (9) of whom were army patients, was accepted by friends who preferred to place them in the care of institutions near their distant homes.

The percentage of mortality this year was large, but, however much we may regret it, it seemed inevitable under the circumstances. Over seventy-two (72) per cent. of the deaths were in cases of chronic insanity, and in three-fifths (3/5) of the remaining cases the fatal event was due to morbid condition existing at the time of admission. By *transition*, as an assigned cause of death, is meant the non-assimilation of food in consequence of a peculiar exhaustion of the vital forces. In these cases the mental disorder was not of an active and exhaustive type, and no acute idiopathic disease could be detected. The only exception to our remarkable exemption from local disease consisted in the communication of typhoid fever, with which many soldiers were admitted in the fall and winter, to some of the chronic cases already in the house, who, from defective innervation, offered but little resistance either to the invasion or progress of an asthenic disease; and for a few weeks the fever prevailed considerably in several wards on the male side of the house. That typhoid fever is in no sense an endemic disease here is shown both by its entire disappearance as soon as it ceased to be brought to us from the field, and by the non-occurrence of a single case in the women's wards, in which the mortality from all causes, during the year, was only between six and seven (6 and 7) per cent. of a population composed largely of chronic and infirm cases.

The population of the hospital at the close of the last government year was less than it had been at any other time for two years previous. This reduction was mainly effected by embracing the favorable opportunity which the return in June of so many of the different organizations of the army to their respective States afforded to send home in the care of comrades or officers all recovered men, and most others who had evidently not become insane in the line of duty, and would certainly be properly cared for either by their friends or the local authorities.

The admissions since the beginning of 1865-'66 have averaged about one a day. As the army becomes more "regular" and national in its organization, and the rank and file is recruited from the least inhabitative population of the country directly into the service of the United States, the soldier will have much fewer of those State ties and claims which have generally led to the early removal of the incurable volunteer to his home and its local protections. In this way it is expected that the present and future population of the hospital will, as a rule, have a much more protracted residence in it than the volunteers had, and that the average number of inmates will soon equal, if not exceed, the highest number resident at one time during the war.

Classified abstract of the expenditures and receipts of the hospital during the year ending June 30, 1865.

EXPENDITURES.

Balance from last year due superintendent from United States....	\$3,874 83
Expended for flour.....	5,245 20
" meats, including hams.....	10,159 13
" butter and cheese.....	5,709 67
" groceries and ice.....	10,590 83
" potatoes.....	789 22
" fuel and lights.....	9,170 40
" furniture, glass, china, hardware.....	721 06
" boots, shoes, findings, &c.....	95 25
" farming implements, &c.....	1,167 96
" hay, oats, straw, &c.....	4,834 18
" horse and ox shoeing.....	309 27
" repairs and improvements.....	541 98
" stock.....	1,075 89
" postage.....	74 20
" salaries and wages.....	18,436 00
" books, stationery and printing.....	121 00
" freights.....	7 94
" eloped patients.....	65 00
" money returned to private patients.....	721 98
" dry goods.....	830 95
" repairs to carriages, harness, &c.....	667 23
" fish.....	785 40
" medicines, including liquors.....	2,296 35
" miscellaneous supplies.....	235 85
	<hr/>
	78,526 76

RECEIPTS.

Received from treasury United States.....	\$40,500 00
" private patients for board, &c.....	6,144 93
" naval hospital fund for supplies furnished.....	9,043 13
" Philadelphia, Baltimore and Wilmington railroad, for overcharge on freight.....	15 00
" disinterment of bodies.....	5 00
" miscellaneous articles, &c., sold.....	11 00
" work by hospital horses, &c., on continuation of wall.....	252 00
" balance due superintendent from United States.....	22,555 71
	<hr/>
	78,526 76

Without a word of explanation the expenditures under some heads might mislead the department. For instance, the item of salaries and wages shows the entire amount paid to the officers and employes engaged in the management of the institution during the year. The items for butter and cheese, fuel and lights, fish and liquors, hay, grain and straw, which embrace the principal cost of milk, poultry and transportation, and some smaller items, include the cost of all such articles consumed both by this hospital and by the naval hospital in

this District, which has been a free tenant of this institution for upwards of four (4) years, and from which it has derived all its supplies except medicines. On the other hand, in the crippled state of its finances, which will hereafter be noticed, the institution has been indebted to the War Department for aid in supplying bread, beef and groceries, which have materially reduced the expenditure for flour, meats, sugar, and tea and coffee.

In relation to the receipts, it should be remarked that sixty thousand five hundred dollars (\$60,500) were appropriated by the thirty-eighth Congress, at its first session, for the support of the hospital during the year 1864-'65, and that at the last or second session of Congress thirty thousand dollars (\$30,000) were appropriated to supply a deficiency to that amount in the sum required to carry the institution through the year. This deficiency arose from a much larger number of admissions than was anticipated when the estimates for the year were made, and an advance of more than fifty (50) per cent. in the cost of all the necessities of living and treating the sick.

On account of an accidental delay only forty thousand five hundred dollars (\$40,500) of the appropriation of sixty thousand five hundred dollars (\$60,500) were advanced to the superintendent before the 30th of June last, as may be noticed. Had the remaining twenty thousand dollars (\$20,000) been advanced to him a few days earlier than they were, the balance due him would have been two thousand five hundred and fifty-five and seventy-one one-hundredths dollars, (\$2,555 71,) instead of twenty-two thousand five hundred and fifty-five and seventy-one one-hundredths dollars, (\$22,555 71.) After a delay in making such appropriations, with which all immediately interested parties are familiar, the deficiency of thirty thousand dollars (\$30,000) was appropriated in the act providing for the legislative, executive, and judicial expenses of the government for the year 1865-'66, and was not available till that year had commenced, though the most of it was due for expenditures already made.

The department is well aware that Congress at the very close of its last session failed to pass the appropriation bill which provides for sundry civil expenses of the government. The sums needed for the support and improvement of this institution were included in that bill, and of course lost with it; and the hospital is now being supported with money borrowed upon the faith of the party loaning it that Congress will very early in the approaching session enable the department to replace the amount advanced.

The present financial condition of the institution as thus explained renders it plainly necessary, it is thought, to respectfully recommend that Congress be asked to make an appropriation of ninety thousand five hundred dollars, (\$90,500,) the amount asked last year and reported in the bill which was lost, for the maintenance of the hospital during the current year, and that the same amount be asked for the support of the institution during the year ending June 30, 1867. This amount is the product of the multiplication of the estimated number (360) of insane persons that this hospital will be required, under existing laws, to treat this year and the next at the expense of the United States, by the average cost (\$250) of the proper support and treatment of one insane person for one year. We believe it to be our earnest endeavor, as it is our evident duty, to conduct the institution with all the economy that is consistent with the proper discharge of the obligations of the government to the most unfortunate class of its servants and dependents, and we have concluded to adhere to the basis of the calculation upon which the first of these estimates was originally submitted a year ago, although we find the cost of supplies during the period referred to likely to exceed our expectations. The average number of patients does not seem likely to vary greatly from what we anticipated.

On the 11th of June, 1865, the board of visitors was called upon to lament the death of Dr. Whelan, for many years the distinguished chief of the Bureau of Medicine and Surgery of the United States navy, and one of the most devoted

and efficient officers of the hospital since its organization under the act of Congress, which took effect on the first day of July, 1855. Had he lived nineteen (19) days longer he would have been a visitor for the continuous period of ten (10) years. At a special meeting of the board held a few days after Dr. Whelan's death, the following resolutions were unanimously adopted:

"1. *Resolved*, That in the death of our much esteemed and highly respected associate, Dr. William Whelan, the hospital has lost a warm and judicious friend, a wise and prudent counsellor, and a faithful and efficient officer, whose devotion to the welfare of the suffering insane it becomes us all to remember and to imitate.

"2. *Resolved*, That we express to the wife and children of our lamented companion the sorrow we feel on account of the sad bereavement they have been called upon to bear in the death of a good husband and father, and also our deep sense of the loss occasioned thereby to this board, to the hospital, to the city of Washington, and to the naval service of the country with which for many years he was most honorably and usefully connected."

In less than one month after the lamented death of Dr. Whelan, the hospital suffered the loss by death of Dr. Bela N. Stevens, who had been connected with the institution for nearly six (6) years, first as the only medical assistant, and then as first assistant physician. Dr. Stevens was a graduate both of the academical and medical departments of Dartmouth College. His superior mental endowments, his varied attainments, resulting from a diligent use of liberal opportunities for general and professional culture, the earnest directness of his honorable purposes, and, withal, the possession of an active temperament, rendered him a man of marked intellectual power with whomsoever he was associated, and of unwearied executive efficiency in whatsoever he undertook to perform. During the time that he held an appointment under this board he took a responsible part in the medical and surgical treatment of nearly all the inmates of the hospital proper and of the St. Elizabeth general hospital, which was conducted by our medical officers during three (3) years of the war. His skill, attention and humanity much endeared him to his patients, and there are men scattered all over this broad land who sincerely lament his death and bless his memory.

The general naval hospital in this District continues to occupy the lodge for colored men. The gardener's house, used during the war for a naval pest hospital, has recently been vacated. Contrary to our expectations a year ago, the new buildings in process of erection in Washington for a naval hospital are not ready for occupation, and will not be, we understand, till completed by an additional appropriation by Congress. The colored men's lodge is needed by the class of insane for which it was erected, and we much hope that the medical bureau of the navy will be enabled to complete its buildings before the expiration of the current year.

Dr. Godding continues to discharge the highly responsible and laborious duties of his position with marked ability and untiring activity.

In April last Dr. B. D. Eastman, for several years the assistant physician of the New Hampshire Asylum for the Insane, at Concord, was appointed an assistant physician of this institution; and upon the death of Dr. Stevens, Dr. T. S. Franklin, of New York, who spent a portion of his pupilage in the Friends' Asylum for the Insane near Philadelphia, received a similar appointment. These officers have given good satisfaction during their short period of service.

We have generally been able to secure the services of excellent female attendants, but during the war it was very difficult to employ suitable men for similar positions on the male side of the house. The comfort of the insane is intimately dependent upon the character of their immediate companions and care-takers, and it affords us great pleasure to say that since the close of hos-

difficulties we have been able to fill our corps of attendants from even a better class of men than usually applied for such a situation before the war.

The improvements in furniture, pictures, flowers and birds, and the various other means of amusement and instruction which promote the comfort and restoration of the insane, have at no time during the last four (4) years been altogether suspended, but the crowded condition of the house and the cares of the officers have rendered it impossible to prosecute them as largely as we hope to do in future. Still, we have always done enough to secure the institution against any retrograde movement in those appointments which most distinguish the best modern establishments for the cure of maladies of the mind from those bare, cheerless receptacles for madmen which abounded in Europe a century ago, and still have their types both in the Old World and the New.

In the course of the past year the honorable Secretary of War has shown his favorable appreciation of the usefulness of the institution to the great branch of the public service under his direction by such material aid in the crippled condition of its resources as was within his discretion. The institution is also much indebted to the State and Interior Departments for a large amount of interesting reading for the patients; to Miss D. L. Dix for several chairs and various other useful appliances in the care of the sick; to Miss Lowell, of Boston, through D. W. Bliss, for two of Crosby's invalid beds and one locomotive chair; and to the publishers of the American Agriculturist for their very valuable paper.

We have the honor to be, very respectfully, your obedient servants,

P. D. GURLEY, *President of the Board.*

C. H. NICHOLS, *Secretary of the Board.*

Hon. JAMES HARLAN, *Secretary of the Interior.*

GOVERNMENT HOSPITAL FOR THE INSANE,
St. Elizabeth, D. C., November 1, 1865.

SIR: The estimates submitted in my last annual report were approved by your predecessor, and in due time included in the bill providing for sundry civil expenses of the government, which was reported to the House of Representatives by the Committee of Ways and Means. That bill did not become a law, and of course the sums asked for the improvements contemplated were not appropriated. I therefore very respectfully re-submit the estimates in question, much hoping that they will have your approval, and that Congress will early in the approaching session pass a deficiency bill which shall include them. They are as follows:

1. For finishing, furnishing, and lighting additional accommodations in the east wing, for new bedding in the west wing, and for the extension and re-planking of the coal wharf..... \$10,000 00
2. For continuing the wall enclosing the grounds of the hospital... 10,000 00
3. For removing and repairing three old frame houses, and building two new cottages for the occupation of the employes of the hospital having families..... 6,000 00

The expenditure of the first sum could be advantageously commenced as early as it can possibly be appropriated; and if the second and third items should become available by the first of April next, there would be time for their careful expenditure before the estimates for the year 1866-'67 would be likely to be appropriated at a long session of Congress, and the great loss of a year's time in perfecting this establishment and realizing its highest usefulness measurably regained.

The improvement of the grounds of the hospital by an exchange of land authorized by a resolution passed at the first session of the thirty-eighth (38th) Congress has been effected in accordance with the terms of that resolution, except the formality of an exchange of title-deeds. All the certificates and other data necessary to the preparation of both deeds are in the department.

I respectfully submit the following estimates for the year ending June 30, 1867:

1. For finishing, furnishing, lighting, and heating additional accommodations in the east wing, (occupied by sick and wounded soldiers during the war and in part unfinished,) five thousand dollars—\$5,000.
2. For continuation of the wall enclosing the grounds, ten thousand dollars—\$10,000.
3. For the purchase and fencing of fifty-six and a half (56½) acres of meadow land lying near the hospital, provided the Secretary of the Interior shall approve of the purchase in view of the price and quality of the land, and the necessity of adding it to the hospital farm, six thousand dollars—\$6,000.

The character and importance of the work which it is contemplated to execute under the first (1st) estimate are sufficiently explained, it is thought, by the language in which that item is expressed.

The second (2d) estimate is for the continuation of a most important improvement, for which a small sum is annually asked, in order that the government may least feel the expenditure necessary for the whole work.

The last and third (3d) estimate is for the purchase of an excellent piece of land lying convenient to the hospital farm, which can be obtained at a very moderate price as compared with the rates at which similar property in the District now sells, and which will save to the hospital, in the grazing and hay it will furnish, the whole amount of its cost in three years.

It is very respectfully suggested that the estimates of this hospital be put in that class which is usually appropriated in an annual bill providing for the "legislative, executive, and judicial expenses of the government." This hospital was organized by act of Congress approved March 3, 1855, by which the United States most solemnly pledged themselves to afford the uninterrupted benefits of the institution to certain classes of insane persons. That organic act has been recognized by two (2) important amendments of it, by repeated appropriations for the completion, improvement, and support of the establishment, and by no less than four (4) different extensions of its privileges. It is, therefore, claimed that the hospital is as much an established institution of the government, which it is bound to constantly maintain without embarrassment, as any bureau of the departments. If it be so, the regularity of the appropriations for the maintenance of the institution should not be hazarded by placing its estimates in the bill providing for "sundry civil expenses of the government," which embraces all occasional and temporary appropriations, and is usually delayed to the very close of the session, and is most likely to be finally defeated by what are known in the legislature of the country as "riders" and extraordinary provisos.

I have the honor to be, sir, very respectfully, your obedient servant,

C. H. NICHOLS, *Superintendent.*

Hon. JAMES HARLAN, *Secretary of the Interior.*

THE COLUMBIA INSTITUTION.

COLUMBIA INSTITUTION FOR THE INSTRUCTION OF THE
DEAF AND DUMB, Washington, November 6, 1865.

SIR: In compliance with the acts of Congress making provision for the support of this institution, we have the honor to report its progress during the year ending June 30, 1865:

The pupils remaining in the institution on the 1st of July, 1864, numbered.....	58
Entered during the year.....	22
Dismissed during the year.....	9
Died during the year.....	2
.....	— 11 11
Remaining on the 30th of June last.....	69
Entered since June 30.....	14
Dismissed since June 30.....	10
Total number of pupils under instruction since July 1, 1864.....	94
Deaf-mutes, males, 56; females, 29; total.....	85
Blind, males, 4; females, 5; total.....	9

A catalogue of the names and former residences of the students and pupils instructed during the year will be found appended to this report.

In pursuance of authority conferred by Congress in an act approved February 23, 1865, the blind pupils hitherto instructed in this institution have been placed in the Maryland Institution for the Blind, at Baltimore.

The number transferred was seven; six residents of the District of Columbia, and one whose father is in the regular army.

Our board, at a meeting held in June last, voted to transfer to the Maryland Institution all our books, maps, and apparatus specially designed for the instruction of the blind, including a piano-forte donated a few years since by some benevolent ladies of Georgetown, to be used for those pupils who may be at any time in that institution, as beneficiaries of the United States.

It is believed that this removal of the blind to the institution at Baltimore will inure to their advantage, while it relieves our institution of a department never large enough to be successful in the highest degree.

Since our last report several changes have occurred in our corps of officers and instructors.

In January, William H. Edes, esq., an honored member of our board of directors, was removed from us by death.

In the same month our assistant matron, Mrs. Sophia G. Hunter, after a brief illness, passed away from the scenes of earth, and in March Judson Mitchell, esq., a member of our board since the organization of the institution, died at an advanced age.

The following extracts from the records of the board may be properly recorded here as evidences of the regard with which our departed co-laborers in the important work of building up this institution were held by us who survive them:

"Mr. Kendall, in behalf of the committee appointed at the last meeting to report resolutions touching the death of Mrs. Hunter and Messrs. Edes and Mitchell, submitted the following report and resolutions, which were unanimously adopted:

REPORT.

"The committee appointed to prepare some suitable testimonial in memory

of our deceased directors, William H. Edes and Judson Mitchell, and of our deceased assistant matron, Mrs. Sophia G. Hunter, report as follows, viz:

"While the health of the pupils of this institution has, from its commencement, been so far preserved by a kind Providence, that there has never been within its walls a death from disease among them, His hand has during the past year borne heavily upon those who have been intrusted with its management.

"William H. Edes and Judson Mitchell were two of that small band of original directors whose disinterested contributions of time and money, under the most discouraging circumstances, brought the institution into existence, and gave it a character which at once commanded the confidence and patronage of the government.

"From first to last they were always faithful and devoted to its interests, and, before they were called to their reward, had the satisfaction of seeing it become one of the most prosperous institutions of the kind in this or any other country.

"As men, Messrs. Edes and Mitchell had few or no superiors in every Christian virtue. Being members of a Christian church, they carried their religion with them in their transactions with their fellow-men.

"Their liberality to this institution was but an outburst of that charity to the needy and the suffering which diffused itself all around them during life, and hallowed their memory in so many hearts.

"Their urbanity, their gentleness, and their disinterestedness made impressions upon the hearts of those associated and brought in contact with them in the affairs of the institution, which can never be erased.

"We know of no higher or more just tribute that we can pay to their memory than to pray to the Giver of all good that in benevolence and disinterested devotion to its interests all its present and future directors and managers may be like them.

"In the death of Mrs. Sophia G. Hunter the domestic circle of the institution has suffered a loss not easily repaired. Associated for several years with her honored mother as assistant matron, her special duty was to look after the female pupils when not under instruction. Though constantly laboring under feeble health, she performed her duties to those under her charge with remarkable assiduity and perseverance. They looked up to her as a mother, and no mother could be more kind to her own children in health, or nurse them more tenderly in sickness, than did Mrs. Hunter these children of misfortune. Being herself a devoted Christian, exemplifying in her daily life the practical virtues of her religion, she was well fitted to impress the expanding minds of her mute friends and direct them to that faith which leads from earth to heaven.

"Long will her memory be cherished, not only by the children who were the subjects of her unceasing solicitude, but by all who had the pleasure of her intimate acquaintance.

"Resolved, That the report of the committee, bearing testimony to the virtues and services of our late associate directors, William H. Edes and Judson Mitchell, and our assistant matron, Mrs. Sophia G. Hunter, be adopted as the sentiments of the board, and be entered upon its minutes.

"Resolved, That the secretary be instructed to communicate a copy of said report and of the foregoing resolutions to the families of the deceased, and assure them of the profound sympathy of the members of this board in their bereavement."

The vacancies in the board, occasioned by the death of Messrs. Edes and Mitchell, have been filled by the appointment of Hon. Benjamin B. French, Commissioner of Public Buildings, and the Hon. Salmon P. Chase, Chief Justice of the United States.

To fill the place of assistant matron, Mrs. Eliza A. Ijams, of Georgetown, has been appointed.

Mrs. Ijams brings to her position experience as a teacher of youth, a knowledge of the sign language, and a heart full of sympathy for deaf-mutes, having two children now pupils in the institution.

Mr. Parish, for two years a member of our corps of instructors, relinquished his position in June last.

The vacancy thus created has been filled by the reappointment of Mr. Denison, whose retirement, on account of ill health, was mentioned in our last report. After a residence of a year in Vermont he returns to his work with strength renewed and interest unabated. In his past success in the difficult task of instructing deaf-mutes, we have ample guarantee for the future.

Miss Gordon, formerly the instructress of the blind, remains with us as a teacher of the deaf and dumb. Having, during her residence here, availed herself of the opportunity to acquire a thorough knowledge of the language of signs, and being an experienced teacher of young children, she will prove a valuable acquisition to our corps of instructors.

The progress of our pupils since the date of our last report has been satisfactory, attesting the faithfulness and ability of their instructors.

The respective classes were examined at the close of the year in the presence of all the professors and teachers, and gave evidence, to those best qualified to form an intelligent judgment, of a very commendable degree of improvement since the last annual examination.

The youngest class, under instruction one year, has been taught by Mr. Samuel A. Adams, a deaf-mute.

The text-book used has been Part I of Dr. Peet's Elementary Lessons.

The class next in grade, under instruction two and a half years, has been taught by Mr. Roswell Parish.

The study and practice of language, in its simpler forms, has occupied the attention of this class. Rev. J. R. Keep's Elementary Lessons were used for a short period with good success; during the greater portion of the year, however, no text-book was followed.

The first or highest class in the primary course, under instruction five years, has been taught by Mr. Joseph H. Ijams.

The study of arithmetic has been continued; much attention has been paid to geography, outline maps being in constant use; English grammar has been pursued for three months; exercises in English composition have been frequent, and the study of the Scriptural Catechism has been continued in this as in the other classes.

Instruction in pencil and crayon drawing, under the direction of Mr. Baumgrass, has been afforded to a considerable number of our older pupils, and the progress made has been good in all cases, while in some an unusual facility in this branch of study has been evinced.

The health of our pupils has, on the whole, fallen below the average of former years. During the winter several severe cases of pneumonia occurred, and one case of erysipelas.

The frail nature and crowded condition of one of our buildings sufficiently explain the presence of sickness among us. These disabilities, however, we hope soon to remove by the occupancy of a new building now nearly completed, and the demolition of the frame structure we have been using.

One of our pupils, named John Strohmer, a boy of uncommon promise, died at his home in Baltimore, of scrofulous fever, during the Christmas vacation. He possessed a fine mind and a docile, amiable disposition. His example and influence were ever on the side of right among his companions, and his loss is deeply felt by teachers and pupils.

In the mechanical department but little progress has been made within the year now under review.

We still greatly lack suitable buildings for instruction in useful trades. Provision, however, has been made in our estimates of expenditure for next year to meet this want, and we are in hopes soon to be able to supply it.

In the mean time the labor of our male pupils has been used, as far as practicable, in the cultivation and improvement of our grounds.

The yield of vegetables and hay the past summer has been very large, and a great saving to the institution has resulted from our success in the cultivation of our land.

THE NATIONAL DEAF-MUTE COLLEGE.

By which title the advanced department, organized under the provisions of the act of Congress approved April 8, 1864, will hereafter be known and designated, has developed during the year to a most gratifying degree.

Five students, representing the States of Maine, Vermont, Connecticut, and Pennsylvania, have entered upon and are now pursuing the regular college course of study; while eight others, representing Ohio, Pennsylvania, Maryland, and the District of Columbia, have joined the intermediate or preparatory class.

In the organization of the corps of instructors for the college the president has assumed the department of Moral and Political Science; Professor Storrs retains that of Linguistics, to which he was last year appointed; and the Rev. Lewellyn Pratt, A. M., for eleven years past a successful teacher in the Pennsylvania Institution for the Deaf and Dumb, has been appointed Professor of Natural Science. Professor Pratt will also take charge, for the present, of the mathematical recitations.

Instruction in art will be afforded to those of our students who desire it by Professor Baumgrass, who continues his connexion with the institution as Instructor of Drawing and Painting.

Rev. William W. Turner, A. M., of Hartford, Connecticut, one of the oldest and most successful of American instructors of the deaf and dumb, now retired from the active duties of the profession, has assumed a position in our faculty as Lecturer on Natural History.

Mr. Turner became connected with the American Asylum, as an instructor, in 1821, and continued to teach regularly for thirty-two years.

During one-half of this period he also filled the position of Family Guardian, and for the last year was the instructor of the Gallaudet High Class, now become the Gallaudet Scientific School. The high class was organized at his suggestion, and successfully inaugurated under his immediate supervision.

In July, 1853, Mr. Turner became principal of the institution with which he had been so long connected. He continued to fill this office until August, 1863, when he resigned his position and retired from the service of the honored and now venerable Alma-mater of American deaf-mute schools, having been identified with her history for an uninterrupted period of forty-two years and six months; the institution itself having been organized but three and a half years when he joined its corps of instructors.

Mr. Turner's annual visits to the college, and the lectures he will be prepared to present to our students in their own familiar language, will be anticipated with great interest, and we trust may be many times repeated.

Hon. James W. Patterson, member of Congress from New Hampshire, and late professor in Dartmouth College, has kindly consented to deliver during the current year a series of lectures on astronomy.

Professor Patterson has on former occasions given evidence of his special interest in the college, and this new expression of his good will is highly appreciated.

His lectures, delivered in spoken language, will be rendered into the sign language by an interpreter. This translation being simultaneous with his uttered

words, at the same time not interfering with or interrupting them, will of itself constitute an interesting exercise.

As the number of our classes increases year by year, we propose to add to the number of our professors, taking care that our corps of instructors shall come fully up to the average of college faculties in numbers, as we believe it will also in ability and fitness for the work to be accomplished.

From this exhibit of our present strength in the department of instruction, taken in connexion with the purpose just indicated, of adding to it as occasion requires, it must be evident that "The National Deaf-Mute College" offers to the deaf and dumb of the country educational advantages not hitherto afforded in any institution for the instruction of this class of persons.

In making this claim we do not desire to be understood as instituting any unfriendly comparisons, but simply as stating what we believe to be a fact.

We wish, in the plainest possible terms, to disavow any intention or desire to come in competition with any organization for the education of the deaf and dumb, so far as we understand the existing condition of the various institutions from published reports and private letters.

Our college is but the natural outgrowth and supplement of the other institutions for the deaf and dumb. But for their marked triumph in the great effort to open the doors of the temple of knowledge to the soul-darkened deaf-mute, the college would have been an impossibility, and it is from their continued prosperity and advancement that the college must derive its main elements of strength and success.

We seek here to cultivate a field of effort hitherto untilled and unappropriated, and in the prosecution of our work we hope and expect to receive the cordial co-operation of every institution for the deaf and dumb, and of every principal, every instructor, and every friend of the peculiar class for whose advancement it is our common privilege and duty to labor. And thus sustained, we expect, with the blessing of God, to build up an institution which shall be truly national in its influence and relations; of which the people of our now united and free country may justly be proud; in which every one who has ever lifted a hand in the great work of deaf-mute instruction may feel he has an interest, and in the rearing of which every American instructor of mutes may properly feel he has borne a part.

We believe the all-powerful hand of Providence, which has thus far furthered the interests of our institution, has marked out this national work for us to perform: not because this institution, above others, is entitled to or claims to possess any special pre-eminence in its ability to organize and conduct a college for the deaf and dumb, but simply because such a school must have an ample pecuniary support; because that support cannot properly be asked from any single State, but should be drawn from the national resources; and further, because the nation has by legal enactment authorized the organization and provided means for the support of the college whose successful inauguration and encouraging progress we have now the honor to report.

In fixing the standard of our course of study we have felt bound, since we assume the collegiate name, to make it the full equivalent of that adopted in similar schools of learning for the hearing and speaking.

Hence it is necessary that applicants for admission should have passed through not only the ordinary course afforded in our State institutions, but also a high class course.

It would be our preference that every institution should have its high class, and a uniform scheme of study be adopted throughout the country, so that a graduate of any State institution who desired to extend his range of intellectual acquirement should be prepared to enter at once on our college course. And we hope the day is not distant when, through mutual consultation and agreement, this most desirable result may be attained.

We find, however, that at the present time but few high classes exist, and no uniform standard of graduation prevails.

In order, therefore, to open the way for the worthy and intelligent graduates of any institution to participate in the advantages offered in the college, and at the same time to afford the pupils of our own primary department an opportunity to fit themselves to enter the college, we have organized an intermediate or preparatory class, corresponding in its grade with the existing high classes. Into this class we propose to receive those who, desiring to enter the college, have been unable in their respective State institutions to make full preparation therefor; their standing in the class depending on the advances they have made in study before coming to us.

These pupils will be instructed wholly by members of the College Faculty, and our object will be to prepare them as rapidly as practicable for admission to the Freshmen class.

The charge for board and tuition in the college, as in the other departments of the institution, is one hundred and fifty dollars per annum to those not entitled to free admission by congressional or legislative enactment.

Cases, however, have arisen, and will doubtless continue to present themselves, of worthy deaf-mutes, desirous and capable of pursuing a course of advanced study, who will find it out of their power to pay the above-named sum. To such applicants the directors propose to render assistance by remitting in whole or in part the usual charge, as circumstances seem to require, and as far as the means of the institution will admit.

This we are authorized to do by the fifth section of our organic act.

Candidates for admission to the Freshmen class are examined in arithmetic, English grammar, history, (ancient and modern,) geography, (modern and physical,) physiology, the elements of natural philosophy, algebra to quadratic equations, and the principles of Latin construction in their application to any familiar Latin author, regard being had more to the acquaintance evinced with the essential principles of Latin etymology and syntax than to the amount of literature read.

Classified abstract of the receipts and expenditures of the institution during the year ending June 30, 1865.

RECEIPTS.

Received from treasury United States	\$11,775 00
" " State of Maryland for support of pupils	5,705 07
" " city of Baltimore for support of pupils	3,320 00
" " paying pupils	470 00
" " rent of houses	346 50
" " sale of house	400 00
" " sale of live stock	68 00
" " pupils for clothing	40 02
" " Hon. Amos Kendall for fencing	40 90
" " horse-keeping	24 25
" " students for books	27 80
Balance due the president	384 79

22,602 33

EXPENDITURES.

Balance from last year due the president.....	\$390 51
Expended for salaries and wages.....	8,508 78
" " medicines.....	17 72
" " fuel and lights.....	1,088 24
" " hay, oats and grain.....	932 88
" " piano-tuning.....	7 00
" " blacksmithing.....	68 13
" " hardware.....	108 90
" " books, stationery and printing.....	518 90
" " carriage and harness.....	390 33
" " daily household expenses, including vegetables.....	1,249 92
" " dry goods and clothing.....	686 51
" " groceries.....	2,546 16
" " medical attendance.....	152 00
" " meats.....	2,999 88
" " repairs and improvements.....	429 89
" " furniture.....	624 39
" " butter and eggs.....	1,794 71
" " milk.....	87 48
	<hr/>
	22,602 33

The failure on the part of Congress at its last session to pass the civil appropriation bill, in which provision was made for the support of the institution for the current year, would have placed us in a very unpleasant predicament but for your prompt and considerate action in the premises, and the willingness of the First National Bank of this city to advance the sums of money necessary for our maintenance until Congress should meet and provide for their reimbursement.

With the amount named in my letter of June 7, 1865, viz., twenty-five thousand two hundred dollars, we have been enabled to meet all current expenses and to carry forward the work on one of our extensions so that the roof is now being put on and the building nearly ready to encounter the winds and storms of winter without fear of injury.

The cost of this addition to our buildings will not exceed the original estimate; and if, as we expect, Congress makes the appropriations asked for last year, we shall be able to have this building ready for occupancy in the early summer.

In preparing our estimates for current expenses during the year ending June 30, 1867, we have thought it desirable to aggregate in one sum the amounts we have hitherto drawn from two sources.

The act of February 16, 1857, allowed us from the treasury one hundred and fifty dollars per annum for the support of each beneficiary placed in the institution by order of the Secretary of the Interior.

The act of May 29, 1858, authorized annual appropriations for salaries and incidental expenses.

The first act made what may be termed an indefinite appropriation, and the amounts drawn in pursuance of this law were never submitted in our estimates, although they have been reported in our annual statements of receipts and disbursements. The item, therefore, asked yearly for "salaries and incidental expenses," while it appeared to present the whole amount wanted for the support of the institution, did not in reality do so.

We think it is due both to Congress and to the institution that this apparent inconsistency should be done away with, and we propose, after June 30, 1866, to relinquish the per capita allowance of one hundred and fifty dollars. To enable us to take this step we have added the amount we should naturally have derived from this source to the amount we shall need for salaries and incidental expenses, and present the following estimate, viz:

For the support of the institution for the year ending June 30, 1867, including five hundred dollars for books and illustrative apparatus, twenty thousand seven hundred dollars. This amount, with the exercise of strict economy, will, we think, be sufficient to meet the current expenses of the institution in all its departments, and we respectfully recommend that Congress be asked to make the necessary appropriation therefor.

The unprecedented increase in the number of our pupils the past year, with the prospect that the coming year will witness a similar enlargement, makes it incumbent upon us to extend our buildings and to approach as rapidly as possible the completion of our plans. All our improvements thus far have been carried on in pursuance of a carefully considered and comprehensive design, and we are inclined to the opinion that few public works will, on inspection, give evidences of a fuller return for moneys expended than ours. All the construction has proceeded under the immediate supervision of the president, and our buildings, as far as erected, are of a most substantial character. We should complete, if possible, during the coming year, the building occupied by our academic department. We are much in need of a new brick barn and cow-house, those we are now using being very insufficient frame structures. An ice-house is quite essential to our domestic economy. We should erect a gas-house at the earliest possible period, and the interests of our male pupils demand an extension of our shop accommodations. It is also extremely important that we should under-drain our grounds and construct several new sewers. There is urgent need at the same time to continue the work upon the permanent enclosure of our grounds, that the property of the institution may be protected from marauders and the products of the soil be secured to our use. The estimates which follow provide for all these improvements, and will, it is believed, in every case, be sufficient to complete the work contemplated:

"For the erection, furnishing, and fitting up of two additions to the buildings of the institution to furnish enlarged accommodations for the male and female pupils and for the resident officers of the institution, thirty-two thousand two hundred dollars.

"For the erection of a brick barn and cow-house, a shop extension, gas-house and ice-house, fourteen thousand five hundred dollars.

"For the improvement and enclosure of the grounds of the institution, including under-drainage and sewerage, four thousand five hundred dollars."

We respectfully recommend that Congress be asked to make the foregoing appropriations at its approaching session. We do this with full confidence that our benevolent work deserves and will continue to receive the approval and support of the representatives of a people never backward in sustaining institutions which aim to improve the minds or gladden the hearts of its children.

By order of the board of directors:

EDWARD M. GALLAUDET, *President.*

HON. JAMES HARLAN,

Secretary of the Interior.

THE METROPOLITAN POLICE.

DEPARTMENT OF METROPOLITAN POLICE,
Office of Board, No. 483 Tenth st., Washington, D. C., Oct. 1, 1865.

To the honorable the Secretary of the Interior:

The Board of Police of the Metropolitan Police district of the District of Columbia begs leave respectfully to submit its fourth annual report of the condition of the police within said District, in accordance with the twenty-fourth section of the act of Congress entitled "An act to create a Metropolitan Police district of the District of Columbia, and to establish a police therefor," and approved August 6, 1861.

The act of Congress establishing the Metropolitan Police, and the amendments thereto, authorizes the board to appoint one superintendent, ten sergeants, six detectives, and a patrol force not exceeding one hundred and fifty men. During the past year the force has been maintained, as far as practicable, at its maximum number. But even this number is entirely inadequate to the maintenance of a thorough and sufficient police system for this District. There are within our boundaries about seventy square miles of territory to be guarded by the above number of patrolmen, which gives, after making the necessary deductions for permanent details and sickness, less than an average of two men to a square mile. In the suburban and country portions of the District, even this low average cannot be assigned to duty without almost entirely uncovering the more densely populated and business portions of the cities of Washington and Georgetown. The board has therefore assigned one sergeant and eleven mounted patrolmen to do duty in the county of Washington outside of the corporate limits of the two cities. In addition to this number there is a detail of ten men for sanitary duty, five men for permanent special duty, and fourteen men detailed as roundsmen. These country patrolmen and the several details named deducted from the whole number of patrolmen, leaves one hundred and ten patrolmen for duty in the corporations of Washington and Georgetown. One-third of these one hundred and ten patrolmen, or thirty-six men, are assigned to day duty, and the other two-thirds, or seventy-two men, (omitting fractions in both cases,) are assigned to night duty. Now there are about two hundred and seventy miles of streets in the two cities, which, divided by the number of men on duty at night, gives a beat of three and three-quarter miles in length for each man; and divided by the number on day duty, gives seven and a half miles in length to each beat. This calculation makes no allowance for alleys, or for sickness of the men.

From the foregoing statement it will be seen that it is simply impossible, with the force now at the command of the board, to so station the patrolmen as to afford proper protection to the community. Experience teaches that each patrolman should so have his beat arranged, that he can easily see over the whole of it at any time. In New York, Philadelphia, Boston, and Baltimore, this arrangement of the beats is adopted. But here the small number of men on the force, and great extent of territory covered by the two cities, renders such an arrangement impossible.

Since the organization of the present police force, it is estimated that the population of this District has more than doubled, while no additions have been made to the number of men on the force; consequently the labors of the police have been greatly enhanced; in fact they have become greater than can be properly performed.

It should also be stated, that during and since the close of the rebellion large numbers of the worst and most desperate characters have been attracted here.

While the war existed and troops were quartered in this vicinity, these men lived by robbing soldiers through various devices; and now that this occupation is taken from them by the close of the war, they prey upon our citizens as thieves and burglars. The mustering out of troops in our midst has been the means of leaving among us from this source large numbers of bad men, such as are found in all armies. It is personally known to us that many recruits and substitutes were taken from our District jail, where they were confined for crime, and put into the army. Of course most of these characters are again in our midst, ready to renew their vicious course of life. This condition of things demands that our police force be largely increased.

STATION-HOUSES.

The board urges the necessity of further and more definite legislation in regard to the erection of station-houses within the District. The corporation of Washington has provided in two of the precincts station-houses that are safe, convenient, and provided with all the modern improvements. In fact, probably no city in the country has better arranged buildings for police purposes. The building known as the central guard-house has within a few months been turned over by the mayor of Washington to the board for its use. This building is now used by one of the precincts, and answers a very good purpose. In the remainder of the precincts the buildings in use are unsafe, inconvenient, discreditable, and unavoidably filthy, loathsome, and pestiferous. There is actual danger that prisoners may suffocate if confined in the cells attached to these buildings. In fact, two deaths have occurred in these cells during the past summer which were hastened, to say the least, by their foul condition. Humanity demands that some legislation be had which shall remedy this condition of these station-houses.

Besides, a proper state of discipline cannot be maintained among the officers of the force without accommodations for them at their respective station-houses. In order that the efficiency of the force may be kept up to a proper standard, there should always be a reserve force in each precinct, and this reserve should be provided with accommodations for sleep and rest while off duty. But, except in three precincts, no such accommodations exist; consequently, no reserve force for cases of emergency can be maintained at these stations. In the act creating the Metropolitan Police force Congress made it incumbent upon the three jurisdictions within the Metropolitan Police district to provide suitable station-houses for the several precincts. The law organizing the present system of police went into effect August 6, 1861. At the present time but three of the nine precincts contained within the District are provided with such station-houses as are worthy of the name, or that are at all adapted to police purposes.

THE POLICE TELEGRAPH.

The utility of the police telegraph, as an auxiliary to police operations, has been fully demonstrated during the past year. In fact, its benefits have been experienced to so great an extent that its loss would be regarded as an irreparable disaster. In cases of emergency the concentration of a large police force at any point, through the agency of this telegraph, can be accomplished in a very few moments; whereas, without its assistance, hours perhaps might be required to assemble an equal force.

During the year there has been transmitted through the central office by the police telegraph 7,833 messages, besides a large amount of business done between the precinct stations which did not pass through the central office.

There being no special provision of law under which the board felt authorized to pay for this telegraph, the contractors yet remain unpaid. The price

fixed is \$15,000. The board would respectfully recommend such legislation as will enable it to pay this sum, and trust that you will unite in urging it upon Congress at an early day.

MAGISTRATES' COURTS.

The Board of Police desires to urge upon Congress a radical and immediate reform in the system of magistracy in vogue in this District. There are now a large number of persons in the District who hold commissions as justices of the peace, many of whom are acting as magistrates. These magistrates do not appear to be accountable to any authority for their acts, and they make no report of their proceedings. It is doubtful whether some of them even keep a docket. Each of these magistrates usually has about his office one or more men known as county constables, self-styled "detectives," who apparently hold some kind of connexion with the magistrate in the way of "working up" cases and bringing business to his (the magistrate's) office. To say the least, the present system is loose and unsatisfactory, and by corrupt and unprincipled men may be prostituted to base and mercenary ends.

HOUSE OF CORRECTION.

The board again urges upon Congress that some provision be made for the detention and punishment of juvenile offenders within this District. Frequently it becomes necessary for magistrates to commit youths of tender years to the common jail, there to associate with the worst and most abandoned characters. But more frequently the magistrates feel it to be their duty to dismiss such offenders, simply because, in their opinion, the ends of justice would be better served by so doing. In either case these youths are not deterred from future crimes; the first-named cases become more hardened in their course of wickedness by contact with old and desperate criminals, while the latter class consider their dismissal as a license to continue their depredations. In this manner the course of law tends, unintentionally, towards nursing the worst passions of already depraved youthful offenders.

DETECTIVE DEPARTMENT.

The board, in accordance with an act of Congress, has appointed and organized a detective force consisting of six officers only. The importance and efficiency of this department will be best illustrated by the following statement of the operations of the detectives, viz:

Number of robberies reported at the detective office.....	701
Number of arrests made by the detectives.....	717
Amount of property reported stolen.....	\$170,659 09
Amount of property recovered by the officers.....	122,800 06
Amount of property turned over to property clerk.....	6,894 22
Amount of property turned over to claimants.....	115,905 84
Amount of property taken from prisoners and returned to same.....	4,942 15

The above shows only a portion of the actual work performed by these officers. Frequently their services are required where property is not involved, and more frequently it becomes their duty to prevent thefts, robberies and crimes by arresting known thieves who visit this community before they have an opportunity to accomplish their designs.

SANITARY COMPANY.

During the past year this company has been busily engaged, and has performed a very large amount of work which has been of inestimable value to the health of the community. The whole number of complaints attended to during the year are as follows:

Number of nuisances reported at central office.....	3,247
Number of nuisances abated.....	3,155
Number of nuisances unabated.....	92
Number of warrants served.....	233
Amount of fines imposed.....	\$1,154 76

Besides the above, 517 dead horses have been removed, 74 persons have been buried, and 25 persons sent to hospitals.

DISCIPLINE OF THE FORCE.

For the purpose of maintaining the efficiency of the force, together with a proper state of discipline, the board has, on investigation of charges preferred, dismissed 26 members from the force; has imposed fines in 11 cases; has reprimanded in 4 cases, and reduced one sergeant to the ranks.

RECAPITULATION.

The following is a recapitulation of the work done by the police force during the past year, a more extended exhibit of which will be gathered from the annexed table:

The whole number of arrests during the year has been 26,478, of which 20,477 were males, 6,001 females; 9,745 were married; 16,733 were single; 17,274 could read and write; 9,204 could not read or write.

The offences may be classified as follows:

Offences against the person—13,786 males, 4,781 females.

Offences against property—6,701 males, 1,210 females.

Of the cases reported, the following disposition has been made: 1,377 have been committed to jail, 706 have given bail, 1,452 have been turned over to the military, 7,984 have been dismissed, 1,932 have been committed to the workhouse, 828 have given security to keep the peace; in 181 cases no report has been made of the disposition, and in 531 cases various light punishments have been inflicted, and they have been classed upon the records under the head of miscellaneous.

Fines have been imposed in 11,487 cases, amounting in all to \$61,943 92, as follows:

In Washington city, including a part of the county.....	\$53,963 24
In Georgetown, including a part of the county.....	5,073 01
For selling liquor to soldiers, imposed under the act of Congress.....	2,907 67
	<hr/>
	61,943 92

PROPERTY OPERATIONS.

The whole amount of property received by the property clerk during the year, as per his reports, amounts to.....	\$32,649 50
The whole amount of property delivered by the property clerk during the year, as per his reports, amounts to.....	31,302 02
Total amount of property and money delivered during the year by order of the magistrates, and of which the property clerk has no account.....	<hr/>
	286,468 66
	<hr/>
	350,420 18

The number of destitute persons furnished with lodging has been, during the year

Lost children restored to parents	2,321
Sick or disabled persons assisted or taken to hospital	114
Horses or cattle found estray	154
Doors left open and secured by the police	78
Fires occurring in the District	10
Horses and vehicles, found estray, restored to owners	75
	34

Compared with previous annual reports, this report shows that the number of arrests during the past year are nearly three thousand more than during any former year; and that the fines imposed are nearly double the amount of any previous year, reaching the very extraordinary sum of \$61,943 92. It may be proper here to state that the actual expense to the corporations of Washington and Georgetown and the county of Washington, of the present police force, is about \$45,000. This sum, deducted from the amount of fines imposed and paid over to these jurisdictions under the present system, gives a difference of \$16,943 92. Hence it will be observed that the Metropolitan Police system of this District is an actual source of revenue to the District to the amount of nearly \$17,000. There is probably no other community in our country whose police system produces a net revenue to its finances.

In conclusion, the board earnestly requests your co-operation in urging upon Congress such legislation as may be necessary to remedy the defects referred to in the foregoing report, and thereby increase the efficiency of the police force.

Very respectfully, your obedient servant,

GEORGE S. GIDEON, *President.*

No. 1.—Table showing the disposition of the force.

Precincts.	Sergeants.	Detailed.	Patrolmen.	Vacancies.	Total.
1.....	1		3		4
2.....	1		9		10
3.....	1	1	16	1	19
4.....	1	1	14		16
5.....	1		18		19
6.....	1	1	16	1	19
7.....	1	1	24		26
*8.....	1	1	17		19
10.....	1		17		18
Sergeants.....		1			1
Detectives.....			5	1	6
Sanitary.....			9		9
	9	6	148	3	166

* During the year the 8th and 9th precincts were consolidated by the Board of Police.

No. 2.—Table showing time lost by sickness and other causes

Precincts.	Days.
1.....	78
2.....	237
3.....	711
4.....	176
5.....	387
6.....	317
7.....	638
8.....	538
10.....	392
Detectives.....	86
Sanitary.....	123
Total.....	3,683

No. 3.—Table showing number of arrests in each precinct.

Precincts.	Males.	Females.	Total.
1.....	182	50	232
2.....	1,472	447	1,919
3.....	2,022	550	2,572
4.....	1,047	464	1,511
5.....	3,417	1,202	4,619
6.....	2,473	413	2,886
7.....	5,015	1,172	6,187
8.....	1,840	525	2,365
10.....	2,412	1,036	3,448
Detectives.....	597	142	739
Total.....	20,477	6,001	26,478

No. 4.—Table showing the ages of the males arrested classified.

Precincts.	From 10 to 20.	From 20 to 30.	From 30 to 40.	40 and over.	Total.
1.....	23	55	51	53	182
2.....	176	560	430	306	1,472
3.....	303	686	555	478	2,022
4.....	162	363	229	293	1,047
5.....	496	1,859	673	389	3,417
6.....	565	825	576	507	2,473
7.....	829	1,929	1,337	920	5,015
8.....	320	632	484	404	1,840
10.....	472	1,035	524	381	2,412
Detectives.....	117	326	95	59	597
Total.....	3,463	8,270	4,954	3,790	20,477

No. 5.—Table showing the ages of the females arrested classified.

Precincts.	From 10 to 20.	From 20 to 30.	From 30 to 40.	40 and over.	Total.
1.....	2	15	23	10	50
2.....	35	220	138	54	447
3.....	55	201	187	107	550
4.....	58	173	129	104	464
5.....	265	731	135	71	1,202
6.....	80	156	115	62	413
7.....	217	437	351	167	1,172
8.....	75	202	163	85	525
10.....	191	658	201	86	1,036
Detectives.....	31	89	14	8	142
Total.....	1,009	2,782	1,456	754	6,001

No. 6.—Recapitulation of offences classified.

Offences against the person.	Males.	Females.	Total.
Adultery.....	1	2	3
Assault.....	156	37	193
Assault and battery.....	962	185	1,147
Assault and battery with intent to kill.....	73	5	78
Assault on policemen.....	7		7
Attempt at rape.....	15		15
Abduction.....	3	1	4
Aiding and assisting to escape.....	13		13
Necessary to murder.....	3		3
Bigamy.....	4	2	6
Bastardy.....	5		5
Disorderly conduct.....	4,899	2,337	7,236
Deserters.....	115		115
Fast riding or driving.....	136	12	148
Fighting in the streets.....	612	62	674
Fugitives.....	38	30	68
Habitual drunkenness.....	2	4	6
Intoxication.....	2,876	403	3,279
Intoxication and disorderly.....	2,662	770	3,432
Insanity.....	4		4
Indecent exposure of the person.....	63	7	70
Interfering with policemen.....	3		3
Keeping disorderly house.....	17	19	36
Keeping bawdy house.....	14	63	77
Miscellaneous misdemeanors.....	306	475	781
Murder.....	16	2	18
Perjury.....	11	2	13
Rape.....	7		7
Rioting.....	55	1	56
Resisting officer.....	9	1	10
Threats of violence.....	439	180	619
Vagrancy.....	250	178	428
Witness to murder confined in default of security.....	10	3	13
Total.....	13,786	4,781	18,567

No. 7.—Recapitulation of offences classified.

Offences against property.	Males.	Females.	Total.
Arson.....	9	2	11
Attempt at arson.....	4		4
Attempt to steal.....	59	1	60
Attempt at burglary.....	3		3
Burglary.....	41		41
Cruelty to animals.....	18		18
Embezzlement.....	1		1
Forgery.....	19		19
Fraud.....	110	11	121
Grand larceny.....	1,183	414	1,597
Gambling.....	103	2	105
Malicious mischief.....	134	29	163
Obtaining goods or money under false pretences.....	43	5	48
Passing counterfeit money.....	35	4	39
Petit larceny.....	442	155	597
Pickpockets.....	54	2	56
Robbery.....	95	5	100
Receiving stolen goods.....	69	27	96
Suspicion.....	826	97	923
Violation of corporation ordinances.....	3,453	456	3,909
Total.....	6,701	1,210	7,911

No. 8.—Nativity of those arrested classified.

Nativity.	Number.	Nativity.	Number.
United States, white.....	10,384	Norway.....	2
United States, colored.....	6,793	Mexico.....	6
Ireland.....	6,647	Russia.....	3
Germany.....	1,952	Prussia.....	6
Italy.....	103	Greece.....	2
England.....	229	Austria.....	2
France.....	90	Portugal.....	4
Scotland.....	25	Hungary.....	2
Canada.....	62	Denmark.....	1
Poland.....	14	Belgium.....	2
Spain.....	7	Holland.....	3
Switzerland.....	11	Cuba.....	1
Wales.....	3		
Sweden.....	1		26,478

No. 9.—Table showing trades and callings of persons arrested.

Artists	13	Merchants	407
Architects	2	Machinists	105
Apprentices	13	Musicians	25
Auctioneers	3	Millers	12
Actors	9	Messengers	33
Agents	54	Magistrates	1
Boatmen	134	Marines	48
Barbers	177	Moulders	48
Basket-makers	1	Newsboys	288
Barkeepers	241	Nurses	6
Bookkeepers	6	Occupation unknown	1,190
Blacksmiths	217	Oystermen	21
Bricklayers	95	Organists	1
Brick-makers	39	Peddlers	213
Butchers	182	Printers	151
Bakers	178	Physicians	36
Bookbinders	31	Plasterers	73
Brewers	28	Prostitutes	2,735
Brokers	7	Painters	182
Boiler-makers	10	Pavers	25
Bill-posters	3	Pawnbrokers	5
Block and pump makers	4	Police officers	7
Carpenters	383	Preachers	5
Chair-makers	2	Porters	17
Clerks	741	Policy dealers	2
Cigar-makers	34	Restaurant-keepers	375
Confectioners	53	Rag-pickers	18
Contractors	15	Rope-makers	10
Couch-makers	18	Riggers	11
Cabinet-makers	32	Reporters	7
Cartmen	177	Soldiers	3,082
County constables	10	Servants	1,792
Coopers	31	Shoemakers	173
Clock-makers	14	Sutlers	82
Coachmen	6	Stonecutters	72
Cooks	89	Schoolmasters	13
Conductors	25	Sailors	600
Dress-makers	7	Saddlers	53
Dentists	5	Students	108
Dairymen	48	Shoe-blacks	400
Drovers	11	Scavengers	20
Dyers	10	Sail-makers	13
Druggists	14	Seamstresses	42
Engineers	32	Stewards	2
Engravers	10	Ship-carpenters	1
Fishermen	53	Silversmiths	2
Farmers	239	Stage-drivers	1
Firemen	32	Tailors	115
Grocers	103	Teamsters	480
Gardeners	40	Tanners	54
Gambler	25	Tobacconists	37
Groggery-keepers	454	Telegraphists	1
Gas-fitters	79	Tanners	9
Hackmen	642	Thieves	130
Hatters	14	Tavern-keepers	171
Hotel-keepers	64	Upholsterers	22
Hucksters	267	United States detectives	25
Housekeepers	1,598	Wood-cutters	1
Horse-farriers	3	Washerwomen	109
Hostlers	63	Watermen	4
Harness-makers	28	Wheelwrights	27
Jewellers	37	Watchmen	90
Junk shop-keepers	7	Wagon-masters	36
Laborers	5,501	Weavers	1
Lawyers	41		
Livery-stable keepers	36		
Mechanics	53		26,478

THE JAIL IN THE DISTRICT OF COLUMBIA.

NOVEMBER 1, 1865.

In accordance with an act of Congress requiring the warden of the jail to make an annual report to the Secretary of the Interior, I have the honor to submit the following:

On the 12th of August, 1865, I entered upon the discharge of my duties as warden of the jail. I found it to be in a very dilapidated condition, and very insecure for the class of desperate characters confined therein. With all the care and watchfulness exercised in guarding the prisoners, still it is of frequent occurrence that they are detected in cutting holes through the walls to make their escape. I have found it necessary to iron-clad three of the cells, and otherwise to improve the building, to make it more secure.

There are in the building 22 cells 8 feet by 10, and 10 rooms large enough to accommodate about six persons in each. The jail, when built, was intended to accommodate about 100 prisoners. At times the number has been as large as 300, and these had to be crowded into cells and rooms intended to accommodate but 100.

On account of the structure of the jail little or no ventilation is had, and in warm weather particularly the air is so obnoxious that sickness is frequently the result. The rooms being all occupied and frequently crowded, we have no place to which we can remove the sick and use as a hospital. It is very important that a hospital department should be connected with the prison, that the sick may have that attention and pure air which they need.

The provisions for the jail, I believe, are as good as are furnished in any other prison elsewhere. The rations consist of mackerel, with wheat bread and coffee, for breakfast; beef and corn bread for dinner. Salt fish, bacon, beans, potatoes and soup are also served them on different days, while the sick have rice, tea, molasses, and good wheat bread.

In regard to the discipline of the prison, it is as good as can be expected. I have been much aided in this respect by some of the officers of the jail, who have had much experience in prison matters. I am opposed to cruel punishment of prisoners, believing that kindness and firmness on the part of the officers will have the desired effect of maintaining good order. Instead of punishments which have heretofore been inflicted upon prisoners for a violation of the rules of the jail, I have had five new cells constructed out of recesses, and those who are refractory are placed in solitary confinement in these cells for a punishment. This plan works well.

An improvement within the past year is the construction of a sewer in the yard, which carries off all the offal and waste water. With a plentiful supply of Potomac water, we are able to keep the yards and building in a tolerably clean condition.

When I took charge of the jail the number of prisoners was 149. Since then the number has increased to nearly 300. At present, November 1, we have 227.

The following is the number of commitments, offences for which committed, character of the prisoners, number of sick, &c.:

Number of commitments from August 12 to November 1, 1865, 537.

For Murder	5
Robbery	51
Larceny	275
Burglary	22
Assault with intent to kill	23
Assault and battery	33
Attempt at rape	4
Horse-stealing	62
Garroting	6
Keeping bawdy-house	6
Security for peace	20
Forgery	2
Passing counterfeit money	6
Pickpockets	5
Poisoning	4
Fraud	2
Bastardy	2
Selling liquor to soldiers	6
Riding over and killing	3

Total 537

Number of convictions for penitentiary since August 12, 1865	45
Sent to jail (sentenced)	32

Of all the prisoners committed to jail since August 12, 1865—

White men	283
White women	25
White boys under 16 years of age	2
Colored men	179
Colored women	44
Colored boys under 16 years of age	4

537

Number sent to Insane Asylum since August 12	2
Number sent to House of Refuge, Baltimore, since August 12	1
Average number of sick per day	17
Number of prisoners escaped jail since August 12	8
Number of prisoners recaptured since August 12	6

In regard to the expenses of the jail, I would say, that as no books were kept at the jail by my predecessor, and as all the bills contracted under his administration have not been rendered, I am only able to give the expenses since I entered upon the discharge of my duties as warden, which are as follows:

For repairs on jail from August 12 to November 1, 1865	\$1,548 97
Cost of subsisting prisoners	2,481 93
Fuel, medicines, bedding, clothing, &c.	2,010 60
Transportation of prisoners to Albany, Asylum, and House of Refuge	1,063 98
Pay of officers and laborers at jail	2,710 80
Total	9,816 28

In regard to the boys and girls under 16 years of age, I am happy to state that arrangements are being perfected for a temporary house of refuge, to which these unfortunate children will be removed. The whole number of these cases now under my charge, including those who have not had a trial, is 5 white boys, 10 colored boys, and 3 colored girls—total, 18.

In conclusion, I would most respectfully call your attention to the importance of a new jail. As I have shown that from two to three hundred prisoners are confined in a building the capacity of which was never intended for more than one hundred; also, that the ventilation of the cells is so very insufficient that great danger of disease exists; also, that a hospital department is much needed for the comfort of the sick; also, the insecure and unsafe condition of the jail for the class of desperate characters confined therein, may we not hope that Congress will be pleased to make an appropriation for a new jail and house of refuge?

In connexion with this subject, I would state that I have recently examined a design for a new jail and house of refuge, by Charles F. Anderson, esq., which I would highly recommend. Some of the important features of his design are the complete ventilation of the cells, the excellent arrangement for watching the prisoners, the security of the buildings, the hospital department, and last, but not least, the chapel, where prisoners can have the benefit of religious instruction on the Sabbath. The location on government reservation 13, near the alms-house, will, I am satisfied, be the best location that can be selected. One of the greatest improvements for this city of magnificent distances would be the removal of the unsightly and dreary looking building called the jail, and a new prison constructed in the suburbs of the city which would be in harmony with our beautiful public edifices. Washington, the capital of the nation, should have such prisons as would be models for all our principal cities.

Respectfully submitted.

T. B. BROWN, Warden.

Hon. JAMES HARLAN, Secretary of the Interior.

LETTER FROM THE MAYOR OF WASHINGTON.

MAYOR'S OFFICE,

Washington City, D. C., November, 1865.

SIR: Presuming upon your well-known interest in whatever concerns this city, as well as your often-expressed wish to give your aid in making it worthy of being the metropolis of this great nation, and in the expectation that the several subjects herein alluded to, or such thereof as may meet your approval, may be by you communicated to Congress, I venture to suggest wherein I think its action is needed. In doing so I deem it proper that such of the several members who are not familiar with it should be informed first as to

THE RELATIONS OF THE GENERAL GOVERNMENT TO THE CITY OF WASHINGTON.

In the year 1789 the locality of the city of Washington was, through the influence of General Washington, and after much difficulty in Congress, selected as that of the national metropolis, and in the year 1800 the archives of the government were removed here from Philadelphia:

- 1st. Because of its geographical position between the north and the south.
- 2d. The access to it from the ocean.
- 3d. Its distance in the interior and towards the west.

The object of having a permanent seat of government is indicated in the Constitution, which provides that Congress shall "exercise exclusive legislation in all cases whatsoever over such district (not exceeding ten miles square) as

may, by cession of particular States and the acceptance of Congress, become the seat of government of the United States."

To accomplish this object the District was ceded by the States of Maryland and Virginia, possession taken by Congress, and commissioners were appointed in 1790 by the then President, General Washington, under authority of Congress, and empowered to "survey and, by proper metes and bounds, define this territory, and to purchase or accept such quantity of land on the eastern side of the Potomac river, within such District, as the President shall deem proper for the use of the United States, and, according to such plans as the President shall approve, provide suitable buildings and accommodations for Congress, the President, and for the public officers of the government."

While a succession of hills and valleys, the site of this city was selected as the permanent seat of the government of the United States from that portion of the District of ten miles square ceded by the State of Maryland. It is the creature of Congress and the general government, for their own purposes and where they have unlimited control, can regulate and govern without the interference of the States, and is not dependent upon the will or resources of any particular portion of the Union, and can never be the subject of local interest. It is the nation's city, common to the whole country; and as a State capital is to its State, so the metropolis of the nation should be to all the States and every American a subject of pride and interest.

No policy can be more correct than that of making the metropolis of this vast republic worthy of the powerful and extended nation of which it is the focus. The economy or parsimony which would cripple its growth will be anti-national. Much has been done by previous Congresses and administrations for its improvement; much more remains to be done; and while this city has expended out of the taxes paid by its citizens large sums in opening, making, and repairing streets and sidewalks required by a sparse population scattered over a large area, and has opened and improved indiscriminately those leading to and around the public reservations and buildings belonging to the general government, enhancing the value of the nation's property, the government has spent upon streets and avenues laid out inordinately wide and to suit its own purposes and convenience, and over part of which they exercise exclusive control, comparatively little, and that little on Pennsylvania avenue and those streets and avenues around the Capitol, President's House, executive departments, and other of its own exclusive property, the improvement of which was indispensable to its convenience and promotive of its interest.

The obligation of the general government to do much towards the improvement of this city cannot be doubted. There was, if not expressed, certainly an implied contract to do so, and for which the general government received a valuable consideration.

When the city was laid out, the owners of the soil gave to the general government not only enough for the streets and avenues of such unparalleled width, but likewise every alternate building lot, and nominally sold to the government at the minimum price of £25 an acre, or \$36,099, all the large reservations on which its public buildings stand. Of the 7,134 acres of land comprising the whole area of this city, the government obtained as a free gift and without the cost of a dollar—

	Acres.
For streets and avenues.....	3,606
10,136 building lots.....	1,508
And nominally purchased.....	512
	<hr/>
	5,626
Leaving to the proprietor of the soil every alternate lot.....	1,508
	<hr/>
	7,134

The whole area of the city, exclusive of all east of Twenty-fifth street east, and of the basin at the west end of the canal, is 6,110.94 acres, or 266,192,564 square feet, divided as follows:

	Square feet.
Public reservations.....	25,189,402
Building lots.....	121,095,214
Alleys.....	7,141,105
Avenues, streets, and open spaces.....	112,767,225
	<hr/>
Total.....	226,192,546

	Feet.
The total length of the streets is.....	1,119,663
The total length of the avenues is.....	183,797

Aggregate..... 1,303,460
or 227 ²³/₁₀₀ miles.

Of the 227 ²³/₁₀₀ miles of streets, nearly all have been opened and graded; and to pave them, with their unusual widths, especially the avenues, and keep them in repair, suggests the necessity of doing something to relieve this corporation and property owners from the very heavy tax on their resources that would be necessary.

The adoption of the plan of wide streets and avenues was by General Washington, for some practical utility, though it may not as yet have been developed, and if a way of obviating the difficulty could be found without ultimately and permanently destroying that plan, it would be a temporary relief, and, until the utility of wide streets should be developed, it would be well to avail ourselves of it. The streets running from north to south, designated by numbers, and from east to west, designated by letters, crossing each other at right angles, are cut diagonally by twenty-one avenues, bearing the names of that number of States, fifteen of which point towards the States after which they are respectively named. These avenues, leading to and from every particular place or building, connecting every part of the city, and serving as main arteries, form at their junction with the streets five circles, fourteen triangles, twelve reservations, and eleven thousand and seventy squares, the circles and triangles being intended for ornamentation with fountains and statuary, the reservations for the public buildings, and the squares for individual purposes of stores and residences. It was the conception of a grand plan of a model city, worthy of the name of its illustrious founder.

The general government and the proprietors of the soil were joint owners of all the property (land) on which the federal city is built, in the proportion of 5,626 to 1,508 acres, 5,114 acres of the government's portion having been obtained without cost, and 512 acres, though nominally purchased, were really paid for out of the moneys arising from the sale of the very alternate lots so generously given by the proprietors of the soil, with the understanding that they were given for the improvement of their joint property, and, as was the expectation of all persons, that the property so acquired by the government would, under its management, be immensely productive, enabling it to spend large sums in the improvement of the city. The government is, therefore, bound by every principle of justice to pay a portion of the expense of improving the federal city, equal to the extent of its interest, greatly more than one-half, and which was to be increased in value and be benefited by such improvements.

Of the 10,136 lots given by the proprietors for the purpose of improving the federal city, 6,411 were sold previously to the year 1802, at a time when not in

demand and there were but few bidders for them, and of the proceeds of the sale—\$642,682 62—\$330,508 08 was applied towards building the Capitol, and \$240,632 87 towards the erection of a mansion for its Chief Magistrate.

The remainder of these lots, a free gift to the general government, and, as was well understood at the time "that whatever moneys were realized therefrom would at least be expended for the benefit of that city," of the soil of which the donors and the general government were joint owners, were, with the exception of \$25,000 worth each given to Columbia and Georgetown colleges, \$10,000 each to the Washington and St. Vincent's Orphan Asylum, from time to time sold and the money expended in improving the property reserved for the use of the general government, the salaries and office expenses of its own officers, the Commissioners and Superintendent of Public Buildings, and President's gardener and for manure and utensils for his garden.

Neither the donors, the original proprietors, nor the donees (the general government) at that time contemplated that the large sums of money arising therefrom should be spent otherwise than in the improvement of their joint property, and certainly no one supposed that the whole or even an equal portion of the burden of opening and keeping in repair streets, laying sidewalks, building bridges, and doing whatever might be necessary to a new and large city intended for the capital of a great nation, or indeed of subsequently maintaining and supporting it, should be borne by the citizens of Washington alone.

Upon the property reserved for the use and purposes of the nation the general government has expended in buildings and other improvements for its own exclusive use the sum of \$14,709,338 67, partly taken from the public treasury, and partly from the sale of the lots donated from private individuals, while the reservations themselves are valued at \$13,412,293 36, making the aggregate value of the nation's real property in this city at the time of the assessment, now some years since, to be \$28,121,631 45, nearly equal in value to all individual property, and which, if liable to the same burden, would yield by way of taxation a revenue to this city of \$210,912 23 annually.

This immense property of the government has at all times been free from taxation, while property of individuals has been subject to it.

Holding here more property than elsewhere in the Union, assessments upon which alike to private property have from time to time been made, the government has been subject to no imposition of the kind, and taxes collected only from individuals.

The avenues vary from one hundred and twenty to one hundred and sixty feet in width, and the streets from eighty to one hundred and forty feet, the average being ninety feet, costing more than double the amount of streets of the same length and more moderate dimensions, and as it has not grown in the usual manner, but has necessarily been created in a short time, the pressure for improvement has been burdensome to its citizens.

If, therefore, Congress would allow—and I see no reason why it should not—the property of the general government in this city to bear its equal proportion of the burden of maintaining and supporting the municipal government, of improving their own and the citizen's joint property, of supporting the great number of indigent persons attracted to the seat of government, and of educating the children of the thousands flocking here from all sections of the country, no more could or would be asked.

Charge the general government with the money realized from the sale of the lots, and which should have inured to the benefit of the city, the interest thereon, and with a rate of taxation on its vast property here as is paid by individuals, and credit it with every dollar spent and properly chargeable to the improvement of the city, it will be found that the general government is greatly debtor to the city.

INDEBTEDNESS OF THE GENERAL GOVERNMENT TO THE CITY.

It was not, however, until the citizens of Washington had borne so unequal a burden for a long time, that Congress, admitting the propriety of at least spending in the improvement of the city what was realized from the sale of the lots given by the original proprietors of the soil, on the 15th day of May, 1820, by the 15th section of an act of that date, directed "that the Commissioner of Public Buildings, or other person appointed to superintend the United States disbursements in the city of Washington, shall reimburse to the corporation a just proportion of any expense which may hereafter be incurred in laying open, paving, or otherwise improving any of the streets or avenues in front of, or adjoining to, or which may pass through or between any of the public squares or reservations, which proportion shall be determined by the comparison of the length of the fronts of the said squares or reservations of the United States on any such street or avenue with the whole extent of the two sides thereof."

At this time, May 15, 1820, there remained of the lots so given by the original proprietors 3,725, all of which have been sold at greatly enhanced prices, and the money paid into the treasury, and this corporation has since then, from time to time, advanced sums of money to the general government which it is entitled under this act to have refunded, and which yet remain unpaid, as follows:

March 23, 1855. Sewer in Four-and-a-half street, in front of reservation between Missouri avenue and the canal.....	\$1,000 00
September 17, 1855. Grading and gravelling Seventeenth street, in front of President's grounds down to the canal.....	1,000 04
August 26, 1856. Paving carriage-way of Ninth street west, from B street to Pennsylvania avenue.....	2,582 16
May 27, 1857. Advanced by the corporation of Washington for the repair of the Long bridge.....	5,000 00
May 12, 1860. Trimming and gravelling I street north, from Sixth to Seventh street west.....	206 50
September 14, 1860. Enclosing Judiciary square, (under act of Congress approved March 3, 1857.).....	2,500 00
October 20, 1860. Repairing Missouri avenue, from Four-and-a-half to Sixth street west.....	200 00
April 27, 1861. Grading and gravelling G street north, from Fourth to Fifth street west.....	113 63
November 2, 1861. Sewer in Thirteenth street, in front of government space between Pennsylvania avenue and E street....	1,500 00
April 17, 1862. Improvement of Four-and-a-half street, from Missouri avenue to Maine avenue.....	244 00
May 20, 1862. Loaned to Commissioner of Public Buildings for cleaning Pennsylvania avenue.....	1,500 00
September 6, 1862. Sewer in Seventh street, in front of Northern market-house.....	1,750 00
January 1, 1863. Sewer in front of space on Tenth street, between I and New York avenue.....	800 00
March 23, 1863. Grading Twentieth street west, from Pennsylvania avenue to I street north.....	500 00
May 23, 1863. Sewer on Ninth, between I and K streets, public space.....	1,750 00
May 29, 1863. Sewer in Sixth street, in front of public space between I and K streets.....	1,500 00
July 27, 1863. Grading and gravelling I street north, from Eleventh to Twelfth street west.....	500 00

July 27, 1863. Grading and gravelling Eleventh street west, from I to K street north.....	\$500 00
August 1, 1863. Paving carriage-way of B street north, between Seventh and Ninth streets west.....	5,135 94
September 7, 1863. Relaying gutters on Eighth street west, between I and K streets north.....	1,211 50
October 31, 1863. Repairing F street north, from Seventh to Eighth street west.....	138 00
February 12, 1864. Improving reservation at Fifth and Sixth streets and I street and Massachusetts avenue.....	880 40
February 12, 1864. Enclosing public reservation between Eighth and Ninth, and K street and Massachusetts avenue.....	929 20
April 29, 1864. Relaying gutters in Fifth street west, between E and G street north, (Judiciary square).....	691 53
May 24, 1864. Improving and enclosing reservation at intersection of Massachusetts avenue and Tenth and Eleventh streets, July 29, 1864. Sewer in front of public space between Eighth and Ninth streets, on K street.....	1,129 67
October 24, 1864. Grading and gravelling B street north, from Fifteenth to Seventeenth street west, in front of reservation south of President's House.....	750 00
October 24, 1864. Paving carriage-way of K street north, from Seventh to Eighth street west.....	2,000 00
May 22, 1865. Cleaning Pennsylvania avenue May 22 and 23, 1865.....	888 08
	510 00
	<u>37,410 61</u>

In addition to these, this corporation has spent thousands of dollars in improving from time to time the several avenues and laying flag footways across the same, which they would in equity be entitled to have again from the general government, though no special claim is made herein therefor.

Congress, by the third section of an act of May 5, 1864, entitled "An act to amend an act to incorporate the inhabitants of the city of Washington, passed May 15, 1820," directed that in all cases in which the streets, avenues, or alleys of the said city pass through or by any of the property of the United States, the Commissioner of Public Buildings shall pay to the duly authorized officer of the corporation the just proportion of the expense incurred in improving such avenue, street, or alley which said property bears to the whole cost thereof, to be ascertained in the same manner as the same is apportioned among the individual proprietors of the property improved thereby. Under this section of this act this corporation is entitled to have from the Commissioner of Public Buildings the following sums for the work done during the past summer and this fall, and for which an immediate appropriation is asked:

Fourteenth street sewer across Ohio avenue, across Pennsylvania avenue, and in front of the reservation south side of avenue in front of Franklin square, and across Vermont and Massachusetts avenues, 1,145 feet.....	\$9,918 00
E street north. Paving carriage-way in front of reservation south side of E street north, between Thirteenth and Fourteenth streets west, half of the street, 553 feet.....	2,637 00
Seventh street sewer in front of Patent and Post Offices, also in front of government reservation and across Pennsylvania avenue and Louisiana avenue, 1,364 feet sewer.....	12,712 00
Four-and-a-half street. Paving of Four-and-a-half street from the canal to Missouri avenue, also side footwalks, 400 feet.....	4,910 00

Fifth street. Paving half of carriage-way in front of government reservation, also side footwalks between F and G streets, 1,330 feet.....	\$6,926 00
F street north. Paving the carriage-way of F street north, in front of the Post and Patent Offices, 500 feet.....	3,808 00
	<u>40,911 00</u>

It is intended that much more shall be done during the approaching than was during the last season, and it is important that provision should be made in advance to have ready in the hands of the Commissioner of Public Buildings sufficient funds to pay the general government's proportionate part; unless this is done, delays and difficulties will arise which will necessarily impede us in improving the city.

It is impossible to approximate the sum that will be required, and I do not think I will be far wide of the mark in asking for one hundred thousand dollars.

SEWERAGE.

No subject in connexion with this city can better engage your own and the attention of Congress than the matter of its proper drainage, so essential to the health, comfort, and convenience of those, like yourself, connected with the general government, having a protracted residence among us, and of individual members of Congress, who are more or less here during their terms, as well as to the permanent resident.

Upon this subject I had the honor to transmit to you, a short time since, a very elaborate and able report of Messrs. Cluss and Kammerhueber, civil engineers, suggesting a proper mode of sewerage, involving, however, an expense which this city at present is unable to bear; and as it is just and proper that the general government should assist in accomplishing this much-desired and needed object, I would therefore ask the co-operation of the general government, and would suggest, if none better is offered, that the mode and means of efficient drainage proposed by those gentlemen be adopted, the cost to be borne equally by the general and municipal governments, and the work to be done under the supervision of a board of scientific and practical gentlemen of this city. This would effectually abate what for a long time past has been an insufferable nuisance, the filth in the canal. To this end the corporation should be empowered by Congress to levy a special tax to meet its share of the expense.

Permit me here to commend to you, and through you to the consideration of Congress, the work of draining the low grounds near the arsenal, now being done for the commandant of the post, under the supervision of Mr. William D. Wise, and suggest that, in addition to the great improvement of the property of the government in that neighborhood, it is all-important to the health of the community of Washington.

I would also suggest that the general government unite with that of the city in adopting a general system of sewerage, and particularly that the act of Congress of February 23, 1865, entitled "An act to amend an act to incorporate the inhabitants of the city of Washington, passed May 15, 1820," approved May 5, 1864, be amended so as to provide for laying the taxes therein provided for, for sewerage, upon the property benefited by the sewer, instead of, as now, limiting it to the property bordering on the sewer; as it now bears with unusual hardship upon the property bordering upon the improvement, while property equally benefited, though not bordering on it, escapes at comparatively small cost.

STREETS AND AVENUES.

I would direct your attention to the necessity of opening and otherwise improving the avenues of this city. These thoroughfares are the property of the general government, exclusively under its control and jurisdiction, and should be improved, at least that part of them already built upon, by paving the carriage-ways in the same way as that adopted by the city in paving the streets. This could be done by the corporation availing itself of the power granted by the act of Congress of February 25, 1865, and levying upon the property bordering thereon a tax, as provided in that act.

To exercise this power, however, would prove exceedingly onerous to the individual property owners, in consequence of the great width of those thoroughfares, as well as to this corporation, which has to bear the expense of so improving all the intersections. To obviate this difficulty, I would suggest for your consideration the lessening the width of such of the avenues as will admit of its being done without injury to private property by laying outside of the pavement line, on each side, a sodded course, to be flanked with a line of curbing and planted with ornamental shade trees, as is common in the cities of Buffalo and Cleveland.

This would so lessen the width of the carriage-way of the avenues and contract the space necessary to be paved as to render paving them, if not less, certainly not more expensive to the property owners thereon than to those on the streets.

Again, if this be not done, I would suggest as an alternative that the general government undertake and cause to be paved the carriage-way of all the avenues, while the city undertakes and will pave the carriage-way of the streets, paying therefor not as at present, by a tax on the property, but out of its general fund. This, I think, would equalize the burden between the general and municipal governments, relieve the individual property owners from an extraordinarily heavy burden of taxation, and greatly facilitate the paving of the whole city.

In this connexion, I would ask that Massachusetts, Vermont, Rhode Island, New Jersey, and Virginia avenues be opened and improved; that the carriage-way of Pennsylvania avenue west of the Capitol be repaved with the Belgian pavement, and that portion of it east of the Capitol be reduced to its proper grade and the footwalks on both sides be laid down at least to Eleventh street east, and the carriage-way of Maryland avenue west of the Capitol be paved to the Potomac river.

MARKET-HOUSE.

Some two years since, this corporation, deeming its right to do so indisputable, attempted to abate the nuisance created by the dilapidated and unsightly buildings on Pennsylvania avenue known as the Centre market, by the erection on the same site of a new and ornamental building; when, at the instance of some persons, and with a view to prevent the occupancy of that reservation for such purpose, the House of Representatives passed the following resolution:

"Resolved, That the Committee for the District of Columbia be instructed to inquire into and report what legislation is necessary, and what further public officers are needed, to prevent or abate the obstructions of the streets of the city of Washington, as prescribed by the original plan; and particularly by what authority of law Eighth street west is obstructed so as to prevent sight of the Smithsonian grounds, and proper ventilation of that street; also, by what authority of law North B street is used for building purposes; also, by what law or regulation the streets leading toward the public mall are trenching upon by any structures whatever, preventing an uninterrupted view of the grounds and that ventilation which is a necessity to the health of the city; and also, whether the rental of the public reservation between Tenth and Twelfth streets west, near North B street, accrues to the government or to the corporation of Washington."

The object of this resolution was, plainly, to defeat the attempt of this corporation to replace by new, ornamental and slightly buildings the old and dilapidated ones occupying the reservation on Pennsylvania avenue and used as a market-house by this corporation.

The authority to occupy with a building of that character, and for the purpose for which it has so long been used, the public space or reservation on which the Centre Market now stands, is identical with and precisely the same as that to occupy with the buildings and for the purposes for which they are used the spaces or reservations on which now stand the Capitol, President's House, the State, Treasury, War, and Navy Departments, and Patent Office; and, further, while the Capitol obstructs Pennsylvania, Maryland and New Jersey avenues, North, South and East Capitol streets; the President's House Pennsylvania and New York avenues, F and G streets; the City Hall Indiana and Louisiana avenues, E and F streets, and the Patent Office this same Eighth street, neither the old Centre market nor the contemplated new building obstructs any avenue or street whatever.

This city was laid out under the authority of Congress and in compliance with the orders and directions of General Washington, which are of record in your office, wherein Thomas Beall and John M. Gant, the trustees to whom the proprietors of the soil had conveyed their lands for the purpose of a federal city, were ordered and directed to convey to the commissioners appointed under the act of Congress of July 16, 1790, entitled "An act to establish a temporary and permanent seat of government of the United States and their successors, for the use of the United States forever," all the streets and such of the land, squares, parcels, or lots, as the President should deem proper for the use of the United States.

Certain squares, parcels, and lots, containing in the aggregate 541 acres, 1 rood, and 2 perches, and numbered from 1 to 17, and marked and laid down, and as clearly and precisely delineated on the original plan of the city as any private lot, were deemed proper for the use of the United States, and were set apart and dedicated to public uses by General Washington, as follows:

No. of appropriation.	Designations, &c.	Acres.	Roods.	Perches.
1	The President's square	83	1	23
2	The Capitol square and mall east of 15th street west	227	0	8
3	The park south of Tiber creek and west of 15th street west	29	3	9
4	The University square, south of squares Nos. 33 and 34, to Potomac river	19	1	2
5	The fort at Turkey Buzzard or Greenleaf's Point	28	2	31
6	The West market, on Potomac, (covered with water.)			
7	The Centre market	2	3	33
8	The National Church square	4	0	25
9	The Judiciary square	19	1	27
10	North of Pennsylvania avenue, between 3d and 4th streets west	6	0	31
11	Between north B and C streets and 2d and 3d streets west	3	2	34
12	North of Pennsylvania avenue, between 2d and 3d streets west	1	1	4
13	The Hospital square	77	0	26
14	The Navy Yard square	12	3	15
15	Eastern Branch Market square	1	0	21
16	do do	1	0	23
17	The Town House square	23	1	18
	Total	541	1	29

This original plan, with its seventeen appropriations or reservations distinctly marked out, laid down, and delineated, and the purpose for which they were severally intended and set apart publicly declared, was laid before the proprietors before they agreed or did make to the general government grants of the soil on which this city stands, and the commissioners who sold, and the parties who bought, did so under the full persuasion that these appropriations were permanent and unalterable.

The clause of these orders and directions of General Washington, assigning appropriation (reservation) No. 7, ignores 8th street west, south of the north line of Louisiana avenue, and gives for Centre market square the whole of the area running west from 7th to 9th streets, and running north from Canal street to Pennsylvania and Louisiana avenues, in these words: "The public appropriation beginning at the north side of Canal street and the east side of 9th street west, thence north to the south side of an avenue (Louisiana) drawn in front of square numbered three hundred and eighty-two, (382,) thence northeasterly with the south side of said avenue (Louisiana) until it intersects Pennsylvania avenue, thence with the south side of said avenue (Pennsylvania) until it intersects the west side of 7th street west, thence with the west side of said street until it intersects Canal street, thence with the north side of Canal street to the beginning."

All these seventeen appropriations intended for public buildings and uses, with few exceptions, intersect and obstruct streets, and are as minutely described in the original plan of the city, indorsed by both Presidents Washington and Adams, as any private lot, the object being, I presume, to break the monotony of streets miles in length by imposing public edifices at the most important intersections.

Subsequently the House of Representatives, on the 25th day of June, 1864, passed another resolution in these words following, and which was commonly understood to be intended to put an end to and prevent the erection of the new market-house; and at the instance of your predecessor, who so understood it, the further prosecution of the work was stopped:

"JOINT RESOLUTION" authorizing the Secretary of the Interior to reclaim and preserve certain property of the United States.

"Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Interior be, and is hereby, authorized and directed to prevent the improper appropriation or occupation of any of the public streets, avenues, squares, or reservations in the city of Washington belonging to the United States, and to reclaim the same if unlawfully appropriated, and particularly to prevent the erection of any permanent building upon any property reserved to or for the use of the United States, unless plainly authorized by act of Congress, and to report to the Congress, at the commencement of its next session, his proceedings in the premises, together with a full statement of all such property, and how and by what authority the same is occupied or claimed. Nothing herein contained shall be construed to interfere with the temporary and proper occupation of any portion of such property, by lawful authority, for the legitimate purposes of the United States."

Though it might have been the object and intention of the member who offered that "joint resolution" to prevent the erection, by this corporation, of a new building on the site of the present Centre market, no particular mention or allusion is made to it, and it is not reasonable to suppose that, if advised of such object and intention, Congress would, in so hurried a manner, without information on the subject, and without providing something in lieu thereof, have adopted a measure so materially affecting the comfort and convenience of the

community of Washington and the interests of this corporation, and so detrimental to private rights.

The resolution is general in its terms, authorizing and directing the Secretary of the Interior "to prevent the improper appropriation or occupation of any of the public streets, avenues, squares, or reservations, in the city of Washington, belonging to the United States, to reclaim the same if unlawfully appropriated, and particularly to prevent the erection of any permanent building upon any property reserved to or for the use of the United States, unless plainly authorized by act of Congress," with a proviso that "nothing therein contained shall be construed, however, to interfere with the temporary and proper occupation of any portion of such property, by lawful authority, for the legitimate purposes of the United States."

Taking this joint resolution as it is intended, the inquiry will be, by what authority this corporation occupies and uses that space for market purposes; and though the right so to occupy it might be readily presumed from the length of time it has been so used, the authority of this corporation will, I think, on examination, be found to have emanated from Congress itself.

The act of Congress establishing a temporary and permanent seat of government of the United States, (July 16, 1790,) and an act to amend the same, (March 3, 1791,) authorized the President of the United States to appoint three commissioners, any two of whom were empowered, under the direction of the President, to survey and by proper metes and bounds to define and limit a district of territory, and with power to purchase or accept such quantity of land on the eastern side of the Potomac as the President should deem proper, for the use of the United States and according to such plan as the President shall approve, to provide suitable buildings for the accommodation of Congress, for the President, and the public officers of the government of the United States."

By authority of these acts of Congress, and under the direction of the President and these commissioners, Major Charles Peter l'Enfant laid out a plan of the seat of the federal government, and the proprietors of the soil, on the 29th of June, 1791, executed a deed conveying all their lands to Thomas Beall, of George, and John M. Gant, upon the special trusts to convey all the said lands, or such part thereof as may be thought necessary and proper, to be laid out as a federal city, with such streets, squares, parcels, and lots as the President of the United States and the commissioners for the time being appointed by virtue of the act of Congress entitled "An act for establishing a temporary and permanent seat of government of the United States," and their successors for the use of the United States forever, all the said land, streets, and such of the said squares, parcels and lots, as the President shall deem proper, for the use of the United States; and that as to the residue of the said lots into which the said lands shall have been laid off and divided, a fair and equal division of them shall be made, one-half to the original proprietors, the other moiety "to be sold at such times and on such terms and conditions as the President of the United States shall direct, and the produce of the sales of said lots applied in the first place to the payment in money for so much of the land as might be appropriated to the use of the United States, at the rate of £25 per acre, not accounting streets as part thereof, this being so paid or in any other manner satisfied;" then the produce of the same sales, or what may remain thereof as aforesaid in money or securities of any kind, shall be paid, assigned, transferred, and delivered over to the President for the time being as a grant of money to be applied for the purposes and according to the act of Congress aforesaid, and in trust further that the proprietor of the soil, his heirs and assigns, shall and may continue his occupation of the land sold at his and their will and pleasure until the same shall be occupied under the said appropriations for the use of the United States as aforesaid or by purchasers.

On the 19th of December, 1791, the legislature of Maryland passed an act

"concerning the Territory of Columbia and the city of Washington," subjecting the lands of all other persons in the city to the same terms and conditions as those conveyed by Notley Young and others in trust to Beall and Gant.

These acts of Congress, the act of the legislature of Maryland, with the deeds of trusts from the proprietors of the soil, are the sources of authority under which the President and commissioners acted in laying out the city.

The plan of Major l'Enfant, with slight alterations made by Mr. Ellicott, was approved by General Washington, and the division of lots between the government and the proprietors of the soil as provided for in the deeds of trusts made in accordance therewith.

In the original plan were many spaces reserved to and for the use of the United States. The objects for which they were reserved and the purposes to which they were to be devoted, with the exception of those for the Capitol and President's House, were not at that time indicated by any official act, of either the President or the commissioners.

The designation of the others was held under advisement; and on the 30th of June, 1794, the commissioners directed their surveyor, Mr. Nicholas King, "to lay out the market squares;" and on the 18th of October, in the same year, in a letter addressed to Mr. David Burns, a proprietor of ground in that neighborhood, they say, "The ground taken for public use about the market square is not yet entirely ascertained. Mr. Johnson has directions to furnish you with the quantity of your ground appropriated by the commissioners for the market and about it."

Congress having authorized the commissioners to borrow a sum of money not exceeding three hundred thousand dollars to provide suitable buildings for its own, the accommodation of the President, and the public officers of the government of the United States, and all the lots vested in the commissioners or the trustees in any manner for the use of the United States then remaining unsold, except those appropriated to public use, being made chargeable with the repayment of this money, (act May 6, 1796,) rendered it necessary that such of the spaces as were intended and reserved for public use should be designated to except them from the terms of the act to prevent their sale.

It was not till then that General Washington gave a definite shape to his well-matured reflection on the destinations of the portions of ground in the city of Washington reserved to and for the use of the United States.

On the 2d of March, 1797, just two days before he vacated the presidential chair, by virtue of the authority vested in him and the commissioners by acts of Congress and the deed of trust, in order to except them from the terms of the act of May 6, 1796, and to prevent a sale of them under this act, adopting the language of that act and defining them severally by metes and bounds, he appropriated seventeen of those pieces or portions of ground so reserved to and for the use of the United States, as before particularly enumerated and mentioned, for the uses, purposes and interests before stated, among which was this appropriation for the Centre market.

These appropriations so made by General Washington, and the uses and purposes to which they were dedicated, were subsequently, in 1798, recognized by Congress when authorizing a loan of one hundred and fifty thousand dollars to the commissioners from the public treasury, and charging with its repayment "all the lots vested in the commissioners or the trustees for the United States and then remaining unsold, excepting those set apart for public uses." (Act April 18, 1798.)

And again, in 1800, when, "for the greater convenience of the members of both houses of Congress in attending to their duty in the said city of Washington, and the greater facility of communication between the various offices and departments of the government," the commissioners were authorized to borrow money for the purpose of making footways in suitable places and directions,

and all the lots in the city of Washington vested in the commissioners or the trustees in the city of Washington, in any manner, for the use of the United States and then remaining unsold, *except those set apart for public purposes*, made chargeable with its repayment.

The city councils deeming the appropriation of that piece or portion of the property so reserved to and for the use of the United States by General Washington, and its recognition by President Adams and Congress, for the purpose of a market, sufficient, subsequently, on the 6th of October, 1802, passed an act establishing a market on the space south of Pennsylvania avenue, between Seventh and Ninth streets west, to be known by the name of the Centre market.

This act was approved by the then mayor, (Mr. Brent,) an appointee of the President, and the corporation has continued in possession of that space and used it as appropriated by General Washington, and with the consent and approbation of every successive President of the United States, for a market and market purposes from that time, a period of sixty-two years.

The official plat-book, showing the division of lots between the general government and the proprietors of the soil, in accordance with the deeds of trust and the appropriations of these several pieces or portions of the property so reserved to and for the use of the United States to specific purposes, begun under the direction of President Washington by Mr. Nicholas King, the city surveyor, furnished in 1803 and approved by President Adams, and now in the office of the Commissioner of Public Buildings, is the only official record in existence, and transcripts from which, signed by the surveyor of the city of Washington, were made evidence by act of Congress, (act January 12, 1809.)

Just after the first act of incorporation of the city of Washington (May 3, 1802,) and the passage of the act by its councils to establish a market on this space, (October 6, 1802,) Mr. Nicholas King, who had been intrusted by General Washington with making the official plat-book, on the 25th September, 1803, in a letter to President Adams, in speaking of these appropriations and the uses to which they were to be applied, says: "In the sales that had been made, both by the commissioners and the original proprietors, the designations of these places have been spoken of as inducements to purchasers, many of whom have selected their property accordingly. The extensive appropriations for the public buildings of the United States and for the city for public walks, markets, and other important purposes, ought to be held agreeably to the intention of the donors, and the views with which they were selected, in order to acquire and secure the public confidence so necessary to our growth and prosperity."

These views were approved by President Adams and his successors in office to the present time, and Congress itself, in 1812, 1820, 1824, 1826, and 1848, sanctioned them when it provided "that the corporation shall have power and authority to occupy and improve for public purposes, by and with the consent of the President of the United States, any part of the public and open spaces and squares in said city not interfering with any private rights." And again, on the 31st of May, 1832, by section eleven of an act of that date was the right of this corporation to occupy the particular reservation in question in the way and for the purposes proposed expressly recognized by Congress. Likewise Congress (act May 9, 1860) recognized the claim of this corporation to use that space for the purpose of a market, and ceded to it that property for such purpose so long as the market-house should be continued thereon, and authorized the city of Washington to borrow a sum not exceeding two hundred thousand dollars, at a rate of interest not exceeding six per cent., coupled, however, with a condition that a new market-house, according to a certain plan, should be built thereon within the period of two years.

Thus it appears very clearly that up to a very recent period the executive and legislative authority of the country has recognized the right of this city to

occupy this public space as a public market, and it has so occupied it under a claim of right for more than sixty years. Nor is there any act of the Executive or any proceeding in Congress to be found inconsistent with this lawful claim; for although at first the act of the 9th of May, 1860, may seem to be inconsistent with such a claim, on examination it will be found not to be so.

By the amended charter of 1848, section ten, the corporate authorities of this city are expressly prohibited from increasing its funded debt, except in the manner prescribed in that section. In the year 1860 they desired to erect a new market-house on the site of the old Centre market, and to enable them to do so applied to Congress for power to create a debt not exceeding two hundred thousand dollars at a rate of interest not exceeding six per cent. On this application Congress passed the act in question. The first sentence of the first section of this act recognizes the fact that this space has been heretofore and is still occupied for the Centre market, and ceded it to the corporation on condition that they should, within two years thereafter, erect thereon a market-house. The third sentence authorizes the corporation to create a debt not exceeding two hundred thousand dollars to erect said market-house. And the third section provides that in case it shall take effect it shall be construed to vest the title to the property in the corporation, so long as the said market-house shall be continued thereon and used for the purposes aforesaid, and no longer.

We are to look for the meaning of the legislature to the common-sense construction of the words employed, the remedy they intended to provide, and to the external facts, to aid us in discovering the mischief intended to be remedied. If, as has been shown, this plot of ground was originally set apart as a place for a market-house by General Washington, under the powers vested in him under the deeds of trust from the proprietors of the soil, the acts of Congress, and the Maryland legislature, and has been uninterruptedly, for the space of sixty years, used and occupied by the corporation of Washington, with full knowledge of the executive and legislative authorities, although the title to the land still remained in the United States, and this was no more than a permissive occupation at the will of the government, it cannot be doubted that until Congress legislated on the subject the city was justified in treating the property as rightfully devoted to their use.

They had not power under this charter to increase the funded debt, so as to enable them to build such a market-house as would satisfy the public demand and gratify the public taste, and claiming the right still to occupy the ground, but desiring to remove all possible doubt as to the permanency of that right, they applied for a cession of the ground, and for power to raise money for the contemplated improvement. In this there was no abandonment of a right, any more than a man who has an equitable estate, or an easement, abandons his claim when he applies for and receives a quit-claim of the legal title outstanding in another, nor does a just criticism of the words of the act lead to any other conclusion. The extent to which they go is that Congress secures to the corporation the use of the ground already occupied by the corporation, if the building contemplated in the act shall be constructed within the time limited therein, so long as the building shall be used as a market-house. The failure of the corporation to satisfy the condition, occasioned by the extraordinary condition of the country and the extraordinary state of things, leaves the matter precisely where it stood before, and the respective parties unaffected by it.

The resolution to which I have called your attention required your predecessor "to reclaim such public grounds as are unlawfully appropriated, and to prevent the erection of any permanent building upon any property reserved to the use of the United States unless plainly authorized by act of Congress." Unless the word plainly in this resolution is to be read "expressly," or by some equivalent term, I beg leave to say the resolution "plainly" did not prohibit or authorize your predecessor to prevent the erection of the contemplated

market-house. The covenant and agreement in the deeds of trusts from the proprietors of the soil "*that the grantor and his heirs and assigns should and might continue in his possession and occupation of their lands at their will and pleasure, until they shall be occupied, under the said appropriations, for the use of the United States, or by purchasers; and when any lots or parcels shall be occupied by purchase or appropriation as aforesaid, then and not till then should the grantor relinquish his occupation thereof,*" the early legislation on this subject, the distinct appropriation of this parcel of ground for a Centre market, and the uninterrupted occupation of it by this corporation for so many years, all show the understanding of the respective parties, that when General Washington set it apart for a Centre market, it was intended that the corporate authorities of the city, then in contemplation, when they should come into being, should have the use of it for a Centre market. It is not possible to conceive that either the President, or the trustees, or Congress, were to build and manage a market-house, and it was then, as now, emphatically a part of the powers held by municipal corporations.

That General Washington, under the express legislation of Congress already referred to, had power so to set apart, designate, and appropriate this specific reservation, can admit of no rational doubt. That he did so set it apart is equally certain. We have, then, the act of Congress which "plainly" authorized the President to set apart this reservation for the purposes of a market, the act of the President executing the power so vested in him, and the acts of this corporation from time to time improving the ground and erecting the buildings thereon, and it can scarcely be contended that under this resolution you are required to prevent them from pulling down those old, unsightly, and dilapidated buildings, thus abating a nuisance already borne too long by this community, and erecting new and fitting ones in their place.

PUBLIC SCHOOLS.

The matter of public schools is one that reaches the whole community, and in which the municipal authorities have manifested the greatest care and interest.

With the greatest liberality on the part of the city councils, and a willingness on the part of the citizens to bear taxation for this purpose, it is impossible, as yet, to provide for the wants of the community in this respect. Hundreds in the employment of the general government who have no interest in the community further than connected with the general government and as temporary residents, and who do not contribute a cent to their support, avail themselves of the means of education afforded by the corporation for their children; many of this class would gladly contribute something towards the fostering of this institution, and those who would not should be compelled. The only way to reach them is for Congress to empower this corporation to levy a special capitation tax on all male residents over twenty-one years, for the purposes of public education. The grant of such power would, I am certain, be not abused by the corporation, and would not be objectionable.

In this connexion, I would point out, with a view of having it remedied, the injustice done, doubtless hurriedly and without being advised, by the action of Congress in altering the law in force in this District in relation to the education of colored children.

Under former provisions of law, (act of May 20, 1862, section 1,) the propriety of which is admitted by all, this corporation set apart from the taxes on real and personal property owned by colored persons in this city, for the purpose of educating colored children, the same proportionate part as was set apart from the taxes paid by white persons for the purpose of educating white children. Congress, however, at its last session (act of June 25, 1864, section 18) repealed this equitable provision, and directed that the corporate authorities

of the cities of Georgetown and Washington thereafter "set apart from the whole fund received by them from all sources applicable under existing provisions of law to purposes of public education, such a proportionate part thereof for the education of colored children as the number of colored children in the respective cities, between the ages of six and seventeen years, bears to the whole number of children thereof." Under my construction of this section of this last act of Congress, the trustees of colored schools of this city are entitled to receive from this corporation for the purpose of educating colored children an amount more than twice as much as the whole aggregate of taxes paid by all the colored persons of this city; while under the construction put upon it by the trustees of colored schools, which they claim, they would be entitled to receive an amount more than four times greater than the whole aggregate of taxes paid by colored persons. Whilst the corporate authorities of Washington have been ever ready and willing to do all that can, with propriety and justice, be required of them to meliorate and amend the condition of the colored population of this city, and provide for their intellectual culture and improvement, it is reluctant to do this at so inordinate a cost to the white taxpayer.

Whilst Congress has been liberal, and granted large sums and tracts of the public lands to several of the States and Territories, for the purposes of public education, it has not as yet given to this city, from which it obtained so much, a dollar, and has given away, without consideration, valuable franchises—the inherent right and property of this city—which would have yielded sufficient to support and maintain all its public schools.

In this connexion I would ask, that whenever, hereafter, any grant by way of a franchise is made of any privilege in this city, it be conditioned on obtaining the consent of the city authorities thereto.

In this way, would not only the city be protected, but a revenue legitimately derived which would materially assist in fostering our public schools.

FIRE DEPARTMENT.

The city has, at considerable expense, established a paid fire department with the use of steam fire-engines, as well as erected a fire-alarm telegraph; your predecessor, at my request, granting the corporation for this department the use of certain buildings, the property of the general government, erected as engine-houses.

These buildings are inadequate for the purposes of the fire department as at present organized, and this corporation would, if the possession was guaranteed for a length of time sufficient to warrant the expense, tear them down and erect on their sites structures better adapted to the purposes. I would therefore ask of Congress to grant to this city, so long as they may be used for the purposes of a fire department, the lots of ground on which stand the Columbia, Union and Franklin engine-houses.

I must, in conclusion, apologize for the length of this communication, necessary, however, on account of the importance to this community of obtaining the early action of Congress, in some way or another, on every matter and thing therein mentioned.

I am, very respectfully,

RICHARD WALLACH, *Mayor.*

Hon. JAMES HARLAN,

Secretary of the Interior.

REPORT

OF

THE SECRETARY OF WAR, 1865.

WAR DEPARTMENT,

Washington City, November 22, 1865.

MR. PRESIDENT: The military appropriations by the last Congress amounted to the sum of five hundred and sixteen millions two hundred and forty thousand one hundred and thirty-one dollars and seventy cents. (\$516,240,131 70.) The military estimates for the next fiscal year, after careful revision, amount to thirty-three millions eight hundred and fourteen thousand four hundred and sixty-one dollars and eighty-three cents, (\$33,814,461 83.) The national military force on the first of May, 1865, numbered one million five hundred and sixteen men. It is proposed to reduce the military establishment to fifty thousand troops, and over eight hundred thousand have already been mustered out of service. What has occasioned this reduction of force and expenditure in the War Department it is the purpose of this report to explain.

At the commencement of the last session of Congress much had been accomplished towards suppressing the rebellion and restoring federal authority over the insurgent States. But the rebels still held Richmond as the capital of their so-called confederate government, and the semblance of State government existed in Virginia, North Carolina, South Carolina, Georgia, Alabama, Florida, Mississippi, and Texas, while a strong military force occupied a considerable portion of Arkansas and Louisiana. Their principal army, under its favorite commander, General Lee, defended with undaunted front impregnable positions around Petersburg and Richmond. Another army, under General Hood, was moving north, with purpose to invade Tennessee and Kentucky. West of the Mississippi, a large force, under General Kirby Smith, threatened Arkansas, Kansas, and Missouri. The chief seaports of the rebel States—Wilmington, Charleston, Savannah, and Mobile—were strongly garrisoned and fortified, and our blockading squadrons were unable to prevent trade and supplies reaching the enemy. Pirate steamers, built in foreign ports for rebel cruisers, armed, manned, equipped and supplied by foreign capital, roamed the high seas, burning our ships and destroying our commerce. Marauders, hired by the rebel government and harbored on our northern frontier, were setting on foot piratical expeditions against our commerce on the lakes, planning to burn and plunder

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our towns and cities, and were plotting murder against the President and Vice-President of the United States, in hopes of overthrowing our government by anarchy. Faith in their final success and hope of open recognition by foreign governments still animated leading traitors.

But now the approaching session of Congress will find the authority of the federal government effectually and peacefully exercised over the whole territory of the United States. All the armies heretofore arrayed against the national government have laid down their arms, and surrendered as prisoners of war. Every hostile banner has been hauled down; the so-called confederate government is overthrown: its president is a prisoner in close custody, awaiting trial; while its vice-president and three of its chief executive officers have been recently enlarged from prison by your clemency. All the ordinances, laws, and organizations created or existing under or by virtue of the so-called confederate government have been swept away, and, by your sanction, the people of the insurgent States have organized, or are busily engaged in organizing, State governments, in subordination to the federal authority. In harmony with this new condition of affairs, the military force of the federal government has been reduced, large armies disbanded, and nearly a million of brave men, lately soldiers in arms, paid and honorably mustered out of service, have gone from camps, garrisons and posts to their homes, and most of them are engaged already in the peaceful pursuits of civil life.

Among the causes which, under Divine Providence, have brought about these wonderful results, successful military operations stand first in order.

A clear comprehension of these operations requires a brief glance at the military position just before the spring campaigns of 1864.

Notwithstanding the successful campaigns on the Mississippi, in 1863, by the reduction of Vicksburg and Port Hudson, severed in twain the rebel territory and restored to us the navigation and commerce of the Mississippi, while the victory at Gettysburg drove back the rebel invaders from the northern States, yet the military strength of the rebels continued formidable. The army of Virginia, under General Lee, recovered from its disaster at Gettysburg, occupied its former lines in Virginia, protecting the rebel capital, and holding inactive and in check the army of the Potomac. Another large army, under General Bragg, re-enforced by Longstreet's corps, threatened the reconquest of Tennessee. After the disastrous battle of Chickamauga, our army of the Cumberland, shut up and surrounded at Chattanooga, unable to move by reason of the inclemency of the weather and impassable roads, was in extreme jeopardy.

At this discouraging juncture a change of military organization was made. The departments of the Ohio, the Tennessee, and the Cumberland were united in one military division, called the division of the Mississippi, under Major General Grant. Command of the army of the Cumberland was given to Major General George H. Thomas, relieving General Rosecrans. A winter campaign was immediately directed against Bragg's army. The battles of Wauhatchie, Lookout Mountain, Missionary Ridge, and Chattanooga opened our communications, and routed Bragg's army with heavy loss. The movement of Longstreet's

corps against Knoxville, to recover East Tennessee, also proved a disastrous failure to the rebels, who were driven off and forced back to the mountains.

In the month of February, 1864, General Sherman's movement, with a large force, from Vicksburg, into the interior of the State of Alabama, as far as Meridian, inflicted heavy loss upon the enemy by the destruction of railroads and supplies, the capture of prisoners, and the escape of negroes and refugees. This operation demonstrated the capacity of an invading army to penetrate the rebel States and support itself on the country, and was the forerunner of the great movements in Georgia.

The arrangements for the spring campaigns of 1864 were made, on the part of the government, to put forth its strength. In all the bureaus of the War Department supplies were provided on a scale of great magnitude, to meet any exigency that could be foreseen. The estimates were based upon an army organization of one million of men. The States were called upon to strengthen the armies by volunteers; new drafts were ordered and put in execution throughout all the loyal States; vast supplies of arms, ammunition, clothing, subsistence, medical stores, and forage were provided and distributed in depots, to meet the wants of the troops wherever they might operate; horses, mules, wagons, railroad iron, locomotives and cars, bridge timber, telegraph cable and wire, and every material for transportation and communication of great armies under all conditions, were supplied. Congress, with unstinting hand, voted large appropriations for recruiting, paying, and supplying the troops. The office of lieutenant general, to command all the armies, was created by law. Ulysses S. Grant was appointed to that rank by the President, and assumed command, as Lieutenant General, on the 17th day of March, 1864, from which time the operations of all the armies were under his direction.

The national forces engaged in the spring campaign of 1864 were organized as armies or distributed in military departments as follows:

The army of the Potomac, commanded by Major General Meade, whose headquarters were on the north side of the Rapidan. This army was confronted by the rebel army of Northern Virginia, stationed on the south side of the Rapidan, under General Robert E. Lee.

The 9th corps, under Major General Burnside, was, at the opening of the campaign, a distinct organization, but on the 24th day of May, 1864, it was incorporated into the army of the Potomac.

The army of the James was commanded by Major General Butler, whose headquarters were at Fortress Monroe.

The headquarters of the army of the Shenandoah, commanded by Major General Sigel, were at Winchester.

Three armies were united under Major General William T. Sherman, viz: the army of the Cumberland, Major General Thomas commanding; the army of the Tennessee, Major General McPherson commanding; and the army of the Ohio, Major General Schofield commanding. General Sherman's headquarters were at Chattanooga. The effective strength of these three armies was nearly one hundred thousand men, and two hundred and fifty-four guns, to wit

Army of the Cumberland, Major General Thomas commanding:

Infantry	54,568
Artillery	2,377
Cavalry	3,828
Total	60,773
Number of guns	130

Army of the Tennessee, Major General McPherson commanding:

Infantry	22,437
Artillery	1,104
Cavalry	624
Total	24,165
Number of guns	96

Army of the Ohio, Major General Schofield commanding:

Infantry	11,183
Artillery	679
Cavalry	1,697
Total	13,559
Number of guns	28

Grand aggregate number of troops	98,497
Grand aggregate number of guns	254

About these figures were maintained during the campaign; the number of men joining from furlough and hospitals compensating for the loss in battle and from sickness.

In the department of Kentucky there was likewise a large active force, under command of Major General Burbridge, and also in East Tennessee, under Major General Stoneman. Adequate forces were reserved in the department of Washington, under Major General Augur, to protect the capital and the immense depots of military supplies at Washington and Alexandria, and also in the Middle military department under Major General Lewis Wallace, to cover Baltimore and the important lines of supply and communication in that department. Besides the armies operating actively in the field, troops were assigned to garrison exposed and important strategic points, to guard hospitals, recruiting stations, prison camps, supply depots, railroad lines, and to defend border States and the northern frontier from rebel raids.

In the department of the south a force was operating against Charleston and in Florida, under General Gillmore.

West of the Mississippi the forces were under the respective departmental commanders. In the department of the Gulf, embracing Louisiana and Texas, Major General Banks had his headquarters at New Orleans. The department of Arkansas was in command of Major General Steele. Major General Curtis commanded the troops assigned for the department of Kansas and the Indian Territory. The troops in the department of the Missouri were under command of Major General Rosecrans. The defence of the northwestern States and Territories against Indians, expeditions to check incursions and reduce hostile tribes, and to protect the overland route to California, employed a considerable force under Major General Pope, in the northwest department, General Carleton in New Mexico and Arizona, and General Connor in the Indian Territory. The States and Territories on the Pacific coast required but a small force, under Major General McDowell.

The headquarters of the Lieutenant General commanding all the armies were with the army of the Potomac in the field.

Official reports show that on the first of May, 1864, the aggregate national military force of all arms, officers and men, was nine hundred and seventy thousand seven hundred and ten, to wit:

Available force present for duty	662,345
On detached service in the different military departments	109,348
In field hospitals, or unfit for duty	41,266
In general hospitals or on sick leave at home	75,978
Absent on furlough, or as prisoners of war	66,290
Absent without leave	15,483
Grand aggregate	970,710

The aggregate available force present for duty May 1, 1864, was distributed in the different commands as follows:

Department of Washington	42,124
Army of the Potomac	120,384
Department of Virginia and North Carolina	59,130
Department of the South	18,169
Department of the Gulf	61,865
Department of Arkansas	23,606
Department of the Tennessee	74,170
Department of the Missouri	15,775
Department of the Northwest	5,296
Department of Kansas	4,798
Headquarters military division of the Mississippi	476
Department of the Cumberland	119,948
Department of the Ohio	35,416
Northern department	9,546
Department of West Virginia	30,782

Department of the East.....	2,828
Department of the Susquehanna.....	2,970
Middle department.....	5,627
Ninth army corps.....	20,780
Department of New Mexico.....	3,454
Department of the Pacific.....	5,141
	<hr/>
	662,345

Active military operations west of the Mississippi commenced in the month of March, 1864. The principal rebel forces beyond the Mississippi were concentrated under General Kirby Smith, at Shreveport, on the Red river. Against this force an expedition was undertaken by Major General Banks, with a large army from New Orleans, to be co-operated with by troops from the department of Arkansas, under General Steele, and from the division of the Mississippi, under General A. J. Smith, and also a large naval force under Admiral Porter. General Banks with his forces reached Alexandria about the 20th of March. Advancing thence towards Shreveport, a series of disasters commenced, that ended in the failure of the expedition with heavy loss of men and material. The cause of this failure is still a subject of discussion, not material to the present report. Although by this mishap the enemy was enabled to occupy the attention of a large force designed and that might have been employed in other fields, he was himself kept in check and hindered from taking part in the great campaign east of the Mississippi.

The campaign in Virginia opened on the 4th day of May. By simultaneous movements the army of the Potomac crossed the Rapidan, and City Point, on the south side of the James, was seized and occupied by General Butler. The crossing of the Rapidan was effected without resistance from the enemy. The movement against City Point took him by surprise. The army of the Potomac was directed at Lee's army, while the city of Richmond was the objective point of the army of the James.

Minute details of the subsequent campaigns are given in the accompanying reports of the Lieutenant General, and other distinguished commanders, so that nothing more than a cursory view of the main results is here required.

The antagonist armies of Meade and Lee met in conflict near Mine Run on the 5th day of May. Forty-three days of desperate fighting or marching by day and night forced back the rebel army from the Rapidan to their intrenchments around Richmond, and carried the army of the Potomac to the south side of the James river. The strength of the enemy's force when the campaign opened, or the extent of his loss, is not known to this department. Any inequality of numbers between Lee's army and the army of the Potomac was fully compensated by the advantage of position. Resolute purpose and desperate valor were exhibited on both sides. In the battles of the Wilderness, Spottsylvania Court House, Jericho Ford, Hawe's Shop, and Cold Harbor, many brave soldiers and gallant officers perished. Among them were Brigadier General

Wadsworth, Brigadier General Hays, and Major General Sedgwick. Lieutenant General Grant in his report observes:

"The battles of the Wilderness, Spottsylvania, North Anna, and Cold Harbor, bloody and terrible as they were on our side, were even more damaging to the enemy, and so crippled him as to make him wary ever after of taking the offensive. His losses in men were probably not so great, owing to the fact that we were, save in the Wilderness, almost invariably the attacking party, and when he did attack, it was in the open field."

Although expectations of destroying Lee's army, and the speedy capture of Richmond and Petersburg, were disappointed, and the enemy had found refuge behind impregnable fortifications, the campaign was still prosecuted with determined purpose towards the same object. While the rebel army was sheltered in his intrenchments the national forces were busy at work outside strengthening and advancing their position, breaking the communications of the enemy, cutting off and destroying his supplies, narrowing his limits, harassing him by raids, and occupying his attention to prevent detachments or re-enforcements being sent to operate elsewhere.

Active operations were also going on in the valley of the Shenandoah. On the first of May an expedition, under Generals Crook and Averill, was sent out by General Sigel, which reached Wytheville and accomplished the destruction of much rebel property. General Sigel advanced, on the 8th day of May, with his force, from Winchester to New Market, where, met by the enemy under General Breckinridge, he was defeated and fell back to Cedar creek. General Hunter was then placed in command of the department. He marched with a strong force towards Staunton, and in a brilliant engagement at Piedmont defeated the enemy with severe loss. Advancing to Staunton, he was joined there by Crook and Averill, and moved against Lynchburg. Re-enforcements from the enemy having arrived before him, General Hunter retired by way of the Kanawha. Meanwhile, in order to repair the losses of the army of the Potomac, the chief part of the force designed to guard the middle department and the department of Washington was called forward to the front. Taking advantage of this state of affairs, in the absence of General Hunter's command, the enemy made a large detachment from their army at Richmond, which, under General Early, moved down the Shenandoah valley, threatening Baltimore and Washington. Their advance was checked at Monocacy, where a severe engagement was fought by our troops under General Wallace, re-enforced by a part of the 6th corps under General Ricketts. After this battle the enemy continued to advance until they reached the intrenchments around Washington. Here they were met by troops from the army of the Potomac, consisting of the 6th corps, under General Wright, a part of the 8th corps, under General Gillmore, and a part of the 19th corps, just arrived from New Orleans, under General Emory. By these troops the enemy were driven back from Washington, and retreated hastily to Virginia, pursued by our forces under General Wright.

On the 7th day of August, 1864, General Sheridan was placed in command of the military division comprising the department of Washington, the depart-

ment of West Virginia, the department of the Susquehanna, and the middle department. In two great battles, at the crossing of the Opequan on the 19th of September, and at Fisher's Hill on the 22d of September, the rebel army under Early was routed and driven from the valley with immense loss of prisoners, artillery, and stores. A desperate effort was made by the enemy to recover their position. Early was strongly re-enforced, and on the morning of the 19th of October, in the absence of General Sheridan, his lines were surprised, his position turned, and his forces driven back in confusion. At the moment when a great disaster was impending, Sheridan appeared upon the field, the battle was restored, and a brilliant victory achieved. The routed forces of the enemy were pursued to Mount Jackson, where he arrived without an organized regiment of his army. All his artillery and thousands of prisoners fell into Sheridan's hands. These successes closed military operations in the Shenandoah valley, and a rebel force appeared there no more during the war.

Major General William T. Sherman began the brilliant series of his campaigns early in May. The first objective point was Atlanta. To reach that city his armies must pass from the northern limit to the centre of the great State of Georgia, forcing their way through mountain defiles and across great rivers, overcoming or turning formidable intrenched positions defended by a strong, well-appointed veteran army, commanded by an alert, cautious, and skilful general. The campaign opened on the 6th day of May, and on the 2d day of September the national forces entered Atlanta. This achievement is thus described in General Sherman's Field Order No. 68:

"On the first of May our armies were lying in garrison seemingly quiet from Knoxville to Huntsville, and our enemy lay behind his rocky-faced barrier at Dalton, proud, defiant, and exulting. He had had time since Christmas to recover from his discomfiture on the Mission Ridge, with his ranks filled, and a new commander-in-chief, and second to none in the confederacy in reputation for skill, sagacity and extreme popularity. All at once our armies assumed life and action and appeared before Dalton. Threatening Rocky Face we threw ourselves upon Resaca, and the rebel army only escaped by the rapidity of its retreat, aided by the numerous roads with which he was familiar, and which were strange to us. Again he took post in Allatoona, but we gave him no rest, and, by our circuit towards Dallas and subsequent movement to Acworth, we gained the Allatoona Pass. Then followed the eventful battles about Kenesaw, and the escape of the enemy across the Chattahoochee river."

"The crossing of the Chattahoochee and breaking of the Augusta road was most handsomely executed by us, and will be studied as an example in the art of war. At this stage of our game our enemies became dissatisfied with their old and skilful commander, and selected one more bold and rash. New tactics were adopted. Hood first boldly and rapidly, on the 20th of July, fell on our right at Peach Tree creek, and lost. Again, on the 22d, he struck our extreme left, and was severely punished; and finally, again on the 28th, he repeated the attempt on our right, and that time must have become satisfied, for since that date he has remained on the defensive. We slowly and gradually drew our

lines about Atlanta, feeling for the railroad which supplied the rebel army and made Atlanta a place of importance.

"We must concede to our enemy that he met these efforts patiently and skillfully, but at last he made the mistake we had waited for so long, and sent his cavalry to our rear far beyond the reach of recall. Instantly our cavalry was on his only remaining road, and we followed quietly with our principal army, and Atlanta fell into our possession as the fruit of well-concerted measures, backed by a brave and confident army."

For military reasons, stated in the report of the Lieutenant General, it was determined that Atlanta should be destroyed, and Sherman's armies push forward to Savannah or some other point on the Atlantic coast.

Shortly before the fall of Atlanta, General Johnston had been superseded in command of the rebel army by General Hood, who, adopting a different system from that pursued by his cautious predecessor, boldly assumed the offensive, with a view to force General Sherman from Georgia, by cutting off his communications, and invading Tennessee and Kentucky. Pursuant to this plan, Hood, by a rapid march, gained and broke up, at Big Shanty, the railroad that supplied Sherman's army, advanced to Dalton, and thence moved towards Tennessee. Hood was followed from Atlanta by General Sherman far enough north to cover his own purpose and assure him against Hood's interrupting the contemplated march to the sea-coast. Sherman turned back suddenly to Atlanta. That city, and all the railroads leading to it, were destroyed, and on the 15th of November the march commenced for Savannah. Advancing in three columns, and living upon the country, the capital of the State and other large towns were occupied without resistance. General Sherman's command, on the 10th of December, "closed in on the enemy's works which covered Savannah." Fort McAllister was gallantly carried by assault on the same day. The city of Savannah, strongly fortified, and garrisoned by a large force under General Hardee, was summoned, but surrender was refused. Preparations for assault were made, and in the night of the 20th of December Hardee evacuated the city, and, with a large part of his garrison, escaped under cover of darkness. The United States troops entered the city early in the morning of the 21st of December. Immense quantities of arms, ammunition, ordnance, and military stores were captured, and the cotton that fell into our hands amounted in value to many millions of dollars.

While General Sherman's army was marching south from Atlanta to the sea-coast the rebel army under Hood, strongly re-enforced, was moving north, threatening Tennessee. The task of encountering this formidable foe, and defending the border States from invasion, was intrusted to Major General George H. Thomas, who was ably assisted by his second in command, Major General Schofield. In his report General Thomas says:

"I found myself confronted by the army which, under General J. E. Johnston, had so skillfully resisted the advance of the whole active army of the military division of the Mississippi from Dalton to the Chattahoochee, re-enforced by a well-equipped and enthusiastic cavalry command of over 12,000 men, led by one of the boldest and most successful cavalry commanders in the rebel army. My

information from all sources confirmed the reported strength stated of Hood's army to be from forty to forty-five thousand infantry and from twelve to fifteen thousand cavalry. My effective force at this time consisted of the 4th corps, about 12,000, under Major General D. S. Stanley; the 23d corps, about 10,000, under Major General Schofield; Hatcher's division of cavalry, about 4,000; Croxton's brigade, 2,500; and Capron's brigade, of about 1,200. The balance of my force was distributed along the railroad, and posted at Murfreesboro', Stevenson, Bridgeport, Huntsville, Decatur, and Chattanooga, to keep open our communications and hold the posts above named; if attacked, until they could be re-enforced, as up to this time it was impossible to determine which course Hood would take, advance on Nashville or turn towards Huntsville. Under these circumstances, it was manifestly best to act on the defensive until sufficiently re-enforced to justify taking the offensive. On the 12th of November communication with General Sherman was severed, the last despatch from him leaving Cartersville, Georgia, at 2:25 p. m. on that date. He had started on his great expedition from Atlanta to the seaboard, leaving me to guard Tennessee, or to pursue the enemy if he followed the commanding general's column. It was, therefore, with considerable anxiety that we watched the force at Florence, to discover what course they would pursue with regard to General Sherman's movements, determining thereby whether the troops under my command, numbering less than half those under Hood, were to act on the defensive in Tennessee, or take the offensive in Alabama."

When the possibility of Hood following Sherman was over, General Thomas took measures to act on the defensive. Re-enforcements of new regiments were hurried forward to him by the governors of the western States. All troops fit for any military duty were collected and sent forward from the hospitals; absentees on leave were called in; the employees in the quartermaster's department were armed and organized for duty in the intrenchments, and two divisions of veteran infantry, under command of General A. J. Smith, that had been serving on the Red river, and afterwards in Missouri, were pushed forward to General Thomas. By these means his forces were speedily swelled, when concentrated, to an army nearly as large as that of the enemy. The public property and garrisons were drawn in from exposed positions and points not required to be held, the fortifications of Nashville were strengthened, and every preparation was made for a struggle of no ordinary magnitude. Hood advanced to Columbia, where his attempt to cross Duck creek was checked for a while by General Schofield, who repulsed the enemy many times with heavy loss. Schofield's main force in front of Columbia was withdrawn on the night of the 29th of November, and a position taken at Franklin on the morning of the 30th. Here took place one of the most fierce and bloody battles of the war. "The enemy," says General Thomas, in his report, "followed closely after General Schofield's rear guard in the retreat to Franklin, and upon coming up with the main force, formed rapidly and advanced to assault our works, repeating attack after attack during the entire afternoon, and as late as 10 p. m. his efforts to break our lines were continued. General Schofield's position was excellently chosen, with both flanks resting on the river, and his men firmly held their ground against an overwhel-

ing enemy, who was repulsed in every assault along the whole line. Our loss, as given by General Schofield in his report, transmitted herewith, (and to which I respectfully refer,) is 189 killed, 1,033 wounded, and 1,104 missing, making an aggregate of 2,326. We captured and sent to Nashville 702 prisoners, including one general officer and 33 stands of colors. Major General D. S. Stanley, commanding 4th corps, was severely wounded at Franklin while engaged in rallying a portion of his command which had been temporarily overpowered by an overwhelming attack of the enemy. At the time of the battle the enemy's loss was known to be severe, and was estimated at 5,000. The exact figures were only obtained, however, on the reoccupation of Franklin by our forces, after the battles of December 15 and 16, at Brentwood Hills, near Nashville, and are given as follows: Buried upon the field, 1,750; disabled and placed in hospital at Franklin, 3,800; which, with the 702 prisoners already reported, makes an aggregate loss of 6,252, among whom were six general officers killed, six wounded, and one captured. The important results of this signal victory cannot be too highly appreciated; for it not only seriously checked the enemy's advance, and gave General Schofield time to remove his troops and all his property to Nashville, but it also caused deep depression among the men of Hood's army, making them doubly cautious in their subsequent movements."

On the night after the battle of Franklin, General Schofield, by the direction of General Thomas, fell back to Nashville, in front of which city, on the heights, a line of battle was formed by noon of the 1st of December. Hood's army appeared before Nashville on the 2d of December. The intense severity of the weather prevented operations for several days. Both armies were ice-bound for a week previous to the 14th of December, when the weather moderated, and General Thomas, having completed his preparations, issued orders for battle the ensuing day. At an early hour on the morning of the 15th of December General Thomas moved against Hood's army. The battle was furiously contested until nightfall. "The total result was the capture of 16 pieces of artillery and 1,200 prisoners, besides several hundred stands of small arms and about 40 wagons. The enemy had been forced back at all points, with heavy loss, and our casualties were unusually light. The behavior of the troops was unsurpassed for steadiness and alacrity in every movement, and the original plan of battle, with but few alterations, was strictly adhered to. The whole command bivouacked in line of battle during the night on the ground occupied at dark, while preparations were made to renew the battle at an early hour on the morrow."

The battle was renewed on the 16th, at six o'clock in the morning. At three o'clock in the afternoon the enemy's strong position on Overton's Hill was assaulted by the 4th corps. "Immediately following the effect of the 4th corps, Generals Smith's and Schofield's commands moved against the enemy's works in their respective fronts, carrying all before them, irreparably breaking his lines in a dozen places, and capturing all his artillery and thousands of prisoners, among the latter four general officers. Our loss was remarkably small, scarcely mentionable. All of the enemy that did escape were pursued over the

tops of Brentwood or Harpeth Hills. General Wilson's cavalry dismounted, attacked the enemy simultaneously with Schofield and Smith, striking him in reverse, and, gaining firm possession of Granny White pike, cut off his retreat by that route. Wood's and Steedman's troops, hearing the shouts of victory coming from the right, rushed impetuously forward, renewing the assault on Overton's Hill, and although meeting a very heavy fire, the onset was irresistible, artillery and innumerable prisoners falling into our hands. The enemy, hopelessly broken, fled in confusion through the Brentwood Pass, the 4th corps in a close pursuit, which was continued for several miles, when darkness closed the scene, and the troops rested from their labors. During the two days' operations there were 4,462 prisoners captured, including 287 officers of all grades from that of major general, 53 pieces of artillery, and thousands of small arms. The enemy abandoned on the field all of his dead and wounded."

At the battle of Nashville, Hood's army, which at one time was considered the best drilled and most formidable rebel force set on foot during the war, disappeared as an army organization. Commanded successively by Bragg, Johnston, and Hood, many bloody fields proved the courage of the soldiers and the skill of its commanders. The shattered fragments of this army were pursued from Nashville to the Tennessee river by the main forces of General Thomas, and were followed and harassed for two hundred miles by detached commands. In his report General Thomas remarks: "To Colonel Palmer and his command is accorded the credit of giving Hood's army the last blow of the campaign, at a distance of over two hundred miles from where we first struck the enemy on the 15th of December, near Nashville." What troops escaped from the pursuit were afterwards united with other fragments of rebel forces under General Johnston, and finally laid down their arms to General Sherman at Raleigh.

While the events that have been mentioned were transpiring in the main armies, other military operations of less magnitude, but contributing to the general result by harassing and weakening the enemy, were in progress. A large rebel force, under John Morgan, invaded Kentucky, and was defeated by General Burbridge in a severe engagement at Cynthiana on the 12th day of June. John Morgan was surprised and killed, and his staff captured by General Gillem on the 4th day of September, 1864. In the month of November a rebel expedition, under Breckinridge, Duke, and Vaughn, was repulsed by General Ammon, and driven from East Tennessee. An expedition, under General Stoneman and General Burbridge, penetrated to Saltville, in southwestern Virginia, destroyed the works at that place, broke up the railroads, and inflicted great destruction upon the enemy's supplies and communications.

After the withdrawal of our troops from the Red river, a large rebel force advanced under Sterling Price into Kansas, and penetrated thence into the department of the Missouri. But they were at length driven back with heavy loss.

Other military operations, of greater or less magnitude, occurred during the year—some attended with disaster, some with brilliant success. Of the former class were Kilpatrick's raid against Richmond, the capture of Plymouth and its

garrison, at the commencement of the year, by the rebels under Hoke; the defeat of the expedition from Memphis, under General Sturgis; the capture of Fort Pillow by Chalmers and Forrest; and Stoneman's expedition to Andersonville. On the other hand, the raids of Grierson from Memphis, in December, of Stoneman and Burbridge into Virginia, of Wilson into Alabama, inflicted sore distress upon the enemy, and brought the rebels to a solemn sense of the sufferings caused to themselves by the war they had undertaken against their government.

At the commencement of the year 1865 all hearts were more anxious than ever to bring the war to a speedy close. Every preparation to that end was made by the department and by the military commanders in the field. Adequate appropriations were voted and new popular loans authorized by Congress. Further measures for recruiting the army, prompted by experience, were enacted. A new draft for half a million of men was put into prompt execution. The State executives renewed their labors in calling for volunteers. The people responded to the demands of the occasion, and rapid recruitment began in all the States, and was at its height when Richmond fell. Troops were at that time being raised, organized, armed and equipped as fast as they could be conveniently transported to the field. To the coming campaigns through the Carolinas and in Virginia all eyes looked for a speedy and decisive result that should end the war. The military position is thus stated by the Lieutenant General:

"In March, 1865, General Canby was moving an adequate force against Mobile and the army defending it, under General Dick Taylor; Thomas was pushing out two large and well-appointed cavalry expeditions—one from Middle Tennessee, under Brevet Major General Wilson, against the enemy's vital points in Alabama; the other from East Tennessee, under Major General Stoneman, towards Lynchburg—and assembling the remainder of his available forces, preparatory to offensive operations from East Tennessee; General Sheridan's cavalry was at White House; the armies of the Potomac and James were confronting the enemy under Lee in his defences of Richmond and Petersburg; General Sherman, with his armies, re-enforced by that of General Schofield, was at Goldsboro'; General Pope was making preparations for a spring campaign against the enemy under Kirby Smith and Price, west of the Mississippi; and General Hancock was concentrating a force in the vicinity of Winchester, Va., to guard against invasion, or to operate offensively, as might prove necessary."

Official reports show that on the first of March, 1865, the aggregate national military force of all arms, officers and men, was nine hundred and sixty five thousand five hundred and ninety-one, to wit:

Available force present for duty.....	602,598
On detached service in the different military departments.....	132,538
In field hospitals or unfit for duty.....	35,628
In general hospitals or on sick leave at home.....	143,449
Absent on furlough or as prisoners of war.....	31,695
Absent without leave.....	19,683

Grand aggregate..... 965,591

This force was augmented on the first of May, 1865, by enlistments, to the number of one million five hundred and sixteen of all arms, officers and men, (1,000,516.)

The aggregate available force present for duty on the first of March was distributed in the different commands as follows:

Army of the Potomac.....	103, 273
Headquarters military division of the Mississippi.....	17
Department of the Cumberland.....	62, 626
Department of the Tennessee.....	45, 649
Left wing army of Georgia.....	31, 644
Cavalry corps military divisions of the Mississippi.....	27, 410
Headquarters military division of West Mississippi.....	24
Reserve brigades military division of West Mississippi.....	13, 748
Department of the Gulf.....	35, 625
Department of Arkansas.....	24, 509
Department of the Mississippi.....	24, 151
Sixteenth army corps.....	14, 395
Headquarters military division of the Missouri.....	12
Department of the Missouri.....	18, 557
Department of the Northwest.....	4, 731
Headquarters middle military division.....	841
Cavalry forces middle military division.....	12, 980
Nineteenth army corps.....	6, 612
Middle department.....	2, 089
Department of Washington.....	26, 056
Department of West Virginia.....	15, 517
Department of Pennsylvania.....	820
Department of the East.....	7, 462
Department of Virginia.....	45, 986
Department of North Carolina.....	34, 945
Department of the South.....	11, 510
Department of Kentucky.....	16, 655
Northern department.....	11, 229
Department of the Pacific.....	7, 024
Department of New Mexico.....	2, 501
Grand total.....	602, 598

The active operations of 1865 began with the reduction of Fort Fisher, by a combined expedition of land and naval forces. The port of Wilmington, North Carolina, during the whole war, had been a principal point of foreign trade with the rebels. The advantage of its position defied the most rigorous blockade, and, after the fall of Savannah, it was the only gate through which foreign supplies could pass to the rebels. The strong works and garrison of Fort Fisher, at the mouth of Cape Fear river, were the main defence of Wilmington. On

the 13th of December a force of about 6,500 men, under Major General Butler, started from Fortress Monroe to operate in conjunction with a naval force under Admiral Porter, against Fort Fisher. General Butler effected a landing on the 25th of December, but re-embarked on the 27th, and returned with his troops to Fortress Monroe. The Lieutenant General ordered the enterprise to be renewed by General Terry, who, on the 2d of January, was placed in command of the same troops, with a re-enforcement that made the whole number about eight thousand. On the morning of the 13th of January the troops were disembarked, under cover of a heavy effective fire from the fleet. An assault was made in the afternoon of the 15th of January, and, after desperate hand-to-hand fighting for several hours, the works were carried, the enemy driven out, and about midnight the whole garrison, with its commander, General Whiting, surrendered. The fall of Fort Fisher carried with it the other defences of Cape Fear river. Fort Caswell and the works on Smith's island fell into our hands on the 16th and 17th, Fort Anderson on the 19th, and, General Schofield advancing, the enemy were driven from Wilmington on the 21st of February.

Early in the month of January Major General Sherman, having refitted his army, entered upon his campaign from Savannah, through the States of South Carolina and North Carolina, the incidents of which are detailed in his accompanying report. Its result is thus stated in his special Field Order No. 76:

"Waiting at Savannah only long enough to fill our wagons, we again began a march, which, for peril, labor and results, will compare with any ever made by an organized army. The floods of the Savannah, the swamps of the Combahee and Edisto, the 'high hills' and rocks of the Santee, the flat quagmires of the Pedee and Cape Fear rivers, were all passed in mid-winter, with its floods and rains, in the face of an accumulating enemy; and after the battles of Averysboro' and Bentonville we once more came out of the wilderness to meet our friends at Goldsborough. Even then we paused only long enough to get new clothing, to reload our wagons, and again pushed on to Raleigh and beyond, until we met our enemy suing for peace instead of war, and offering to submit to the injured laws of his and our country."

The operations in General Canby's military division also exercised an important influence at this juncture. After the disaster upon the Red river, a change of the military organization west of the Mississippi was made to meet the emergency. The departments of Arkansas and the Gulf, including Louisiana and Texas, were united in one military division—West Mississippi, under command of Major General Canby. His efforts were directed to the organization and concentration of the forces and material within his division, and in measures to prevent the rebel troops west of the Mississippi from re-enforcing the armies operating east of that river. In the month of July Fort Gaines, Fort Powell and Fort Morgan, constituting important defences of Mobile bay, were reduced by a combined movement of land forces, under General Gordon Granger, detached by General Canby, and co-operating with a naval force under Admiral Farragut. Early in the spring of 1865 a large force, under Generals A. J. Smith, Gordon Granger and F. Steele, was directed against the city of Mobile. The

enemy were driven out of Spanish Fort by bombardment, Fort Blakely was taken by assault, and the city of Mobile was evacuated by the enemy on the 12th of April. The brilliance of these achievements has been overshadowed by the grander scale of operations in other quarters, but their skill and success are worthy of high admiration. After the fall of Savannah, Charleston and Wilmington, the enemy had placed his last hopes on retaining a foothold in the cotton States at Mobile. It was strongly fortified and garrisoned, and orders were issued to hold it at every hazard.

In the latter part of February General Sheridan, under direction of the Lieutenant General, moved from Winchester to Staunton, which place he captured on the 2d of March, taking prisoners, artillery and military stores. He thence moved on Charlottesville, and destroyed the Richmond and Lynchburg railroad, and the bridges across the Rivanna river. Dividing his forces, one column moved to New Market and destroyed the James river canal; the other column pushed towards Lynchburg, destroying the railroad to Amherst Court House. These columns, reuniting, moved to the White House, on the Pamunkey, effecting great destruction of the canal on their route, and thence put themselves in communication with the forces around Richmond.

The month of March, 1865, opened the great campaign against Richmond and the army that had so long defended the rebel capital.

Instructions were given by the Lieutenant General on the 24th of March for a general movement of the national forces around Richmond. It commenced on the morning of the 29th of March. Ten days' marching and fighting finished the campaign. Richmond, Petersburg, the army of Virginia and its commander were captured. Jefferson Davis and his so-called confederate government were fugitives or prisoners of war. Davis fled from Richmond on the afternoon of Sunday, the 2d day of April. The national forces occupied Petersburg and entered Richmond Monday morning. Lee's army was pursued until it reached Appomattox Court House, where on Sunday, the 9th day of April, it laid down its arms on the terms prescribed by General Grant.

From this period the history of the war is but an enumeration of successive surrenders by rebel commanders. On the 26th day of April General Johnston surrendered his command to Major General Sherman, at Raleigh, North Carolina. General Howell Cobb, with twelve hundred militia and five generals, surrendered to General Wilson, at Macon, Georgia, on the 20th of April. General Dick Taylor, on the 14th of May, surrendered all the remaining rebel forces east of the Mississippi to General Canby. On the 11th of May Jefferson Davis, disguised and in flight, was captured at Irwinsville, Georgia. On the 26th of May, General Kirby Smith surrendered his entire command, west of the Mississippi, to Major General Canby. With this surrender the organized rebel force disappeared from the territory of the United States.

The flag of the United States was lowered at Fort Sumter on the 14th of April, 1861, by Major Anderson, who, long besieged by overwhelming rebel forces, was compelled, with his small garrison, to evacuate the works. On the anni-

versary of that day, four years later, the rebel forces having been driven from Charleston, the national banner was planted again upon Fort Sumter, under the orders of the President, by the hands of General Anderson, with appropriate military and naval ceremonies, and a commemorative address delivered by the Rev. Henry Ward Beecher.

Their victorious campaigns ended, the armies of the Tennessee and the Cumberland and the army of the Potomac marched through Richmond to the federal capital, where they were reviewed by the President and the distinguished commanders under whom they had so long and so gallantly served in the field. After this national ceremony they and their fellow-soldiers in other commands were paid, and, as rapidly as the condition of affairs would admit were released from the military service of the country; and, returning to their homes in the several States, they were welcomed with the thanks and rejoicings of a grateful people.

One other event may properly be noticed in this report, as a part of the military history of the rebellion. While our armies, by their gallantry and courage and the skill of their commanders, were overcoming all resistance in the field to the national authority, a swift and sudden blow was aimed at the national existence and at the life of the commander-in-chief of the army and navy, which, for atrocity in its circumstances, the cruel art that designed it, and the peril to which it exposed the government, is unsurpassed in the history of nations. Shortly before the Richmond campaign opened President Lincoln went to the headquarters of Lieutenant General Grant at City Point, where he remained until the capture of Petersburg and Richmond. After their occupation by our forces he visited those cities, and returned to Washington on the evening of Sunday, the 9th day of April. The despatch of the Lieutenant General, announcing General Lee's surrender, was communicated to him about eleven o'clock Sunday night. From that time until he was assassinated his attention was earnestly directed to the restoration of peace and the reorganization of civil government in the insurgent States. In a public address to an assemblage that met at the Executive Mansion on the evening of Wednesday, the 12th of April, to congratulate him on the success of our arms, his views and some of his measures were explained. On the night of the following Friday the President was shot by an assassin, and expired at about seven o'clock on the morning of Saturday, the 15th of April. This assassination appeared to be part of a deliberate, comprehensive conspiracy to assassinate the President, Vice President, Secretary of State, Lieutenant-General, and other officers of the government, with a view to its disorganization. About the same hour of the President's murder, an effort was made to assassinate the Secretary of State, who was then confined to his bed by serious injuries, accidentally received a few days before. He and other members of his family were dangerously wounded. Some of the parties engaged in this conspiracy were tried, convicted, and executed; others are still under sentence of imprisonment for life. The details are given in the report of the Judge Advocate General. The designs upon the Vice President and the Lieutenant General failed; and upon the death of the Presi-

dent, the Vice President was sworn into office, and assumed the duties of President of the United States. These events were promptly communicated to the armies by general orders, and from thenceforth until the present time the government has been administered by Andrew Johnson as Chief Executive and Commander-in-Chief of the army and navy.

The destruction of the rebel military power opened the way to re-establish civil government in the insurgent States. From that period the functions of the military department became simply co-operative with other branches of the federal government.

Nashville, Tennessee, was the first capital of an insurgent State in which the federal authority was re-established. The rebel army was driven out on the 23d day of February, 1862, and that city occupied by the Union forces. On the 3d day of March, 1862, Andrew Johnson, then senator in Congress from the State of Tennessee—the only senator from an insurgent State who retained his seat in Congress—was appointed military governor of the State of Tennessee. He accepted the appointment, and promptly entered upon his duties, and continued to exercise them until his resignation on the 3d day of March, 1865. In all the vicissitudes of the war his administration was directed to the establishment and maintenance of the Constitution and laws of the United States within and over the State of Tennessee. Without entering upon details it is sufficient to remark that extension of civil authority kept pace with the reduction of the rebel power. The federal courts were opened, and justice administered. Under his direction, against many discouragements and much opposition, great advance was made towards the full re-establishment of civil authority, and the restoration of the State to its practical relations to the federal government. He issued a proclamation on the 6th of January, 1864, for the election of township and county officers, justices of the peace, constables, trustees, sheriffs, clerks, registers, and tax collectors. In the month of May a convention was held at Knoxville, East Tennessee, to devise measures for restoring civil government in the State. In the month of August another convention was called to meet at Nashville on the 5th of September, to reorganize the State. A full convention being prevented by the condition of military affairs, this body recommended that another convention, "elected by the loyal people," should assemble at an early day to revise the State constitution. The governor issued a proclamation on the 7th of September, announcing that he should proceed to appoint officers and establish tribunals "in all the counties and districts of the State whenever the people gave evidence of loyalty and a desire for civil government, and a willingness to sustain the officers and tribunals." A convention was called to meet on the 9th of January, 1865, at Nashville, to revise the State constitution. This convention met, amendments to the State constitution were adopted, slavery was abolished, and provision made for submitting the amendments to the people, and for holding elections. The amendments were ratified by popular vote. A governor, legislature, and members of Congress were subsequently (on the 4th of March) elected by the people. The legislature assembled on the first Monday of April; the abolition of slavery was enacted, senators to Congress elected, and a State government was fully

organized, and has since continued in action. This system of reorganization having been found practicable by actual experience, it was adopted by the President, with such modifications as he deemed proper, for all the insurgent States, and is now in course of execution.

The disposition exhibited after the surrender of their armies in all the insurgent States to submit to the national authority dispensed with the necessity of keeping large armies on foot, and indicated the degree to which the war power might be reduced. So much only of the national military force has been kept in each State as is needed to keep the peace, protect the public property, and enforce the laws.

It was apparent that by the surrender of General Lee and his army, the military power, on which alone the rebellion rested, was irretrievably broken, no doubt being entertained that Lee's surrender would be followed by that of Johnston, and perhaps by all other commanders of the insurgent forces. The attention of the department was immediately directed to the following objects, and on the 13th of April, four days after Lee's surrender, public notice was given that orders would be speedily issued to carry them into effect, viz:

First. To stop all drafting and recruiting in the loyal States.

Second. To curtail purchases of arms, ammunition, quartermaster and commissary supplies, and reduce the expenses of the military establishment in the several branches.

Third. To reduce the number of general and staff officers to the actual necessities of the service.

Fourth. To remove all military restrictions upon trade and commerce, so far as might be consistent with the public safety.

These measures have been carried into effect from time to time, as the exigencies of the service would admit. It will be seen from the report of the Adjutant General that troops to the number of 800,963 have already been mustered, paid off, and disbanded. Further reduction is contemplated. Upon the discharge of troops the services of a great number of staff, field, and general officers were no longer required. Of these some have resigned, and others were honorably mustered out. No doubt in many instances it has been painful for gallant and accomplished officers to leave that service to which they have been accustomed, and where they have won honorable distinction. But it is to the credit of the volunteer service that they have recognized the obligation of the government to reduce the military establishment with the occasion that called it into existence, and that their own wishes or interest have not been importunately urged against the necessities of the service.

The disposition of the veteran reserve corps presented some considerations of peculiar nature. It was the inclination of the department to retain it in service until the meeting of Congress. But inquiry showed that a very small per cent. of enlisted men were content to remain in service. All who desired have therefore been discharged, and supernumerary officers mustered out.

Recruiting to fill the regular regiments has continued. Several thousand applications for commissions in the regular service are on file. These commis-

sions, hitherto, have been conferred only by promotion from the ranks. But to secure the requisite number of competent officers, a board has been appointed to examine applicants and determine their relative merit. From the list selected by the board, and in the order of merit, appointments are to be made. Two years' actual service in the war is indispensable for appointment.

The establishment of a well-organized militia system is one of the most important subjects that will demand the attention of Congress. This subject has already received careful consideration, and it is believed that, after conference with the appropriate committees, a practical system may be agreed upon.

Measures for the establishment of homes, and some provisions for the aid and relief of wounded and disabled soldiers, is also a subject that will commend itself strongly to every patriotic heart. Whether this duty, which the country owes to patriots who have suffered in the national defence, can best be performed by the national government or administered by the respective State authorities, and whether relief can best be afforded by an increase of pension, or by establishing homes, are points on which opinions differ, and which can only be settled by the wisdom of Congress.

The Board of Visitors to the Military Academy at West Point, in June last, made an elaborate report, which is herewith submitted. They recommend a reorganization, and a number of measures which, in their opinion, will enhance the benefits of that national institution. To these the attention of Congress is respectfully invited, with the recommendation that the number of cadets be increased, as recommended, and that the superintendence of the institution be no longer confined to the engineer bureau. It is believed that the Military Academy is at present well conducted, and that their responsible duties are efficiently performed by the officers, professors, and instructors charged with the institution.

The war appropriations at the last session of Congress, as has been stated, amounted to the sum of \$546,240,131 70. The estimates for the next fiscal year, commencing June 30, 1866, are \$33,814,461 83.

These estimates are based upon a standing force of fifty thousand men, so organized as to admit of an increase, without additional organizations, to 82,600 troops of all arms.

This estimate has been made after conference and careful consideration, and is believed to be adequate for any national exigency, if the country should be blessed with peace. The reduction of the national military force, in its rapidity and numbers, is without example, and if there be any alarm in the public mind because this reduction is made while grave questions at home and abroad are unsettled, a brief consideration of the subject will show that there is no cause for apprehension.

The force to be retained is small compared with that which was organized to subdue the rebellion. But the only reasons demanding greater force are—1st, renewal of the insurrection; 2d, a foreign war. For either or both emergencies the national resources remain ample. The chief demands for war, as shown by our experience, are, 1st, troops; 2d, arms and ammunition; 3d, clothing; 4th, transportation; and 5th, subsistence supplies.

The troops disbanded were chiefly volunteers, who went to the field to uphold the system of free government established by their fathers, and which they mean to bequeath to their children. Their toils and sufferings, their marches, battles, and victories, have not diminished the value of that government to them; so that any new rebellion would encounter equal or greater force for its reduction; and none can ever spring up with such advantages at the start, or be conducted with superior means, ability, or prospect of success. A foreign war would intensify the national feeling, and thousands, once misled, would rejoice to atone their error by rallying to the national flag. The question of time in which armies could be raised to quell insurrection or repel invasion is, therefore, the only question relating to troops. Our experience in this point is significant. When Lee's army surrendered, thousands of recruits were pouring in, and men were discharged from recruiting stations and rendezvous in every State. On several occasions, when troops were promptly needed to avert impending disaster, vigorous exertion brought them into the field from remote States, with incredible speed. Official reports show that after the disasters on the Peninsula, in 1862, over eighty thousand troops were enlisted, organized, armed, equipped and sent into the field in less than a month. Sixty thousand troops have repeatedly gone to the field within four weeks. And ninety thousand infantry were sent to the armies, from the five States of Ohio, Indiana, Illinois, Iowa, and Wisconsin, within twenty days.

When the rebellion commenced, the nation was a stranger to war. Officers had little experience, privates had none. But the present generation of men in this country are now veteran soldiers. For the battle, the march, or the siege, they are already trained. They are as much at home in the tented field as in the farm-house, the manufactory, or the shop. No time is required to train them; and the speed of the railroad and telegraph determines the time required to raise an army in the United States.

Second. As to arms and ammunition. The disbanded armies were allowed to take home their arms at a nominal price. Rust is not likely to gather on the musket or sabre borne through the campaigns of 1864 and 1865. The government retains in its arsenals more than a million of the best quality of arms and equipments. The artillery on hand tasks the department for its means of storage. The manufacture of ammunition requires materials for which we have in some degree relied upon other countries, because they could be had cheaper. For this reason, and to guard against any mischance, three years' stock of material for ammunition has always been kept in store, and the supply on hand is ample for any war that can be waged against us by any nation.

Third. Clothing, transportation, and subsistence. After selling or distributing among freedmen and refugees all damaged or irregular clothing, the stock of clothing and material in the quartermaster's depots is sufficient for any armies that may be called into service. The water transports and rolling stock, mules, wagons and horses held by the government were adequate to the movement and supply of larger forces, in less time, than had heretofore been known in war. The government has disposed or is disposing of this transportation, but it remains in this country, and can answer any exigency.

Army subsistence is derived from the country in which military operations are carried on, or supplied from other markets. During the war this most vital branch of the service never failed. It answers to the demand, and is ever ready to meet the national call.

It is plain, therefore, that the abundance of our means for war enables the government of the United States to reduce the standing force to a lower degree than any other nation. Unless war be actually raging, the military force can be brought within very narrow limits. However sudden the exigency calling for an exhibition of military power, it can be promptly met. With our education, habits, and experience, the nation, while in the midst of peace, is prepared for war.

The present military organization comprehends nineteen departments, embraced in five military divisions, as follows:

1. The department of the East, Major General Joseph Hooker to command, to embrace the New-England States, New York, and New Jersey. Headquarters at New York city.
2. The middle department, Major General W. S. Hancock to command, to embrace the States of West Virginia, Maryland, (excepting the counties of Montgomery, that part of Anne Arundel lying south of the Annapolis and Elk Ridge railroad, and excluding the city of Annapolis, Prince George's, Calvert, Charles and St. Mary's,) the county of Loudon, and the Shenandoah valley as far south as and including Rockingham county, in Virginia, the States of Delaware and Pennsylvania. Headquarters at Baltimore.
3. The department of Washington, Major General C. C. Augur to command, to embrace the District of Columbia, the counties of Montgomery, that part of Anne Arundel lying south of the Annapolis and Elk Ridge railroad, and including the city of Annapolis, Prince George's, Calvert, Charles, and St. Mary's, in Maryland, and Alexandria and Fairfax counties, in Virginia. Headquarters at Washington.
4. The department of the Ohio, Major General E. O. C. Ord to command, to embrace the States of Ohio, Indiana, Illinois, Wisconsin, and Michigan. Headquarters at Detroit.
5. The department of the Tennessee, Major General George Stoneman to command, to embrace the State of Tennessee. Headquarters at Knoxville.
6. The department of Kentucky, Major General John M. Palmer to command, to embrace the State of Kentucky, and Jeffersonville and New Albany, in Indiana. Headquarters at Louisville.
7. The department of the Missouri, Major General John Pope to command, to embrace the States of Minnesota, Iowa, Missouri and Kansas, and the Territories of Colorado, Utah, Nebraska, Dakota, New Mexico and Montana. Headquarters at St. Louis.
8. The department of Virginia, Major General Alfred H. Terry to command, to embrace the State of Virginia, excepting Alexandria, Fairfax and Loudon counties, and the Shenandoah valley as far south as and including Rockingham county. Headquarters at Richmond.

9. The department of North Carolina, Major General J. M. Schofield to command, to embrace the State of North Carolina. Headquarters at Raleigh.
 10. The department of South Carolina, Major General Daniel Sickles to command, to embrace the State of South Carolina. Headquarters at Charleston.
 11. The department of Georgia, Major General James B. Steedman to command, to embrace the State of Georgia. Headquarters at Augusta.
 12. The department of Florida, Major General John G. Foster to command, to embrace the State of Florida. Headquarters at Tallahassee.
 13. The department of Mississippi, Major General Thomas J. Wood to command, to embrace the State of Mississippi. Headquarters at Vicksburg.
 14. The department of Alabama, Major General C. R. Wood to command, to embrace the State of Alabama. Headquarters at Mobile.
 15. The department of Louisiana, Major General E. R. S. Canby to command, to embrace the State of Louisiana. Headquarters at New Orleans.
 16. The department of Texas, Major General H. G. Wright to command, to embrace the State of Texas. Headquarters at Galveston.
 17. The department of Arkansas, Major General J. J. Reynolds to command, to embrace the State of Arkansas and the Indian Territory. Headquarters at Little Rock.
 18. The department of the Columbia, Brigadier General F. Steele to command, to embrace the State of Oregon, and Territories of Washington and Idaho. Headquarters at Fort Vancouver.
 19. The department of California, Major General Irvin McDowell to command, to embrace the States of California and Nevada and Territories of New Mexico and Arizona. Headquarters at San Francisco.
1. The military division of the Atlantic, Major General George G. Meade to command, to embrace the department of the east, middle department, department of Virginia, department of North Carolina and department of South Carolina. Headquarters at Philadelphia.
 2. The military division of the Mississippi, Major General W. T. Sherman to command, to embrace the department of the Ohio, department of the Missouri and department of Arkansas. Headquarters at St. Louis.
 3. The military division of the Gulf, Major General P. H. Sheridan to command, to embrace the department of Louisiana, department of Texas and department of Florida. Headquarters at New Orleans.
 4. The military division of the Tennessee, Major General G. H. Thomas to command, to embrace the department of the Tennessee, department of Kentucky, department of Georgia, department of Mississippi and department of Alabama. Headquarters at Nashville.
 5. The military division of the Pacific, Major General H. W. Halleck to command, to embrace the department of the Columbia and department of California. Headquarters at San Francisco.

Indian hostilities upon the plains and the overland routes to the Pacific coast have given much annoyance, required the employment of many troops, and occasioned great expense to the military department. Several Indian councils have been held during the past season, and large military expeditions sent out

against hostile tribes and bands. What has been accomplished by treaty or by fighting will doubtless be exhibited in the official reports of the Indian campaigns, which have not yet reached the department.

Disbanding the troops reduces at once the amount to be expended in some items of appropriation, but in others requires larger immediate expenditures. Upon their discharge the soldiers became entitled to all the instalments of bounty which would have fallen due at later periods, and in many cases exceeding a year's pay. The transportation of large armies from the field, in southern States, to their remote homes in the west, or in eastern and northern States, made extraordinary drafts on the quartermaster's department, beyond what would be required for armies marching or encamped. The vast amount of live stock on hand requires forage until sales can be made. These are effected with the utmost diligence; but still this large item of expenditure continues through a large part of the fiscal year. The financial effects, therefore, of the reduction of the army and retrenchment of expenditures can only operate to any great extent on the next fiscal year.

To accomplish the great object of promptly reducing the military expenditures, the following general order was made by the Secretary of War on the 28th of April:

For reducing expenses of the military establishment.

GENERAL ORDERS, No. 77.—Ordered—I. That the chiefs of the respective bureaus of this department proceed immediately to reduce the expenses of their respective departments to what is absolutely necessary, in view of an immediate reduction of the forces in the field and garrison, and the speedy termination of hostilities, and that they severally make out statements of the reduction they deem practicable.

II. That the Quartermaster General discharge all ocean transports not required to bring home troops in remote departments. All river and inland transportation will be discharged except that required for necessary supplies to troops in the field. Purchases of horses, mules, wagons and other land transportation will be stopped; also purchases of forage, except what is required for immediate consumption. All purchases for railroad construction and transportation will also be stopped.

III. That the Commissary General of Subsistence stop the purchase of supplies in his department, except for such as may, with what is on hand, be required for the forces in the field, to the first of June next.

IV. That the Chief of Ordnance stop all purchases of arms, ammunition, and materials therefor, and reduce the manufacturing of arms and ordnance stores in government arsenals as rapidly as can be done without injury to the service.

V. That the Chief of Engineers stop work on all field fortifications and other works, except those for which specific appropriations have been made by Congress for completion, or that may be required for the proper protection of works in progress.

VI. That all volunteer soldiers (patients) in hospitals, except veteran volunteers, veterans of the First Army Corps (Hancock's) and enlisted men of the Veteran Reserve Corps, who require no further medical treatment, be honorably discharged from service, with immediate payment.

All officers and enlisted men who have been prisoners of war, and now on furlough or at the parole camps, and all recruits in rendezvous, except those for the regular army and the First Army Corps (Hancock's,) will likewise be honorably discharged.

Officers whose duty it is, under the regulations of the service, to make out rolls and other final papers connected with the discharge and payment of soldiers, are directed to make them out without delay, so that this order may be carried into effect immediately. Commanding generals of armies and departments will look to the prompt execution of this work.

VII. The Adjutant General of the army will cause immediate returns to be made by all commanders in the field, garrisons, detachments and posts, of their respective forces, with a view to their immediate reduction.

VIII. The quartermaster's, subsistence, ordnance, engineer, and provost marshal general's departments will reduce the number of clerks and employees to that absolutely required for closing the business of their respective departments, and will, without delay, report to the Secretary of War the number required of each class or grade.

The Surgeon General will make similar reductions of medical officers, nurses, and attendants in his bureau.

IX. The chiefs of the respective bureaus will immediately cause property returns to be made out of the public property in their charge, and a statement of the property in each that may be sold, upon advertisement and public sale, without prejudice to the service.

X. The commissary of prisoners will have rolls made out of the name, residence, time and place of capture and occupation of all prisoners of war who will take the oath of allegiance to the United States, to the end that such as are disposed to become good and loyal citizens of the United States, and who are proper objects of executive clemency, may be released upon the terms that to the President shall seem fit and consistent with public safety.

The administrative details of the department during the great military operations that have been mentioned, and what has been done towards a reduction to a peace establishment, will appear in the reports of the respective chiefs of bureaus.

Adjutant General's Report.—From the report of the Adjutant General, it will be seen that the recruiting service of the regular army is progressing favorably; the number of recruits enlisted for all arms, from October 31, 1864, to October 1, 1865, having been 19,555. The regiments comprising it have been distributed to stations, and their ranks are rapidly filling up, thus enabling the department to relieve regiments of volunteer troops. The present authorized strength of the regular regiments is 1,570 officers and 41,819 enlisted men. This estimate is made on the basis of 42 privates to a company, the number now allowed by law at all except frontier posts.

It is recommended in the report that the maximum standard be fixed at 100 enlisted men to a company.

The Adjutant General recommends that provisions be made by law for enlisting one hundred boys, not under twelve years of age, as musicians, as was done before the laws of 1864 and 1865 prohibited the enlistment of minors under the age of sixteen years; that the laws by which one-half of their pay, during the period of absence, is lost by officers absent with leave for more than thirty days in one year, except from wounds or sickness, be repealed; and that an act be passed providing for the enlistment of meritorious disabled soldiers as superintendents of the national cemeteries, numbering about forty, each to receive the pay and allowance of an ordnance sergeant.

Eight volumes of reports of battles, with maps and indexes, prepared under the resolution of Congress of May 19, 1864, have been completed and sent to the government printing office. The publication of the greater part of the remaining reports is only deferred until the receipt of others not yet rendered, and which are required to preserve the chronological order observed in the

preparation of the volumes already completed. The register of volunteer officers called for by resolution of June 30, 1864, and embracing some 200,000 names, will be completed by the time Congress assembles.

The aggregate of volunteers, drafted men, and substitutes ordered to the field between the 1st of November, 1864, and 30th of April, 1865, was 202,117. The number of volunteers, drafted men, and militia mustered out and discharged within the same period was 61,000. In disbanding the forces no longer required after the cessation of hostilities, the same machinery of mustering officers and depots has been used as in recruiting. Regiments have been sent home as fast as they could be transported and paid, the officers being held responsible for the good behavior of the men. Instances have been rare of any disorders. Much credit is due to mustering officers, paymasters, and railroad companies, through whose efforts troops, numbering in the aggregate 800,963 men, have been transported, mustered out and paid.

On the 28th of April, 1865, it was ordered that returns be made of the volunteer forces in the field, with a view to their immediate reduction, and in connexion with this order regulations were prepared and promulgated for their muster out and discharge. In executing this work, promptness and a proper protection of the interests of the government and the troops were held in view; and among other measures necessary to its completion, rendezvous were established in the field, as well as in most of the States. At the field rendezvous all surplus property was taken possession of by the staff officers of the respective supply departments, and the muster-out rolls and other discharge papers prepared under the direction of corps commissaries of musters and their assistants. Corps and department commanders were instructed to see that the work was pushed with energy, using for that end the division and brigade commanders, with their respective staff officers to superintend it. As soon as a regiment or other organization had its muster-out papers prepared, it was placed *en route* to its State for payment and final discharge. At the State rendezvous was located the chief mustering officer of the State, or one or more of his assistants, with paymasters, quartermasters, commissaries of subsistence and ordnance officers, whose duties were with the payment and final discharge of the troops; their care whilst awaiting the same; the reception of the public property turned in by them, and their transportation to their homes after discharge.

By the foregoing arrangements the entire force of commissaries and assistant commissaries of musters for troops in the field have been made available for the work, in connexion with the chief and other State mustering officers. The most experienced mustering officers and those most familiar with the regimental records were secured; the records from which the mustering out data was to be obtained were readily accessible, and the loss of records, (so common through the neglect of regimental officers,) whilst the regiments were *en route* from the field to their States, was avoided. Regimental officers have been held to a rigid accountability in preparing the records, and the interests of the enlisted men thus protected. Order and discipline has been maintained whilst troops were

en route to the States and after arrival therein. Troops have been comfortably cared for up to the moment they were paid off and ready to start for their homes. Dissatisfaction among them has been obviated and causes for complaint removed, and all public property has been easily secured and readily accounted for.

The arrangements for the care of discharged troops being completed, orders to muster out and discharge the forces from service were issued as follows:

April 29.—All recruits, drafted men, substitutes, and volunteers remaining at the several State depots.

May 4.—All patients in hospitals, except veteran volunteers and veterans of the first army corps, (Hancock's.)

May 8.—All troops of the cavalry arm whose terms of service would expire prior to October 1.

May 9.—All officers and enlisted men whose terms would expire prior to May 31, inclusive.

May 17.—All organizations of white troops in the army of the Potomac whose terms of service would expire prior to September 30, inclusive.

May 18.—All organizations of white troops in Major General Sherman's command, whose terms of service would expire prior to September 30, inclusive.

May 29.—All light artillery in the army of the Potomac, ninth army corps, army of Georgia, and army of the Tennessee.

May 29.—All organizations of white troops whose terms of service would expire prior to September 30, inclusive, in armies and departments, except departments of the east, New Mexico, Pacific, and northern.

June 2.—All surplus light artillery; that only absolutely required by the necessities of the service in the respective armies and departments to be retained.

June 5.—All dismounted cavalry, all infantry in the northern department and department of the east, and all cavalry in the department of the east.

June 16.—All troops in the department of the Pacific whose terms of service would expire prior to October 1.

June 17.—All enlisted men of the veteran reserve corps who would have been entitled to their discharge had they remained with their regiments.

June 28.—18,000 veterans (infantry) of the army of the Potomac; 15,000 of the army of the Tennessee, (then consisting of the remaining regiments of the army of Georgia and army of the Tennessee;) and 7,000 of the middle military division.

June 30.—All surplus troops, except in the department of the Gulf, army of the Tennessee, provisional corps army of the Potomac, and 1st army corps. Strength of commands, for all arms, to be reduced to the minimum necessary to meet the requirements of the service.

July 1.—All remaining veteran regiments of the army of the Tennessee and provisional corps; army of the Potomac, (that corps was the remnant of the army of the Potomac.)

July 6.—The remainder of the army of the Tennessee.

July 7.—The remainder of the provisional corps army of the Potomac.

July 21.—All cavalry in the department of Virginia except two regiments, all in the department of North Carolina except one regiment, and all in the middle department except one regiment.

August 1.—All white troops, infantry, cavalry, and artillery, in the department of Texas, which, in the judgment of Major General Sheridan, could be dispensed with.

August 3.—The same order was extended to the department of Louisiana.

August 14.—Additional infantry and heavy artillery (white) in military departments, as follows: Virginia, 5,000; North Carolina, 8,000; Washington, 8,000; Mississippi, 2,000; Kentucky, 5,000; middle, 6,000.

August 21.—3,000 additional white troops in the department of Arkansas.

September 8.—All surplus troops in the department of Washington, so as to reduce that command to 6,000 officers and men of all arms.

September 8.—All organizations of colored troops which were enlisted in northern States.

October 9.—All the remaining forces (white) of the cavalry arm east of the Mississippi.

October 9.—All troops on the Pacific coast, as many as possible immediately; the remainder on the arrival of the last battalion of the fourteenth United States infantry.

October 10.—All troops in New Mexico; one regiment immediately, the remainder on the arrival of certain regular troops.

In addition to the foregoing, and from time to time, as the services of the troops could be dispensed with, sixty-eight regiments, seven companies, and six battalions were ordered mustered out.

The rapidity with which the work has been executed will be apparent from the fact that to August 7, 640,806 troops had been mustered out; August 22, 719,338; September 14, 741,107; October 15, 785,205; November 15, 800,963.

The command of Major General Sherman (army of the Tennessee and army of Georgia) and the army of the Potomac were first to complete their musters-out entirely. Regiments commenced leaving General Sherman's command, then numbering, present and absent, 116,183 officers and men, from the rendezvous, near Washington, on the 29th of May, and on the 1st of August the last one of the regiments mustered out left Louisville, Kentucky, to which point the command (after the musters-out therefrom were partly completed,) was transferred, and the armies composing it merged into one, called the army of the Tennessee. The work of mustering out the troops was not continuous, it having been interrupted and delayed by the transfer of the two armies from this city to Louisville, and their subsequent consolidation.

Regiments commenced leaving the army of the Potomac (when numbering, including 9th corps, 162,851 officers and men, present and absent,) from the rendezvous near this city on the 29th of May, and about six weeks thereafter

(July 19) the last regiment started for home. During the interval the work, like that from General Sherman's command, was not continuous, it being interrupted and delayed by the movement of the 6th corps from Danville, Virginia, to Washington, and the consolidation, by orders of June 28, of the remaining portion of the army into a provisional corps, numbering, present and absent, 22,699 officers and men.

Thus, for the two commands in question, and between the 29th of May and the 1st of August, (two months,) 279,034 officers and men, present and absent, were mustered out and placed *en route* to their homes. Including other armies and departments, the number was increased by August 7 (two months and seven days) to 640,806 officers and men.

From the foregoing it will be seen that the mass of the forces discharged were mustered out by September 14, or within two and half months from the time the movements of troops homeward commenced. The average per month during that time is 296,442.

By reference to the report of the officer in charge of the bureau for the organization of colored troops, it will be seen that the increase in the number of these troops since his last annual report is 49,509, of which 4,244 were recruited in the States in rebellion, and credited to the loyal States, under the provisions of the act of July 4, 1864. The whole number of colored men enlisted into the service of the United States during the rebellion was 178,975. The largest number in service was on the 15th of July, 1865, viz., 123,156. The loss during the war from all causes, except muster out, was 68,178. There have been 33,234 colored troops mustered out. The number remaining in service after existing orders for muster-out shall have been executed will be 85,024. The number of applicants for commissions in colored troops amounted to 9,019, of which 3,790 were examined. Of this number 1,472 were rejected, and 2,318 received appointments. The number of soldiers discharged from regiments, etc., of white troops to accept appointments in organizations of colored troops, was 1,767. It is ascertained, from the reports of inspecting officers, that the *morale* of the organization is good.

Provost Marshal General.—On the 1st day of November, 1864, the date to which the last annual report of the provost marshal general was brought up, the business of recruiting and the draft under the call of July 18, 1864, was in progress:

The number called for was.....	500,000
Reduced by credits on former calls.....	265,673
To be obtained.....	234,327

The whole number of voluntary enlistments under that call was 188,172, viz:

Volunteers, (white).....	146,392
Volunteers, (colored).....	15,961
Regulars.....	6,339
Seamen.....	17,606
Marine corps.....	1,874
Total.....	188,172

The whole number of drafted men and substitutes obtained under that call was 54,707, viz:

Number held to personal service.....	26,205
Number of substitutes for drafted men.....	28,502
	54,707
Number of substitutes for enrolled men.....	29,584

Total..... 84,291

Whole number obtained under the July call..... 272,463

On the 19th of December, 1864, a call was made for three hundred thousand (300,000) men.

Under this call the whole number of voluntary enlistments was 157,058:

Volunteers, (white).....	130,620
Volunteers, (colored).....	10,055
Regulars.....	6,958
Seamen.....	9,106
Marine corps.....	319
Total.....	157,058

The whole number of drafted men and substitutes under that call was 24,580:

Number held to personal service.....	12,566
Number of substitutes for drafted men.....	12,014

24,580

Number of substitutes for enrolled men..... 12,997

Total..... 37,577

Whole number raised under December call was..... 194,635

The suspension of active military operations occurred while the business of the draft, under this call, was in progress, and orders were issued on the 13th

of April, 1865, to discontinue the business of recruiting and drafting; and on the next day all drafted men who had not been forwarded to general rendezvous, were ordered to be discharged, and soon after all who had not been forwarded to the field were discharged by orders through the Adjutant General.

The aggregate quotas charged against the several States, under all calls made by the President of the United States, from the 15th day of April, 1861, to the 14th day of April, 1865, at which time drafting and recruiting ceased, was..... 2,759,049

The terms of service varying from three months to three years, as shown in detail by the books of the Provost Marshal General's office.

The aggregate number of men credited on the several calls, and put into service of the United States in the army, navy, and marine corps, during the above period, was..... 2,656,553

Leaving a deficiency on all calls, when the war closed, of..... 102,496

Which would have been obtained in full if recruiting and drafting had not been discontinued.

This number does not embrace the "emergency men" put into service during the summer of 1863, by the States of New York, New Jersey, and Pennsylvania, nor those furnished by the States of Ohio, Indiana, and Illinois, during the "Morgan raid," amounting in all to over 120,000 men, who served periods of about two or three weeks.

In estimating the number of troops called into service, it has been the rule of the department to take into account the whole number of men mustered, without regard to the fact that the same persons may have been previously discharged, after having been accepted and credited on previous calls.

Under the different calls, volunteers have been accepted for various terms of service, viz: three, six, and nine months, and one, two, and three years respectively; and a large number of persons who had served under one call have subsequently enlisted under another. Thus a portion of those who enlisted under the call in April, 1861, for 75,000 three-months men, again enlisted under the succeeding call in July following for three years; others re-entered the service for nine months, or for one or two years, and at the expiration of these periods again re-enlisted for three years, and the entire "veteran volunteer" force consisted of those who, having served two years, re-enlisted for three years more.

It will be observed, therefore, that a large portion of the number counted in filling calls has been furnished, first, by the re-enlistment of those in service, and, second, by those who have re-entered the service after a discharge from a former enlistment under which they had been credited; that is, the different calls were filled by crediting each accepted enlistment, instead of limiting the credit to the actual number of persons who entered the service anew; and hence to determine the number of men actually entering the service for the first time,

under the different calls, the number credited should be reduced in the same ratio that the enlistments of the same persons have been repeated. The extent of this reduction cannot be calculated at this time, or even estimated with sufficient accuracy to be useful.

It follows, therefore, that on account of a necessary repetition of credits, incident to enlistments, the tax upon the military basis of the country has been less than would appear by considering simply the number of men embraced in the different calls for troops, or the number of credits allowed upon these calls.

The amount of commutation money received from November 1, 1864, to November 1, 1865, was:

On account of draft and substitute fund.....	\$317,130 00
On account of sick and wounded soldiers (from non-combatants, under section 17 of the act of February 24, 1864).....	340,987 53
Total.....	658,117 53
The total amount of "draft and substitute fund" received under the act approved March 3, 1863, is.....	\$25,902,029 25
The total amount expended.....	16,387,135 80
Balance remaining in treasury to credit of this fund.....	9,514,893 45

There are just claims still outstanding which have to be met from this fund. The regiments of the veteran reserve corps have been performing garrison duty in Washington and its defensive works, at the various depots for recruits and drafted men, at the provost marshal's rendezvous, escorting recruits to the field, and more recently performing garrison duty at the several rendezvous for muster-out of the volunteer forces.

Since the termination of active operations no transfers have been made to this corps, nor have any officers been appointed.

The amount expended from the appropriation for "collecting, drilling, and organizing volunteers," from November 1, 1864, to November 1, 1865, was \$1,422,281 73.

The balance of this appropriation remaining in the treasury is \$12,163,386 09, and about half a million dollars is still in the hands of the disbursing officers, which is needed to pay outstanding accounts and expenses incurred in mustering out the volunteer forces of the United States.

As fast as the exigencies of the service permitted, the force employed has been reduced. The surgeons and commissioners of boards of enrolment in all the districts, 370 in number, have been discharged. The different districts have been consolidated, and but thirty-three provost marshals are now in service, all of whom will be discharged as soon as their services can be dispensed with.

No appropriation of money will be required for the support of this bureau during the next fiscal year.

The full report of the operations of the Provost Marshal General's bureau will contain much statistical and other valuable information, which will be submitted when completed.

Paymaster General.—The Paymaster General reports that during the fiscal year ending June 30, 1865, \$7,839,225 47 were paid to the regular army, while \$300,738,635 95 were paid to volunteers, and that the total disbursements since June 30, 1864, to the date of his report, amount in the aggregate to \$524,054,946 37. Payments amounting to \$270,000,000 have been made to about 800,000 mustered-out troops. The highest number of additional paymasters in service during the fiscal year was 447; the number now in service is 210. All the troops retained in service have been paid to June 30, 1865, and many organizations to August 31, 1865, and to all discharged troops in full to date of discharge.

The anticipated payments of bounties to soldiers, and three months' additional pay to officers mustered out that has fallen due by reason of muster out, amount to ninety-one millions seven hundred and fifty thousand dollars, (\$91,750,000.)

The whole sum disbursed by the pay department since the commencement of the war, viz., from July 1, 1861, to July 1, 1865, amounts to one thousand and twenty-nine millions two hundred and thirty-nine thousand dollars, (\$1,029,239,000.)

The total losses and defalcations during the same period, if nothing should be recovered, amount to the sum of five hundred and forty-one thousand dollars, (\$541,000,) and it is believed that not less than half of this amount will be recovered. The total expenses of disbursement, including all pay and allowances, commutation of quarters, fuel, and travelling expenses, for four years and four months, amount to six millions four hundred and twenty-nine thousand six hundred dollars, (\$6,429,600.)

Thus it is seen that the costs of disbursement to armies in the field, and amid all the hazards of unexampled war, and including all losses and expenses, are less than three-fourths of one per cent.

Commissary General of Subsistence.—The subsistence stores required during the year for distribution to the armies in the field, have, as during the earlier years of the war, been purchased in the principal markets of the northern States. The facilities and cost of transportation to the various points where they were required for issue, the relative prices of the different markets, and a due regard to the general commercial interests of the country, have governed the subsistence department in apportioning those purchases among the several market centres of the country. As New Orleans is gradually resuming a healthy commercial condition, a considerable portion of the supplies required for distribution from that point can be obtained in that market. Although the present general condition of the southern States is not such as to afford a large amount of supplies, still subsistence officers are able, in some parts of those States, to enter into contracts for the partial supply of the troops serving therein.

The principal purchasing officers have exhibited much ability in the performance of their duties, and great fidelity to the interests of the country. The principal commissaries immediately responsible for the subsistence of the several armies in the field have discharged the important and often difficult duties of receiving, protecting, and distributing the supplies forwarded to them with commendable efficiency and success. They have also, by great energy, been able to a considerable extent to subsist the troops upon the resources of the country in which the armies were operating, or through which they were passing. It is believed that during the entire war no campaign, contemplated movement, or expedition has failed on account of the inability of the subsistence department to meet its proper requirements, and that the troops, wherever stationed or operating, have, with rare exceptions, been supplied with rations in good and wholesome condition.

The muster-out of a large part of the army, consequent upon the sudden close of active military operations, unavoidably left on hand in some of the depots an excessive supply of subsistence stores. These have been sent to other points where they were required. Surplus and damaged stores will be disposed of by sale. A sufficient quantity of hard bread and other articles have been kept from earlier sale with the view of meeting, in an economical manner, the wants of those people, white and colored, who, by the events of the war, have been reduced to a suffering condition.

Under orders of June 29, 1865, the whiskey ration was discontinued, and the sale of the supply on hand has already taken place at many points, and will soon be completed.

During the past year, as in previous years of the war, a very considerable income has been derived from the sale of the hides, tallow, and other parts of beef cattle not issuable as beef to the troops.

Prisoners of war, held at thirty-two forts, prison-barracks, camps and hospitals, have been well subsisted, having received a sufficient portion and variety of the ration to insure health, leaving in the hands of the several issuing commissaries, as "savings," that portion of the ration not deemed necessary for persons living in entire idleness. The pecuniary value of these "savings" has constituted a prison fund, available, under the instructions of the commissary general of prisoners, for the purchase of articles necessary for the prison-barracks and hospitals, and for meeting other necessary expenses of the prisons. There has been transferred to the subsistence department a "savings" credit of the amount of \$1,507,359.01, and there remains yet to be transferred an amount not less than \$337,766.98, making a total amount of \$1,845,125.99.

Under section 3 of the act of July 4, 1864, 1,470 claims have been submitted, of which 50 have been approved for payment, and 413 disallowed; 650 are awaiting explanation, and 357 remain to be examined.

It is proposed to ascertain and exhibit, in a tabular form, the total quantity of each article of subsistence stores purchased for the use of the army during each year of the war, from 1861 to 1865, inclusive. Such a statement, it is be-

lieved, would prove an interesting addition to the commercial statistics of the country.

The officers of the subsistence department, regular and volunteer, have, with but few exceptions, discharged their duties with fidelity and success.

Surgeon General.—The surgeon general reports that the receipts from all sources and available for the expenses of the medical department during the fiscal year ending June 30, 1865, were \$20,489,680.47. Disbursements during the year, \$19,328,499.23, leaving a balance in the treasury on June 30, of \$1,161,181.24.

The ample provision for sick and wounded existing at the date of the last annual report was increased during the ensuing months until a maximum of 204 general hospitals, with a capacity of 136,894 beds, was reached.

Upon the termination of active military movements, immediate measures were taken to reduce the expenses of the medical department. Of the 201 general hospitals open on January 1, 1865, 171 have been discontinued. Three of the sea-going hospital transports have been discharged; the fourth is now constantly engaged in transfer of sick and wounded from southern ports to the general hospitals in New York harbor. All of the river hospital-boats have been turned over to the quartermaster's department, and but a single hospital train is retained in the southwest. The vast amount of medicines and hospital supplies made surplus by the reduction of the army has been carefully collected at prominent points, and is being disposed of at public auction, most of the articles bringing their full value, and in some instances their cost price.

Two hundred and fourteen surgeons and assistant surgeons of volunteers have been mustered out, and of the 265 hospital chaplains appointed during the war 29 only are still in commission.

The returns of sick and wounded show that of white troops 1,057,423 cases have been treated in general hospitals alone, from 1861 to July 1, 1865, of which the rate of mortality was 8 per cent. In nearly all sections of the country, the health of the troops has been fully equal to that of preceding years, though military movements of unprecedented magnitude have been pushed to successful termination, without regard to seasons. An epidemic of yellow fever prevailed at Newbern, N. C., in the fall of 1864, and the released or exchanged prisoners arriving at Wilmington, N. C., from rebel prisons, suffered from an epidemic of typhoid fever. With these exceptions no serious epidemics have appeared, and it is interesting to note that quarantine regulations, strictly enforced by military authority, have proven, during the occupation of southern seaports and cities by our troops, to be an absolute protection against the importation of contagious or infectious diseases. In view of the apprehensions entertained in regard to the Asiatic cholera, now devastating the shores of the Mediterranean, this becomes a significant fact.

In addition to the alphabetical registers of dead, not yet fully completed, the records of the medical department contain 30,000 (thirty thousand) special reports of the more important forms of surgical injuries, of diseases and opera-

tions. These reports, with statistical data, and a pathological collection numbering 7,630 specimens, furnish a mass of valuable information, which is being rapidly arranged and tabulated, as a medical and surgical history of the war, for the publication of the first volume of which an appropriation will be asked.

In this connexion, and as illustrating more in detail the importance of this work, the Army Medical Museum assumes the highest value. By its array of indisputable facts, supported and enriched by full reports, it supplies instruction otherwise unattainable, and preserves for future application the dearly bought experience of four years of war. Apart from its great usefulness, it is also an honorable record of the skill and services of those medical officers whose contributions constitute its value, and whose incentive to these self-imposed labors has been the desire to elevate their profession. A small appropriation has been asked to continue and extend this collection.

For recommendation of measures tending to the greater efficiency of the medical department, reference is made to the special report from the Surgeon General's office, which will be submitted to the appropriate congressional committees.

Quartermaster General.—The report of the Quartermaster General contains a statement of the operations and expenditures of the department under his control during the fiscal year ending 30th June, 1865. The principal movement of troops by the quartermaster's department during that time are described. They have been made promptly and with few accidents, and are striking illustrations of the improvements in the art of war which have been developed during the late contest.

The twenty-third army corps, after fighting at Nashville, in the midst of ice and snow in December, 1864, was, on the conclusion of the campaign in the west, transferred from the valley of the Tennessee to the banks of the Potomac, moving by river and rail down the Tennessee, up the Ohio, across the snow-covered Alleghanies, a distance of 1,400 miles, and in the short space of eleven days was encamped on the banks of the Potomac, then blocked up with the ice of a most severe winter. Vessels were collected to meet this corps, the obstacles interposed by the ice were overcome, and early in February the troops composing it were fighting before Wilmington, on the coast of North Carolina.

The transfer of the eleventh and twelfth corps, under General Hooker in 1863, from the Potomac to the Tennessee, is the only parallel to this movement. That was an almost unexampled operation at the time. General Hooker's command contained 23,000 men, and was accompanied by its artillery and trains, baggage and animals, and accomplished the distance from the Rapidan, in Virginia, to Stevenson, in Alabama, a distance of eleven hundred and ninety-two miles, in seven days, crossing the Ohio river twice. The twenty-third army corps moved 15,000 strong.

Other important operations are described, among which are the supply of the army of Lieutenant General Grant before Richmond; of the army of General Sherman at Atlanta, preparatory to his march to Savannah; of the same army

at the depots on the Atlantic, on his communicating with the coast, first at Savannah and afterwards at Goldsborough, at both of which places depots were established, and his army re-enforced and equipped with everything necessary to make successful campaigns.

The transfer of the twenty-fifth army corps, 25,000 strong, in the month of May, from the James to the coast of Texas, is fully described, and the extent and cost of the fleet used in this movement are set forth in full.

Transportation was promptly supplied from all parts of the south to their homes in the north, for the immense army which has been disbanded, and the organization of the department which has made it possible to meet these demands so promptly is believed to have been at least as perfect as that of any other nation.

The report gives tables of the quantities of the principal military supplies, clothing, forage, fuel, horses, mules and wagons, which have been purchased, transported, and used during the fiscal year. It contains full statements of the vessels which have been in the service during that time upon the western rivers and upon the ocean and bays. Many of them have now been discharged from service or advertised for sale, orders for the reduction of the transport fleet having been given as soon as hostilities ceased.

The return of the armies from the south, the transportation of the discharged soldiers to their homes, the transfer of troops to Texas, the return of refugees expelled from the south by General Sherman, and of rebel prisoners released at the termination of the war, have, however, taxed the resources of the quartermaster's department heavily during the last spring and summer.

The transport service has been most satisfactorily performed. Upon the ocean a fleet of over 700 vessels has been constantly employed, with the reported loss by storm, by collision, and by fire, of only three; one steamship was destroyed in each of these modes.

The repair of the railroads from Chattanooga to Atlanta by the military railroad branch of the quartermaster's department, under the charge of Brevet Brigadier General D. C. McCallum, was referred to in the last annual report. Upon the advance of General Sherman from Atlanta, he destroyed the railroad in his rear, blew up all the railroad buildings at Atlanta, sent back his surplus stores and all the railroad machinery which had to that time supplied his army. The stores and the railroad stock were safely withdrawn to Nashville, and after the dispersion of the army of Hood, which had broken the railroad in Georgia and Tennessee in its advance, the railroad construction corps again took the field, and reopened railroad communication with Chattanooga, Atlanta, and Decatur. After the fall of Macon and Augusta it became necessary, in order to supply the army of Major General Wilson, to open railroad communication between Augusta and Atlanta, and Macon. This was successfully accomplished.

A division of the construction corps, fully organized, under the command of Colonel Wright, with tools and equipments, was transferred, in December and January, from the Tennessee to Savannah, by way of Baltimore. As General

Sherman did not repair the railroads of Georgia and South Carolina, but marched northward, lightly equipped, living upon the supplies in his wagon trains, and by foraging upon the enemy, this division of the construction corps was transferred to Beaufort, North Carolina, and after its fall to Wilmington, where it repaired and restocked the railroads from these ports to Goldsborough and to Raleigh. General Sherman's army was thus quickly provisioned, re-clad, reshod, and equipped for a march to the James.

The surrender of the rebel armies and pacification of the southern States have enabled the quartermaster's department to return to their former possessors most of the railroads which have been in military possession during the war. The department, in transferring them to their boards of directors—reorganized upon a loyal footing—delivers up the roads and bridges in whatever condition they may be at the time of the transfer.

The great accumulation of railroad engines and cars upon the western military railroads is being disposed of to the railroads of the southwest, which have suffered severely from the operations of both armies during the war. Under the orders of the Executive this stock is being delivered to the companies, who are to pay for it within two years, at a valuation fixed by a board of officers and experts, assembled by the government.

The reconstruction of these roads and their successful operation are of great importance, not only to the districts in which they are located, but to the general commerce and prosperity of the country; and the liberal policy pursued towards them will react favorably upon the revenue and credit of the nation.

The agreement made early in the war with the railroad companies of the loyal States, fixing reduced rates of military transportation, remains in force, and has been extended to the railroads in the southern States since the termination of hostilities.

Full reports are given of the quantities of clothing, camp and garrison equipment furnished to our armies during the past year, and also during the war. The tables accompanying the quartermaster general's report give information on these points, which shows in a favorable light the manufacturing power of the country.

The vast supplies of forage required for the armies have been promptly furnished and transported to the depots. While moving through the southern country the armies found ample quantities, and it was only when lying still in camp that they had any difficulty in supplying themselves.

During the year over 29,000,000 bushels of grain and 400,000 tons of hay have been provided by the depots of the quartermaster's department; 336,000 cords of wood and 832,000 tons of coal have also been supplied by the depots. Troops in the field have supplied themselves with fuel from the forests in which they have operated. The depots of the quartermaster's department have, during the war, furnished the army with 23,000,000 bushels of corn, 78,000,000 bushels of oats, 93,000 bushels of barley, 1,500,000 tons of hay, 20,000 tons of straw, 550,000 cords of wood, and 1,600,000 tons of coal, all of which have

been purchased, measured, transported, issued and accounted for by its officers and agents. At the depot of Washington alone there have been issued during the year 4,500,000 bushels of corn, 29,000,000 bushels of oats, 490,000 tons of hay, 210,000 cords of wood, and 392,000 tons of coal.

The supply of horses and mules for the army has been regular and sufficient. There were purchased during the fiscal year 141,632 cavalry horses; from September 1st, 1864, to 30th June, 1865, 20,714 artillery horses; and from 1st July, 1864, to 30th June, 1865, 58,818 mules. Prices of horses varied during the year from \$144 to \$185; of mules, from \$170 to \$195.

The reduction of the army has enabled the quartermaster's department to dispense with large numbers of horses and mules, and to the 17th October the sales of animals are estimated to have produced \$7,000,000.

The teams and animals of the armies have, as during previous fiscal years, averaged about one wagon to twenty-four men in the field, and one horse or mule to every two men.

The burial records of the quartermaster's department, which do not include the names of those who fell in battle and were buried immediately on the field by their comrades, show the interment in cemeteries of 116,148 persons, of whom 98,827 were loyal, 12,596 disloyal, and of whom 95,803 were whites and 20,345 colored persons.

The military cemeteries at Washington, Alexandria, Arlington and Chattanooga, have been carefully tended and decorated.

An officer, with material and men, to mark the graves of our brethren who fell victims to rebel barbarity at Andersonville, was despatched from Washington as soon as the country was opened to us, and reports that he has enclosed the cemetery and marked the graves of 12,912 soldiers buried therein. Of these the captured records of the prison hospital enabled him to identify 12,461, and their names were recorded upon head-boards, painted white, and planted at the head of their graves. On 451 graves he was compelled to put the sad inscription, "*Unknown U. S. soldier.*" The list of these names is in course of publication. The names of those who have been interred in the military cemeteries of the District of Columbia and at Arlington have already been published and distributed to State authorities and public institutions, as well as to newspapers which publish official advertisements, so as to be made accessible to their friends.

The military organization of the operatives and agents of the quartermaster's department, referred to in the last annual report, was kept up until the close of the war. It did good service in the fortifications, at the attack on Washington in July, at the attack on Johnsonville in the fall, and bore a part in the battle of Nashville, on the 15th and 16th of December, 1864, which gave the final blow to the rebellion in the west. Upon the cessation of hostilities this organization was disbanded, its arms restored to the arsenal, and most of its members have returned to peaceful pursuits.

The employment of colored men in the quartermaster's department, in connexion with the trains of the army, as laborers at depots and as pioneers of the

troops of the western army, continued to the close of the war. In all these positions they have done good service and materially contributed to the final victory which confirmed their freedom.

The great cost of transportation of supplies across the western plains and mountains to the depots and posts of the wilderness, and for the supply of troops operating against the Indians, is reported, and the Quartermaster General calls attention to the importance, in this view, of the vigorous prosecution of the work of the railroads to connect the Mississippi valley with the Pacific coast, as a military precaution and a measure of economy, deserving the fostering care of the government.

Retrenchment in the Quartermaster General's Bureau.—The Quartermaster General reports that immediately on the termination of active hostilities, under orders from the Secretary of War, he took measures to reduce expenditures; to discharge operatives and agents; to discharge chartered transports, and to sell those belonging to the United States not needed to bring home troops for muster-out; to reduce the number of horses in reserve at the depot; to stop the purchase of horses and mules, and to sell those belonging to the troops disbanded; to cease making contracts and purchases of clothing and equipment; to stop the repair and construction of military railroads; to return all such railroads to their former owners, and to sell or dispose of the rolling stock and other material used thereon.

He reports sales of 128,840 horses and mules, for which the sum of \$7,500,000 was received.

Of 5,355 persons employed in the cavalry bureau, three-fourths have been discharged. Those still employed are engaged in receiving, caring for, and selling the animals turned in by the armies.

The purchase and manufacture of clothing, which during the past fiscal year had caused an expenditure of between eight and nine millions per month, has ceased entirely, and, by compromise with merchants, contracts for clothing and equipment, amounting to four millions of dollars, have been cancelled.

Twenty-five hundred buildings, vacated, have been ordered for sale.

The sales of buildings, wagons, harness, tools, iron and other like material, have realized thus far a million of dollars.

Over seventeen hundred miles of military railroad, operated for the department by twenty-three thousand seven hundred workmen and agents, at a monthly cost of one and a half million of dollars, have been restored to their former owners, and the number of persons employed in completing the accounts, in taking care of and disposing of the railroad property not yet sold or transferred, has been reduced to less than five hundred, the rest having been discharged.

The rolling-mill at Chattanooga, its product, and the scrap iron there collected, have been sold: the mill for one hundred and seventy-five thousand dollars; the rolled iron for two hundred thousand dollars, and the old iron for about one hundred thousand dollars.

Eighty-three engines and one thousand and nine cars have been sold for a million and a half of dollars. Over two hundred locomotives and two thousand cars have been sold at appraised values, on credit, to the southern railroads.

Of five hundred and eighty-eight steamboats and other boats employed on the western rivers all but eleven have been put out of commission. The sales of many of those owned by the United States have been effected. These sales are not yet concluded; they will produce about eleven hundred thousand dollars.

Of the transport fleet upon the ocean on the 1st of January last, four hundred and sixty steamers and vessels of all kinds have been discharged or laid up for sale, and many of them have already been sold. The fleet has been reduced over one hundred thousand tons, and vessels are daily arriving at home ports to be discharged or sold. The monthly expenses of the transport fleet have been reduced \$1,814,130.

A million of dollars has been received from the sales of vessels belonging to the department, which will be increased by future sales.

In all, 83,887 persons, employed on wages, had been discharged from the service of the quartermaster's department at the end of September, 1865, reducing its expenses per month \$4,086,093.

The sales of property of all kinds reported and recorded on the books of the Quartermaster General's office, from the 20th of April to the 8th of November, 1865, amount to \$13,357,345.

The cost of forage issued to the armies during the month of March last is estimated at three millions two hundred and ninety-four thousand dollars. In the month of September it is estimated at one million one hundred and thirty-four thousand dollars, a reduction in monthly expenditure of \$2,160,000. The armies on the eastern coast have been supplied with forage purchased before the end of May last. No considerable purchases have been made in the east since that time. Purchases of forage since May have been confined to the supply of the troops in Georgia and upon the Gulf coast in Texas, and upon the western plains.

The consumption of coal in the month of March last was 90,685 tons, costing \$748,151. In September it had been reduced to 25,592 tons, costing \$204,736, a reduction of monthly expenditure of \$543,415.

Chief Engineer.—The report of the Chief Engineer of the army gives the operations of the department under his charge, and the duties of the officers of the corps of engineers. This corps consisted, on June 30, 1865, of eighty-five officers, the Military Academy, and five companies of engineer troops. Every member of the corps has been on duty uninterruptedly during the year. At the date of the report twelve officers, being generals in command of troops, were on detached service, and others were on staff duty, or detailed for service under the orders of the Light-house Board and the Department of the Interior, the remainder being on duty at the Military Academy, on sea-coast defences, survey of the lakes, with the engineer battalion, and as assistants to the Chief Engineer. The particular services rendered by these officers are recited in the nar-

atives and other statements accompanying the report, and comprise the professional duties of the engineer, together with those of the various arms of the service to which the officers have been assigned. In general, every army and military expedition has had assigned to it officers of this corps. Their reports give the plans of attack and defence, as well as the outlines of the marches by the armies to which they were attached, and together constitute a comprehensive statement of the last year's operations of the armies.

The sea-coast defences have progressed in proportion to the available means and the number of officers who could be assigned to this branch of duty. The efforts of the engineer department have been principally directed to constructions for mounting the guns of large calibre now essential in consequence of corresponding armaments in iron floating batteries. The permanent forts on the Gulf, since their repossession by the government, have been repaired and put in a defensive condition. The available means of the department will suffice to accomplish all that is required at these works, and at those of the southern Atlantic coast, until plans are matured for modifications adapting them to the existing sea-coast armaments.

The Military Academy has continued to furnish a limited number of graduates for the subordinate grades of the army, a number, however, which has not for years past sufficed to fill the vacancies, in the line and staff, occasioned by the casualties of the service. The Chief Engineer, in view of this fact, recommends an increase of the number of cadets; and, in order to economize in the expenses of the institution, proposes a mode of selecting candidates from nominees for each vacancy, that will, he thinks, with more certainty insure proficiency in studies and the military art, by those aspiring to enter the service.

The survey of the northern lakes has progressed during the year as heretofore. The repairs and preservation of the harbors on the lakes and on the Atlantic have been prosecuted to the full extent of the resources of the department in officers and available funds. Success in this branch of engineering is attended with greater difficulties than are met in most others in which science and skill are called upon to promote the interests of the country. Heretofore the plans of improvement adopted have been directed to secure immediate results, and the source of the evil having been left to exercise its influence, has rendered constant repetitions of labor and expenditures necessary. The Chief Engineer is now calling upon the officers charged with works of this character for plans to arrest the cause of constant obstructions to commerce, and it is hoped that measures may be devised by which these improvements may be made to endure for a longer period, if not to become permanent in their nature.

The expenditures of the engineer department during the year amounted to \$5,479,420 23.

Ordnance Bureau.—The fiscal resources of the Ordnance bureau for the past year amounted to \$45,783,656 10, and the expenditures to \$43,112,531 27, leaving a balance of \$2,671,124 83 to the credit of disbursing officers, in the government depositaries, on June 30, 1865.

The estimates for the next year are for objects not confined to a state of war, but for such as are required to keep up a proper state of preparation, and to reserve the large and valuable munitions of war now on hand. On the termination of the war, measures were promptly taken to reduce the procurement of supplies, and to provide storage for the munitions returned to the arsenals from the armies, and captured from the enemy. Commodious fire-proof workshops are being erected at Allegheny, Watervliet, and Frankford arsenals, and it is contemplated to erect similar shops at Washington arsenal, for which there is an appropriation. These shops can be advantageously used for storage when their entire capacity for manufacturing purposes is not needed.

From the evident importance of arming the permanent fortifications as fast as they are built, the construction of cannon and carriages for this purpose, so far as existing appropriations warrant, has not been intermitted. It is contemplated to increase the capacity of manufacturing sea-coast carriages in proportion to the readiness of the forts to receive them, and to discontinue the fabrication of wooden carriages for field and siege guns, in favor of iron carriages, which experiments have shown are preferable for that service. Cast-iron smooth-bore cannon, of large calibre, as now made, are found to be entirely reliable; but not so the heavy rifled cannon, as heretofore made and tried. The failures, on trial, of the wrought-iron guns made by Mr. Horatio Ames, indicate that these guns can not be relied upon, and that no more of them ought to be made for this department. Two experimental cast-iron eight-inch rifle guns have been made of the model and weight supposed to render them reliable for service. They are now undergoing extreme proof, to test them thoroughly.

The manufacture of arms at the National Armory was reduced at the conclusion of hostilities as rapidly as could be done with economy, and at present no new muskets are being made there. With a view to change the model of small arms from muzzle-loaders to breech-loaders, extensive experiments have been made; but they have not yet resulted in the selection of a model of such decided excellence as to render its adoption for the service advisable. It is hoped that such a model may soon be found. A plan for altering the musket of the present pattern into efficient breech-loaders has been devised, and five thousand of them are being so altered for issue to troops for practical test. There are nearly one million of good Springfield muskets on hand, and upwards of half a million of foreign and captured muskets. The latter will be sold whenever suitable prices can be obtained for them, and also other ordnance stores of a perishable nature, which are in excess of the wants of the service.

The necessity of providing a suitable depository for gunpowder, with proper magazines for its storage and preservation, which was stated in the last annual report, is again mentioned, and the requisite legislation is urged.

A partial provision for this object, as far as respects a supply for the Mississippi valley, has been made on the military reserve at Jefferson Barracks.

The government has not yet acquired a title to the property on Rock Island, taken possession of under the act of July 19, 1864. It is important that this

be done with as little delay as practicable. The importance of having full possession and control of Rock Island, including the adjacent islands, and the right of way, is stated in the report of the Chief of Ordnance, and additional legislation therefor, if necessary, is recommended.

Several of the southern arsenals have been reoccupied, and it is intended to reoccupy them all, except that at Fayetteville, N. C., which has been destroyed. The necessary measures have been taken for the preservation of the powder mill at Augusta, and the laboratory and unfinished armory at Macon, Georgia, which have been captured.

The number of permanent United States arsenals and armories is twenty-eight. The command and supervision of these, together with the inspection services required at the arsenals, the foundries, the powder mills, and other private establishments engaged in work for the Government, furnish constant employment for the whole number of ordnance officers (sixty-four) now authorized by law. The proper discharge of these essential duties requires that that number should be continued as part of the military peace establishment of the country.

The armies in the field have been amply and well supplied with arms and other ordnance stores, and the fortifications have had their armaments kept in order and strengthened and increased by additional guns of heavy calibre and great efficiency.

The Signal Corps.—On the 1st of November, 1864, the signal corps numbered 168 officers and 1,350 enlisted men, distributed in detachments among the armies in the field and the military departments. All that portion of the signal corps on duty east of the Mississippi river has been mustered out of service, the act of Congress under which the corps was organized having limited its organization to the duration of the rebellion. There now remain 9 officers and 37 enlisted men in the military division of the Mississippi, and 15 officers and 99 enlisted men in the military division of the Gulf. These detachments are operating with the troops on the plains, in Texas, and along the southwestern boundary.

The expenditures from appropriations for the signal service amounted to \$8,537 06, during the year ending September 30, 1865. The balance unexpended amounts to \$248,062.

Military Telegraph.—The telegraph has continued to be a most efficient and important instrument in military operations. Its officers have shown the same devotion and fidelity which have signalized their efforts during former years. There have been constructed during the year 3,246 miles of military telegraph; 8,323 miles have been in operation during the year, and at its termination 6,228 miles were still in use. The expenditure upon the military telegraph during the fiscal year was \$1,360,000; since the beginning of the war \$2,655,500. There have been constructed and operated in all during the war about 15,000 miles of military telegraph. Control has been assumed of the telegraphs of the late rebellious districts as fast as they fell into our hands, and arrangements are now

made by which the lines are kept in repair by the stockholders, the United States being at the expense only of purely military lines and stations.

Military Prisoners and Prisoners of War.—The report of the Commissioner of Exchanges exhibits the exchange transactions during the war, with statistical tables and other information respecting the condition and treatment of prisoners on each side.

Frequent inspections of military prisons have been made from time to time, and all military prisoners have been released, except such as were under sentence or awaiting trial for murder, arson, or other grave offences. Clemency has been extended liberally, as was deemed compatible with public security. All persons imprisoned for offences against the draft laws have been released, and all deserters from the volunteer service. Since the surrender of Lee's army the danger to the national safety from combinations and conspiracies to aid the rebellion or resist the laws in the States not declared to be insurgent has passed away; it is therefore recommended that the proclamation suspending the writ of *habeas corpus* in those States be revoked.

The Commissary General of Prisoners reports that between the 1st of January and the 20th of October, there were in our custody ninety-eight thousand eight hundred and two prisoners of war. Of these nineteen hundred and fifty-five enlisted into the United States service. Sixty-three thousand four hundred and forty-two were released after the cessation of hostilities, and thirty-three thousand one hundred and twenty-seven were delivered in exchange. Besides these, one hundred and seventy-four thousand two hundred and twenty-three prisoners surrendered in the different rebel armies, and were released on parole, viz:

Army of Northern Virginia, commanded by General R. E. Lee.....	27,805
Army of Tennessee and others, commanded by General J. E. Johnston.....	31,243
General Jeff. Thompson's army of Missouri.....	7,978
Miscellaneous paroles, department of Virginia.....	9,072
Paroled at Cumberland, Md., and other stations.....	9,377
Paroled by General McCook in Alabama and Florida.....	6,438
Army of the department of Alabama, Lieutenant General R. Taylor.....	42,293
Army of the trans-Mississippi department, General E. K. Smith.....	17,686
Paroled in the department of Washington.....	3,390
Paroled in Virginia, Tennessee, Georgia, Alabama, Louisiana and Texas.....	13,922
Surrendered at Nashville and Chattanooga, Tennessee.....	5,029
Total.....	174,293

Judge Advocate General.—In the Bureau of Military Justice, since March 2, 1865, there have been received, reviewed, and filed 16,591 records of general courts-martial and military commissions, and 6,123 special reports have been made as to the regularity of proceedings, the pardon of military offenders, the remission or commutation of sentences, and upon the numerous miscellaneous

subjects and questions referred for the opinion of the bureau, including also letters of instruction upon military law and practice to judge advocates, reviewing officers, &c. By comparing these details with those presented in March last, it will be perceived that the business of this bureau, especially as an advisory branch of the War Department, has not yet been diminished or sensibly affected by the altered condition of public affairs.

The "Digest of Opinions of the Judge Advocate General," issued by the bureau in January last, having come into extensive use throughout the army, has proved of considerable advantage to the service in contributing to establish a uniformity of decision and action in the administration of military justice. As the present edition of the work has been very nearly exhausted, it is proposed to prepare during the coming winter an enlarged edition, containing, in connexion with those already published, a selection of the official opinions communicated by the Judge Advocate General during the present year.

The chief of the bureau expresses his satisfaction with the ability and efficiency with which the officers and clerks connected with it have performed their several duties, and, in view of the fact that the business of this branch of the public service will probably not be materially diminished for the next twelve months, is of the opinion that its present organization may well be continued by Congress.

Freedmen's Bureau.—By an act of the last session of Congress a new bureau in the War Department was created, called the Bureau of Freedmen, Refugees, and Abandoned Lands. Its object was to supply the immediate necessities of those whose condition was changed by hostilities, and were either escaping or escaped from slavery to obtain freedom, or were driven from their homes by the pressure of war, or the despotism of the rebellion. Its aid was designed for the needy of both races, white and black, and to administer as well aid from the government and from charitable individuals and associations. No appropriation was made to carry this act into effect, but the condition of the people in the insurgent States required prompt relief. The act of Congress authorized the assignment of military officers to duty in the bureau, and under this provision it was organized. Major General Howard was assigned to duty as commissioner; other officers selected by him were assigned for agents and assistants, and an organized system of relief has gone into operation. The report of the commissioner, which has not yet been furnished to the department, will show the operation of the Freedmen's Bureau during a period of several months, and afford some means to judge what regulations are required. It is plain that some such organization is wanted in the insurgent States to relieve promptly great and pressing need arising from the war, and social disorganization resulting from the war. Proper provision for the colored population whose condition has been changed by direct act of the federal government, to serve its own purposes in the conflict, is a solemn duty. More or less resistance to the performance of this duty is to be expected while any rebellious or hostile spirit remains, but the obligation to perform it cannot be evaded or thrust aside with national honor or safety. A numerous class of white persons who, without fault

in themselves, are suffering want occasioned by the ravages of war, have also a just claim for relief. But while discharging these obligations to needy destitute white persons and the freed colored people, the utmost care must be observed to guard against establishing a national system of pauperism that might foster a horde of idle officials or dishonest agents, and engender vice, sloth, and improvidence among a large class of persons. To avoid this evil and insure strict supervision, it is urgently recommended, first, that all appropriations of money for the Freedmen's Bureau be made in specific terms, distinct from any other purpose; second, that the number of agents and employés, and their compensation, be fixed by law; third, that the duties and powers of the bureau, in respect to persons and property, be defined by law.

By the heads of the respective bureaus of the War Department and their staffs the government has been served with a zeal and fidelity not surpassed by their brethren in the field. To them the honors and distinction of an admiring public have not been opened, but in their respective vocations they have toiled with a devotion, ability, and success for which they are entitled to national gratitude.

Beside the signal success vouchsafed to our arms, other causes contributed to overthrow the rebellion. Among the chief of these may be reckoned:

1. The steadfast adherence of the President to the measure of emancipating the slaves in the rebel States. Slavery was avowed by the leaders of the rebellion to be its corner-stone. By that system millions of people, constituting nearly the whole working population of the south, were employed in producing supplies on the plantation, in the workshops and manufactories, and wherever labor was required, thus enabling the white population to fill the rebel armies. The hopes of freedom, kindled by the emancipation proclamation, paralyzed the industrial power of the rebellion. Slaves seized their chances to escape, discontent and distrust were engendered, the hopes of the slave and the fears of the master, stimulated by the success of the federal arms, shook each day more and more the fabric built on human slavery.

2. The resolute purpose of Congress to maintain the Federal Union at all hazards, manifested by its legislation, was an efficient cause of our success. Ample supplies appropriated for the army and navy, revenue laws for supplying the treasury, careful revision and amendment of the laws for recruiting the army and enforcing the draft, gave practical direction to the patriotic purpose of the people to maintain a national existence that should afford protection and respect by means of the Federal Union.

3. Patriotic measures adopted by the governors of loyal States, and the efficient aid they rendered the War Department in filling up the ranks of the army and furnishing succor and relief to the sick and wounded, largely contributed to the national preservation. Of these measures one of the most important was the aid tendered by the governors of Ohio, Indiana, Illinois, Iowa, Wisconsin, and Michigan in the opening of the campaign of 1864.

On the 21st day of April, 1864, Governors Brough, Morton, Yates, Stone, and Lewis made an offer to the President to the following effect:

That these States should furnish for the approaching campaign infantry troops, 30,000 from Ohio, 20,000 from Indiana, the same number from Illinois, 10,000 from Iowa, and 5,000 from Wisconsin; the term of service to be one hundred days; the whole number to be furnished within twenty days; the troops to be armed, equipped, and transported as other troops, but no bounty to be paid, nor any credit on any draft, and the pending draft to go on until the State quota was filled.

After full consideration and conference with the Lieutenant General, this offer was accepted by President Lincoln. The State of Ohio organized within four weeks, and placed in the field, 35,646 officers and men, being 5,646 troops more than the stipulated quota. Other States, less able to meet the contingency, contributed with alacrity all that could be raised.

Although experience had shown that troops raised for a short term were more expensive and of less value than those raised for a longer period, these troops did important service in the campaign. They supplied garrisons and held posts for which experienced troops would have been required, and these were relieved so as to join the armies in the field. In several instances the three-months troops, at their own entreaty, were sent to the front, and displayed their gallantry in the hardest battles of the campaign.

4. The result of the presidential election of 1864 exerted an important influence upon the war. Intercepted letters and despatches between the rebel leaders showed that their hopes of success rested greatly upon the presidential election. If the Union party prevailed, the prosecution of the war until the national authority should be restored appeared inevitable, and the rebel cause desperate. Even on the battle-field the influence of the election was felt. The overwhelming voice of the people at the presidential election encouraged the heroic daring of our own troops, and dismayed those who were fighting in a hopeless cause.

5. The faith of the people in the national success, as manifested by their support of the government credit, also contributed much to the auspicious result. While thousands upon thousands of brave men filled the ranks of the army, millions of money were required for the treasury. These were furnished by the people, who advanced their money on government securities, and freely staked their fortunes for the national defence.

Looking to the causes that have accomplished the national deliverance, there seems no room henceforth to doubt the stability of the Federal Union. These causes are permanent, and must always have an active existence. The majesty of national power has been exhibited in the courage and faith of our citizens, and the ignominy of rebellion is witnessed by the hopeless end of the great rebellion.

EDWIN M. STANTON,
Secretary of War.

REPORT OF THE ADJUTANT GENERAL.

WAR DEPARTMENT, ADJUTANT GENERAL'S OFFICE,
Washington, October 20, 1865.

SIR: I have the honor to submit the following report of the operations of this department for the past year:

RECRUITING FOR THE REGULAR ARMY.

From October 31, 1864, to October 1, 1865, the number of recruits enlisted, for all arms, is 19,555. (Statement A.)

The recruiting service for the regular army is progressing favorably. The regiments suffered so severely in their many battles, that they were left at the termination of active hostilities, almost without exception, reduced to mere skeleton organizations. They have now been distributed to stations and are rapidly filling up, thus enabling the department to relieve volunteer regiments as fast as they can be transported to their homes and paid.

There are two principal depots for the general recruiting service, one at Fort Columbus, New York harbor, for infantry, and one at Carlisle barracks, Pennsylvania, for mounted troops. The officers detailed from the several regiments for recruiting duty are stationed in such localities as give promise of success, and their recruits are sent in parties to the depots, whence they are forwarded to the regiments to which they may be assigned. Beside this, the several regiments recruit their own ranks as far as practicable, from the country adjacent to their posts.

AUTHORIZED STRENGTH AND ORGANIZATION OF THE REGULAR ARMY.

The authorized strength of the regular regiments of the army, supposing each company full, is as follows:

	Officers.	Men.
Six regiments of cavalry, (seventy-two companies)	264	7,248
Five regiments of artillery, (sixty companies)	273	4,890
Ten regiments of infantry, single battalion, (one hundred companies)	340	8,360
Nine regiments of infantry, each three battalions of eight companies, (two hundred and sixteen companies)	693	21,321
Total	1,570	41,819

This calculation is made on the basis of forty-two privates to a company at all but frontier posts. The total strength, upon the basis of one hundred enlisted men to a company, would be fifteen hundred and seventy officers, forty-five thousand seven hundred and fifty-one men.

By existing acts of Congress, the strength of companies is limited to the following number of private soldiers:

The ten old regiments of infantry and four old regiments of artillery—forty-two privates per company. (Act August 23, 1842.)

Except when serving on the western frontier, or at remote and distant stations, when the allowance is seventy-four privates per company. (Act June 17, 1850.)

The nine new regiments of infantry, three battalions each of eight companies—eighty-two privates per company. (Act July 29, 1861.)

Eight light artillery companies—sixty-four privates per company. (Act June 17, 1850.)

Twelve companies of the fifth artillery—one hundred and twenty-two privates per company. (Act July 29, 1861.)

Six regiments of cavalry, each twelve companies—seventy-eight privates per company. (Act July 17, 1862.)

There is no good reason for such dissimilarity in the several organizations, and much inconvenience really arises from it. A company of forty-two privates is not sufficient for the ordinary duties of a garrison, and one hundred and twenty-two privates are not needed except for a battery of six pieces serving in the field. It is recommended that all companies of the regular army be allowed one hundred enlisted men as the maximum standard, leaving to the War Department to regulate the strength of companies within that limit as may be demanded by the nature of the service at the various stations. It is not probable that this maximum would often be reached, but emergencies sometimes arise when it becomes a matter of great importance, and also of economy, to have large companies, instead of mere platoons, for immediate active duty.

STATIONS OF THE REGULAR ARMY.

The following is the present disposition of the regular artillery regiments:

Second United States artillery.

On the Pacific coast.

Third United States artillery.

Fort Sullivan, Eastport, Maine, one company.

Fort Preble, Portland, Maine, one company.

Fort Constitution, Portsmouth, New Hampshire, one company.

Fort Warren, Boston, Massachusetts, the regimental headquarters and three companies.

Fort Independence, Boston, Massachusetts, one company.

Fort Adams, Newport, Rhode Island, three companies.

One light battery, C, division of the Mississippi.

One light battery, E, department of North Carolina.

Detachments from some of these companies will be placed at the unfinished forts and batteries along the coast near their stations.

First United States artillery.

Fort Trumbull, New London, Connecticut, one company.

Fort Schuyler, New York, three companies.

Fort Lafayette, New York harbor, one company.

Fort Hamilton, New York harbor, the regimental headquarters and two companies.

Fort Richmond and Batteries Hudson and Morton, New York harbor, two companies.

Sandy Hook, New Jersey, one company.

One light battery, } division of the Gulf.

One light battery, }

Fourth United States artillery.

Fort Delaware, Delaware, two companies.

Fort McHenry, Baltimore, Maryland, two companies.

Fort Washington, Maryland, the regimental headquarters and one company.

Fort Fête, Maryland, one company.

Forts around Washington, four companies.

One light battery, } division of the Mississippi.
One light battery, }

Fifth United States artillery.

Fort Monroe, Old Point Comfort, Virginia, the regimental headquarters and four companies.

Fort Taylor, Key West, Florida, two companies.

Fort Jefferson, Dry Tortugas, Florida, four companies.

One light battery, F, department of Virginia.

One light battery, G, division of the Mississippi.

All the companies, except two of each regiment of artillery, have been dismounted, and their horses and batteries turned over to the proper staff departments. The dismounted companies have been assigned to permanent fortifications on the seaboard. The two batteries in each regiment are retained, under the provisions of the acts of March 2, 1821, and March 3, 1847.

All sea-coast forts south of Fort Monroe, except Forts Taylor and Jefferson, Florida, are to be garrisoned by colored troops.

Of the cavalry regiments.

The 1st, 4th, and 6th regiments are assigned to the division of the Gulf in the southwest;

The 2d and 3d regiments to the division of the Missouri;

The 5th regiment is divided between the departments of Washington, the Middle department, and the division of the Tennessee.

The single battalion infantry regiments are assigned as follows:

Fourth United States infantry.

Fort Brady, Sault Ste. Marie, Michigan, two companies.

Fort Wayne, Detroit, Michigan, the regimental headquarters and two companies.

Fort Niagara, New York, one company.

Fort Ontario, Oswego, New York, one company.

Madison Barracks, Sackett's Harbor, New York, two companies.

Rouse's Point, New York, two companies.

The 1st regiment United States infantry is in the department of Louisiana.

The 2d in the department of Kentucky.

The 3d and 10th are in the division of the Missouri.

The 5th is in New Mexico.

The 6th in the department of South Carolina.

The 7th in the department of Florida.

The 8th in the Middle department.

The 9th on the Pacific coast.

The three battalion regiments of infantry are assigned as follows:

The 11th and 17th regiments are recruiting and organizing preparatory to assignment.

The 12th regiment is assigned to the department of Virginia.

The 13th, 18th, and 19th regiments are assigned to the division of the Missouri.

The 14th is on the Pacific coast.

The 15th and 16th regiments are in the division of the Tennessee.

ENLISTMENT OF MINORS AS MUSICIANS.

The act of July 4, 1864, section 5, and the act of March 3, 1864, section 18, make it an offence to enlist any minor under the age of sixteen years. It is recommended that this act be modified so far as to authorize a limited number, say one hundred, of boys not under twelve years, as musicians, provided the consent of parent or guardian is previously obtained. Until the passage of the act referred to, a detachment of boys was kept under instruction at each of the recruiting depots. They were not only carefully trained as young soldiers and musicians—i. e. drummers, fifers, and buglers—but were well taught in the common school branches at the post school. Many of these boys have turned out good scholars and excellent soldiers, reaching, as their age matured, to the grades of non-commissioned, and even of commissioned officers.

DEDUCTION OF PAY FROM OFFICERS ON LEAVE

By section 31, act of March 3, 1863, and section 11, act of June 20, 1864, it is provided that officers on leave of absence for a longer period than thirty days in one year shall receive only half of the pay and allowances prescribed by law, and no more. It is recommended that this provision be now repealed. It operates to the serious disadvantage of valuable officers who have earned a longer respite from duty than thirty days, and who probably, through a series of years, may have been absent in all less than thirty days. At the same time it places no restriction on those who serve little with their regiments, but habitually report on surgeon's certificate of ill-health.

SERGEANTS FOR SUPERINTENDENTS OF CEMETERIES.

There are now in existence some forty national cemeteries, and monuments of mortality among our soldiers during the war. It is recommended that an act of Congress shall provide for the enlistment of a disabled soldier as a superintendent for each cemetery, who shall have the same pay and allowances as an ordnance sergeant, and be charged with the care and preservation of the grounds and all their appurtenances. An analogy to this proposed measure may be found in the ordnance sergeants of the army, appointed under the act of April 5, 1832, for the care of ordnance stores at posts.

REPORTS OF BATTLES.

Much attention and labor has been expended upon the preparation of the documents relating to the rebellion, required to be printed by resolution of May 19, 1864. Eight volumes, with maps and indexes, have been completed, and sent to the public printer. The greater part of the other reports of battles, marches, &c., have been copied and arranged, but await the receipt of some important reports, which, though repeatedly called for, have not been furnished, and are requisite to preserve the chronological order.

REGISTER OF VOLUNTEERS.

The register of volunteer officers called for by resolution approved June 30, 1864, will be completed by the time Congress assembles, and all the manuscript will by that time be in the hands of the public printer. As will be seen by examination, it is a work of considerable magnitude, embracing some two hundred

thousand names of officers. No pains have been spared to make it a full and accurate record of every volunteer regiment received into the United States service during the war.

VOLUNTEER SERVICE.

The accompanying statement, marked B, will show the number of volunteer recruits, drafted men, and substitutes, forwarded to the field, (aggregate 202,117,) and of volunteers, drafted men, and militia mustered out and discharged, (aggregate 61,000,) under the direction of this office, from November 1, 1864, until April 30, 1865.

When the work came of disbanding the large armies no longer required by the exigencies of the service, the plan suggested by experience, which had been successful with small bodies, was continued. The same machinery of mustering officers and depots which had been employed in recruiting has been used in discharging. As many regiments as could be at one time furnished with means of transportation, and funds for paying them off, have been sent home with their organization entire, from time to time as they could be spared from the department in which they were serving, beginning with those whose terms of service would soonest expire. The regiments have been mustered out of service on rolls carefully prepared to exhibit the dues from the government to each soldier. The rolls, boxed up and sent under charge of an officer, have arrived at the State rendezvous simultaneously with the regiments. The officers of each regiment have been held to a strict accountability, under pain of forfeiture of an honorable discharge and pay, for the good behavior of the enlisted men until all were finally paid their dues and furnished with discharges within a few miles of their homes. With rare exceptions, the conduct of these gallant regiments, coming from every part of the north, has been most admirable in maintaining the strict discipline which made them successful in battle, until they were released from military restraint and had separated, each to his home and his civil avocation. Too much praise cannot be given the numerous corps of mustering officers and paymasters, whose fidelity is attested by the large numbers (800,963) of men discharged and paid within a brief period, as shown in the annexed statement C. Nor can the extraordinary facilities, offered by the several railroad companies, for transporting such large bodies of men, fail to attract attention. No apology is made for alluding to these matters in this report, for they are facts of the utmost significance, in connexion with the military power and resources of this country. Statement B shows the force in service May 1, 1864, and March 1, 1865, respectively.

COLORED TROOPS.

For statistics and information in regard to the colored troops, reference is invited to the accompanying report of the able chief of the Bureau for Colored Troops, attached to this office. The number at present retained in service is about 85,024, out of 186,097, the whole number, officers and men, mustered in since it was first decided to employ them.

The general orders and circulars, annexed to this report, will give useful information concerning movements of the army.

By systematic classification of the varied duties of this department, the officers intrusted with each branch have been able promptly and successfully to accomplish all that could in reason be expected of them, and they, together with the admirable clerks—mostly taken from the armies—by whom they were so ably assisted, are entitled to the warmest commendation.

The officers of the Adjutant General's department are employed as follows:

One brigadier general on special service.

One colonel in charge of the Adjutant General's office, War Department.
 One colonel and six majors, assistants in the Adjutant General's office.
 One lieutenant colonel and one major, on duty at the headquarters of the army.

One lieutenant colonel and two majors, on duty at headquarters of military divisions and departments.

One lieutenant colonel, provost marshal general.

One lieutenant colonel and one major awaiting orders.

One major on duty in the Provost Marshal General's bureau.

One major on leave of absence.

One major on duty in the War Department.

I have the honor to be, sir, very respectfully, your obedient servant,

E. D. TOWNSEND, *Assistant Adjutant General.*

Hon. EDWIN M. STANTON,

Secretary of War.

A.

Statement of the number of enlistments and re-enlistments in the regular army from October 31, 1864, to October 1, 1865; compiled from reports forwarded to this office by recruiting officers.

General service.....	4,698	6th infantry.....	140
Mounted service.....	3,033	7th infantry.....	64
1st cavalry.....	131	8th infantry.....	115
2d cavalry.....	16	9th infantry.....	241
3d cavalry.....	6	10th infantry.....	13
4th cavalry.....	24	11th infantry.....	953
5th cavalry.....	42	12th infantry.....	694
6th cavalry.....	37	13th infantry.....	742
1st artillery.....	149	14th infantry.....	1,752
2d artillery.....	7	15th infantry.....	1,208
3d artillery.....	357	16th infantry.....	804
4th artillery.....	182	17th infantry.....	761
5th artillery.....	155	18th infantry.....	852
1st infantry.....	44	19th infantry.....	698
2d infantry.....	859	Engineer corps.....	237
3d infantry.....	9	Ordnance corps.....	209
4th infantry.....	30	Military Academy.....	260
5th infantry.....	33		
		Total.....	19,555

E. D. TOWNSEND,

Assistant Adjutant General.

WAR DEPARTMENT,

Adjutant General's Office, Washington, November 14, 1865.

C.—Exhibit of the forces of the United States on the 1st of May, 1864.

Army or department.	Present available for duty.	Summary.	
	<i>Aggregate.*</i>		<i>Aggregate.</i>
Department of Washington.....	42,184	Brought forward—present available for duty.....	662,343
Army of the Potomac.....	120,384		
Department of Virginia and North Carolina.....	39,150		
Department of the south.....	18,109	Present, sick in field hospitals or unfit for duty.....	*41,256
Department of the Gulf.....	61,835		
Department of Arkansas.....	23,656		
Department of the Tennessee.....	74,170	Absent on detached service.....	100,348
Department of the Missouri.....	15,775		
Department of the northwest.....	5,296		
Department of Kansas.....	4,798		
Headquarters military division of the Miss.....	476	Absent with leave, including prisoners of war.....	166,990
Department of the Cumberland.....	119,948		
Department of the Ohio.....	35,416		
Northern department.....	9,546		
Department of West Virginia.....	30,782	Absent, in general hospitals and on sick leave at home.....	175,978
Department of the east.....	2,828		
Department of the Susquehanna.....	2,970		
Middle department.....	5,627		
Ninth army corps.....	20,780	Absent without authority.....	115,483
Department of New Mexico.....	3,454		
Department of the Pacific.....	5,141		
Total.....	662,343	Grand aggregate, present and absent.....	970,710

* Taken from monthly returns.

† Taken from tri-monthly returns.

Exhibit of the forces of the United States on the 1st of March, 1865.

(Made up from tri-monthly returns.)

Army or department.	Present available for duty.	Summary.	
	<i>Aggregate.*</i>		<i>Aggregate.</i>
Army of the Potomac.....	103,573	Brought forward—present available for duty.....	602,528
Headquarters military division of the Miss.....	17		
Department of the Cumberland.....	62,626		
Department of the Tennessee.....	45,649		
Left wing, army of Georgia.....	31,644		
Cavalry corps, military division of the Miss.....	27,410	Present, sick in field hospitals or unfit for duty.....	35,698
Headquarters military division of West Miss.....	24		
Reserve brigades.....	13,748		
Department of the Gulf.....	35,625		
Department of Arkansas.....	24,500		
Department of the Mississippi.....	24,151	Absent on detached service.....	132,538
Sixteenth army corps.....	14,395		
Headquarters military div'n of the Missouri.....	12		
Department of the Missouri.....	19,577		
Department of the northwest.....	4,731		
Headquarters middle military division.....	841	Absent with leave, including prisoners of war.....	31,696
Cavalry forces.....	18,980		
Nineteenth army corps.....	6,612		
Middle department.....	2,089		
Department of Washington.....	26,056		
Department of West Virginia.....	13,317		
Department of Pennsylvania.....	890	Absent, in general hospitals and on sick leave at home.....	143,449
Department of the east.....	7,402		
Department of Virginia.....	45,986		
Department of North Carolina.....	34,945		
Department of the south.....	11,510		
Department of Kentucky.....	18,655		
Northern department.....	11,229	Absent without authority.....	19,683
Department of the Pacific.....	7,024		
Department of New Mexico.....	2,501		
Total.....	602,528	Grand aggregate, present and absent.....	*965,301

* By the 1st of May, 1865, the aggregate number (965,301) was increased to 1,000,516 by additional enlistments.

THOMAS M. VINCENT,
Assistant Adjutant General.

WAR DEPARTMENT, *Adjutant General's Office, November 12, 1865.*

B.—Exhibit of recruits—volunteers, drafted and substitutes—for old and new organizations, forwarded to the field; volunteers, drafted men, and militia mustered out and discharged from the service of the United States under the direction of the Adjutant General's Office from November 1, 1864, to November 15, 1865.

States.	FORWARDED TO FIELD.				MUSTERED OUT AND RETURNED TO THEIR HOMES.				Total.
	Old organizations.	New organizations.	Strength.	Drafted men and substitutes.	From November 1, 1864, to April 30, 1865.	From May 1, 1865, to November 15, 1865.	Strength.	Officers under A.G.O. orders of 1865.	
Alabama	12,082			2,382				622	634
Arkansas	1,172			172				1	4,088
California	351			351					566
Colorado	1,457		1	1,307				3	13,998
Connecticut	9			765				1	2,943
Delaware	219			10					6
Florida	707			2,707					21
Georgia	259		66	3,304					5
Illinois	2,710		13	12,554					3
Indiana	946			1,480					36
Iowa	225			65					1
Indian Territory	17,505		1,257	1,264					150
Kansas	1,809			2,808					88
Kentucky	1,900		30	1,280					69,082
Louisiana	918			2,180					65
Maine	2,396		8	1,066					93
Maryland	4,439		318	1,686					23,515
Massachusetts	2,519		1,967	1,698					2
Michigan	21,412			1,412					9
Minnesota	1,354			2,375					1
Mississippi	618			707					3
Missouri	9,190		2	3,614					15
New Hampshire	9,414		6	6,228					10
New Jersey	1,781			1,781					33
New York	5,097		14	2,846					13,986
North Carolina				2,371					1
Ohio				81,704					106

Primary vessels	7,480	8	62	9,907	9,271	25,808	10	12	7,500	118	1	34	102,450	116	130,650
Bole Island	655		2	172	32	809				6		6	4,705	4	4,769
South Carolina	12,015				2,013	2,407									
Tennessee	22,407														
Texas															
Vermont	800		2	505	68	1,113	1		310	12	1	2	9,492	25	9,577
Virginia	17,15					715									
West Virginia	210		4	363	447	1,030	1		851	16	4		12,104		12,957
Wisconsin	1,710	5	13	5,541	3,972	10,323	4	2	1,556	40		15	30,004	22	31,592
District of Columbia	170				905	1,075				4			9,699		9,809
Indians for volunteers									110,958						16,698
United States volunteers										10	3	2	10,575	3	10,577
Veteran Reserve Corps													25,087		25,087
Unemployed													48,947		48,947
Total	77,924	26	218	70,806	53,260	352,147	68	109	14	61,000	1,000	42	799,978	985	861,963

* Assigned to old regiments in which there were vacancies for companies.
† Includes new organizations, (colored.)
‡ The number opposite Maryland includes those forwarded from Delaware.

RECAPITULATION.

Forwarded to field 292,117
Mustered out and returned to their homes 861,963
Total 1,094,080

The rapidity with which the work of mustering out and disbanded the volunteer army was executed will be apparent from the following, showing the numbers mustered out to the States set opposite them respectively, viz:

August 7, 1963
August 22, 1963
September 14, 1963
October 13, 1963
November 15, 1963

The command of Major General Sherman (army of the Tennessee and army of Georgia) and the army of the Potomac were the first to complete their marches entirely. Regiments commenced leaving General Sherman's command—first number-one, five and about 116,183 officers and men—from the rendezvous near this city on the 25th of May, and on the 1st of August the last one of the regiments mustered out at Louisville, Ky., to which point the command (after the numbers out therefrom were partly completed, was transferred, and the armies composing it merged into one), called the army of the Tennessee. The work of mustering out the troops was not continuous, it having been interrupted and delayed by the treatment of the two armies from this city to Louisville, and their subsequent consolidation. Regiments commenced leaving the army of the Potomac, (then numbering, including ninth Corps, 100,000 men,) on the 27th of June, and almost six weeks thereafter (July 10) the last regiment started for home. On the 1st of August the last regiment mustered out at Louisville, Ky., and the army of the Tennessee numbered 279,123 officers and men. Thus, for the first time since the war, the army of the United States numbered more than 200,000 effectives. From the 1st of August, (two months, 279,123 officers and men), and placed on route to their homes. Including other armies and departments, the number was increased, by August 7, to 540,000 officers and men. From the foregoing it is seen that the mass of the forces discharged, during the summer of 1865, numbered over 1,000,000 men. The average per month during that time is 246,442.

THOMAS M. VINCENT, Assistant Adjutant General.

WAR DEPARTMENT, ADJUTANT GENERAL'S OFFICE, November 15, 1905.

ADJUTANT GENERAL'S OFFICE,

Bureau for Colored Troops, Washington, D. C., Oct. 20, 1865.

GENERAL: To the one hundred and one thousand nine hundred and fifty colored soldiers in the service of the United States at the date of my last report, the following additions have been made during the year, namely:

Seventeen regiments of infantry, aggregate strength.....	16,201
Two regiments of heavy artillery, aggregate strength.....	2,703
Two batteries light artillery, aggregate strength.....	251
One regiment of cavalry, aggregate strength.....	1,255
Recruits, drafted men, and substitutes, sent to old regiments.....	29,099

Total gain..... 49,509

Four thousand two hundred and forty-four recruits were enlisted at the rendezvous established in the disloyal States, and credited to loyal States, under section 3 of the act of Congress approved July 4, 1864.

On the 15th of July, 1865, the date on which the last organization of colored troops was mustered in, there were in the service of the United States—

One hundred and twenty regiments of infantry, numbering in the aggregate.....	98,938
Twelve regiments heavy artillery, numbering in the aggregate.....	15,662
Ten batteries light artillery, numbering in the aggregate.....	1,311
Seven regiments cavalry, numbering in the aggregate.....	7,245

Grand aggregate..... 123,156

The foregoing is the largest number of colored troops in service at any one time during the war.

The entire number of troops, commissioned and enlisted, in this branch of the service, during the war, is one hundred and eighty-six thousand and ninety-seven.

The States in which this force was recruited or drafted are as follows, namely:

Maine.....	104	Ohio.....	5,032
New Hampshire.....	125	Indiana.....	1,537
Vermont.....	120	Illinois.....	1,811
Rhode Island.....	1,837	Missouri.....	8,344
Massachusetts.....	3,966	Minnesota.....	104
Connecticut.....	1,764	Iowa.....	440
New York.....	4,125	Wisconsin.....	165
New Jersey.....	1,185	North Carolina.....	5,035
Pennsylvania.....	8,612	South Carolina.....	5,462
Delaware.....	954	Georgia.....	3,486
Maryland.....	8,718	Florida.....	1,044
District of Columbia.....	3,269	Kansas.....	2,080
Virginia.....	5,723	Texas.....	47
West Virginia.....	196	Colorado Territory.....	95
Alabama.....	4,969	State or Territory unknown.....	5,896
Mississippi.....	17,869		
Louisiana.....	24,052	Total enlisted.....	178,975
Arkansas.....	5,526	Officers.....	7,122
Tennessee.....	20,133		
Kentucky.....	23,703	Aggregate.....	186,097
Michigan.....	1,387		

The loss during the war, from all causes, except muster-out of organizations in consequence of expiration of term of service or because service was no longer required, is sixty-eight thousand and one hundred and seventy-eight.

The number of colored troops already mustered out, or under orders for muster out, is as follows, namely:

Thirty-two regiments of infantry, aggregate strength.....	28,354
Two independent companies and band, aggregate strength.....	172
Two regiments of heavy artillery, aggregate strength.....	3,007
Four batteries of light artillery, aggregate strength.....	571
One regiment of cavalry, aggregate strength.....	1,130
Aggregate.....	33,234

The number of organizations discontinued during the war, by consolidation or transfer, and their strength when discontinued, is as follows, namely:

Twenty-seven regiments of infantry, aggregate strength.....	9,337
One regiment of heavy artillery, aggregate strength.....	607

Aggregate..... 9,944

The aggregate of colored troops remaining in service, after the execution of all orders to this date for muster-out of organizations, is as follows, namely:

Eighty-three regiments of infantry, aggregate strength.....	66,073
Nine regiments of heavy artillery, aggregate strength.....	12,394
Six light batteries artillery, aggregate strength.....	701
Six regiments cavalry, aggregate strength.....	5,856

Aggregate..... 85,024

There have been received at this office, since June 1, 1863—

Applications for appointment.....	9,019
Candidates examined by the board.....	3,790
Candidates rejected by the board.....	1,472
Candidates appointed.....	2,318
Total number of appointments and promotions.....	3,573
Provisional appointments made by department commanders confirmed at this office.....	481
White soldiers discharged to accept appointment.....	1,767

For further details respecting examinations, appointments, resignations, and matters of a kindred nature, attention is respectfully invited to appendix marked B, in which will also be found an exhibit of the organizations discontinued by consolidation, muster out, and those remaining in service.

The reputation of the organization for efficiency, good conduct, and reliability, has steadily advanced, and the reports of officers of the Inspector General's department, so far as they have come to the knowledge of this office, are very satisfactory as to its present condition.

The commission appointed for the State of Delaware, under the provisions of section 24 of the act of Congress approved February 24, 1864, having been dissolved, there is at this time in session, under the provisions of the act referred to, only the commission or board for the State of Maryland, which has been in session since October, 1864.

The whole number of claims for compensation on account of the enlistment of slaves in the service of the United States, filed with the boards, in both the above States, is three thousand nine hundred and seventy-one.

Compensation, varying in amount, was awarded upon seven hundred and thirty-three of these claims; two hundred and ninety-four have been rejected by the commissions as not being well founded; and the remainder are still before the board. The total amount of compensation awarded loyal owners is two hundred and thirteen thousand eight hundred and eighty-three dollars. Twenty-five claims have been paid, amounting in the aggregate to six thousand nine hundred dollars, leaving seven hundred and eight claims unpaid, amounting to two hundred and six thousand nine hundred and eighty-three dollars. Nineteen thousand nine hundred and thirty dollars and forty cents have been expended in salaries of members of boards, and to defray the current expenses of the same, including rent of rooms, purchase of fuel, stationery, &c.; making the total expenditures to this date twenty-six thousand eight hundred and thirty dollars and forty cents.

In closing this report it affords me pleasure to acknowledge the important services rendered the bureau by Major F. W. Taggard, assistant adjutant general volunteers, in charge of rolls and returns, and Major A. F. Rockwell, assistant adjutant general volunteers, general assistant and disbursing officer. To their efficient and cordial co-operation may be attributed whatever of success has been attained in the management of the bureau.

The employes of the office, all originally detailed from the volunteer service, have zealously and faithfully discharged the duties assigned them.

I have the honor to be, very respectfully, your obedient servant,

C. W. FOSTER,

Assistant Adjutant General Volunteers.

Brevet Brig. Gen. E. D. TOWNSEND,

Ass't Adj't Gen. U. S. Army, Washington, D. C.

REPORT OF THE PROVOST MARSHAL GENERAL.

WAR DEPARTMENT, PROVOST MARSHAL GENERAL'S BUREAU,
Washington, D. C., November 8, 1865.

SIR: I have the honor to submit my annual report of the operations of the bureau of the Provost Marshal General of the United States for the year ending November 1, 1865.

On the 1st day of November, 1864, the date to which my last annual report was brought up, the business of recruiting, and the draft under the call of July 18, 1864, was in progress.

The number called for was.....	500,000
Reduced by credits on former calls.....	265,673
To be obtained.....	234,327

The whole number of voluntary enlistments under that call was 188,172—

Viz: Volunteers, (white).....	146,392
Volunteers, (colored).....	15,961
Regulars.....	6,339
Seamen.....	17,606
Marine corps.....	1,874
Total.....	188,172

The whole number of drafted men and substitutes obtained under that call was 54,707—

Viz: Number held to personal service.....	26,205
Number of substitutes for drafted men.....	28,502
Number of substitutes for enrolled men.....	29,584
Total.....	84,291

Whole number obtained under the July call..... 272,463

On the 19th of December, 1864, a call was made for three hundred thousand (300,000) men.

Under this call the whole number of voluntary enlistments was 157,058—

Viz: Volunteers.....	130,620
Volunteers, (colored).....	10,055
Regulars.....	6,958
Seamen.....	9,106
Marine corps.....	319
Total.....	157,058

The whole number of drafted men and substitutes under that call was 24,580—

Viz: Number held to personal service.....	12,566
Number of substitutes for drafted men.....	12,014
Number of substitutes for enrolled men.....	12,997
Total.....	37,577

Whole number raised under December call..... 194,635

The suspension of active military operations occurred while the business of the draft under this call was in progress, and orders were issued on the 13th of April, 1865, to discontinue the business of recruiting and drafting, and on the next day all drafted men who had not been forwarded to general rendezvous were ordered to be discharged, and soon after, all who had not been forwarded to the field were discharged by order from the Adjutant General.

The aggregate quotas charged against the several States under all calls made by the President of the United States, from the 15th day of April, 1861, up to the 14th day of April, 1865, at which time drafting and recruiting ceased, by order of the Secretary of War, were..... 2,759,049

The terms of service varying from three months to three years, as shown in detail by the books of the Provost Marshal General's Office.

The aggregate number of men credited on the several calls and put into service of the United States, in the army, navy, and marine corps, during the above period, was..... 2,656,553

Leaving a deficiency on all calls when the war closed of..... 102,496
Which would have been obtained in full, in fact in excess, if recruiting and drafting had not been discontinued.

This number does not embrace the "emergency men" put into service during the summer of 1863 by the States of New York, New Jersey and Pennsylvania, nor those furnished by the States of Ohio, Indiana and Illinois during the "Morgan raid," amounting in all to over one hundred and twenty thousand (120,000) men who served periods of about two or three weeks.

In estimating the number of troops called into service, it has been the rule of the department to take into account the whole number of men mustered, without regard to the fact that the same persons may have been previously discharged, after having been accepted and credited on previous calls.

Under the different calls, volunteers have been accepted for various terms of service, viz: three, six, and nine months, and one, two, and three years, respectively, and a large number of persons, who had served under one call, have subsequently enlisted under another. Thus, a portion of those who enlisted under the call in April, 1861, for 75,000 three-months men, again enlisted under succeeding call in July following for three years; others re-entered the service for nine months, or for one or two years, and at the expiration of these periods again re-enlisted for three years, and the entire "veteran volunteer" force consisted of those who, having served two years, re-enlisted for three years.

It will be observed, therefore, that a large portion of the number counted in filling calls has been furnished, first, by the re-enlistment of those in service, and second, by those who have re-entered the service after discharge from a former enlistment under which they had been credited; that is, the different calls were filled by crediting each accepted enlistment, instead of limiting the credit to the actual number of persons who entered the service anew, and hence to determine the number of men actually entering the service for the first time under the different calls, the number credited should be reduced in the same ratio that the enlistments of the same persons have been repeated.

The extent of this reduction cannot be calculated at this time, or even estimated with sufficient accuracy to be useful.

It follows, therefore, that on account of a necessary repetition of credits, incident to enlistments, the tax upon the military basis of the country has been less than would appear by considering simply the number of men embraced in the different calls for troops, or the number of credits allowed upon these calls.

COMMUTATION MONEY.

The amount of commutation money received from November 1, 1864, to November 1, 1865, was:

On account of "draft and substitute fund".....	\$317,130 00
On account of sick and wounded soldiers (from non-combatants, under section 17 of the act of February 24, 1864)...	340,987 53
Total.....	658,117 53

The total amount of draft and substitute fund received under the act approved March 3, 1863, is.....	\$25,902,029 25
The total amount expended.....	16,387,135 80
Balance remaining in treasury to credit of this fund.....	9,514,893 45

There are just claims still outstanding which have to be met from this fund.

VETERAN RESERVE CORPS.

The regiments of the veteran reserve corps have been performing the same duty during the past year as those specified in my last annual report, viz:

Performing garrison duty in Washington and its defensive works; at the various depots for recruits and drafted men, at the Provost Marshal's rendezvous, escorting recruits to the field, and more recently performing garrison duty at the several rendezvous for muster out of the volunteer forces.

Since the termination of active operations no transfers have been made to this corps, nor have any officers been appointed.

DESERTERS.

The number of deserters arrested since my last annual report is 18,120, nearly all of whom were arrested prior to April 30.

The discharge of the deputy provost marshals and special officers, the stoppage of payment of rewards, and the reduction of the army, have occasioned the reduction of this branch of the business of this office.

DISBURSEMENTS ON ACCOUNT OF VOLUNTEER RECRUITING SERVICE.

The amount expended from the appropriation for "collecting, drilling and organizing volunteers" from November 1, 1864, to November 1, 1865, was \$1,422,281 73.

The balance of this appropriation remaining in the treasury is \$12,163,386 09, and about half a million dollars still in the hands of the disbursing officers, which is needed to pay outstanding accounts and expenses incurred in mustering out the volunteer forces of the United States.

The amount expended from the appropriation for pay of bounty was \$6,648,302 53. The balance of this appropriation remaining in the treasury is \$11,145,392 24. None of this fund remains in the hands of disbursing officers; the several amounts left in their possession, when recruiting for the volunteer forces was discontinued, has been covered into the United States treasury.

DISBURSEMENTS ON ACCOUNT OF ENROLMENT AND DRAFT, AND APPREHENSION OF DESERTERS.

Amount disbursed on account of enrolment and draft, from November 1, 1864, to November 1, 1865, was.....	\$3,175,744 06
The balance of this "draft and substitute fund" remaining in the treasury is.....	9,514,893 45
And about \$250,000 in the hands of disbursing officers, which is needed to pay outstanding accounts and current expenses of the bureau.	
Amount disbursed by officers of this bureau from appropriation for incidental expenses of quartermaster's department for apprehension of deserters.....	12,158 58

RETRENCHMENT OF EXPENDITURES.

At the date of my last annual report, the number of officers and employes of this bureau was 4,716, at a cost per month of \$311,868 60. The number now on duty, and in the employ of the bureau, is 383, at a cost per month of \$35,050 32.

As fast as the exigencies of the service permitted, I have reduced the force employed. The surgeons and commissioners of boards of enrolment in all the

districts, 370 in number, have been discharged. The different districts have been consolidated, and but thirty-three provost marshals are now in service, all of whom will be discharged as soon as their services can be dispensed with.

ESTIMATES.

No appropriation of money will be required for the support of this bureau during the next fiscal year.

I have in course of preparation a full report of the operations of this bureau, which will contain much statistical and other valuable information, and which I beg leave to submit when completed.

I have the honor to be, sir, very respectfully, your obedient servant,

JAMES B. FRY,

Provost Marshal General.

Hon. EDWIN M. STANTON,
Secretary of War.

REPORT OF THE QUARTERMASTER GENERAL.

QUARTERMASTER GENERAL'S OFFICE,
Washington, November 8, 1865.

SIR: I have the honor to submit the annual report of operations of the Quartermaster's department during the fiscal year ending 30th June, 1865.

On the 1st July, 1864, the balance of appropriation in the treasury undrawn was.....	\$8, 699, 768 16
Appropriation for fiscal year ending 30th June, 1865.....	199, 250, 000 00
Deficiency bill, March 2, 1865.....	83, 181, 137 00
Appropriation for fiscal year ending 30th June, 1866.....	168, 500, 000 00
Total.....	459, 630, 905 16
Requisitions on treasury in fiscal year ending 30th June, 1865.....	431, 706, 057 44
Balance remaining 30th June, 1865.....	27, 924, 847 72

A financial statement in detail will be found in a table at the end of this report. This department is charged with the duty of providing means of transportation by land and water for all the troops and for all the material of war. It furnishes the horses for artillery and cavalry, and the horses and mules of the wagon trains; provides and supplies tents, camp and garrison equipage, forage, lumber, and all materials for camps and for shelter of the troops. It builds barracks, hospitals, and storehouses, provides wagons and ambulances, harness, except for cavalry and artillery horses; builds or chartered ships and steamers, docks and wharves, constructs and repairs roads, railroads and their bridges, clothes the army, and is charged generally with the payment of all expenses attending military operations not assigned by law or regulation to some other department.

While the Ordnance department procures and issues arms and ammunition and the Subsistence department supplies provisions, and the Medical department medical and hospital stores, the Quartermaster's department is called upon to

transport the stores of all these departments from the depots to the camps, upon the march and to the battle-field, where they are finally issued to the troops.

These duties have been efficiently performed during the year.

In the last, as in former years of the war, under the energetic and liberal administration of the War Department, the wants of the troops have been regularly supplied, their comfort, health, and efficiency have been amply and regularly provided for. The army itself does justice to the wise and enlarged administration which has enabled it to move successfully in a field of warfare constantly widening.

Atlanta, the key of the rebel defence, was secured after a campaign involving a line of operations of 300 miles in length, maintained for months through a hostile country so effectually as to enable an army of 90,000 men, with over 40,000 animals, to subsist not only while advancing, but what is much more difficult, while laying siege for weeks to that advanced position.

The enemy's army driven from Atlanta, but still formidable in numbers and in courage, threw itself upon this long line of operations—two slender rods of iron, crossing wide rivers, winding through mountain gorges, plunging under the mountain ranges, and everywhere exposed to the raids of an enterprising enemy, favored by the thick forests which bordered the railroad throughout nearly its whole extent.

The guards of the posts upon the line of communication did their duty, and the railroad construction corps of this department, thoroughly organized, strong in numbers, in skill and in discipline, repaired broken bridges and railroads. New engines from the workshops of the north replaced those which torpedoes or broken rails threw from the track. Trains loaded with timber, with iron, with water and fuel for the engines, preceded the trains of subsistence and ammunition, and scarce was the communication broken before it was re-established.

The conquering army followed the desperate garrison of Atlanta, and drove him off the lines of communication. The railroad was worked night and day to its full capacity; supplies for a new campaign for an army of 90,000 men were poured into Atlanta. All surplus stores, all sick and all enfeebled men were sent by railroad to the rear, and the army of General Sherman with its 3,000 wagons, full loaded with every material of war, accompanied by droves of many thousand beef-cattle, re-enforced by the return of those who disabled in the earlier events of the campaign, had been recruited in the hospitals of Nashville, 300 miles to the rear, and forwarded by railroad to resume their places in its ranks, marched out of Atlanta, blew up that depot, destroyed all the railroads which made that city of value in the war, and bent its steps towards the ocean.

In no other country have railroads been brought to perform so important a part in the operations of war. Scarce in any other country could be found the workmen to perform the feats of construction which have illustrated this campaign.

At no time during the march from Chattanooga to Atlanta were the railroad trains five days behind the general commanding.

The reconstruction of the bridges over the Etowah and the Chattahoochee are unparalleled feats of military construction.

The Etowah bridge, six hundred and twenty-five (625) feet long, seventy-five (75) feet high, was burned by the rebels, and was rebuilt by the labor of six hundred (600) men of the construction corps in six (6) days.

The Chattahoochee bridge, six miles from Atlanta, is seven hundred and forty (740) feet long and ninety feet high, and was built in four and a half days by six hundred (600) men of the construction corps.

The army under General Sherman moved southeast from Atlanta; it plunged into the forests and sands of Georgia, and was lost to our view. The rebel army moved into Tennessee, and advanced upon Nashville, to be dashed in pieces against the army of Major General Thomas, and thus perished the last great army of the rebellion in the central south and west, east of the Mississippi.

The rebel press reported defeats, disasters, repulses to the army, with which we had no communication. No anxiety as to their fate oppressed the minds of

those who had in the War Department directed the measures and provisions for their equipment for this bold and decisive march. A bare possibility that, by the abandonment of all eastern positions, the rebel army of Virginia might throw itself across Sherman's path, induced the department to order supplies to Pensacola, to relieve any immediate wants should the army be obliged to move southward; but the great work of preparation to meet and refit this army upon the southeastern Atlantic coast was at once commenced and steadily prosecuted. While a few vessels went to Pensacola to await orders, a great fleet of transports was collected at Port Royal, laden with everything that experience indicated as necessary to repair the consumption and the losses of this adventurous march. Clothing, shoes, shelter tents, forage, provisions, spare parts of wagons, wagons complete, harness, leather, wax, thread, needles, and tools for all the trades which are plying on the march and in the camp, were collected in the harbor of Hilton Head.

All this was done in the dead of winter. Light-draught, frail river steamers trusted themselves, under daring Yankee captains and crews, to the storms of the stormiest coast of the world, and all arrived safely at their destination. And here let me pay a tribute to those gallant seamen of the merchant shipping of the nation, who in war entered its transport fleet. No service has been so difficult or so tedious—none so dangerous as to discourage or to daunt them.

No call for volunteers has ever failed to meet a ready response, whether to tempt the shoals and storms of a tempestuous coast, the hidden and mysterious dangers of the dark bayous of the south, strewn with torpedoes by the devilish ingenuity of deserters from our own military and naval service, or to run in frail river steamboats the batteries of the Potomac, the James, and the Pamlico, or the still more formidable works of Vicksburg. Urged by the spirit of adventure, supported by the patriotism of freemen, they have always stood ready, and have cheerfully obeyed every order, incurred every risk.

On the 13th December Fort McAllister fell before the assault of General Sherman's veterans. The transport fleet was ordered at once to the mouths of the Ogeechee and of the Savannah. The city of Savannah was carried within a few days, and a wrecking party, then employed upon the coast of Florida, with all the ingenious equipment which modern science has contrived for submarine operations, was towed by a steamer to the Savannah river and set to work to remove the formidable obstacles to its navigation. These for four years seemed to have employed all the ingenuity and mechanical skill of a people who had torn up the pavements of their commercial streets to supply material to obstruct the channels of their harbor.

In a few days a passage was cleared, and the steamers and vessels of the transport fleet discharged their cargoes at the long disused and dilapidated wharves of Savannah, and sailed for the north richly freighted with captured cotton.

On the 22d January General Sherman again moved northward.

A division of the railroad construction corps had been ordered from the Tennessee to the Savannah to meet him. It had crossed the Alleghanies in mid-winter and was promptly at the rendezvous with men and officers, and all tools, materials, and machinery for rebuilding the railroads of the coast.

It was decided not to operate directly against Charleston, the great stronghold of the rebellion, which had for four years defied our ships and the forces we could spare for its siege. The wiser and more daring plan of marching inland, cutting off its means of supply, capturing the capital, and devastating the agricultural portion of the State, was pursued.

Charleston soon fell, and the construction corps was moved to Morehead City, there to open up the railroad from the harbor of Beaufort, North Carolina, toward Kingston, at which point General Sherman, when I parted from him in January, his army reloaded, reshod, supplied and ready to resume its march, told me to look out for him next.

His chief quartermaster, General Easton, who had accompanied the army in its march from Chattanooga to Savannah, remained on the coast, taking charge of the fleet loaded with supplies. The fleet and supplies were transferred to the harbor of Beaufort; Fort Fisher fell in January, and the Cape Fear river was opened to our transports. The troops which had captured, with the aid of the navy, the defences at the mouth of this river, re-enforced by the 23d army corps, which, in January, was transferred from the Tennessee to the Atlantic, captured Wilmington, and advanced toward Goldsboro'. The two railroads, each ninety-five (95) miles in length, from Wilmington, and from Morehead City to Goldsboro', were repaired by the construction corps. They were stocked with cars and engines, and when the right wing of General Sherman's army entered Goldsboro' on the 22d March, it met supplies of provisions brought by the railroads from the transport fleet on the coast, and found Goldsboro' occupied by a corps which, on the 15th January, had been encamped on the banks of the Tennessee.

Again was the army supplied with full equipment of clothing, shoes, and of all the various articles of necessity for itself and its trains, worn out in the long march from Savannah, and by the 10th of April, the appointed day, fully equipped, it moved against the enemy at Raleigh.

Upon the surrender of the rebel armies in Virginia and North Carolina, the armies of General Sherman and of Lieutenant General Grant marched for Washington, where they were reviewed by the President and cabinet, after which they went into camp on the heights surrounding the capital, and the preparations for their transfer to other fields of operation, and for their disbandment, were made.

While the coast was the scene of the efforts of the department to support and supply the army of General Sherman, the armies in front of Richmond also required a vast expenditure. These armies were stronger in numbers than General Sherman's. Their equipment for march, as well as for siege, was constantly kept in the highest state of efficiency. The country in which they lay furnished no supplies, and food and forage and all stores were brought by rail and by sea from the north and northwest. The shipments of forage alone to the armies on the James averaged over \$1,000,000 per month throughout the winter.

The tables at the end of this report give information as to the strength of the fleet and the magnitude of the operations involved in the supply from distant ports, of an army over 100,000 in strength, with, at times, over 5,000 wagons to keep in repair, and over 65,000 animals, horses and mules, to be fed.

From the depots in the west, under the general direction of Brevet Major General Robert Allen, senior quartermaster in the Mississippi valley, the wants of the armies on the Tennessee, the Cumberland, the Mississippi, the Missouri, the Arkansas, and the Gulf of Mexico were supplied.

The northwest was the storehouse from which were drawn subsistence, forage, and all other material, which, by steamboats and railroad trains, were distributed to the posts.

Lists of steamers employed on the Atlantic, upon the Gulf, and upon the western rivers are attached to this report.

The transport fleet exceeded a thousand vessels of every variety of construction, impelled by sail or steam. Details of this fleet and its cost will be found in another part of this report.

Great movements of troops continued to be made. The army of General Thomas having dispersed the rebel army in the campaign which culminated in the battle of Nashville, on the 15th and 16th of December, 1864, and the pursuit which followed it, was divided. The 23d corps, under General Schofield, 15,000 strong, was, in January, as hereinafter detailed, transported to the coast of North Carolina, to co-operate with General Sherman, expected at Kinston. The 16th corps, under General A. J. Smith, 17,000 strong, with artillery and baggage trains, was sent to New Orleans to co-operate with the troops then under General Canby, in the reduction of Mobile.

The cavalry, under Major Gen. Wilson, was refitted, remounted, equipped, and launched into the interior of Alabama, to capture the principal interior cities of Alabama and Georgia; Selma, Montgomery, Columbus, and Macon fell before them.

In all these movements the troops were kept well supplied with the necessary material; horses, forage, food, and clothing were promptly delivered at the appointed rendezvous and depots, and steamers were ready, on river and coast, to move the troops and their supplies promptly.

During the whole year—I believe I may say during the whole war—no movement was delayed, no enterprise failed, for want of means of transportation, or the supplies required from the Quartermaster's department.

The close of hostilities made even greater exertions on the part of this department necessary; 233,000 men were distributed from Washington alone to their homes in the north, carried to every hamlet and village, camps of discharge being established in every State, at which the regiments rendezvoused until paid off, when the men dispersed.

Sixty thousand men of the army of General Sherman were moved from Washington to Louisville, from which place, after a short time, they were put in motion for their homes, and discharged; 25,000 men were moved from the James river to the Rio Grande; 7,000 were sent from the Potomac to Savannah. Sixty thousand prisoners of war, released, were sent to their homes in the southern States.

Regiments were brought from the Gulf and South Atlantic coasts, and sent to their States to be discharged. Their places were in some cases supplied by the transfer to the south of the regiments which had longer to serve. A large force of cavalry was moved from the Potomac to the Arkansas and to the western plains.

The activity of the transportation branch of this department has never been greater than since the cessation of hostilities; its duty embracing the transportation to their homes of the greater part of an army of a million men, the collection and transportation to depots, for storage or for sale, of the animals and stores surplus from the rapid reduction in the forces employed.

Officers were sent to inspect the various depots and posts to report what stores should be sold and what preserved. Stringent orders were issued directing reductions in purchases, in lists of persons employed, ordering the sale of surplus material, the reduction of the strength of the trains, and the sale of all surplus animals of the cavalry, artillery, and trains, the discharge or sale of transports not needed for the returning troops. Reports in detail, herewith, contain such information as to these operations as can be collected at this time and embraced within the limits of this report.

The examination, collation, and analysis of the records of this department are not complete. The material is abundant, and I propose, with your approbation, to establish a board of officers, whose business it shall be to collect from the official reports full statistics of the vast operations which, during the last four years, have taxed the fullest energies of every officer of ability and experience in this department.

The work has been accomplished, the record is in possession of the office, but the labors of execution have not left leisure for that examination and comparison of the records which is necessary for a full statistical report of operations of this department during the four years of war.

In the last annual report I had the honor to make nominal report of the officers who held the most important and responsible positions in this department during the previous year, and to call attention to their merits and their worth. Many of these officers have received the promotion which they have so well deserved, and which they so highly prize as the recognition by their government of faithful service. I am grateful for the recognition of the service and success of the department under my control, thus given to its officers.

The general distribution of duties has not materially varied during the year.

The officers had, in the course of three years of active service, generally found the positions in which their respective qualities made them of the greatest service to their country.

Brevet Major General Robert Allen continued to exercise the authority and control with which he had been invested as senior and supervising quartermaster in the valley of the Mississippi; his duties have remained the same as during the previous years. His annual report is herewith. Had it been more full in detail, it would have given a better idea of the magnitude of his responsibilities, his labors, and his merits. There passed through his hands, during the fiscal year, \$33,933,646 45.

Brevet Major General Rufus Ingalls continued in the field to control the service of the Quartermaster's department, with the armies operating under Lieutenant General Grant against Richmond.

The admirable manner in which the duties of his post were performed is shown in the efficiency of the operations which supplied the troops during the long siege and the rapid marches which, after the enemy was driven from his works, resulted in the capture of his entire army. The disbursements have been (under his direction) \$1,636,759 08, principally for wages of workmen. The supplies for this army were purchased under direction of this office, and shipped to it from the depots at the north, as required.

Brevet Major General D. H. Rucker has continued in charge of the great depot of Washington, the depot through which a great part of the supplies of the armies before Richmond and upon the Atlantic coast passed. Here the animals and the clothing for these armies were collected. To this point their worn-out and disabled animals and equipment were returned for recuperation or repair, or to be disposed of and replaced.

Upon this depot, after the fall of Richmond, 250,000 troops were concentrated, and here were made all the arrangements for their transportation to the west and north, before their final dispersion. The expenditures of the year, under his direction, have been \$8,822,065 33.

Brevet Major General James L. Donaldson has continued in charge of the great base of supplies of the armies of Sherman and Thomas. He is now supervising quartermaster of the military division of the Tennessee, and is engaged in the supply of the troops still quartered in the south, and in returning them, as discharged, to their homes, and in disposing of the vast accumulation of stores no longer needed since the cessation of hostilities and consequent reduction of the army. He has controlled the expenditure of \$24,821,005 79.

Brevet Brigadier General Thomas Swords, senior quartermaster in the department of the Ohio, assisted by Colonel Moulton, has been in charge of the operations of the department at the important depot of Cincinnati, which has furnished nearly one-third of the clothing for the armies of the United States. He has received and distributed to other officers or disbursed during the year \$17,402,501 95.

Brevet Brigadier General G. H. Crosman, who had been on duty in Philadelphia from 30th of August, 1861, to the 24th of August, 1864, in charge of the Philadelphia depot and the providing of clothing and equipage, was then temporarily relieved by Colonel A. J. Perry, chief of the division of clothing and equipage. He has since been engaged in preparing a manual of the service of the Quartermaster's department, intended to fix the forms, sizes, and construction and qualities of the various articles of equipment which are supplied by the Quartermaster's department, in order that the experience gained in all these details may not be lost, but may be at hand to instruct the officers of the department in future operations. The records and details of these models should be preserved. They have enabled our armies to make unexampled marches with less suffering, privation, sickness, and loss, than we find recorded in the history of the campaigns of other nations. His disbursements have been during the year \$6,274,278 55.

Brevet Brigadier General D. H. Vinton has continued at the head of the depot of clothing and equipage at New York. No officer has more thoroughly and efficiently performed his duty. He has received and expended \$34,637.51 11.

Brevet Brigadier General L. C. Easton, chief quartermaster of the army of General Sherman, accompanied that army in its campaign from Chattanooga, and during the siege of Atlanta superintended its outfit for and accompanied its march to the sea. At Savannah he took charge of the transport fleet, and of the stores sent to meet the army on the coast, conducted them to the coast of North Carolina, and sent forward the supplies which, by the 10th of April, enabled it again to march against the rebels at Raleigh. After the dispersion and reduction of the army he was assigned to duty as chief quartermaster at the headquarters of the major general commanding the military division of the Mississippi, with his post at St. Louis, where he exercises a general supervision and control. He has received and accounted for \$981,822 27.

Brevet Brigadier General Charles Thomas, Assistant Quartermaster General, has aided me in the management of the business of this office, having charge of the finances and accounts of the office.

Brevet Brigadier General William Myers, as chief assistant to General Robert Allen in the Mississippi valley, has been in charge of the depot at St. Louis. His responsibilities have been great, and have been met to the satisfaction and approbation of his senior officers. General Allen, in his report, speaks of him in the highest terms. He reports the receipt and expenditure or transfer of \$49,871,975 35.

Brevet Brigadier General Stewart Van Vliet has continued at New York in charge of the operations of the department at that important post. His disbursements and transfers during the year have reached the sum of \$20,170,162 60.

Colonel C. W. Moulton has been, during a portion of the fiscal year, in charge of the clothing and equipage depot at Cincinnati. He reports the receipt and expenditure of \$31,287,324 49.

Brevet Brigadier General George S. Dodge, chief quartermaster of the army of the James, accompanied the naval and military expedition which reduced Fort Fisher, on the coast of North Carolina. He displayed great energy and skill in disembarking upon an open coast men and material for the siege and assault of that formidable work, and was specially rewarded by brevet promotion for signal services on that occasion. He has since been actively employed in extensive inspections, both north and south, which have been most efficiently performed, and have aided this department in enforcing great reductions of expenditure. He is a most deserving officer.

Colonel William W. McKim, for some time in charge of the depot of Cincinnati, has been in charge of the depot of Philadelphia, including the operations of the great depot of clothing and equipage at the Schuylkill arsenal, since the 15th of February last. He is a most efficient and deserving officer. He reports an expenditure during the year of \$24,986,188 16.

The depot of Baltimore has been in charge of Colonel R. M. Newport since the 24th of September, 1864. In the earlier part of the fiscal year it was under charge of Major C. W. Thomas, Quartermaster's department. Colonel Newport's expenditures and transfers are reported at \$8,167,971 73.

Colonel S. B. Holabird has continued on duty at New Orleans, where his long experience and his business capacity have made his service most valuable. He accompanied the army of General Banks to Louisiana when that officer first assumed command in the southwest, and has always been zealous and successful in the discharge of the heavy duties which have been imposed upon him. His receipts, transfers, and expenditures during the year were \$15,290,396 67.

Colonel C. G. Sawtelle, as chief quartermaster of the command, first of General Canby, and lately of the troops and military division under Major General Sheridan, has rendered most valuable service. As chief quartermaster of Gen-

eral Canby's army, he directed the operations of the Quartermaster's department in the movements against Mobile. After the fall of Mobile, and the assignment of Major General Sheridan to command in the southwest, he was attached to his staff as chief quartermaster of the military division, and forwarded the army which was sent from New Orleans to Texas, including the later movements of the 25th army corps which, embarking on the James, rendezvoused on the northern coast of the Gulf of Mexico, before proceeding to Texas. He reports the receipt, transfer, and expenditure during the fiscal year of \$684,857 45.

The principal disbursements in the command to which he is attached have been made by officers at depots.

The limits of this report will not permit me to notice here all the officers of the department who have held important positions during the extended operations of the last year of this most active and eventful war. I mention the names merely of some of the officers whose merits have promoted them to most important positions.

Lists of officers of the Quartermaster's department who have served as chief quartermasters of armies, of great territorial divisions, and in charge of important depots, and of those who have been specially noted in the records received at this office for good service, are attached to this report.

The officers who have been my personal assistants in charge of the several divisions of this office are noticed in referring to the branches of the service in which they have had special control.

HORSES AND MULES.

The purchase and supply of the animals of the army pertains to the First Division of this office, of which Brevet Brigadier General James A. Ekin, of the Quartermaster's department, has charge.

He reports purchases of cavalry horses during the year ending June 30, 1865..... 141,632
Total from January 1, 1864, to May 9, 1865, at which time purchases ceased..... 193,388
Of artillery horses, from September 1, 1864, to June 30, 1865, purchases having ceased May 9..... 20,714
Of mules, from July 1, 1864, to June 30, 1865, purchases having ceased May 9..... 58,818

The earlier purchases of horses delivered in Washington at the beginning of the war were at \$125. Subsequently, for a time, horses were delivered here as low as \$100. The price gradually advanced until the close of the war.

The prices of cavalry horses during the last fiscal year have varied from..... \$144 to \$185
Of artillery horses..... 161 to 185
Of mules..... 170 to 195

There have been sold at the depots since January 1, 1864, of cavalry horses..... 40,070
There have died at these depots..... 38,277
Artillery horses reported as having died at the depots, September 1, 1864, to June 30, 1865..... 434
Mules sold September 1, 1864, to June 30, 1865..... 13,479
Died at depots in same time..... 7,336

The deaths reported occurred at depots principally among animals sent in from the field as broken down and unserviceable.

The destruction in the field was greater, probably nearly equalling the number supplied by purchase and capture, as neither the trains nor the cavalry of

the armies have been materially increased during the last year of the war, and the purchases have been almost entirely to supply losses.

The issues of cavalry horses to the army of the Shenandoah, actively engaged under Major General Sheridan, have been at the rate of three remounts per annum. The service of a cavalry horse under an enterprising commander has therefore averaged only four months.

Of the animals which are sent to the depots for recuperation, about sixty per cent. recovered, and becoming serviceable, have again been issued.

SALES.

There have been sold, so far as reported, to October 17, and since May 8, 1865, and in accordance with General Orders No. 28, of the Quartermaster General's office, dated May 8, 1865, 53,794 horses and 52,516 mules, for the sum of \$6,107,618 14. It is probable that when the full returns are received the total amount of sales from May 8 to October 17 will prove to exceed \$7,000,000.

With few exceptions these sales have been made by persons employed at fixed daily rates by the Quartermaster's department. In a few cases officers who have failed to receive the general order of the Quartermaster General, prescribing this mode of sale, have employed local auctioneers at various rates of compensation. The results in most cases have been less satisfactory than when the sales have been made in the first mode; and such sales have given rise to some complaints of excessive fees. All the officers of the department now, it is believed, have received General Order No. 42, Quartermaster General's office, 1865, and understand their duty in this respect.

General Ekin names the officers who have acted under his orders in the business of providing and disposing of animals of the army, and bears testimony to their good service, for which I respectfully refer to his report, herewith.

He reports the expenditures of the fiscal year as follows:

On hand July 1, 1864, and received during the fiscal year	\$8, 501, 078 84
Expended	\$3, 719, 070 13
Transferred to officers	4, 295, 963 72
	<hr/> 8, 015, 033 85
Remaining to his credit June 30, 1865	<hr/> 486, 044 99

Estimates of quartermasters for purchase of horses, submitted to and approved by him during the year:

For horses	\$23, 600, 456 66
For mules	6, 434, 637 66
Total	<hr/> 30, 035, 094 32

CLAIMS FOR ANIMALS.

Under the law of July 4, 1864, 4,174 claims for animals have been filed in the first division of the Quartermaster General's office; of these 2,792 have been acted on, leaving 1,382 not acted on. This business is increasing rapidly.

General Ekin states, succinctly, some of the difficulties attending just decisions upon these claims. Generally when the animals have been taken by officers of this department, reference to the official records shows that they have been properly reported and accounted for.

But when officers' papers have been captured by the enemy or destroyed, and where the seizure has been made by officers not of the Quartermaster's department, as many of the officers have been discharged from the service, it is difficult

to communicate with them by letter, and to ascertain whether the signatures and memorandum receipts offered in evidence are true or forged. To arrive at certain conclusions upon evidence entirely ex parte, and without cross-examination, is impossible, and this department will be unable to arrive at that conviction necessary to enable it to report many claims, some of them no doubt just, without some further action. It may, after a time, become expedient to create boards of officers to visit the localities in which most of these claims originate, and there take testimony as to the facts, the truth of the documentary evidence presented, and especially as to the loyalty of the claimants and witnesses. Judging from the papers presented with these claims, there are few persons unable to present certificates of loyalty.

Copies of the more important orders regulating the mode of purchasing and disposing of public animals accompany this report.

They are the result of the experience gained during a great war, in which the consumption of horses and mules has been very large. The specifications have been amended from time to time as experience has shown defects.

Under the system which these orders and regulations set forth, the army has been well supplied with animals adapted to the military service. The order, regularity, and abundance of supply, the correctness and clearness of the record of this branch of the service, since the organization of the first division of this office, are most creditable to Brevet Brigadier General James A. Ekin, who has been at its head.

CLOTHING AND EQUIPAGE.

The clothing and equipage of the army are provided by contract, by purchase, and by manufacture at the several principal depots, which during the fiscal year have been:

New York depot, under charge of Brevet Brigadier General D. H. Vinton, Quartermaster's department.

Philadelphia depot, under charge, successively, of Brevet Brigadier General G. H. Croaman, Colonel A. J. Perry, Colonel and Brevet Brigadier General H. Biggs, and Colonel W. W. McKim, who is still in charge.

Cincinnati depot, under charge of Brevet Brigadier General Thomas Swords, Colonel C. W. Moulton, Colonel W. W. McKim, who on his transfer to Philadelphia was relieved by Colonel C. W. Moulton.

Saint Louis depot, under charge of Brevet Brigadier General William Myers, Quartermaster's department.

There are several branch depots established at points at which the war had collected many destitute women either of the families of refugees or of soldiers, whom employment in making up army clothing relieved from dependence upon public charity.

These depots were supplied with material from the three principal depots of New York, Philadelphia, and Cincinnati, and their operations were confined to the making up of such material into garments.

Such depots are established at Quincy, Illinois, and Steubenville, Ohio.

The quality of the clothing and equipment furnished to the army has been excellent; very few complaints of inferior quality have been made, considering the immense quantity of material which has been issued to the troops. The marches made from Atlanta to Savannah, and from Savannah to Goldsboro', by armies which during their marches had no opportunity to replace articles of equipment worn out, are evidence of the good quality of the shoes and clothing with which the army is supplied.

Of the principal articles of clothing and equipage, the following quantities have been purchased and manufactured at the three principal depots during the fiscal year ending June 30, 1865:

Uniform coats	311,597	Blouses	2,617,374
Uniform jackets	410,667	Shoes, pairs	1,688,017
Uniform trousers	3,463,858	Boots, pairs	959,543
Drawers	3,708,393	Stockings	5,684,572
Shirts, flannel	3,268,166	Hats	442,832
Greatcoats	873,289	Caps	1,151,948
Blankets, woollen	1,746,034	Knapsacks	958,287
Blankets, water-proof	625,624	Haversacks	1,066,647
Canteens	1,163,347	Guidons	1,293
Hospital tents	10,265	Picks	42,446
Wall tents	8,412	Axes	108,196
Wedge or common tents	1,412	Spades and shovels	150,931
Shelter tents	698,187	Hatchets	88,054
Bedsacks	19,610	Mess pans	169,296
Regimental colors	1,321	Camp kettles	73,895
Camp colors	4,167	Bugles	3,795
National colors	760	Drums	16,330
Flags	4,185	Fifes	1,400

The stock on hand ready for issue on the 30th June, 1865, but not transferred to the armies for issue, was:

Uniform coats	462,105	Knapsacks	868,578
Uniform jackets	504,811	Haversacks	522,621
Uniform trousers	1,185,234	Canteens	845,209
Drawers	1,166,541	Hospital tents	6,121
Shirts, flannel	1,542,294	Wall tents	15,672
Greatcoats	929,725	Wedge or common tents	53,902
Blankets, woollen	1,009,106	Shelter tents	791,254
Blankets, water-proof	384,975	Bedsacks	167,037
Blouses	1,410,059	Regimental colors	789
Shoes, pairs	1,582,156	Camp colors	7,270
Boots, pairs	435,032	National colors	609
Stockings, pairs	1,803,719	Flags	7,697
Hats	397,595	Guidons	2,039
Caps	926,922	Picks	103,228
Axes	90,548	Bugles	3,893
Spades and shovels	152,523	Trumpets	3,869
Hatchets	111,247	Drums	5,865
Mess pans	364,086	Fifes	11,747
Camp kettles	106,417		

For further details of the supply of clothing, camp, and garrison equipage, during the fiscal year, and during the whole war, I respectfully refer to the tables accompanying this report. They give information as to the quantities of the various materials purchased, as well as of the articles manufactured therefrom, or purchased ready-made, in a compact form and with greater precision than is possible in this narrative.

There have been purchased during the fiscal year—

Cloth and other materials to the value of	\$21,416,858 84
Clothing	70,087,282 20
Equipage	13,515,301 09
The expenditure for all objects relating to clothing and equipage, including payment of rents, compensation to workmen, clerks, and others, at the principal depots, has been during the year ending June 30, 1865	105,019,406 13

Two of the tables herewith give approximately the quantities of material and of ready-made articles of clothing and equipage, which the three principal depots have supplied during the war.

At the commencement of the war the department had but one depot for the supply of clothing and equipage, the Schuylkill arsenal, at Philadelphia. This was organized for the equipment of an army of 13,000 men. The material was purchased by contract from manufactories, and the clothing, shoes, &c., were made up at the arsenal.

The sudden increase of the army made it necessary to greatly enlarge the operations of this depot, and to establish new ones, and also to accept the aid of State authorities in providing the clothing of the numerous regiments of volunteers organizing in every district in the country. Eight or ten thousand work-people were employed in Philadelphia in the manufacture of clothing and equipage. The new depots established at New York and Cincinnati went into operation early in 1862, under energetic and able officers. Contracts were made for the supply of clothing ready-made. The manufacturers of the loyal States were urged to turn their machinery upon army goods. The clothing merchants who had, before the war, supplied the southern markets, made contracts with the department for the supply of army clothing, and in a few months the industry and manufacturing power of the country were turned into the new channel, and the difficulties at first experienced in procuring a sufficient supply for the immense army which sprang into being ceased.

The only domestic branch of manufacture which has not shown capacity to supply the army is that of blankets. The department has been obliged throughout the war to use a considerable proportion of army blankets of foreign manufacture.

The condition of the property stored at the Schuylkill arsenal, at Philadelphia, is a source of apprehension. About \$20,000,000 of property are in store there, and it is recommended that alterations and additions be made in the buildings, or within the walls, to enable the department to remove much valuable property now stored in temporary sheds, and exposed to danger from fire, into proper fire-proof buildings.

The prices of clothing and equipage have constantly advanced during the war. A table of the lowest and highest prices paid accompanies this report. It will be seen that, towards the termination of the war, the prices of many important articles had more than doubled; of some articles the price has quadrupled.

The Second Division of this office has charge of the provision and distribution of clothing and equipage. It has been under the charge of Colonel A. J. Perry, of the Quartermaster's department, who has in this office had charge of this branch of its business since the commencement of the war. He is an officer of rare merit, and I have taken occasion heretofore to ask that he receive promotion, as a testimony that his services have been recognized and appreciated by his country, as they are by the chief of this department.

Although in the active operations of the past four years, and especially during the unprecedented movements of the last year, very heavy demands have been made upon this branch of the department, it has been able to place the material needed at the right places and at the right moment.

During the last year large armies have changed their bases. The army of General Sherman from the Tennessee and Ohio to the Atlantic coast, at Savannah; then again to the harbor of Beaufort, North Carolina, several hundred miles distant. Yet, at each of these new bases, this army, from 70,000 to 100,000 strong, found the supplies for a complete new outfit ready for issue. Most of the clothing and equipage for this purpose was sent from New York. Details of the operation are found elsewhere in this report.

So armies of 15,000 to 25,000 men have been during the past year suddenly

moved from the Tennessee to the Atlantic; from the Tennessee to the Gulf coast; from the James to the Rio Grande; but from none of these new fields and bases of operation, in the midst of these sudden and gigantic movements, has the complaint been made of suffering for want of any of the supplies which it is the duty of this department to provide or to transport.

OCEAN TRANSPORTATION.

Colonel George D. Wise, in charge of the Third Division of this office, reports that, during the first month of the fiscal year, the office work of the division—that of ocean and lake transportation—was embarrassed by the absence of most of the clerks and officers, who were called to active service in the field during the demonstration and attack on the capital by the rebel army under Early and Breckinridge. During this time, however, the necessary steamer transportation was assembled at City Point, and moved to Washington and Baltimore the 6th army corps in time to meet the advancing enemy at the battles of the Monocacy and the attack on Washington. The 19th army corps was also brought from the Chesapeake, where it was arriving by sea from New Orleans, and reached Washington in time to take part in the operations for its defence and in the pursuit of the baffled enemy.

During the month of July, also, the army of Major General Canby was moved by sea from New Orleans to Mobile bay, co-operating with the navy in the reduction of the fortifications at its entrance.

From August to December no great movements of troops by sea were made, but a large fleet was constantly employed in supplying the armies before Richmond and the troops at the various stations along the coast from the Chesapeake to New Orleans.

In the inclement month of December the approach of General Sherman's army to the coast required a large fleet to be employed in readiness to supply and re-fit that army after its long march from Atlanta.

Transports were despatched to Pensacola with supplies to await the arrival of the troops; should unexpected opposition compel General Sherman to change his course to the south.

The greater part of the stores intended for his use, however, were sent direct to Port Royal harbor, there to await his arrival at some point on the coast of the Carolinas or Georgia.

When he appeared in rear of Savannah, and, capturing Fort McAllister by a *coup de main*, communicated with the naval squadron, the transports were sent round to the mouths of the Ogeechee and Savannah rivers, and light-draught steamers, fitted for river and bay service, which had been despatched upon the first news of his approach, arrived in time to transfer to the river landings the clothing, camp and garrison equipage, quartermaster's stores, and forage and provisions which had been of necessity sent in sea-going vessels, both sail and steam, and which were of too heavy draught to enter the Ogeechee or pass through the opening first made in the artificial obstructions of the Savannah.

The army was quickly reclothed, reshod and refitted; its wagons filled with rations and forage.

A large portion of the army was transferred by steamers from the Savannah to Beaufort, South Carolina, or Port Royal harbor, at which place the vessels of heavy draught could land their stores without the labor of transshipment.

After a short and much needed rest, the army, re-equipped, left the coast, and the transports and fleet of light-draught steamers repaired to the harbor of Morehead City, where they awaited the arrival of the troops, who, after a march of five hundred miles through a hostile country, without communication with their

base of supplies, depending solely upon the stores in their wagons and the resources of the enemy's country for their subsistence, were certain to arrive in a condition to require an entire renewal of their clothing and shoes, and a new supply of provisions.

When I parted with General Sherman at Savannah, on the 19th January, he told me to look out for him at Kingston, and also to be prepared for him lower down the coast, should the rebel army of Virginia, abandoning Richmond, unite with the troops in the Carolinas, and succeed in preventing his passage of the Santee.

During the month of December, also, an expedition was embarked at City Point and Fortress Monroe, which made an unsuccessful attempt, in co-operation with the navy, upon Fort Fisher, at the mouth of Cape Fear river. The troops failing to attack were re-embarked, and returned to Hampton roads. The transportation by sea, the landing and return, were successfully performed.

In January the expedition was re-embarked with a larger force, and successfully landed above Fort Fisher, which place, with the aid of a naval bombardment unexampled in severity, they carried by assault.

The troops of the 23d army corps, under General Schofield, having borne their part in the campaign in Georgia and Tennessee, after the battle of Nashville, which took place on the 15th and 16th December, and the termination of the pursuit of the rebel army on the Tennessee, were moved by rail and river to Washington and Baltimore, where, amid many difficulties from the severity of the season, ice entirely suspending for a time the navigation of the Potomac, they were embarked on ocean steamers and despatched to the Cape Fear river, and to Beaufort, North Carolina, to move, in co-operation with the victors of Fort Fisher, upon Wilmington and Kingston, North Carolina.

In anticipation of the arrival of General Sherman's army, I had ordered to Savannah a portion of the military railroad construction corps. Two divisions of the corps, as organized, with tools and materials, and officers, were brought from Nashville to Baltimore by railroad. At Baltimore they were re-enforced, and embarked on ocean steamers, and were promptly at the rendezvous.

As the army moved, however, without depending upon railroad communication, destroying instead of repairing railroads in its march, the construction corps was transferred to Wilmington and Beaufort harbor, and the railroads which, starting from Wilmington and Morehead City, meet at Goldsboro', were repaired and stocked with engines and cars, either captured or sent from the north.

Two hundred miles of railroad were thus repaired and stocked, under the protection of the troops of Generals Schofield and Terry; and when, after the battle of Bentonville, the right wing of General Sherman's army, under Howard, marched into Goldsboro', on the 22d March, ragged from their struggles with the thickets and swamps, and blackened by the smoke of the burning forests of Carolina, they met these railroad trains from the Atlantic, loaded with three days' rations for their immediate wants. I met General Sherman at Morehead City, on the 25th March, when he advised me that he desired to move again on the 10th April.

This army, of nearly 100,000 men, needed to be entirely reclothed and reshod, the troops were to be fed while resting, for as soon as the army ceased its march it ceased to supply itself by foraging, and depended upon the supplies from the coast. Nevertheless, on the 7th April I was able to inform General Sherman that the necessary supplies were in his camps.

Every soldier had received a complete outfit of clothing, and had been newly shod. The wagons were loaded with rations and forage, and each of the three thousand wagons, whose canvas covers had been torn on the march from Chattanooga, was supplied with a new cover. The army moved on the appointed day against the enemy, interposing between it and the army of the Potomac, then holding the principal rebel army fast behind the lines of Richmond.

A tug-boat of this department, under the command of Captain Ainsworth, had reached Fayetteville by the Cape Fear river on the 12th March, and first bore greeting to the army of the west, from their comrades whom they had left on the banks of the Tennessee, and who, joined with others of the army of the Potomac, were then forcing a communication with them, from the new base which they sought on the Atlantic coast.

The demands upon the department at this time compelled it to take into its service not only the fleet which it had gradually acquired by purchase, but nearly every new steam vessel that had been built in the United States to navigate the ocean.

A fleet of powerful propellers, vessels of 900 to 1,100 tons, swift and staunch, burning twelve to sixteen tons of coal per day, with a speed of 8 to 10 knots, had been created during the war, and nearly the whole of them were at this time in the service of the department.

Large sailing-ships were also employed, loaded with forage and subsistence, and compelled to anchor on the exposed coast of Carolina, where they rode out the winter storms.

A large quantity of railroad engines and cars were shipped to Beaufort harbor for the railroads in North Carolina, most of which were on the termination of hostilities sent to the James river to be sold.

To aid in the rapid supply of General Sherman, while at Goldsboro', and relieve the railroad, and also to enable the department to supply him at Winton by the shallow waters of North Carolina, in his northern march, a large number of canal-boats and barges was sent to Newbern; some of them were used in the Trent river, carrying supplies to Kingston bridge, but the greater part of them were released from service by the surrender of the rebel armies, and have been returned to the Chesapeake and to their owners, or sold.

In all the active movements by sea during the fiscal year, employing a fleet in which nearly all the sea-going steamers of the country have been employed, but three vessels have been lost while in the service of this department.

The *North America*, a chartered side-wheel steamer of the first class, perfectly new, went down in a gale off Cape Hatteras, the *General Lyon* was burned, and the *Admiral DuPont* was run down at sea.

After the surrender of the rebel armies, orders were given to discharge all the chartered steamers, and to sell those which were the property of the department as fast as they could be spared; very heavy movements, however, ordered before much progress in the reduction was made, have delayed the discharge and sale of some of the transports.

In May the 25th army corps was ordered from City Point to Texas. The corps numbered about 25,000 men, with artillery and baggage. Its guns, ambulances, wagons and harness, subsistence and ammunition, went with it; about 2,000 horses and mules also accompanied it. The greater part of its artillery, cavalry and team horses were left behind. This movement required a fleet of fifty-seven ocean steamers, one of which made two voyages. The entire tonnage of the fleet was 56,987 tons. The vessels were all provided for a twelve days' voyage, consuming 947 tons of coal, and fifty thousand gallons of water daily.

The daily expense of this fleet amounted to \$33,311.

The vessels were fitted with bunks for the troops, and with stalls for 2,139 horses and mules, which formed part of the expedition.

The vessels were all rigidly inspected before sailing, and all reached their destination in safety. No accident to any of them has been reported. A list of the vessels accompanies this report.

While this expedition of 25,000 troops was afloat, another, of seven thousand troops, was sent by sea from Washington to Savannah, and 3,000 rebel prisoners were sent from Point Lookout, on the Chesapeake, to Mobile. Besides this,

large numbers of convalescent and discharged men were then returning from the southern ports, and recruits were forwarded to the regiments on the coast.

There were, therefore, more than 30,000 troops and prisoners afloat upon the ocean, in steam transports, at the same time.

The last annual report of this department gives information as to the army transport fleet owned and employed on the 15th October, 1864.

This list omitted to give the names of the western river steamers, of which the department then owned a large number.

There were in the employment of the department of ocean and lake transportation, in the spring of 1865, owned by the department—steamers, 106; steam-tugs, 29; sailing vessels, 15; barges, 21—total, 171 vessels, with a tonnage of 49,358 tons. The department also had under charter at that time—steamers, 275; tugs, 91; sailing vessels, 75; barges, 171, with a tonnage of 191,149 tons.

Total number of vessels employed, 783; tonnage, 240,507 tons. Average daily expense of this fleet, \$97,500.

On the 1st of July, 1865, the fleet owned consisted of—steamers, 115; tugs, 23; sail-vessels, 12; barges, 20; tonnage, 55,496 tons.

The chartered fleet consisted of—steamers, 177; tugs, 69; sail-vessels, 74; barges, 100; tonnage, 138,440 tons.

Total number of vessels, 590; tonnage, 193,936 tons; daily cost, \$82,400.

During the fiscal year the average size of the transport fleet was—

351 steamers.....	171,081 tons.
111 steam-tugs.....	13,262 "
89 sail-vessels.....	17,738 "
168 barges.....	22,903 "

Total, 719 vessels, of..... 224,984 tons.

Its average daily cost was \$92,414.

The report of Colonel Wise, who is in charge of this branch of the Quartermaster General's office, contains some important observations upon the construction and management of steam ocean transports.

At the beginning of the war the department was imposed upon. Officers and agents had little experience, and inferior vessels were sometimes chartered, and excessive prices were paid for steamers chartered from the regular trade, not then entirely and hopelessly broken up by the war.

Stringent measures of reform were adopted; a scale of prices for the different classes of vessels was fixed, by the order of the Quartermaster General.

The examination and audit of all accounts for charter of vessels was brought to this office; all charters contained provisions to enable the United States to purchase the vessels at a reasonable price, provided that should prove advantageous; and system, order, and regularity were introduced into the service.

This branch of the service, on the reorganization of this office under the law of 4th July, 1864, was assigned to the Third Division of the office, under the direction of Colonel G. D. Wise. The safety, efficiency, despatch, and punctuality with which its affairs have been conducted do him high honor.

At one time 40,000 men have been afloat. The fleet has averaged 719 vessels of all classes, with a burden of 225,000 tons. But three vessels have been lost during the year, though the greatest and most important movements were made during the inclement months of the winter, from January to May.

Very full tables which accompany this report give details in reference to the transport fleet and the operations of the department upon the ocean and upon the waters of the coast.

RAIL AND RIVER TRANSPORTATION.

The service of transportation upon the western rivers has been under the direction of the Fourth Division of this office.

Colonel L. B. Parsons, who had been placed in charge of the western river transportation in 1863, just before the preparations for the campaign of Atlanta commenced, was, upon the organization of the division of rail and river transportation in this office, called to its head. He has conducted the service with great efficiency and economy. Of some of the more important movements his report gives details. When he took charge of this service the Mississippi had been opened, and the merchants of the west were in condition to establish lines of steamers to all parts of its navigable waters. The system of time-charter of steamers was as fast as possible abandoned, and contracts were made, on public advertisement, with the lowest responsible bidders, to move the stores of the department at fixed rates per pound. The rapid accumulation at Nashville and at other points of supplies, which enabled General Sherman to move successfully into Georgia, have been detailed in the last annual report of this office.

WESTERN RIVER TRANSPORTATION.

In the course of the war a considerable fleet of river steamers and other vessels has become the property of the department upon the Mississippi and its tributaries, by purchase, by construction, or by capture. A list of the steamers accompanies the report. It contains the names of—

Side-wheel steamers.....	34
Stern-wheel steamers.....	37
Centre-wheel steamers.....	3
Ferry-boats.....	1
Screw tugs.....	16
Total steamboats.....	91
Of other vessels the department owned upon these rivers—	
Steamboat hulls.....	2
Model barges.....	74
Gunwale barges.....	226
Small wood barges.....	26
Box barges.....	3
Barges not classified.....	23
Total barges.....	352
Wharf boats.....	18
Canal boats.....	3
Coal boats.....	60
Trawl boats.....	56
Sail boats.....	1
Metallic boats.....	1
Total boats.....	139
Skiffs.....	9
Sectional docks.....	3
Small flats.....	2
Floating docks.....	1
Total boats and barges of all kinds.....	599

Nearly all of these have been advertised for sale. Those which have been constructed or purchased by the department have been or will be sold. Those which have been captured or seized will be turned over to the Treasury Department, to be disposed of under the law, or will be returned to their original owners, if pardoned, and, if so ordered, upon full consideration of their claims.

RAILROAD TRANSPORTATION.

The agreement made early in the war with a convention of railroad companies has continued in force through all the changes in values which the war has brought. The railroad officers have responded to every demand of the transportation department of the government, and, by their cordial co-operation with the officers of the Quartermaster's department, have made these great movements of troops easy of execution and unexampled in despatch.

To Brigadier General L. B. Parsons, who has been in charge of the Fourth Division of this office, and to Brevet Colonel Alexander Bliss, his assistant, and frequently, in his absence, in charge of the office, and the officers at the various posts and depots, charged with the duty of transportation, great credit is due for the safety, order, and speed with which this immense business has been conducted.

There have been filed in the office of the fourth division, since its organization, 442 claims, amounting to \$268,545 02; 202 have been allowed, amounting to \$68,712 34; 92 have been referred to the Third Auditor or to disbursing officers for examination and settlement, amounting to \$87,462 30; 99 have been rejected, amounting to \$60,138 34; 48 await action, amounting to \$46,891 04; 1 has been withdrawn, amounting to \$5,341.

From the imperfect reports yet received at the office of the fourth division, the number of passages granted to prisoners and refugees who have been transported by the division, during the fiscal year, is 356,541, costing over \$1,300,000.

General Schofield's movement from Clifton, on the Tennessee, by the Tennessee river, the Ohio, and the Baltimore and Ohio railroad, to the Potomac, and thence to the coast of North Carolina, was accomplished in the midst of a very severe winter, during which the navigation of the Ohio and the Potomac was at times interrupted by ice. Within five days after the movement was decided on in Washington, the troops upon the Tennessee, nearly 1,400 miles distant, were embarking. The movement to Washington occupied an average time of only eleven days. It took place during the month of January.

The special report of Colonel Parsons, of the Quartermaster's department, who was despatched by the War Department to attend to it personally, accompanies this report; it is an interesting detail of the difficulties overcome, and of the success with which they were surmounted.

On the conclusion of the campaign in Tennessee, while the 23d corps, under General Schofield, was ordered across the Alleghanies, by Washington, to the coast of North Carolina, to co-operate with General Sherman, the 16th corps, under Major General A. J. Smith, was ordered to New Orleans to co-operate with General Canby in the reduction of Mobile. A fleet of 40 steamers was promptly assembled at Eastport, on the Tennessee, below the Muscle Shoals. The entire command, including a brigade of artillery and the seventh division of the cavalry corps, was embarked on the fleet. It consisted of 17,314 men, 1,038 horses, 2,371 mules, 251 wagons, 83 ambulances. The embarkation began on the 5th February, 1865, and was completed on the 8th. The fleet sailed on the 9th, and the command arrived at New Orleans on the 23d, having been moved, in 13 days, 1,330 miles.

DISPERSION OF THE ARMIES CONCENTRATED AT WASHINGTON.

The armies of the west and of the Potomac, after the fall of Richmond and the surrender of the eastern rebel armies, marched through Washington, were

reviewed by the President and cabinet, and encamping upon the heights surrounding the capital, prepared for their final dispersion and disbandment.

During the forty days between the 27th May and 6th July, 233,200 men, 12,838 horses, and 4,300,850 pounds of baggage were moved from Washington by the Washington Branch railroad to the Relay House, where a large portion of them turned westward. The remainder passed through Baltimore, dividing at that city into two streams, one of which moved north, through Harrisburg, the other northeast, through Philadelphia.

The general instructions of the Quartermaster General, preparing for this movement, will be found among the papers attached to this report. They designate the routes and prescribe certain precautions and preparations for the comfort and safety of the troops moving by rail.

Of the troops there were returning home for discharge from service 161,403 men, with 4,630 horses, and 1,828,450 pounds baggage, distributed as follows:

To the northeastern States 28,803 men, 1,307 horses, 287,000 pounds baggage.

To the middle States 100,309 men, 2,323 horses, 907,000 pounds baggage.

To the western States 32,291 men, 1,000 horses, 634,450 pounds baggage.

The army of the Tennessee, ordered to move to Louisville, from which place they were, in a few weeks, sent to their homes for discharge from service, 60,904 men, 2,657 horses, 2,424,000 pounds baggage.

Cavalry ordered west for active service 10,593 men, 5,757 horses, 308,000 pounds baggage.

Total number in forty days, over the Washington Branch railroad and the various railroads diverging from the Relay House and from Baltimore, 233,200 men, 12,838 horses, and 4,300,850 pounds baggage.

The army of the Tennessee, the troops ordered west for active service, and a portion of those ordered to their western homes for discharge, passed over the Baltimore and Ohio railroad to Parkersburg, its western terminus, on the Ohio river, where boats were provided for their march to Louisville, Lawrenceburg, Camp Dennison, and Cincinnati. Between the 27th May and 6th July, within forty days, during twelve of which no troops arrived at Parkersburg from Washington, there were moved from that place to—

Louisville	78,450 men,	5,855 horses.
St. Louis	7,082 "	3,314 "
Lawrenceburg, Indiana	8,424 "	153 "
Camp Dennison, Ohio	1,479 "	29 "
Cincinnati	1,361 "	545 "
	96,796 "	9,896 "

In this movement by water ninety-two steamboats were employed an average of seventeen days and a fraction for each boat, at an average compensation of \$175 per day each. Each boat consumed on an average 200 bushels of coal per day.

The total service of all the boats was 1,601 days, costing for charter \$280,175, and consuming 320,200 bushels of bituminous coal, \$48,030.

Total cost of transportation from Parkersburg by water to various points on the Ohio and to St. Louis, of 96,796 men and 9,896 horses, \$328,205.

The same movement, if performed by railroad at the reduced rates at which the railroads serve the government, would have cost \$746,964.

Thus 96,000 men and 10,000 horses were, in the short space of forty days, moved from Washington, on the Potomac, across the Alleghanies, and descending the Ohio and ascending the Mississippi, were placed in the several positions to which they had been ordered.

During these same forty days 233,000 men in all were moved by railroad

from Washington, 96,000 of them to the posts above named; the others were distributed to every hamlet and village of the States north of the Potomac and Ohio rivers and restored to their homes, the labor of war over, to return to the pursuits of peaceful industry which they had left at the call of their country in her hour of need.

In all these movements there have been few accidents, and the safety and economy of the service are not less noticeable than its speed.

Had the armies marched to their several places of destination the pay of the men, the subsistence of men and animals, the maintenance of the immense trains which would have accompanied them, considering the time which the march would have consumed, would have far exceeded the cost of this rapid movement by rail and river.

It is understood that, since the close of the war, 800,000 men have been safely brought back from the rebellious districts, transported by this department to the several camps of discharge, established in every loyal State, and finally sent to their homes. Many of these men came from Texas and the Gulf coast—others from the territories of all the lately rebellious States.

Such a movement is unexampled. It illustrates the resources of the country for the operations of war, and the great advantages it possesses in its system of navigable rivers and its forty thousand miles of railroads.

MILITARY RAILROADS.

In the winter of 1863, when the rebel armies were driven back from Chattanooga, the immediate repair and almost total reconstruction of the track of the railway from Nashville to Chattanooga became an imperative necessity.

The positions taken up by the troops along the line of the Tennessee river, for the winter, required for their supply that the railroads from Nashville to Decatur, and from Decatur to beyond Knoxville, should also be repaired and equipped. Bridges were rebuilt; new and heavier iron was laid down upon the road from Nashville to Chattanooga; locomotives and cars in great numbers were manufactured at the north, and transported to the scene of active operations.

As the Louisville and Nashville railroad proved insufficient for the heavy traffic thrown upon it, and was sometimes cut by guerillas, the Nashville and Northwestern railroad from Nashville to Johnsonville, on the Tennessee river, was repaired, completed, and opened to trade. This afforded a new avenue by which the products of the northwest were transported to the base of operations at Nashville, the Tennessee river being navigable for light-draught boats from the Ohio to Johnsonville.

Seventeen hundred and sixty-nine miles of military railways were at one time repaired, maintained, stocked and operated by the agents of this department, under the energetic supervision of Brevet Brigadier General D. C. McCallum, general manager of military railways of the United States.

In the repair of so many miles of railway great quantities of iron, burned and twisted by the contending forces, both of which, on occasion, destroyed railroads which they were obliged to abandon, came into our possession.

To make this iron serviceable in the repair of the railroads towards Atlanta and to the Gulf, should the same stubborn resistance be offered beyond Atlanta as was met with on the advance to that place, I directed the completion of an unfinished rolling-mill captured at Chattanooga.

For local military reasons Major General Thomas required that the mill should be constructed within the intrenchment of the city of Chattanooga, instead of on the foundations of the mill, some two miles from that town. A rolling-mill capable of re-rolling fifty tons of railroad iron per day was constructed and put in operation. It utilized a large quantity of iron taken from the lines of southern railroads, and was of important aid in restoring the railroad communication

between Chattanooga and Atlanta, broken up by order of General Sherman when, in the fall of 1864, he destroyed the latter city and set forth on his adventurous march to the sea.

The termination of the war having relieved the War Department of the duty of repairs and reconstruction of railroads, this rolling-mill was advertised and sold at a satisfactory price. It will be of great advantage to the southwestern railroads, on all of which the iron is much worn by constant use during the war, with little means of renewal.

Most of their iron will require re-rolling, and this mill is now in full operation upon the work.

General McCallum reports 1,769 miles of railroad as operated during the fiscal year, with an equipment of 365 engines and 4,203 cars either in use or in reserve, and an expenditure of twenty-two millions of dollars. His report is among the papers submitted herewith.

The force employed in the repair, construction, and operation of the military railways has been very large. A table herewith shows the strength at several different periods. In April, 1865, the number employed in this branch of the service was 23,533.

TRANSFER OF MILITARY RAILROADS.

As soon as the surrender of the rebel armies and the cessation of hostilities made it possible, efforts were made to induce the railroad companies of the rebellious territories to reorganize by the election of loyal directors and managers, and to resume the charge of the lines which had fallen into the hands of this department, and been repaired and used for the supply of our armies.

At this date nearly all the roads have been transferred, either to the presidents and directors, or to boards of public works of the States in which they are situated. In the Atlantic States the policy pursued has been to deliver up the roads in whatever condition they were left by the fortune of war at the moment of transfer.

Questions of ownership, claims to material of the road tracks, transferred either by rebel or by United States authority from one road to another, are left for decision of the courts. The United States merely retires, leaving the lawful owners to resume their property. Such material as had been collected for repair or construction, and not used, and such as was in depot, has been sold to the companies at a fair valuation, and upon credit of greater or less extent, as circumstances seemed to require.

The department does not propose to charge the railroads for expenditures or repairs, or for materials actually used on the roads; nor does it propose to allow any charge against it for the use and profits of the roads while occupied as military routes, nor for damages done by its troops or agents under the pressure of military operations.

A railroad is an engine of war more powerful than a battery of artillery, subject to capture and to use; and there is, it would seem, as little reason for paying damages or rent for its occupation and use as there would be for a captured battery.

The rolling stock and movable machinery have been hired to the railroads desiring their use, until arrangements could be made for a sale. Most of that collected in the Atlantic States has at this date been disposed of at public auction, either for cash or in payment of debts for transportation due by the department to railroads.

In the southwest the rolling stock belonging to the United States, some two hundred and twenty engines and three thousand cars, was all of the wide gauge, fitted for the southern roads. It could not be used without expensive alterations upon the northern railroads, and these could not be expected, therefore, to purchase it at prices approaching its value.

The railroads and the territory of the southwest were too much impoverished by the events of the unsuccessful rebellion to be able to purchase for cash the rolling stock and machinery which had cost this department several millions of dollars.

The reconstruction of the southwestern railroads, and their operation, were of the greatest importance to the pacification, restoration, and prosperity of the country, and on the 8th August an Executive order was issued prescribing the terms upon which these railroads should be restored to their lawful owners.

Difficulties having arisen in carrying this into full effect, additional orders were issued on the 14th October, 1865.

Under these orders the railroads and the railroad property of the department, in the southwest, are being disposed of. Copies of the orders, as published by this department, for the information and guidance of its officers, accompany this report; they are General Orders of the War Department, No. 276, 1863, and Quartermaster General's Office, Nos. 56 and 62, 1865.

This branch of the service has been a very costly one, but its expenditures have accomplished their objects. They have supplied our armies, and have enabled them to move and accomplish in weeks what without them would have required years, or would have been impossible.

Of the skill and ability of General D. C. McCallum, director and general manager of United States military railroads, and of the able body of engineers, superintendents, and assistants, who have enabled the department to repair, to build, and to manage the railroads during these great operations, it is impossible to speak too highly.

The commanding generals of armies as well as the Quartermaster General recognize their courage and devotion, their services, and their merits.

TELEGRAPH

The military telegraph has continued to be a most important instrument in the conduct of military operations. Its officers have shown the same fidelity and devotion as in former years.

Colonel Anson Stager has been chief of the military telegraph, and Major Thomas T. Eckert, assistant quartermaster, has been assistant superintendent, on duty at the War Department, and in charge of all telegraph lines in the departments of the Potomac, Virginia, North Carolina and the south.

The funds for the support of the military telegraph are furnished from the appropriations of the Quartermaster Department, and are disbursed under the direction of the chief of military telegraphs, whose reports, with those of his assistants, are submitted herewith.

The duties of these officers have brought them more directly under the notice of the Secretary of War than of the Quartermaster General, and their merits are well known to the War Department.

Expenditures during the year were \$300,000, for material and supplies, of which about \$130,000 was expended for purchase of 285 miles of submarine telegraph cable for use in case of necessity upon the coast and bays. The greater part of this is still on hand.

Referring to Colonel Stager's report herewith, it appears that the estimated cost of supplying and maintaining and operating military lines now in use is \$75,000 per month.

	Land.	Submarine.
Miles of military telegraph in operation July 1, 1864.	4,955½	52½
Constructed during the year	3,246½	68½
Total number of miles in operation during the fiscal year ending June 30, 1865	8,201½	121½
Total		8,323½

Taken down or abandoned during the year	2,049	46½
Total number of miles in operation June 30, 1865...	6,152½	75½
Total miles		6,228

During the rebellion there have been constructed and operated about fifteen thousand miles of military telegraph.

The cost of the military telegraph from 1st May, 1861, to 1st December, 1862, was about \$22,000 per month.

During the year 1863, it averaged \$38,500 per month.

In 1864, the telegraph was greatly extended, and the cost reached \$93,500 per month.

The total expenditure during the year ending 30th June, 1865, has been \$1,360,000.

The total expenditure from 1st May, 1861, to 30th June, 1865, \$2,655,500.

Upon the fall of the rebellion the telegraph lines throughout the South were taken possession of by the government. The telegraph companies were called upon to repair their lines and put them in good working order, furnishing all labor and material therefor. The United States to be at no outlay beyond the expense of maintaining purely military lines and military stations. An account of government business is kept, subject to future consideration or settlement.

FORAGE, FUEL, AND REGULAR SUPPLIES.

From the records in this office it appears that the armies in the field required, under the organization prevailing during the third year of the war, for the use of cavalry, artillery, and for the trains, one half as many horses and mules as they contained soldiers.

The full ration of forage for a horse is fourteen pounds of hay and twelve pounds of grain daily—26 pounds in all. The gross weight of a man's ration of subsistence is three pounds; the forage for an army therefore weighs, when full rations are supplied, about four and a half times as much as the subsistence stores.

The forage, probably, exceeds the subsistence as much in bulk as in weight.

With armies marching in the field, the forage is in great part gathered along the line of march.

Thus the army of General Sherman, on its march through the southern States, supplied itself with abundant forage. The moment that the army halted, as at Savannah and at Goldsboro', large shipments of grain and hay were necessary to keep the animals alive.

So the army which operated in the vicinity of Nashville, and General Sherman's army during its slow progress from Nashville to Atlanta, and during the siege of that city, drew immense quantities of grain and hay from the Ohio river, at vast expense.

The armies operating against Richmond during the past fiscal year, occupied a fixed position in the lines of their fortified camps, and drew all their supplies from the north by sea.

The animals of the army have been well supplied throughout the year, notwithstanding the extent of the territory over which they have been scattered, and the sudden and great changes of base, and consequently of lines of supply.

When General Sherman's army reached Savannah, and before the opening of the obstructed channels leading to that city permitted the approach of the fleet which had been despatched to Port Royal, laden with forage and other stores, there was for a short time a scarcity of forage. The rice straw and rice which alone the country about Savannah furnished were soon consumed, and I am

informed that some artillery horses perished. But the opening of the river soon enabled the department to deliver ample supplies, and his army moved north with abundance of animals and of food.

Colonel S. L. Brown was placed in charge of the purchase and supply of forage to the armies on the Atlantic coast in December, 1863; and upon the organization of the Fifth Division of this office was transferred to its head. His administration has been successful, and his reports record a business of magnitude and importance seldom equalled. Between the 8th of December, 1862, and the 30th of June, 1865, he purchased and shipped to the depots and armies 2,787,758 bushels of corn, 20,997,289 bushels of oats, 43,311 bushels of barley, 269,814 tons of hay, 8,243 tons of straw; the cost of which was \$31,308,563 98. The grain was purchased at certain points, under the direction of Colonel Brown, and transported to Portland, Boston, New York, and Philadelphia, by rail, canal, river, and lake, making 8,507 car loads, 560 barge loads by canal, and 49 schooner, 29 bark, and 20 propeller cargoes on the lakes. The hay, purchased upon the line of railroad, was transported to the coast in 5,555 car loads. The whole was reshipped from the above-named ports to the depots of the armies on the coast in 2,570 cargoes. The freight paid to these vessels was \$2,576,152 14.

Daily reports from the depots of the various armies, when daily mail or telegraphic communication was open, have been required, and have kept this office advised of the state of supply. Contracts made at a distance have been subjected to a careful examination by Colonel Brown himself, and every effort made to correct and prevent extravagance and fraud, both in the purchase and consumption of forage.

The loss by wastage, fire, and perils of the sea, upon shipments of forage amounting to twenty-five millions of dollars, has been less than seven-eighths of one per cent.—about eighty-three hundredths of one per cent. That there has been waste is undeniable; but in the handling of thirty millions of bushels of grain, and its daily distribution to the mangers or nosebags of every horse or mule in the public service, over a country of two thousand miles in width, this was unavoidable.

The abstracts with the report of the fifth division show, as approximate results, that during the fiscal year there have been supplied to the army—

5,902,273 bushels of corn, costing	\$8,558,296 00
23,794,930 bushels of oats, costing	23,794,930 00
43,311 bushels of barley, costing	64,967 00
407,799 tons of hay, costing	13,049,568 00
10,665 tons of straw, costing	213,300 00
146 tons of feed, costing	219 00
614 tons of fodder, costing	304 00
Forage	45,681,584 00

Fuel for the troops has, generally, in the field, been cut by themselves. At positions held for some time, and not in the enemy's territory, it is supplied by contract, the labor of troops being employed in different degrees, according as the exigencies of military duty, in the view of commanding generals, will permit.

Fuel for steam-vessels is procured, by contract, principally at Philadelphia and Pittsburg.

The reports in the fifth division show an aggregate of supplies of fuel during the fiscal year of—

336,169 cords of wood, costing	\$1,680,840 00
832,452 tons of coal, costing	8,324,520 00

These numbers, however, are imperfect, and subject, probably, to important increase upon a complete examination and analysis of the records and reports and accounts of officers.

The reports from the depot of Washington show the issue during the war of—

Corn	4,500,000 bushels.
Oats	29,000,000 "
Hay	490,000 tons.
Straw	15,000 "
Coal	392,000 "
Wood	210,000 cords.

Captain E. D. Chapman, forage officer at St. Louis, reports the purchases of forage at that depot during the war of—

Corn	3,847,480 bushels.
Oats	17,403,778 "
Hay	213,216 tons.
Straw	3,206 "

But I am of opinion that there have been many purchases of which Captain Chapman cannot have knowledge, and that the quantity actually purchased at that depot is considerably greater than above stated.

Imperfect analyses of contracts and reports in this office indicate a supply of forage during the war exceeding—

22,816,271 bushels of corn, costing	\$29,879,314 00
78,663,799 bushels of oats, costing	76,362,026 00
1,518,631 tons of hay, costing	48,595,872 00
21,276 tons of straw, costing	425,520 00

Total estimated cost of forage during the war, so far as ascertained from reports analyzed in this office..... 155,262,732 00

But vast quantities of forage were purchased and issued at remote or subordinate posts, the accounts of which cannot be made up without a complete analysis of the vouchers of disbursing officers. Much was purchased or taken on the march by officers subsequently killed or disabled, or by officers not reporting to this department. For much of this, memorandum receipts were given; and these are among the claims continually reaching this office under the law of July 4, 1864.

The total quantity of fuel reported as purchased is—

Wood, 551,436 cords, cost	\$2,757,180 00
Coal, 1,620,910 tons, cost	13,777,735 00

The wood was generally used near the place of purchase. The coal has been transported, at the expense of the department, from the market in which it was purchased to all the Atlantic, Gulf, and western river ports between St. Louis and Pittsburg.

CLAIMS FOR REGULAR SUPPLIES.

To the Fifth Division is intrusted the examination of claims for fuel, forage, and other regular supplies, irregularly taken by the armies, and not accounted for or imperfectly reported by officers of this department. Such of these as appear to be just and equitable are referred to the Third Auditor of the Treasury, with a recommendation for settlement, under the law of July 4, 1864.

A copy of General Order No. 35, which contains the rules for examination of these claims, accompanies this report.

These claims are examined as to the actual use of the supplies by the army, as to the past and present loyalty of the claimants and witnesses, and as to the genuineness of the signatures. Information as to loyalty is sought from pro-

vost marshals; and a very large number of claims is rejected upon evidence of disloyalty of both claimants and witnesses.

There have been received and referred to the fifth division from January 1 to October 16, 1865, 4,245 packages, containing 14,455 claims, vouchers given by officers of the Quartermaster's department, and claims presented under the act of July 4, 1864, and General Order No. 35.

HOSPITALS AND BARRACKS.

During the fiscal year hospitals of importance have been erected at

Indianapolis, at an estimated cost of	\$30,000
At Newark, New Jersey	70,000
Worcester, Mass., conversion of the Eclectic College into a hospital ..	36,800
Manchester, N. H.	30,000
Hicks hospital, Baltimore	75,000
Nashville	25,000
Hilton Head hospital, extended	30,000

At the commencement of the fiscal year the capacity of the hospitals of the army was 120,521 beds. The capacity of the principal hospitals erected during the fiscal year is 7,300 beds.

By the pitching of hospital tents adjacent to the wooden hospitals, great additions to their capacity have been made.

Hospital buildings are erected, and hospital tents are furnished by the Quartermaster's department. The hospitals, after being constructed, are turned over to the Medical department, to be administered under direction of the Surgeon General. Repairs and extensions are made upon his requisition, approved by the War Department, as they become necessary.

When the hospitals are vacated they are returned to this department, to be sold or otherwise disposed of.

The hospitals throughout the country, (and during the war they have been located in almost every State,) have been built by the Quartermaster's department upon plans generally prepared or suggested by the Surgeon General.

They are temporary structures built of wood with a view to economy, but from their magnitude some of them have been costly.

The Mower general hospital, at Chestnut Hill, Philadelphia, with a capacity for nearly four thousand patients; the hospital at David's Island, and that at Willet's Point, New York; the Jarvis and the Patterson Park hospitals, at Baltimore; the general hospital at Jeffersonville, Indiana; the several hospitals in the District of Columbia, and adjacent thereto; the hospitals at Fortress Monroe and at City Point, on the James river, and the hospitals at Nashville and at Chattanooga, Tennessee, are among the largest and most expensive which have been constructed by this department.

The material, wood, used in these hospitals is cheaper than any other, cheaper even than tents; but to provide for the cooking, warming, ventilating, and purification, of such numbers of sick men, requires at all these great general hospitals very extensive and costly arrangements for cooking, for laundries, and for supplying water in great abundance. Many of them are heated by steam; some are supplied with water from the pipes of city water-works, at others special provisions have been made for an independent water supply. Most of them have steam machinery for washing and for pumping. At one of these hospitals the daily consumption of water has exceeded 100,000 gallons.

The principal barracks erected during the year have been barracks for draft rendezvous.

Spring Mills, near Philadelphia	\$84,000
Slocum, New York	25,000
Johnson's Island, for guard of prisoners of war, Sandusky, Ohio	15,000

A depot for prisoners of war was also constructed on Hart's Island, N. Y. Necessary repairs have been made from time to time upon these, and upon the numerous other barracks scattered throughout the country.

As the reduction of the army and cessation of enlistments have vacated the various barracks, they have been inspected and reported to the War Department, most of them with recommendation for sale.

Very large numbers of buildings erected as hospitals, storehouses, offices, and barracks have already been sold, and others are now being advertised for sale.

These sales are at public auction to the highest bidder. The materials generally bring fair prices, and a considerable sum will be realized from this source.

The Sixth Division of this office, which has charge of hospitals and barracks, is also charged with the records and reports of interments. Under General Order No. 40, of July 3, 1865, which, on the conclusion of the war, called upon officers of this department for special reports of the number of interments registered during the war, reports have been received from officers in seventeen States, including the District of Columbia.

They report the interments registered in their offices at 116,148. Of these there were whites, 95,803; colored, 20,345; loyal, 98,827; disloyal, 12,596; refugees, 600; contrabands, 4,125. These include few of the interments made immediately after battles, which are made by details of troops, and are reported by the commanding generals in the lists of killed in battle.

These are the records of those who die in hospitals, camps, and barracks, for whose burial there is time to make decent and orderly provision, under the general orders and regulations.

They do not include the numerous victims of skirmishes and of assassination by bushwhackers and robbers under the guise of guerillas, whose remains bleach by the way-sides and in the woodland paths of the south.

They do include, however, the 12,912 victims of the barbarities of Andersonville, Georgia, and the 1,500 whose graves were marked this spring upon the battle fields of Spottsylvania and the Wilderness.

The National Soldiers' Cemetery, at Arlington, continues to be used for the interment of the victims of the rebellion who die in Washington or its vicinity. It contains the remains of 5,291 persons. The cemetery at the Military Asylum contains 5,211; Harmony Cemetery, 388; Battle Cemetery, 40; Alexandria Cemetery, 3,600. These cemeteries have been carefully tended and decorated. A cemetery has been constructed, under order of Major General G. H. Thomas, at Chattanooga, within the walls of which it is intended to collect the remains of all who fell in battle or died in hospital in that vicinity.

Captain J. M. Moore, assistant quartermaster, was, by your order, immediately upon the opening of communication, dispatched in a steamer, loaded with materials, with workmen, and clerks, to identify and mark in a suitable manner the graves of those who died at Andersonville. With the aid of a detail, furnished by Major General Wilson, this duty was performed.

The grounds in which 12,912 of our comrades had been buried in trenches, were enclosed; the bodies, where the earth had been washed from them by rains, were again covered. Headboards, painted white, were placed over each, bearing the name, rank, regiment, and State, with date of death, as ascertained from the captured hospital records.

12,461 were identified, and upon 451 graves Captain Moore was compelled to place the inscription "unknown U. S. soldier." His report is herewith.

The names of those who have been interred in the military cemeteries of the District of Columbia and of Washington have, by your authority, been published in a general order, which has been distributed to State authorities, public libraries, and to newspapers which publish official advertisements. The list is thus made accessible to the friends of those who have fallen.

The lists of interments at Spottsylvania and the Wilderness, and of those who

died at Andersonville, are being printed. As other lists are received at this office they will be submitted to you for publication.

It is reported unofficially that several thousand of our dead are buried at Florence, South Carolina, and at other prison camps of the south. As soon as arrangements can be made for the purpose, proper and decent attention will be given to their remains. Orders have been given for inspection of the cemeteries of other prison camps and of battle-fields. It is hoped that most of them can, in time, be enclosed and preserved.

SIXTH DIVISION—CLAIMS.

There have been presented to the Sixth Division two thousand four hundred and seventy-nine claims under the law of July 4, 1864. The amount claimed was \$1,587,181 47. Seven hundred and fifty-one of these claims, amounting to \$183,452 30, have after examination been referred to the Third Auditor, with recommendation for settlement under the law; one thousand and fifty-four have been rejected, amounting to \$446,163 32. Claims amounting to \$957,565 85, still await examination and final action in this division.

The sixth division has, since its organization, been under charge of Colonel J. J. Dana, of the Quartermaster's department, an officer who has in various positions during the war displayed signal intelligence and devotion to his duties. As chief of transportation at the great depot of Washington, as chief quartermaster of the first army corps during the campaign of Chancellorsville and Gettysburg and as assistant in this office, and after its organization chief of the sixth division, he has won the approval and esteem of his commanders.

MILITARY TRAINS.

The officer in charge of the Division of Military Trains reports from the returns of officers of the department, so far as received, that during the fiscal year ending June 30, 1864, there were purchased 14,549 wagons, 1,229 ambulances, 1,279 carts, 58,144 sets wheel harness, 87,480 sets lead harness, 5,255 sets irregular harness, 335 sets artillery harness, 1,702 sets cart harness, 60 travelling and 824 portable forges. There were captured from the rebels during the same fiscal year 1,541 wagons, 468 ambulances, 245 carts, 6 carriages, 6,661 sets wheel harness, 6,906 sets lead harness, 797 sets irregular harness, 119 sets artillery harness, 406 sets cart harness, 3 travelling and 73 portable forges. There were expended, lost, and sold during the year 2,372 wagons, 277 ambulances, 96 carts, 5 carriages, 17,907 sets wheel harness, 16,732 sets lead harness, 3,453 sets irregular harness, 393 sets artillery harness, 133 sets cart harness, 3 travelling and 229 portable forges.

During the fiscal year ending June 30, 1865, there were purchased 4,762 wagons, 1,436 ambulances, 247 carts, 13,215 sets wheel harness, 18,961 sets lead harness, 2,588 sets irregular harness, 4 sets artillery harness, 328 sets cart harness, 34 travelling and 890 portable forges. There were manufactured in the repair and other shops of the department 1,443 wagons, 79 carts, 14,152 sets wheel harness, 20,767 sets lead harness, 929 sets irregular harness, 34 sets artillery harness, and 173 cart harness. There were captured 1,599 wagons, 174 ambulances, 108 carts, 6,228 sets wheel harness, 7,770 sets lead harness, 867 sets irregular harness, 65 sets artillery harness, and 46 portable forges. There were expended, lost, and sold 2,211 wagons, 679 ambulances, 97 carts, 18,325 sets wheel harness, 23,254 sets lead harness, 1,583 sets irregular harness, 12 travelling and 432 portable forges.

The trains of the army had been brought to a high state of efficiency by the 30th June, 1864, and they were probably not increased in magnitude during the year, the purchase and manufacture serving only to keep them in a com-

plete and efficient state. Much of the harness and many of the wagons having been purchased early in the war, and in continual use, are worn and of little value.

The army of General Sherman and the army of the Potomac uniting at Washington, after four years of active campaign, in which the former had marched from the Mississippi to the Potomac, brought together in the District of Columbia army wagons of the regulation pattern which had been used at the first battle of Bull Run on 21st July, 1861, some of which had made all the campaigns of each army since.

The baggage wagons and harness, the general equipment of the trains of our armies, are probably of models which cannot be improved. They have borne the rough usage of war in the hands of men of little experience at first, and not willing to take that care of them which can be expected from and enforced upon the veteran soldier.

The experience of this war has convinced all officers of this department that for the army trains mules are much superior to horses, and of late the horses have almost entirely disappeared from the trains, being transferred to the cavalry or artillery and replaced by mules.

A copy of Special Orders No. 44, headquarters armies of the United States, City Point, Virginia, June 28, 1864, accompanies this report. It sets forth in detail and clearly the organization and size of the trains of an active army, as perfected by four years' experience in the field.

With this report are several reports from officers of this department giving information as to the movement and management of the trains of armies in campaigns. This information is seldom available to the military student. It is of great value, and should be printed for reference and use hereafter.

SEVENTH DIVISION—CLAIMS.

During the fiscal year ending June 30, 1865, and from the termination of that year to October 10, 1865, there were presented and referred to the seventh division of this office 11,494 claims, amounting to \$2,316,361 53; 4,337 were passed, amounting to \$1,239,872 23; 5,867 were rejected, amounting to \$950,455 66; 1,290 remain on file for further action, amounting to \$126,033 64.

The Seventh and Ninth Divisions of this office have been in charge of Colonel B. C. Card, whose intelligent and prompt discharge of the duties assigned to him have met my entire approbation. I have named him with others to you for the promotion which he richly merits.

TRANSPORTATION OVER THE PLAINS.

The troops operating on the great western plains, and in the mountain regions of New Mexico, Colorado, Utah, and Idaho, are supplied principally by the trains of the Quartermaster's department from depots established on the great routes of overland travel, to which depots supplies are conveyed by contract. The contractors are the freighters or merchants of the overland trade. This department has no statistics to show the extent of this traffic, but it has of late years increased with the development of the mines of the central region of the continent, until it has become a most important interest. Travellers by the stage from Denver to Fort Leavenworth, a distance of six hundred and eighty-three miles, in the month of July, 1865, were never out of sight of wagon trains, belonging either to emigrants or to the merchants who transport supplies for the War Department, for the Indian department, and for the mines and settlers of the central Territories.

The cost of transportation of a pound of corn, hay, clothing, subsistence, lumber, or any other necessary, from Fort Leavenworth—

To Fort Riley is.....	\$0 02 ⁴⁵ / ₁₀₀
To Fort Union, the depot for New Mexico.....	14 ³³ / ₁₀₀
To Santa Fé, New Mexico.....	16 ⁵⁶ / ₁₀₀
To Fort Kearney.....	06 ⁴⁴ / ₁₀₀
To Fort Laramie.....	14 ¹⁹ / ₁₀₀
To Denver City, Colorado.....	15 ⁴³ / ₁₀₀
To Salt Lake City, Utah.....	27 ⁵⁴ / ₁₀₀

The cost of a bushel of corn purchased at Fort Leavenworth, and delivered at each of these points, is as follows:

Fort Riley.....	\$2 79
Fort Union.....	9 44
Santa Fé.....	10 84
Fort Kearney.....	5 03
Fort Laramie.....	9 26
Denver City.....	10 05
Great Salt Lake City.....	17 00

To this last point none is now sent.

The expenses of this department will be reduced by the advance of the Pacific railroads, two of which are rapidly moving westward, one from Leavenworth toward Fort Riley, the other from Omaha toward Fort Kearney.

The present general mode of transport is by heavy wagons, each drawn by ten oxen. The loads of these wagons average fifty-five hundred pounds each. Lighter freight and passengers are carried by express in lighter wagons, drawn by mules, which animals are almost exclusively used in the winter when the grass is covered with snow.

The heavy trains in dry weather move readily over the prairie roads, which, outside the limits of the settlements, follow the best routes, and can make wide detours to avoid sloughs or wet places in the prairies.

The progress of settlement injures these roads. No laws appear to exist reserving the road bed on these great overland routes to the public.

The lines of survey of the public lands cross the trail at all angles, and each farmer is at liberty to fence in his tract according to the unyielding lines of his rectangular boundaries.

These overland trails, now well-beaten wagon tracks, were originally located upon the high and dry swells of the prairie, the most desirable land for agricultural purposes. They followed the best routes and sought the easiest crossings of the streams, low grounds and swamps. Near Leavenworth the progress of enclosure is driving them into the wet grounds, and greatly increases the difficulties of travel.

It is much to be desired that in all future land sales the great and long established trails, the highways across the continent, should be reserved from sale, and be devoted forever as public highways. A certain width on each side of them should be marked out by actual survey and reserved for this purpose. Wagon roads across the continent will always be needed, even when the railroads are completed.

The following is an estimate of the cost of transportation of military stores westward, across the plains, by contract, during the fiscal year ending June 30, 1865:

I.—Northern and western route:	
To Utah and posts on that route.....	\$1,524,119 00
II.—Southwestern route:	
To Fort Union, New Mexico, and posts on that route.....	\$1,301,400
Posts in the interior of New Mexico.....	138,178
	<hr/> 1,439,578 00
Cost of the transportation of grain on above routes, where the grain was delivered by contractors, and the transportation entered into the price paid, same year—	
1.—Utah route.....	\$2,526,727 68
2.—New Mexico route.....	697,101 69
	<hr/> 3,223,829 37
Cost of transportation of military stores across the plains, same year, by government trains—	
1.—Utah route.....	\$34,600
2.—New Mexico route.....	166,730
	<hr/> 201,330 00
Total by contract and government trains.....	<hr/> 6,388,856 37

This expenditure would be reduced by the opening of railroads, by a sum which would aid materially in paying interest upon the cost of their construction. The present season has been a very wet one upon the plains. In wet weather the heavy wagons are generally compelled to go into camp and wait patiently till dry weather makes the roads practicable. Any effort to move exhausts the animals and destroys the wagons, while the progress of such a train would not average in bad weather, over many portions of the roads, one mile a day. Trains from Fort Leavenworth to Denver City have this year occupied from forty-five to seventy-four days in the march.

DIVISION OF INSPECTION.

The Eighth Division of this office is the division of inspection. Its duties are delicate and difficult. It receives, registers, analyzes, and prepares for action of the Quartermaster General all reports of the regular inspectors, or of officers acting as inspectors under orders of the Quartermaster's department, and all reports of inspections of that department by the inspectors general of the army which may be referred to this office for action.

It keeps the roster of the officers of the Quartermaster's department, and keeps a careful and minute record of the service of all officers as reported to this office. It also prepares and records the general and special orders of the department, and its nominations for assignment to duty.

The organization of the inspectors of the Quartermaster's department provides for six inspectors, with the rank of colonel, and a chief of the division of inspection. Other officers of the department are placed on inspection duty from time to time, as their services are needed.

Since the cessation of hostilities a number of officers have been thus employed to collect the information necessary to compel great and necessary reductions in the establishment, which had been created during the war.

The report of Colonel G. V. Rutherford, chief of the division of inspection, which is herewith, gives in detail the operations of the office.

During the fiscal year 216 reports were received from the inspectors. Over eleven thousand inventories and reports of inspection of property recommended for sale or condemnation, and two hundred and ninety-three reports of boards of survey were received and acted on.

A record of the appointment, movements, services, and duties of each officer of the Quartermaster's department, and of reports of commanding officers and inspectors in relation to his performance of duty, has been kept. 591 annual reports of officers were rendered during the fiscal year, and 340 such reports have been received since its termination. From the information given in these reports, tables of quantities and of expenditures by officers have been prepared, which accompany this report.

Several boards for examination of officers of this department have been in session during the year. 243 officers have been examined, of whom 49 were reported by the boards as disqualified, and 194 as qualified.

On the 30th June, 1865, there were in the Quartermaster's department:

Regular officers.....	67
Military storekeepers.....	11
	<hr/> 78
Assistant quartermasters of volunteers.....	488
	<hr/> 566
Total, including 11 military storekeepers.....	<hr/> 566

Many of these officers have, for distinguished services during the war, received brevet promotion beyond their lineal rank. Many have been assigned to important positions, to which, under the law, increased, though temporary rank is attached.

The report of the inspection division gives details as to the number of officers who have won such distinction. For the names I must refer to the tables accompanying this report, in which most of them are mentioned, and to the army register. During the fiscal year there were appointed five assistant quartermasters of the regular army, 145 assistant quartermasters of the volunteer army, and two military storekeepers.

During the fiscal year there retired from the service five assistant quartermasters of the regular army, and 203 assistant quartermasters of volunteers. Since the termination of the fiscal year, and to the 1st October, one assistant quartermaster of regulars, and one military storekeeper, and 172 assistant quartermasters of volunteers, have retired from the service, resigned, dismissed, or honorably mustered out.

The reduction is still going on rapidly, as troops are discharged and posts abandoned, and the services of these officers can be dispensed with. 382 officers in all left the service of the Quartermaster's department between the 1st July, 1864, and the 1st October, 1865.

The distribution of general orders to officers of the Quartermaster's department is part of the duty of the inspection division. It distributed during the fiscal year 177,289 copies of general orders, of which 124,177 were general orders of the Adjutant General's office.

Colonel Rutherford's vigilance and promptness in the discharge of his duties have been most important aids in the supervision of the extended operations of this department, and I am happy to acknowledge the recognition which they have met from the Secretary of War.

ACCOUNTS FOR MONEY AND PROPERTY.

The Assistant Quartermaster General has charge of the examination of the accounts of disbursing officers and of officers responsible for public property, (other than property accounts of clothing, camp, and garrison equipage, which latter accounts are examined in the division of clothing and equipage.)

The chief of the Ninth Division reports that there were received at this office in the fiscal year ending 30th of June, 1862, 7,094 accounts, all of which have been examined and transmitted to the treasury for settlement.

In the year ending 30th June, 1863, there were received 29,153, all of which have been examined and transmitted to the treasury.

In the year ending 30th June, 1864, there were received 67,856 accounts; of these there have been examined and transmitted to the treasury 14,588. There remain to be examined 53,268.

In the year ending 30th June, 1865, there were received 72,299 accounts; of these there have been examined and transmitted to the treasury 12,424. There remain to be examined 59,875.

During the four years, July 1, 1861, to June 30, 1865, there were received in all 176,402 accounts; examined and sent to the treasury 63,259; remaining to be examined 113,143.

These are not single vouchers, but accounts, many of which contain hundreds, and some of them thousands, of single vouchers. They represent the expenditure of over one thousand millions of dollars in money, and the use and application of the property purchased therewith. The delay in their final settlement is injurious alike to the officer and to the government, and it is of great importance that their settlement be expedited by all the means in the power of the government. It is from the final examination and discussion of these accounts that the statistical information necessary to a proper understanding of the cost of the great war, now happily ended, is to be obtained. These accounts record the purchases of materials; the cost of movements by rail, river, and sea; the application of the materials purchased; the distance men and material were transported; the cost and extent of the hospitals, barracks, storehouses, and camps which have covered the country with buildings and canvas.

Reports made by officers are often imperfect; their accounts for purchases must be complete; and these accounts record the actual cost and the time of purchase of every article provided by the Quartermaster's department during the war, from the ocean steamer of 2,500 tons, to the saddler's or tent-maker's needle and thread.

In the last annual report of this department attention was called to the inadequate force provided by law for the prompt examination of officers' accounts, and a recommendation was made for the increase of that force by the addition of 170 clerks, classified as follows: 70 of class one, 60 of class two, 30 of class three, and 10 of class four. Another year's experience makes more urgent the necessity of this increase, and I repeat the recommendation of the last annual report.

MILITARY ORGANIZATION OF EMPLOYÉS OF THE QUARTERMASTER'S DEPARTMENT.

In the last annual report of this office I had the honor to report the services rendered, in the field, as soldiers, at Nashville, at Johnsonville, and at Washington city, by the quartermaster's volunteers, a military organization under your sanction, of the clerks, agents, and operatives of the Quartermaster's department at the principal depots. Since that report was written, the quartermaster's volunteers at Nashville, under the command of Brevet Brigadier General J. L. Donaldson, have again had the opportunity to render important service. Two brigades of these troops, 4,500 strong, were assigned a position in the operations of the 15th and 16th of December, 1864, the days of the decisive battle of Nashville, and so conducted themselves as to merit and receive the approval of their commanders.

The surrender of the rebel armies having made their services no longer necessary, the several brigades and regiments have been disbanded, and most of their members have, in the general reduction of the force employed, been discharged from service. The arms and equipments have been returned to the Ordnance department.

Colored men continued to the close of the war to be employed in connexion with the trains of the Quartermaster's department as laborers at depots, as pioneers with the marching columns. In all these positions they have done good service and materially contributed to that final victory which confirmed their freedom and saved our place among nations.

I cannot close this report without calling your attention to the services rendered by the officers and agents of this department. Some of these officers had at the beginning of the war the advantage of previous experience in the Quartermaster's department during former wars, but by far the greater part of them were taken from the occupations of civil life, without military training or experience. Many of them as the war went on were promoted from the ranks of the volunteers. A very few have proved unfaithful, but the great body of them have served laboriously and zealously, successfully and honorably.

Whether in the field or at the depot, there is no intermission to the labor and the responsibility of a quartermaster. In the field he is expected to overcome the difficulties of the road cut up by the passage of troops and artillery, and to run the gauntlet of a hostile population in the rear of the armies—a population exasperated by the loss of property taken by foragers. Often insufficiently guarded, upon his vigilance and energy depend the safety of his train and of the indispensable supplies which it bears. Long after the troops are at rest in their camps the quartermaster is upon the road.

At the depot of an army the reception, care, and distribution of the immense supplies of food, ammunition, and clothing, and all other equipment, all of which pass through the hands of the quartermaster, tax him night and day. He is held to strict accountability for every item of the stores which pass through his hands.

In the greater depots which have been during the war the centres at which the business of providing for the army has been concentrated, the officers in charge have borne the responsibility of disbursing millions of dollars, collecting, auditing, and settling the vouchers issued by officers at smaller depots and in the field, and purchasing the stores to be distributed to armies through wide districts. Some of these officers have transacted business to the amount of millions monthly. From officers of every rank, from those in charge of the great centres of manufacture and purchase at the principal cities, from those to whom has been committed only the care of the property and trains of a single brigade, I have received and I recognize cordial support and assistance in the business committed to this department.

It is well understood among soldiers, that upon the efficiency and integrity of the supply branches of the service, depends in a great degree, the power to make long marches, the health and efficiency of the troops.

I have imperfectly set forth in this report, some of the more important operations of the Quartermaster's department during the past year. I hope at a future time to be able to present to you more complete and detailed information of the extent of the resources, in material and men and money, which, under your administration of the War Department, have been applied to support and sustain the armies in every part of the wide field of operation, during the past four years of war.

This information properly digested, if published, will stand before the world as an example and a warning of the power and resources of a free people, for any contest into which they heartily enter, and from it the soldier and statesman will be able to draw valuable lessons for use, in case it ever again becomes necessary for this nation to put forth its strength in arms.

The merits and services of many of the officers of the department have been presented to you by myself, or by the generals under whom they have served in the field. I acknowledge the kindness with which their claims and my recommendations have been considered, and thank you for the recognition which has

been given by their promotion of the services of the department which I have had the honor to control.

I transmit, herewith, reports of officers, with many tables, giving in detail information of value in relation to the operations of the department. To these I respectfully call your attention.

All of which is respectfully submitted.

M. C. MEIGS,

Brevet Major General U. S. A., Quartermaster General.

Hon. EDWIN M. STANTON,

Secretary of War.

The following list of documents, accompanying the Quartermaster General's annual report, will be found in the unabridged report of the Secretary of War.

1. Financial statement.
2. Report of First Division, public animals, Brevet Brigadier General J. A. Ekin.
3. Statement of claims, First Division.
4. Report of Second Division, clothing and equipage, Colonel A. J. Perry.
5. Statement of clothing on hand at the more important depots, 30th June, 1864.
6. Statement of camp and garrison equipage on hand at the more important depots, 30th June, 1864.
7. Statement of materials for manufacture of clothing purchased during fiscal year ending 30th June, 1865.
8. Statement of clothing and equipage purchased and manufactured during the fiscal year ending 30th June, 1865.
9. Statement of clothing on hand at the more important depots, 30th June, 1865.
10. Statement of equipage on hand at the more important depots, 30th June, 1865.
11. Statement of aggregate expenditure for purchase of clothing and equipage at the purchasing depots, New York, Philadelphia and Cincinnati.
12. Statement of materials for clothing and tents purchased at the depots of New York, Philadelphia and Cincinnati, from May, 1861, to 30th June, 1865.
13. Statement of number of the principal articles of clothing and equipage purchased at the principal depots of New York, Philadelphia and Cincinnati, from May, 1861, to 30th June, 1865, exclusive of articles manufactured at those depots.
14. Statement showing highest and lowest prices paid for articles of clothing and equipage during the war.
15. Statement of claims, Second Division.
16. Report of Third Division, ocean and lake transportation, Colonel E. D. Wise.
17. Statement of vessels chartered or employed by the Quartermaster's department on ocean and lake service during the fiscal year ending 30th June, 1865.
18. Statement of vessels owned by the United States, and employed on ocean and lake service by the Quartermaster's department during the fiscal year ending 30th June, 1865.
19. Summary statement of vessels owned and chartered at various times by the Quartermaster's department.
20. List of vessels employed by the Quartermaster's department in supplying General Sherman's army on the coast.
21. Strength of fleet employed in supplying armies before Richmond in the spring of 1865.
22. Report of Fourth Division, river and rail transportation, Brigadier General L. B. Parsons.
23. List of steamers and other vessels, belonging to the United States, employed on the western rivers, 30th June, 1865, by the Quartermaster's department.
24. Report of operations on the United States military railroads for the fiscal year ending 30th June, 1865.
25. Statement showing the number of persons employed on United States military railroads at various dates.
26. Statement of claims, Fourth Division.
27. Special report, transportation of 23d army corps from the Tennessee to the Potomac, by Colonel L. B. Parsons, chief Fourth Division.
28. Report on movements, during the war, on the western rivers and railroads, by General L. B. Parsons.
29. General Orders, No. 17, Quartermaster General's Office, March 16, 1865, regulations concerning transportation by rail and river.

30. General Orders, No. 18, Quartermaster General's Office, 16th March, 1865, designating points for settlement of accounts for transportation.
31. General Orders, No. 29, Quartermaster General's Office, 9th May, 1865, regulations concerning transportation of freight.
32. Report of transportation of army supplies in New Mexico during the fiscal year ending 30th June, 1865.
33. Instructions from Quartermaster General's Office, May 10 and May 27, 1865, for the transportation of the troops to their homes.
34. Report of the Fifth Division, forage, fuel and regular supplies, Colonel S. L. Brown.
35. Annual report, purchases of forage, by Colonel S. L. Brown.
36. Summary statement of public moneys for the fiscal year ending 30th June, 1865, purchases of forage, Colonel S. L. Brown.
37. Statement of expenditures for rail and river transportation for the fiscal year ending 30th June, 1865, by Colonel S. L. Brown.
38. Statement of expenditures for ocean and lake transportation during the fiscal year ending 30th June, 1865.
39. Report of number of passengers and tons of freight transported by Colonel S. L. Brown during the fiscal year ending 30th June, 1865.
40. Report of quantities and value of forage shipped to armies on the James during the winter of 1864-'65.
41. Report of cost of transportation of grain to posts on the western plains.
42. Report on forage and fuel purchased during the war.
43. Statement of forage, fuel, and regular supplies, purchased during the war.
44. Summary statement of forage received at the depot of Washington during the war.
45. Summary statement of fuel received at the depot of Washington during the war.
46. Report of Sixth Division, hospitals and barracks, Colonel J. J. Dana.
47. Report of internments.
48. Report of Captain J. M. Moore, national cemeteries and internments, near Washington, the Wilderness, Spottsylvania, and Andersonville.
49. Report of Seventh Division, military trains, Colonel H. C. Card.
50. Report of claims, Seventh Division.
51. Special Orders, No. 44, trains of the army before Richmond, Lieutenant General Grant.
52. Report of Eighth Division, inspections, Colonel G. V. Rutherford.
53. Statement of clothing and equipage reported by officers as received, captured, issued, expended, or lost, during the fiscal year, or remaining on hand at the termination thereof.
54. Statement of property reported by officers as received, captured, issued, expended, lost, or sold, during the fiscal year, or remaining on hand at the termination thereof.
55. Statement of vessels owned by the United States and employed in the Quartermaster's department during the fiscal year.
56. Statement of vessels chartered, impressed, or employed, during the fiscal year.
57. Statement of property captured by the army during the fiscal year.
58. Statement of property captured or destroyed by the enemy during the fiscal year.
59. Summary statement of transportation furnished during the fiscal year.
60. Summary statement of cost of transportation during the fiscal year.
61. List of officers of the Quartermaster's department in charge of divisions in the Quartermaster General's Office during the fiscal year.
62. List of officers who have served as inspectors or the Quartermaster's department.
63. Chief quartermasters of armies and army corps.
64. Chief quartermasters of departments.
65. Chief quartermasters of principal depots.
66. Chief quartermasters of important depots.
67. Officers specially mentioned to the Quartermaster General for good service.
68. Quartermasters who have been brevetted for good service during the war.
69. Report of Ninth Division, records and correspondence, Colonel B. C. Card.
70. General Orders, No. 35, rules and regulations for consideration of claims under act of July 4, 1864.
71. General Orders, No. 43, Quartermaster General's Office, September 23, 1864, rules and regulations relating to purchase and distribution of horses and mules.
72. General Orders, No. 276, August 8, 1864, troops on transports.
73. General Orders, No. 24, April 29, 1865, reductions and retrenchment.
74. General Orders, No. 25, April 29, 1865, reductions and retrenchment.
75. General Orders, No. 28, May 8, 1865, sale of horses and mules.
76. General Orders, No. 42, July 15, 1865, sales at auction.
77. Executive Orders, September 28 and October 14, 1865, relinquishment of military railroads, and transfer of railroad material.
78. Annual report on military telegraphs, by Colonel Anson Stager, chief of military telegraphs.
79. Report of Major T. T. Eckert, superintendent of military telegraphs.
80. Report of Captain R. T. Clowry, assistant superintendent military telegraphs.
81. Report of Captain G. Fuller, assistant superintendent military telegraphs.

82. Report of Captain W. L. Gross, assistant superintendent military telegraphs.
83. Report of Captain J. R. Gilmore, assistant superintendent military telegraphs.
84. Report of Captain J. T. Lynch, assistant superintendent military telegraphs.
85. Report of Brevet Major General Robert Allen, chief quartermaster, valley of Mississippi.
86. Report of Brevet Major General Rufus Ingalls, chief quartermaster, armies before Richmond.
87. Report of Brevet Major General J. L. Donaldson, chief quartermaster, military division of the Tennessee.
88. Report of Brevet Major General D. H. Rucker, chief quartermaster, depot of Washington.
89. Report of Brevet Brigadier General L. C. Easton, chief quartermaster, armies under General Sherman.
90. Report of Brevet Brigadier General L. C. Easton, on the march to the sea.
91. Report of Captain Henry M. Whittlesey, chief quartermaster, 20th army corps, on the march from Atlanta to the sea.
92. Report of Major G. E. Dunbar, chief quartermaster, Sherman's cavalry, on the march from Atlanta to the sea.
93. Report of Lieutenant Colonel G. L. Fort, chief quartermaster, 15th army corps, on the march from Atlanta to the sea.
94. Annual report of Lieutenant Colonel G. L. Fort, chief quartermaster, 15th army corps.
95. Report of Lieutenant Colonel J. E. Remington, chief quartermaster, 14th army corps.
96. Report of Brevet Brigadier General L. C. Easton, chief quartermaster, army under General Sherman, on the march from Savannah to Richmond.
97. Report of Captain H. M. Whittlesey, chief quartermaster, 20th army corps, on the march from Savannah to Goldsboro'.
98. Report of Colonel A. J. Mackay, chief quartermaster, army of the Cumberland and department of the Tennessee.
99. Report of Colonel M. C. Garber, chief quartermaster, department of Tennessee.
100. Report of Colonel Thomas Swords, assistant quartermaster general, Cincinnati.
101. Report of Colonel George H. Crossman, assistant quartermaster general, Philadelphia.
102. Report of Colonel D. H. Vinton, deputy quartermaster general, chief quartermaster, depot of New York.
103. Report of Colonel E. B. Babbitt, chief quartermaster, Pacific coast.
104. Report of Brevet Brigadier General S. Van Vleet, quartermaster, New York.
105. Report of Colonel J. C. McFerran, chief quartermaster, department of New Mexico.
106. Report of Colonel C. W. Moulton, chief quartermaster, depot of Cincinnati.
107. Report of Brevet Brigadier General William Myers, chief quartermaster, depot of St. Louis.
108. Report of Colonel W. M. McKim, chief quartermaster, depot of clothing and equipment, Philadelphia, Pa.
109. Report of Colonel R. N. B. Bachelder, chief quartermaster, army of Potomac.
110. Report of Colonel J. B. Howard, chief quartermaster, army of the James.
111. Report of Lieutenant Colonel E. J. Strang, repairs and supplies, armies before Richmond.
112. Report of Colonel J. A. Potter, chief quartermaster, depot of Fort Leavenworth.
113. Report of Colonel H. Page, chief quartermaster, army of the Shenandoah.
114. Report of Captain F. J. Crilley, quartermaster, military railroads.
115. Report of Colonel G. D. Wise, chief quartermaster, western gunboats.
116. Report of Captain A. Ainsworth, agent on opening communication with General Sherman at Fayetteville.
117. Report of Colonel M. J. Ludington, chief quartermaster, department of Washington.

REPORT OF THE COMMISSARY GENERAL OF SUBSISTENCE.

OFFICE COMMISSARY GENERAL OF SUBSISTENCE,
Washington City, D. C., October 20, 1865.

SIR: In compliance with the special instructions of the War Department of October 7, addressed to chiefs of bureaus, I have the honor to submit the following report of the operations of the Subsistence department during the past year:

The subsistence stores required for distribution to the several armies in the field have during the year been purchased, as was done during the earlier years of the war, in the principal markets of the northern States. The facilities and cost of transportation to the various points where they were required for issue, the relative prices in the different markets, and a due regard to the general commercial interests of the country, have governed this department in apportioning these purchases among the several market centres of the country. New Orleans, gradually resuming a healthy commercial condition, already enables this department—and in further aid of such resumption—to obtain in that market a considerable portion of the supplies required for distribution from that point. Although the present general condition of the southern States is not such as to afford a large amount of supplies for the troops on duty therein, still the officers of this department are able in some parts of those States to enter into contracts for beef cattle and slaughtered beef, as also to some extent to purchase therein other articles. The principal purchasing officers of the Subsistence department have performed their duties with great fidelity to the interests of the country and with much mercantile ability, and also, as I am frequently assured, to the general satisfaction of the commercial men of the country with whom they have transacted the business of this department.

So far as has been practicable, subsistence stores have been obtained by advertising for and receiving sealed proposals for their delivery. During the past six months four hundred and two such advertisements have been received and placed on file in this office.

The principal commissaries immediately responsible for the subsistence of the several armies in the field have performed the important and often difficult duties of receiving, protecting, and distributing the supplies forwarded to them with commendable efficiency and success. They have also, by great energy, been able, to a considerable extent, to subsist the troops upon the resources of the country in which the armies were operating or through which they were passing.

It is believed that during the entire war no campaign, contemplated movement, or expedition has failed on account of the inability of the Subsistence department to meet its proper requirements. It is also believed that the troops, wherever stationed or operating, have, with rare exceptions, been supplied with rations in good and wholesome condition.

While the Subsistence department has furnished a constant, timely, and adequate supply of subsistence for the several large armies occupying widely different fields of operations, as also for the troops at all the separate positions occupied throughout the entire country, it is due to the Quartermaster's department that its vast labors in the transportation of these supplies be recognized as having been performed with a readiness and efficiency worthy of the highest commendation. As a single item indicating the amount of these labors, I instance the fact that during the year 1863 the Quartermaster's department shipped from the port of New York an average of seven thousand packages of subsistence stores per day for every working day of the year, and for the year 1864 six thousand seven hundred and twenty-seven packages per day.

The sudden close of the war, and the consequent immediate muster-out of a large part of the army, unavoidably left on hand in some of the depots an excessive supply of subsistence stores. This excess has been sent to other points, where stores were required, instead of meeting such requirements by further purchases. By this course a considerable part of these supplies have been, or will be, economically disposed of. Surplus and damaged stores are in process of being disposed of by sale. A considerable quantity of hard bread, surplus or too old for issue to troops, remains to be disposed of. A sufficient quantity of this and other surplus articles have been held back from an earlier sale with the view of meeting, in an economical manner, the urgent wants of those people, white and colored, who have, by the events of the war, been reduced to a suffering condition; to whom it has been deemed an act of charity, due from the government, to make limited issues of food.

I have the honor to report that, under your orders of June 29, 1865, directing the discontinuance of the whiskey ration, and the sale of the whiskey on hand, the issue of that article was at once stopped. The sale has already taken place at many points, and will soon be completed.

During the past year, as in the previous years of the war, a very considerable income has been derived from the sale of the hides, tallow, and other parts of beef-cattle not issuable as beef to the troops. The total amount of such sales has not been ascertained. At the Washington and Alexandria depots alone they amount to \$344,468.98 for the year ending 30th of September, 1865, and to \$1,377,875.93 during the four years ending at that date.

Under the able and judicious management of Brevet Brigadier General William Hoffman, United States army, Commissary General of Prisoners, the prisoners of war, held under his charge at thirty-two forts, prison barracks, camps, and hospitals, have been well and humanely subsisted, having received a sufficient portion and variety of the ration to insure health, leaving in the hands of the several issuing commissaries, as "savings," that portion of the ration not deemed necessary for persons living in entire idleness. The pecuniary value of these "savings" has constituted a prison fund, available, under the instructions of the commissary general of prisoners, for the purchase of articles necessary for the prison barracks and hospitals, and for meeting other necessary expenses of the prisoners. General Hoffman has already, under your instructions, transferred to the Subsistence department a "savings" credit of the amount of \$1,507,359.01, and reports that there remains yet to be transferred an amount not less than \$337,766.98, making a total amount of \$1,845,125.99.

The discharge of volunteer forces, and the consequent reduction of the expenses of this department, will enable it to meet all demands without exhausting the appropriation for the current fiscal year.

The current work of this bureau is, habitually, up to date. The examination of the money and property accounts is nearly as close up to date as it is practicable to have it. It would, however, facilitate the prompt examination of the money and property accounts of the officers of the Subsistence department, if the law permitted the former, as well as the latter, to be sent, by the officers rendering them, direct to this bureau for its administrative action before going to the accounting officers of the treasury. I do not doubt that the Third Auditor is of the same opinion.

Under section 3 of the act of July 4, 1864, authorizing the claims of loyal citizens in States not in rebellion for subsistence actually furnished to the army of the United States, and receipted for by the proper officer receiving the same, or which may have been taken by such officers without giving such receipt, to be submitted to the Commissary General of Subsistence, and making it his duty to cause each claim to be examined, there have been submitted as follows:

Whole number of claims submitted, 1,470.

Number approved for payment.....	50
Number disallowed.....	412
Number awaiting explanations, &c.....	650
Number awaiting examination.....	357
	<hr/>
	1,470

With your approval, it is proposed to ascertain and exhibit, in a tabular form, the total quantity of each article of subsistence stores purchased for use of the army during each year of the war, from 1861 to 1865, inclusive. Such a statement would form an interesting addition to the mercantile statistics of the country.

Under the act of March 3, 1865, for the better organization of the Subsistence department, authorizing, during the continuance of the rebellion, the selection and assignment of commissaries of subsistence of the volunteer and regular service to geographical military divisions, to separate armies in the field, to military departments, to principal subsistence depots, and to the office of the Commissary General of Subsistence as assistants, with the rank, pay, and emoluments of a colonel of the Subsistence department, there have been so selected and assigned nine commissaries of subsistence; one from the regular service, and eight from the volunteer service. There have also been selected and assigned, under authority of the same act, to inspection or other special duty, two commissaries of subsistence with the rank of lieutenant colonel; one from the volunteer, and the other from the regular service. Also, to divisions, two commissaries of subsistence with the rank of major; both from the volunteer service.

During the past year two vacancies have occurred in the regular service of the Subsistence department; one by the brief sickness and death, after much zealous and efficient field service, of Major John Kellogg, and the other by resignation of Captain Edward R. Hopkins, a valuable officer. Both of these vacancies were filled by selections and appointments from the volunteer branch of the Subsistence department.

The Subsistence department, at the commencement of the war, contained but twelve officers of all grades; it had reached this number by small additions, authorized by law, from time to time, as the army was increased and the territory occupied by it extended; the several additions subsequent to the act of April 14, 1818, by which a Commissary General of Subsistence was originally authorized, being as follows: by the act of March 2, 1820, two commissaries; by the act of July 5, 1838, five commissaries; by the act of September 20, 1850, four commissaries. Since the commencement of the rebellion there have been added as follows: by the act of August 3, 1861, twelve commissaries; by the act of February 9, 1863, five commissaries; making a total of twenty-nine officers of all grades. A further increase is not recommended until it shall be made to appear that the present number of officers is inadequate to the service required of the department.

The officers of this department, regulars and volunteers, have, with but few exceptions, performed their duties with signal fidelity and success. Some of them have been held from serving with troops in the field, much against their choice and ambition.

To the able senior Assistant Commissary General of Subsistence, and to the other officers on duty in this bureau, is largely due the credit of the general good condition of the affairs of the Subsistence department which I am enabled to report.

I have the honor to be, very respectfully, your obedient servant,

A. B. EATON,

Commissary General Subsistence.

Hon. EDWIN M. STANTON, Secretary of War.

REPORT OF THE SURGEON GENERAL.

WAR DEPARTMENT, SURGEON GENERAL'S OFFICE,
Washington, D. C., October 20, 1865.

SIR: I have the honor to submit the following statement of finances and general transactions of the Medical department for the fiscal year ending June 30, 1865:

RECEIPTS.	
Balance in the treasury July 1, 1864.....	\$914, 135 10
Balance in the hands of the disbursing officers.....	324, 061 65
Balance remaining of appropriation for artificial limbs for soldiers and seamen, per act of July 16, 1862, chap. 182, sec. 6....	4, 265 00
Annual appropriation for the year ending June 30, 1865, by act of June 15, 1864, chap. 124, sec. 1.....	8, 930, 640 00
Deficiency appropriation for the current fiscal year, by act of March 2, 1865, chap. 73, sec. 8.....	3, 251, 000 00
Annual appropriation for the year ending June 30, 1866, by act of March 3, 1865, chap. 81, sec. 1, required for disbursement during the present fiscal year, and placed to the credit of the Medical department for that purpose March 22, 1865.....	6, 000, 000 00
Amount drawn from appropriation made by joint resolution of April 29, 1864, to cover expenditures for medical attendance and medicine for hundred-days volunteers.....	300, 000 00
Amount refunded by the Subsistence department for board of sick and wounded soldiers in private hospitals.....	64, 293 40
Amount refunded for medical attendance and supplies furnished prisoners of war.....	140, 506 08
Amount received for subsistence of officers in hospitals.....	286, 281 04
Amount disallowed in account of Eben Swift, United States army, for June, 1863, and refunded from appropriation for pay of volunteers.....	17, 762 91
Proceeds of sales of condemned and unserviceable hospital property.....	59, 671 41
Proceeds of sales of ice not required for hospital use.....	12, 352 25
Value of books and surgical instruments sold to medical officers and private physicians.....	8, 311 30
Received for hospital property sold to the Quartermaster's department.....	7, 003 61
Received for medicines, &c., issued to refugees and freedmen.....	554 73
Recovered for hospital property lost or damaged in transportation.....	534 45
Recovered of Acting Assistant Surgeon J. S. Geltner, United States army, for property and moneys illegally disposed of.....	1, 000 00
Amount received for care of patients belonging to the United States navy.....	283 00
Amount received from all other sources.....	446 20
Total credits for the year.....	20, 323, 102 13
Amount over-expended by disbursing officers.....	166, 578 34
	20, 489, 680 47

DISBURSEMENTS DURING THE YEAR.

For medical and hospital supplies.....	\$15, 204, 497 20
For pay of private physicians.....	1, 865, 821 82
For pay of hospital employés.....	949, 462 46
For expenses of purveying depots.....	683, 830 33
For care of sick soldiers in private hospitals.....	240, 476 11
*For artificial limbs for soldiers and seamen.....	126, 538 00
Expenses of hospitals for officers.....	243, 876 37
Miscellaneous expenses of the Medical department.....	13, 996 94
	19, 328, 499 23
Balance in the treasury June 30, 1865.....	1, 161, 181 24
	20, 489, 680 47

The ample provision for sick and wounded existing at the date of my last annual report was increased during the ensuing months until a maximum of (204) two hundred and four general hospitals, with a capacity of (136,894) one hundred and thirty-six thousand eight hundred and ninety-four beds, was reached. Field hospitals, hospital transports and cars, ambulance corps, and the purveying depots, were kept in condition to meet all possible requirements, and General Sherman's army was met at Savannah by four first-class sea-going steamers, thoroughly equipped as hospital transports, with extra stores and supplies for five thousand beds, should it have become necessary to establish large hospitals upon his line of operations.

Upon the receipt of General Orders No. 77, dated War Department, Adjutant General office, April 28, 1865, immediate measures were taken to reduce the expenses of this department. Of the (201) two hundred and one general hospitals open on January 1, 1865, (170) one hundred and seventy have been discontinued. Three of the four sea-going hospital transports have been discharged; the fourth is now constantly engaged in the transfer of sick and wounded from southern ports to the general hospitals in New York harbor. All of the river hospital boats have been turned over to the Quartermaster's department, and but a single hospital train is retained in the southwest.

The vast amount of medicines and hospital supplies becoming surplus through the reduction of the army have been carefully collected at prominent points, and are being disposed of at public auction, most of the articles bringing their full value, and in some instances, their cost price.

Since April, 1864, there have been appointed (547) five hundred and forty-seven surgeons and assistant surgeons of volunteers; mustered into service (2,109) two thousand one hundred and nine volunteer regimental surgeons, and (3,882) three thousand eight hundred and eighty-two volunteer regimental assistant surgeons; employed as acting staff surgeons (75) seventy-five; as acting assistant surgeons (5,532) five thousand five hundred and thirty-two.

As far as returns have been received, during the war (34) thirty-four officers of the medical staff have been killed or died of wounds received in action, (24) twenty-four wounded, and (188) one hundred and eighty-eight have died from disease or accident incurred in the service; (1) one died in a rebel prison, (6) six of yellow fever. A completed record will increase this number.

Two hundred and fourteen (214) surgeons and assistant surgeons of volunteers, reported as supernumerary, have been mustered out.

*Furnished during the year—artificial legs 1,388; arms 1,121.

In compliance with the act of Congress, hospital chaplains have been reported for muster-out when the hospitals to which they were attached have been discontinued. Of the two hundred and sixty-five (265) appointed during the war, twenty-nine (29) are still in commission.

The business of this office has been largely increased by the necessity for immediate examination and settlement of the accounts of staff and regimental medical officers mustered out of service, while the number of applications from the Pension bureau for "official evidence of cause of death" now averages one thousand five hundred and fifty (1,550) a month, the number received and acted upon in the last fiscal year being over nineteen thousand (19,000); other official inquiries, requiring reference to records and hospital registers, are very numerous.

The returns of sick and wounded show that of white troops one million fifty-seven thousand four hundred and twenty-three (1,057,423) cases have been treated in general hospitals alone from 1861 to July 1, 1865, of which the mortality rate was 8 per cent. In addition to the alphabetical registers of dead, not yet fully completed, the records of the Medical department contain thirty thousand (30,000) special reports of the more important forms of surgical injuries, of disease, and of operations. These reports, with statistical data, and a pathological collection, numbering seven thousand six hundred and thirty (7,630) specimens, furnish a mass of valuable information which is being rapidly arranged and tabulated as a medical and surgical history of the war, for the publication of the first volumes of which an appropriation will be asked.

In this connexion, and as illustrating more in detail the importance of this work, the army medical museum assumes the highest value. By its array of indisputable facts, supported and enriched by full reports, it supplies instruction otherwise unattainable, and preserves for future application the dearly-bought experience of four years of war. Apart from its great usefulness, it is also an honorable record of the skill and services of those medical officers whose contributions constitute its value, and whose incentive to these self-imposed labors has been the desire to elevate their profession. A small appropriation has been asked to continue and extend this collection.

During the fiscal year ending June 30, 1865, an army medical board was appointed to meet in Cincinnati, Ohio, on the 18th day of October, 1864, for the examination of candidates for the medical staff of the army, and of assistant surgeons of that corps for promotion. Nine applicants for admission into the medical staff were invited to present themselves before this board. Of this number, two were fully examined and approved; one withdrew before his examinations were concluded; two were rejected as unqualified, and four failed to appear. Six assistant surgeons were examined for promotion and found qualified. Two assistant surgeons were reported for re-examination. Of the approved candidates, two have been appointed assistant surgeons.

Boards have been in session at New York, Washington, D. C., Hilton Head, S. C., New Orleans, La., Memphis, Tenn., Little Rock, Ark., and Cincinnati, Ohio, for the examination of candidates for appointment in the volunteer medical staff. One hundred and fifty-two candidates were invited before these boards, fifty-eight of whom passed satisfactory examinations and were appointed accordingly. The remainder were rejected, failed to appear, or withdrew before examination was completed. These boards were discontinued in June, 1865.

The casualties in this corps since June 30, 1864, are as follows: appointed, 96; promoted, 40; restored, 2; resigned, 32; declined, 1; died, 7; dismissed, 3; discharged, 3; dropped, 1; mustered out, 19; cancelled, 7.

Boards for the examination of candidates for appointment as medical officers to colored troops have been in session permanently at Boston, New York, Washington, Philadelphia, Cincinnati, St. Louis, and at such other points from time to time as the necessities of the service demanded.

In nearly all sections of the country the health of the troops has been fully equal to that of the preceding years, though military movements of unprecedented magnitude have been pushed to successful termination without regard to seasons. An epidemic of yellow fever prevailed at Newbern, N. C., in September, October and November, 1864, causing two hundred and seventy-eight (278) deaths among the troops stationed there, of whom five hundred and seventy-one (571) were attacked. The released or exchanged prisoners arriving at Wilmington, N. C., from rebel prisons suffered from an epidemic of typhoid fever, which, however, was arrested by strict attention to hygienic rules and prompt transfer to northern hospitals. With these exceptions no serious epidemics have appeared, and it is interesting to note that quarantine regulations strictly enforced by military authority have proven, during the occupation of southern seaports and cities by our troops, to be an absolute protection against the importation of contagious or infectious diseases. In view of the apprehensions entertained in regard to the Asiatic cholera, now devastating the shores of the Mediterranean, this becomes a significant fact.

For recommendations of measures tending to the greater efficiency of the Medical department, you are respectfully referred to the special report from this office, called for by circular dated War Department, Adjutant General's office, October 7, 1865.

In conclusion, I desire to bear testimony to the ability, courage and zeal manifested throughout the war by the officers of the Medical department under all circumstances and upon all occasions. With hardly an exception they have been actuated by the highest motives of national and professional pride, and the number who have been killed and wounded bears most honorable testimony to their devotion to duty on the field of battle.

To the medical directors of armies in the field and of military geographical departments especial praise is due for the successful execution of their arduous and responsible duties.

I am, sir, very respectfully, your obedient servant,

JOS. K. BARNES, *Surgeon General,
Brevet Major Gen'l, U. S. Army.*

Hon. E. M. STANTON, *Secretary of War.*

REPORT OF THE PAYMASTER GENERAL.

WAR DEPARTMENT,

Paymaster General's Office, Washington, October 31, 1865.

SIR: I have the honor to submit a report of the official transactions of the Pay department of the army for the fiscal year ending June 30, 1865.

The tabular statements herewith presented exhibit the details from which the following statement in gross is made:

Balance in hands of paymasters and unissued requisitions in treasury at beginning of fiscal year (July 1, 1864).....	\$86,039,808 87
Received from the treasury during the fiscal year (including unissued requisitions in treasury on June 30, 1865).....	337,200,000 00
Received by paymasters from other sources, exclusive of sums transferred among themselves.....	6,815,137 50

Total to be accounted for.....	430,054,946 37
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Accounted for as follows:

Disbursements to the regular army.....	\$7,839,225 47
Disbursements to the Military Academy.....	153,099 11
Disbursements to the volunteers.....	300,738,635 95
Total disbursement.....	308,730,960 53
Amount of unissued requisitions in the treasury on June 30, 1865.....	65,900,000 00
Balance actually in hands of paymasters on June 30, 1866....	55,423,985 84
	430,054,946 37

This large amount in the hands of paymasters at the end of the fiscal year was an unavoidable necessity from the fact that at that precise period of time the department was everywhere throughout the country under the greatest pressure of payments to mustered-out troops, and money in large sums had to be kept thus distributed.

From the above it will be seen that the sum actually disbursed during the fiscal year and in process of disbursement at the end thereof was \$430,054,946 37.

Since the beginning of the current fiscal year, beside the above sums in the hands of paymasters and the unissued requisitions stated, \$94,000,000 have been disbursed, and distributed for disbursement, making a total expenditure of \$524,054,946 37 during the last fiscal year, and the present one to this date.

Of this large sum more than one-half (\$270,000,000) has been paid to disbanded volunteer troops mustered out of service.

From the early days of June to the present time, this department has made final payment to more than eight hundred thousand officers and men. The number paid cannot be definitely stated for the want of time for full official returns to be received from the many various and distant points of payment throughout the country, especially as these payments are still continuing. Enough, however, is known with certainty to establish the fact that the figures stated are not in excess.

This is an extraordinary exhibit of work performed chiefly within the three months of June, July and August—two hundred and seventy millions of money paid to eight hundred thousand individual men. When the manner of these payments is observed, with a knowledge of the particularity required in each case, the accounts varying in amounts, each to be separately computed in its several items of pay, clothing, bounty, &c., with such stoppages as may be chargeable deducted, the final amount stated and the signature of each officer and man to be appended in duplicate to the receipt rolls, a just appreciation may be formed of the stupendous labor involved. No similar work of like magnitude, regarding its immensity both as to men and money, and the small limit of time in which it has been performed, has, it is believed, any parallel in the history of armies.

The troops for discharge were, under the orders from the Adjutant General's office, transported to their respective State rendezvous as rapidly as the proper officers of the various organizations could despatch the duty of mustering out.

This department engaged to prepare with funds officers at all the sixty different places of designated rendezvous throughout the States, and to make prompt payment in the shortest practicable time, on the arrival of each organization, so as substantially to avert delays, with all their evil consequences at the places of rendezvous. How far this pledge on our part has been redeemed the country can answer. The facts of record in the War Department show no delays of moment occurring in any quarter; none, at least, chargeable to this depart-

ment. The work is mainly accomplished, satisfactorily accomplished, beyond the most sanguine anticipations of those who could understand and properly measure the vastness of the undertaking.

For this result the country is indebted largely to the zeal, intelligence, and sleepless industry of a corps of experienced paymasters who signalized themselves in this the closing act of their military staff service by a faithfulness and devotion which reflects the highest honor upon them as a body, and as individual officers. To them, under the skillful management of their supervising district chiefs, this department owes its success; and I take occasion, as the head of the department, in this public official communication, to render to them the homage of my grateful acknowledgments. The credit is theirs, for without their experience and cordial co-operative efforts, not all the powers of the government combined could have wrought so favorable a solution of a difficult problem.

It becomes my duty also to notice here, in most favorable terms, the valued services of the officers and clerks connected immediately with this office. They appreciated the emergency, and bent themselves to the difficult work, which, for a time, pressed upon the office with almost overwhelming weight. With payments simultaneously progressing at sixty different points, widely separated, with the necessity of keeping each one supplied with funds from day to day, and a necessity also that each should have no more than required for immediate disbursement—drawing from the treasury at the rate of \$20,000,000 per week, and compelled to make close estimate and careful watch of its daily distribution, so that the demand at each given point should be surely supplied, and yet no more than supplied; telegrams and letters continually pouring in, noting the movement and destination of troops, and repeating these notices to the proper points of rendezvous; applications and appeals constantly arriving, requiring immediate answers; new questions arising and referred to this office for instructions, &c.—kept our thoughts, our pens, our press, and the telegraph in constant requisition by day and by night. Mid all this I am happy to bear testimony that every one labored with cheerful alacrity—in some instances, indeed, during the heated season, even beyond their strength. It may be said of these, as I have said of the paymasters in the field, but for their willing efforts, rendered with self-denying devotion, the work could not have been a success.

The unstinted facilities extended, sir, by your authority and orders, in the free use of the military telegraph, the printing press, and all other agencies that could be profitably applied to the end, together with the liberal confidence which you were pleased to repose in this office, leaving to it an almost unrestricted discretion to manage, without hindrance, its own details; your concurrence in, and support of, its acts and orders—these reveal the vital secret of a result so favorable.

I cannot close this branch of my subject without a grateful expression of indebtedness to the officers of the Treasury Department for the courteous and zealous attention with which, during the trying exigency, they always entertained the importunate demands of this office. What often seemed as hopeless impossibilities obstructing the financial path, were, by their fervent efforts, readily dispelled, and thus all our requisitions were met with most satisfactory promptness.

At the date of my last annual report, besides the small number of officers constituting the pay department of the regular army, (and which is without casualty or change since,) there were in the service 409 additional paymasters, contingent appointments under the law of July, 1838. Afterwards, up to March 3, thirty-eight others were appointed and confirmed, making a total of..... 447

Accounted as follows:

Resigned.....	89
Commission declined.....	1

Dismissed.....	4
Appointments cancelled.....	21
Dropped.....	2
Died of disease.....	5
Lost at sea.....	1
Killed by guerillas.....	2
Died while prisoner of war.....	1
Mustered out.....	111
Total casualties.....	237
Remaining in service.....	210

This reduction may still continue, following with even pace, as their services can be spared and their accounts be rendered, the progress of the reduction of the army.

The sudden disbandment of our volunteer hosts, besides their final payment on the ordinary forms of muster-out rolls and other discharge papers, has devolved upon this department an inordinate accumulation of "referred claims" transmitted for adjustment and payment. These have arisen from various causes, but chiefly from the inability of the officers charged with the execution of the muster-out papers to reach a complete history as to pay, clothing, bounty, &c., of large numbers of enlisted men, so as to enable a final settlement at the time of discharge. To all such certificates of discharge are furnished, upon which are indorsed the fact of non-payment, and the holders are directed to forward the same, as the basis of their claim, to the Paymaster General for adjustment.

Such magnitude has this demand attained, that it has been found necessary to organize a special division of paymasters as an attachment of this bureau, to take exclusive cognizance of this class of claims.

This "division of referred claims" is now composed of a chief supervising paymaster of much intelligence, judgment, and experience, with twelve other paymasters, also competent officers of experience, and a corps of sixty-four active clerks. The peculiar labors of this division could not be near so well performed under any other organization, having, as this does, enlightened paymasters to supervise every branch of the work, each being responsible for his own.

Every claim sent to this division requires for its elucidation a careful and laborious search through all the previous rolls on file in this and the Second Auditor's office, besides constant reference to the Adjutant General's office, to trace out through the past records all the facts touching the case, the charges, stoppages, forfeitures, &c., that it may be stated with accuracy the balance due the claimant. This done, vouchers in form covering that balance are filled out and transmitted to the claimant for his signature, which returned to the paymaster, the latter remits a check for the amount. From this it will be seen how tedious is the work of this division, what careful industry it demands, and how inevitable are the delays complained of by impatient claimants.

The clerical force of this bureau is without material change since the date of my last annual report.

For months past, in anticipation of an early permanent reduction of that force, I have refrained from recommending new appointments to fill such vacancies as have occurred by resignations and other casualties.

This course, I apprehend, may continue without injury or material inconvenience to the public service. Such, however, is the sudden accumulation of the business of the bureau, by reason of the present influx, for examination, of rolls and other classes of vouchers, resulting from the recent and continued large payments to disbanded troops already adverted to, that but a very slight reduction in the number of clerks employed will be practicable for some months to come.

I need hardly urge the unqualified conviction, that the compensation allowed by the government to this indispensable class of public agents is quite inadequate in view of the present exorbitant cost of the necessities of life. The clerks of this bureau, as a body, are highly meritorious and deserving public servants. None, I am sure, better than they, have by faithful industry earned just title to favorable consideration. It becomes my duty, therefore, respectfully, but urgently, to recommend a reasonable increase of the rates of compensation now by law fixed for the clerks employed in this bureau. Especially is this demanded by every consideration of the public interest, of enlightened public economy, for the clerks of the higher grades, and for the chief clerk. I feel sure I have only to present this subject to your attention to insure your influence in the furtherance of a consummation so proper.

In another paper communicated to you, dated the 11th instant, I have had the honor to submit, for your consideration, a plan for the better organization and a permanent increase of the Pay department of the army, to which I respectfully invite your attention in connexion with this report.

The entire of the regular army and the volunteer forces of every description retained in service, and not embraced in orders for muster out, have been paid, or are provided for and in process of payment to the end of the last fiscal year, (to 1st July last.)

Many organizations have been paid to the later date of September 1.

All discharged troops have been paid in full, and all being discharged or under orders for discharge are provided for, and will be paid as fast as they arrive at their respective places of rendezvous.

Paymasters are held in readiness to make another payment to the troops who shall be continued in the service, whenever the needful funds for that purpose may be available.

In conclusion, I beg to present to your attention the following remarkable summary statement of the results in this department during the past four years of war.

The total of money disbursed by the department from July 1, 1861, to the present date, is one thousand and twenty-nine million two hundred and thirty-nine thousand (1,029,239,000) dollars.

Total defalcations in the department for same period, supposing that nothing is made from sureties, (it is believed that more than one-half will be collected from these sources).....	\$541,000
Total expenses for disbursement, including pay and allowances to paymasters and their clerks, mileage and travelling expenses, &c., an average of 350 paymasters and 400 clerks for the term of four years and four months (a large average).....	6,429,600
Total defalcations and expenses.....	6,970,600

Thus it is seen that the total of every character of expense to the government arising from the disbursement of the pay to the armies during the period stated is less than seven-tenths of one per cent. of the sum disbursed.

Surely this is a cost most wonderfully cheap for the execution of duties so important and responsible. It is much questioned if there is another instance on record of public disbursement so cheaply performed.

Respectfully submitted:

B. W. BRICE,

Paymaster General U. S. A.

Hon. EDWIN M. STANTON,

Secretary of War.

REPORT OF THE CHIEF ENGINEER.

ENGINEER DEPARTMENT.

Washington, October 30, 1865.

SIR: I have the honor to present the following report upon the several branches of the public service committed to the care of this department, for the year ending on the 30th of June, 1865:

Duties of the officers during the year.—The corps of engineers consisted of eighty-five officers, the Military Academy, its officers and professors, and the battalion of engineer soldiers, of five companies.

Of the eighty-five (85) officers of engineers embraced in the corps, fifty-four (54) were on detached duty commanding army corps, divisions, and other military organizations, on staff duty, and as engineers and assistant engineers with armies operating against the rebels, in command of the pontoon bridge service, and in command of the troops of the engineer battalion; and thirty-one (31) on duty superintending sea-coast defences, lake surveys, lake and sea-coast harbor improvements, Military Academy, and assisting the Chief Engineer in connexion with all these duties.

Every officer of the corps has been on continued and uninterrupted duty during the entire year, and four (4) of its members have died in service.

The loss in officers killed, and who have died in service from wounds and other causes during the rebellion, is fourteen (14.)

Twenty-one (21) of the members of the corps still remain on detached service, performing important duties growing out of the rebellion, which prevent their returning to engineer duty.

The value and estimation in which the military talents and practical knowledge of the officers of the corps are held, have, by contributing to the command of the armies, and for staff service, together with the loss of those who have given their lives to the defence of their country, greatly reduced its numbers and efficiency for the many duties devolving upon it. Many of those of highest rank and experience are still on detached service, and the vacancies from casualties have necessarily been filled by junior members, recent distinguished graduates of the Military Academy.

Although the legal strength of the corps is sufficient to perform the proper functions of its members, the present assignment of its officers renders it impracticable to meet the numerous demands upon the department.

For a comprehensive knowledge of the duties of the engineers, a recurrence to the general objects of the campaign is necessary.*

It will be recollected that, by descending the Shenandoah and crossing the Potomac above Harper's Ferry, the rebel army, in 1864, threatened Washington, Baltimore, Pittsburg, and even Philadelphia, as also intermediate cities. Washington city had become the great depot for immense supplies for all arms of service for months in advance. An extensive ordnance depot, a navy yard, the general hospitals, the archives of the nation, its executive and judiciary, with the public edifices for all national purposes, was the rich prize, to gain possession of which the rebel authorities directed their efforts, as well as to divert our armies from the attack on Richmond. At Antietam and South mountain they had been defeated and driven back into the valley of the Shenandoah. Again they made a powerful effort, and were defeated at Gettysburg, and driven across the Potomac and up the valley. In July, 1864, after the Lieutenant

* The plans and reports which accompanied this report are necessarily omitted in this abridgement, but can be found in the unabridged edition of the report of the Secretary of War.—Editor.

General had forced the rebel armies, concentrated under Lee, from Todd's tavern, through Spottsylvania and Cool Arbor, into Richmond and Petersburg, they made another effort to divert the Lieutenant General by detaching Early on another expedition down the valley of the Shenandoah and across the Potomac, threatening Baltimore by moving on the Monocacy, where a small body of our troops were repulsed, thus jeopardizing both Baltimore and Washington. The attention of the Lieutenant General was given to these efforts of his adversary to divert him from his main object, the defeat and capture of Lee's army; and, while withdrawing part of the garrison to re-enforce the armies operating against Richmond, he held the command of his rear and Washington by being enabled to transport from before Petersburg as large a force as Lee could detach to operate in the valley and on Washington. Many thousands of wounded and sick occupied the hospitals in Washington, and the troops fit for duty did not suffice to man the armaments of the forts around the city. The engineers had previously constructed a system of detached redoubts and forts around the city, on a circuit of upwards of thirty-five (35) miles. Early, after his success at Monocacy, moved directly upon the defences of Washington, between the Potomac and the Eastern Branch. (See plan No. 1.) Colonel Alexander, of the corps of engineers, was the only officer of the corps whose personal attention could be given to these defences. Colonel Woodruff and Major Kurtz, of the corps of engineers, and assistants of the Chief Engineer, were first ordered to these defences. Subsequently all the officers on the sea-coast, north and east of this city, were detached from their labors of constructing sea-coast batteries, (then threatened by rebel iron-clads building in Europe, as another effort to divert our armies in the field,) and were ordered to the defences of Baltimore and Washington—Major Prime, Captain Robert, and Lieutenant J. A. Smith to the aid of Colonel Brewerton at Baltimore, and Colonel Macomb, Major Blunt, Major Casey, and Captain Tardy to the aid of Colonel Alexander at Washington. The rebel blow was aimed at Washington. The wise foresight of the Secretary of War had caused all the employees of the several bureaus of his department to be organized and drilled as infantry troops. The necessity for the withdrawal of the 6th army corps from Petersburg, and of the 19th from New Orleans, had also been foreseen, and orders sent to them to proceed to this city to meet the blow that was threatened. The Veteran Reserves and convalescents from the hospitals were also ordered to garrison the defences. Requisitions were made upon the governors of States to furnish troops, but with little success. The 6th and 19th corps arrived at the most opportune moment. Early directed his efforts upon Fort Stevens, but finding the garrison re-enforced, and even moving out of the defences to meet him, he suddenly retreated across the Potomac and up the valley of the Shenandoah. The engineers were then ordered to their former stations on the seaboard.

Early was pursued by Sheridan with his cavalry, and the troops that drove him from Washington up the Shenandoah, defeating him and his re-enforcements, and eventually annihilating his army. For this expedition Major Stewart, Captain Gillespie, and Lieutenant Meigs, of the corps of engineers, were assigned. In the death of Lieutenant Meigs, while reconnoitring in the neighborhood of Winchester, the corps lost one of its most meritorious and valued members. Captain Gillespie accompanied Sheridan's expedition to the James river, destroying the rebel communications on that river and all others west and north of Richmond, and finally joined the Lieutenant General before Petersburg.

With the investment of Petersburg commenced a series of laborious and difficult engineering operations by the army of the James and the army of the Potomac. The narratives collated from the reports of Colonel Michler and General Michie give the details of these operations. A reference to plan No. 12 will explain the extent of the defences about Petersburg and Richmond, and the

labors of our engineers about Petersburg and the rebel defences on the north side of the James river.

The rebels after being defeated by the army under Lieutenant General Grant and driven from their intrenchments around Petersburg, extending to the Hatchie, evacuated that city on the 2d April, 1865. The evacuation of Richmond followed on the 3d April, when the rebel army under Lee retreated, and was closely pursued and pressed to Appomattox Court House, where it yielded to the superior prowess and skill of the armies of the United States, on the 9th April, 1865, thus breaking up all semblance of rebel authority, leaving Sherman to end it by the capture of Johnston on the 23d April. A map of this campaign is in progress, awaiting information yet to be collected to perfect it as an historical record of these ever-memorable military operations which resulted in restoring the power and union of a nation.

After the evacuation of Richmond the rebel chief and his advisers, who devised this most unjust and unwarrantable scheme to destroy a nation, sought safety in flight towards Georgia. Their movements had been foreseen, and were provided for by a brilliant campaign of a cavalry force under General James H. Wilson, (captain of the corps of engineers,) who posted his troops with great discrimination and judgment, and succeeded in capturing the leader at Irwinton on the 10th May, 1865.

From Atlanta the grand army of the West, commanded by Sherman, commenced moving for the sea-coast, while Thomas occupied Tennessee and Kentucky. The rebels under Hood on evacuating Atlanta operated on Sherman's previous line of march.

The labors of the engineers at Chattanooga under Colonel Merrill, and the volunteer engineers, had rendered this important position as well as Knoxville impregnable; and Hood retrograded towards the Tennessee river with a force so far superior to Thomas's as to cause the latter to fall back gradually upon Nashville. The labors of the engineers in fortifying Franklin, on the Harpeth river, did not suffice, with a single army corps under Schofield, to hold those intrenchments.

Our army fell back to Nashville, where much labor and the skill of the engineers had previously been bestowed in fortifying it by General Morton, Colonel Merrill, Captains Barlow and Burroughs, and other junior officers of the corps of engineers, together with volunteer engineers. In September, 1864, Major Tower, corps of engineers, (brevet major general of volunteers,) took charge of these defences, and perceiving the great importance of Nashville as a depot of supplies as well as other important strategic advantages, commenced to add to and perfect the fortifications, (see plan No. 4,) on which he continued unremittingly until Hood's advance and investment of the place on the 15th and 16th December, 1864.

During the few days preceding Hood's arrival before Nashville, Thomas had concentrated his several available army corps within the fortifications of Nashville, the plan of which is given on plate No. 4.

The importance of these defences was mainly in enabling Thomas to concentrate his army at a depot well stored with munitions of war, and to hold his enemy, flushed with his successful march from Atlanta, in check until he was ready to take the field.

The plan of the fortifications (No. 4) by General Tower and annexed extracts from his report explain more fully the successes of this most important advance of Thomas, resulting in the demolition and annihilation of the rebel power in Tennessee.

During the same eventful period the fortifications that had been constructed by the engineers at Murfreesboro' were successfully held and defended by a part of Thomas's army.

Colonel Merrill, captain engineers, with the volunteer engineers, had during

the year given special attention to fortifying all the important points on the railroads in Tennessee and part of Kentucky, while Lieutenant Colonel Simpson, corps of engineers, had fortified Cincinnati, Ohio, Covington and Newport, Frankfort and Louisville, Kentucky, and the lines of the Louisville, Nashville, and Kentucky Central railroads, thus covering Thomas's rear and defending his lines of communication.

Such is a general outline of the labors of the engineers in Tennessee.

The march of the grand army of the West under Sherman (see plan No. 3) did not call for offensive or defensive fortifications.

The labors of the engineers, Captain Poe, (brevet brigadier general U. S. A.,) Captain Reese, (brevet brigadier general U. S. A.,) Lieutenant Stickney, (brevet major U. S. A.,) Lieutenant Ludlow, (brevet major U. S. A.,) and Lieutenant Damrell, were most advantageously bestowed upon the roads and bridges, and reconnoitring the enemy's movements and positions. (See their narratives.)

The pontoon trains under charge of these officers were indispensable to the success of the army. They consisted of canvas boats which proved serviceable for the march of this army from the Tennessee to its final disbandment in Washington city in 1865. The advantages of these light trains, their frequent use during the campaign proving their adaptation to our country, are fully developed in the narrative collated from Poe's and Reese's reports.

In September, 1863, Knoxville was captured by our force, and in November of the same year Chattanooga was occupied by our army. At the latter point Sherman concentrated his supplies, and moved in force against the rebels, driving them through Ringgold, Tunnel Hill, Dalton, Resaca, Allatoona, and Kennesaw, to Atlanta.

At this latter place the rebel army was strongly intrenched. The place was first invested by our army on the north and east, when its strength being fully ascertained, Sherman marched his army to the south, defeating the rebels at Jonesboro' and Lovejoy's, thus investing it on the south and compelling Hood to evacuate this stronghold.

The narrative, collated from the report of Brevet Brigadier General O. M. Poe, U. S. A., captain of engineers, gives the important incidents connected with its capture, and furnishes plans of the rebel defences. (See plan No. 2; see narrative.)

While these movements and successes of the armies under Thomas and Sherman were in progress, General Grant ordered a division of his army under General Terry to co-operate with the navy in the reduction of the defences of the mouth of Cape Fear river in January, 1865.

Captain Comstock, of the corps of engineers, (lieutenant colonel, A. D. C., brevet brigadier general volunteers,) had charge of the engineer operations of this expedition.

Fort Fisher, situated at and commanding the northern entrance of this river, was found to be the key of the position. Plans Nos. 5 and 6 give the details of the defences constructed by our army to cover its landing and its rear while operating on Fort Fisher.

A bombardment by the fleet, resulting in dismounting many of the guns on the land front of the work, as well as cutting the electric wires for exploding a formidable system of mines on the same front, preceded a successful assault by the troops under General Terry.

The plans Nos. 5 and 6, with extracts from General Comstock's report, give the details of the rebel fortifications and those thrown up by our troops. (See General Comstock's report.)

Later in the season General Canby concentrated the troops under his command and moved to the attack of the city of Mobile, having the co-operation of the navy. The labors of the engineers under Captain McAlester, (brevet major U.

S. A.) Captain Palfrey, (brevet lieutenant colonel U. S. A.) Lieutenant Burnham, (brevet major U. S. A.) and others, were here called into requisition.

Blakely (see plan No. 7) was invested, batteries constructed and opened upon the formidable rebel batteries covered by strong intrenchments, with abatis surrounding their entire position, with its flanks resting on the Blakely river.

Plan No. 7, with extracts from the report of Major McAlester, gives the details of the operations, final assault and construction of the rebel defences on the 8th April, 1865. (See McAlester's report.)

Spanish Fort was at the same time invested by our army, and the more formidable siege operations of a first and second parallel with approaches and enfilading batteries became necessary, and resulted finally in the capture of the rebel defences by assault, on the 8th and 9th of April, 1865. (See plan No. 8.)

These defences and approaches are given in detail on plans Nos. 7 and 8, which, with extracts from Major McAlester's report, will explain and illustrate this well designed and skillfully executed siege.

The fall of Blakely and Spanish Fort caused the rebel army under Taylor, Gardner, and Maury, to evacuate Mobile, and retreat to the North.

Plan No. 9 gives the formidable rebel defences of the city of Mobile, surrounding it with three lines of detached forts and connecting intrenchments, with the flanks resting on Mobile river. The skilful labors of the rebel engineers about this city were very extensive and the system exceedingly strong.

The determination of the commanding general to turn these works, by first reducing Blakely and Spanish Fort proved successful, and the character of the works as shown on the plan forcibly illustrates the saving of lives and treasure in not first attempting to reduce these powerful defences.

Plan No. 10 gives the position of the entire and connected system of rebel defences that succumbed to the skill and talent of Canby.

While these important operations were in progress in Tennessee and Alabama, Sherman, with the grand army of the West, and Lieutenant General Grant, with the combined armies of the Potomac and the James, together with the garrison of Washington city, were simultaneously leading the national forces to strike a final blow to rebel power, and enforce the restoration of national authority from the Atlantic to the Pacific.

(See plan No. 3.) Sherman's army reached the sea-coast, by first capturing Fort McAllister, on the 13th December, 1864, by Hazen. The strong rebel intrenchments at Savannah were then invested, and the rebel General Hardee driven from them across the Savannah river. The department has as yet received no plans of Fort McAllister or of the defences of Savannah. The labors of the engineers of Sherman's army (see Poe's narrative) were again bestowed principally in reconnoitring the enemy's positions, and manœuvring the canvas pontoon trains to cross the army over the several rivers between Savannah and the last water-course crossed in pursuit of rebels. The success of these bridge trains is given in the extracts from Generals Poe's and Reese's reports. The city of Charleston fell into our power on the 18th February, 1865, after its evacuation by the rebels in consequence of Sherman's movements in its rear, and cutting off its supplies from the interior, while it was already blockaded by our fleet, and invested by land by our army.

Schofield, after the reduction of the entire defences of Smithville, moved upon Raleigh, and united his forces with those of Sherman. The engineer operations on this line were in reconnoitring and manœuvring the pontoon bridge trains for the passage of the rivers, under Lieutenant Stickney, (brevet major U. S. A.) of the corps of engineers. (See Stickney's narrative.) After obstinately contested combats at Averysborough and Bentonville, the rebel power under Johnston was finally overcome and subdued by the capture of his entire command on the 23d April, 1865; after which, by easy marches, the grand army of the West repaired to Washington city.

(See plans Nos. 1, 11, and 12.) The momentous campaign of the armies under the command of the Lieutenant General, with the purpose of capturing Richmond, and overthrowing the rebel authorities holding the semblance of Confederate power in that city, was commenced on the Rapidan in May, 1864. The battles of Todd's Tavern, on the 7th May; of Spottsylvania, on the 14th and 19th, and passage of the North Anna, on the 24th; of Coal Harbor, on the 31st May and 1st June; the march thence and passage of the James river on the 16th, 17th, and 18th, with the investment of Petersburg on the 3d July, 1864, constitute a brilliant series of grand battles and manœuvres that do not come within the scope of engineer reports.

The narrative and information from the report of Colonel Michler, dated October, 1865, give more specifically the labors of the officers of the engineer corps during the progress of this campaign.

SEA-COAST AND LAKE DEFENCES.

While most of the officers of the corps of engineers have been actively engaged in the field as heretofore stated, others have given their attention to the important labor of sea-coast defences.

Against predatory expeditions of rebel cruisers and iron-armored vessels, built in foreign ports claiming to be neutral, it was necessary to construct batteries to mount rifle artillery and smooth-bored ordnance of heavier calibres than heretofore used. Colonel Macomb, Major Blunt, Major Casey, of the corps of engineers, were employed in thus fortifying thirteen harbors on the eastern coast. At the same time progress on the permanent sea-coast defences was continued at all the harbors from Maine to Hampton roads, inclusive, at Key West and Tortugas, and at San Francisco; and repairing the permanent works on the Gulf of Mexico that were taken from the rebels, which had been more or less injured by them and by our attacks, to restore them to the Union. On the northern and eastern works, as also on the California coast, the main object has been so to direct the operations as soonest to mount the contemplated armaments, which, at this time, are required to be of such penetrating and crushing power as will in all probability insure the destruction of any iron-armored vessels that can combat them. The introduction of these increased calibres and this power of artillery has made it necessary to renew most of the gun platforms heretofore constructed which were designed for no larger calibre than forty-two pounders. At the present time no smaller gun is prepared for the sea-coast batteries than one-hundred-pounder rifle guns, and ten to fifteen inch rifled and smooth-bored guns.

The further construction of the sea-coast batteries has been retarded by the necessity which now exists of so covering part of our guns and gunners as to render them secure against any advantage that an attacking power in iron-armored ships opposed to them shall possess. So far as we have yet progressed, preparations for guns of large calibre have been perfected, and the guns mounted to throw, collectively, one hundred and forty-seven thousand one hundred and fifty pounds of metal at a single discharge, which is an addition during the year of forty thousand six hundred and fifty-one pounds of metal that can be so thrown against an enemy.

Continuing to increase the armament on our sea-coast in the same ratio, for a reasonable time, will render the harbor defences exceedingly difficult for any maritime power to overcome, and, in combination with other auxiliary means of defence, will carry the cost and time requisite to subdue them beyond the means of foreign powers, provided we hold our works in a perfect condition for both land and sea attacks.

Boards of engineers have been detailed to consider what modifications are necessary at each and every work along our sea-coast to adapt them to resist

the powerful armaments that European fleets, singly or combined, may be enabled to bring across the Atlantic, over the bars of our ports and harbors, to attack them.

The details of the operations during the year at the several works on the Atlantic, Gulf of Mexico, Lake and Pacific coasts, derived mostly from the reports of the superintending engineers, are annexed.

PRISON DEPOTS.

The prison depots also called for the labors of engineer officers. Point Lookout, at the mouth of the Potomac, was subject to sudden attack from marauding parties and detached cavalry from armies operating against Baltimore and Washington, which, with the immense body of prisoners, made it necessary to fortify the position against attempts to liberate them, by forts commanding both the interior and exterior. Major Stewart, assisted by Lieutenant Cantwell, and afterwards Colonel Brewerton, constructed these defensive works.

THE PRISON DEPOT AT JOHNSON'S ISLAND.

Cleveland harbor, Lake Erie, had to be defended against attempts of the prisoners, and succor by water, from expeditions organized in the friendly and neutral territories of Great Britain in Canada. Major Casey and Captain Tardy were assigned to and performed this service, constructing a water battery at the mouth of the harbor, against a force approaching by water, and temporary field forts on Johnson's island.

SURVEYS, MAPS, AND TOPOGRAPHY

The surveys for the armies in the field, embracing the topography of the country passed over and particular sites occupied, have been referred to in other parts of this report.

The extent of the labors performed by the officers on duty in the bureau has been the engraving, lithographing, photographing and issuing 24,591 sheets for officers in the field and various branches of the service requiring this information, leaving still on hand a few copies of each publication for reference and the calls of the War Department.

The survey of the northwestern lakes has been in progress for several years, to obtain for the commerce of the States whose industry is promoted by that extended interior navigation the safety that a perfect and correct knowledge of the shores and bottom alone can attain. It is being conducted under the direction of Major Reynolds, of the corps of engineers, upon the same scientific principles and with the same care and accuracy that has been bestowed upon the coast survey and other national geodetic surveys. During the year two maps have been prepared from the field-notes published and issued to the navigators of the lakes. One gives the west end of Lake Superior, and the other the northeastern part of Lake Michigan. Three others have been prepared and are now ready for engraving, giving the Portage river and the bay of L'Anse, on Lake Superior; and a third giving the north end of Green bay. Twenty-eight hundred and twenty (2,820) sheets of the maps of the lake surveys have been issued for commercial, harbor improvement, and military purposes, during the year, making the whole number of maps called for and issued since these surveys were commenced 27,411 sheets.

Special surveys have also been made during the year, maps issued and forwarded for the use of the department, of Niagara river, Erie, Conneaut, Ashtabula, Grand river, Cleveland, Black river, Sandusky, St. Joseph's, Grand Haven, Chicago, Racine, and Sheboygan.

SURVEYS.

The principal labors of the parties engaged in these surveys during the year are comprised in the measurement of 269½ miles of shore-line, 164½ square miles of topography, 187 miles of soundings, and 1,200 square miles of off-shore hydrography on 1,586 miles of lines of soundings, the measurement of a base line of 4,173 feet in length, difference of longitude between several distant points by electric observations, and observations by flashing lights; also astronomical observations for the latitude of eight points.

Recommendation.—These surveys are called for by numerous parties and individuals, as well as by commercial men, for private as well as for public use. It is indispensable that some rules and system be established to keep the issue of these valuable maps within such limits as will insure the great objects of the survey, the diffusion of this information to promote national industry, at the same time to prevent them falling into the hands of persons collecting for other purposes than the public good.

I recommend that the department be therefore authorized to issue these maps, after supplying the wants of the government, at the cost of paper and printing, as is now and for years past has been authorized for distributing the Coast Survey maps. This will prevent an improper use, and enable all persons capable of using them to obtain copies.

The estimate for carrying on the work for the next year is \$184,604 42, which exceeds the amount appropriated for last year's operations about \$60,000.

It is proper to say that this increase of estimate does not contemplate any advance in the wages of assistants, but is simply due to the increased cost of materials and supplies.

On our Pacific coast Major Williamson, of the corps of engineers, has explored and reconnoitred parts of northern California and southern Oregon, giving the topography of its roads, and continues observations for barometric correction of altitudes, having also in view an investigation of the formula for determining heights by this instrument. He has traversed and explored the heights of the Nevada range in northern California, said to be 10,000 to 11,000 feet above the level of the sea, and the military roads between the coast and this range of mountains to facilitate the military operations of the commanding general. During the year he also examined the various sites on Admiralty inlet and Puget's sound, that might hereafter become useful for military purposes, and selected such as should be reserved from sale by the land office.

PRESERVATION AND REPAIR OF ATLANTIC HARBORS AND SEA-WALLS.

An appropriation was made in 1864 for renewing the construction of the sea walls in Boston harbor to preserve the head-lands from further destruction by the ocean waves, and, as a consequence, injury to the harbor for commercial use, while at the same time it preserves important sites that hereafter will be occupied by batteries bearing on the channel leading to the city of Boston. The following narratives of the operations on these islands are drawn from the report of Colonel Graham, the superintending engineer. The same officer was charged with the application of the appropriation of \$100,000 for the preservation and repair of the harbors on the Atlantic. The accompanying summary gives his views on this subject in relation to the Susquehanna river below Havre-de-Grace, dredging the Patuxent river, Portland Harbor breakwater, navigation of the Hudson river below Troy, and Delaware breakwater. Colonel Graham recommends additional appropriations for the Atlantic harbor improvements.

REPAIRS OF SEA-WALLS ON DEER AND LOVELL'S ISLANDS, IN BOSTON HARBOR.

Deer Island sea-wall.—The walls on this island are three in number, viz: the north wall, middle wall, and south wall; respectively 1,743 feet, 839 feet, and 383 feet in length.

There were six places averaging 60 feet each in length, where the backing and flagstones of the platform had fallen in, and many places where large blocks of stone had been forced out from the body of the walls into the sea.

In September, 1864, a violent storm from the northeast washed away the clay backing from the north wall, to such an extent as to throw the cavities into one of 300 feet in length, besides forcing twelve large stones from different parts of the wall into the sea, and bulging the body of the wall both inward and outward, which weakened it so much, as to make it impossible for it to stand another such shock. No time was lost in taking down the whole of the injured portion and commencing the relaying it from the foundation, in hydraulic cement. Ninety feet lineal were rebuilt in this manner before the close of the working season. Much damage was done during the winter and spring storms.

During the summer to the close of the fiscal year, 50 feet lineal, in addition, were taken down and rebuilt. A small balance only remains on hand for this work; and the estimate of the engineer in charge for its continuance is \$25,359 86.

Sea-wall on Lovell's island.—This wall is for the protection of the northern end of the island from abrasion by the action of the sea. It is 803 feet long. The smallness of the appropriation granted for the joint repairs of the walls on this and Deer island rendered it impossible to do more on the former one than to procure the materials for erecting the necessary buildings for carrying on the work.

The estimated cost of repairing the sea-wall on this island is \$43,891 68.

SEA-WALLS AT GREAT BREWSTER'S ISLAND, BOSTON HARBOR.

There are two walls, 372 and 340 feet in length respectively, on this island; and additional walls for its protection and to prevent serious injury to the ship channel from the wash of large quantities of soil into it, to the extent of 1,550 feet lineal, are required.

During the winter a large number of tools were made at the blacksmith's shop on Great Brewster's island. Derricks were procured, a well was sunk, and a rail track 800 feet long was graded for drawing stone and other heavy articles, and in addition 1,500 cubic yards of stone and gravel were collected preparatory to commencing operations in the spring, since which time the work has been steadily and satisfactorily progressing.

About \$26,000 of the appropriation has been expended, leaving a balance of \$39,754 42 available for further prosecution of the work.

The engineer in charge estimates that additional funds will be required for the continuance of this work, to the amount of \$111,222 20.

REPAIRING, ETC., HARBORS ON THE SEA-BOARD OF THE UNITED STATES.

Dredging channel of Patuxent river from Fort McHenry to the mouth of said river.—The absence of the dredges necessary to perform this work (they having been loaned to the Quartermaster and Navy departments for military purposes) rendered it impossible to make any progress with the work. The officer in charge has visited and reported upon the existing obstructions, however, and they will be removed at as early a day as practicable.

Susquehanna river below Havre-de-Grace, Maryland.—Upon inspection of the channel at this place by the engineer in charge, obstructions to the navigation were found to exist for vessels drawing over six feet of water, but owing to

circumstances above cited, (the want of dredges,) no progress was made in their removal.

Portland Harbor breakwater, Maine.—The engineer in charge reports that the work of repairs on this breakwater has progressed satisfactorily, and recommends that it should be extended at once 400 feet further out. He estimates for the further prosecution of the repairs the sum of..... \$21,338 35
For extending the breakwater 400 feet..... 83,772 70

Making a total of..... 105,111 05

Improvement of the navigation of the Hudson river below Troy, N. Y.—Owing to the want of dredges, no progress was made in this work during the last year. It will be commenced at the earliest practicable moment.

The Delaware breakwater.—A minute survey of this work will be required before repairs can be commenced. The pressing duties of the officer to whom this work was assigned prevented his giving it his attention in time for the commencement of the work. It will receive attention as soon as possible.

In addition to the above-mentioned works, there are others whose repairs should be attended to, but it is evident that the appropriation is utterly inadequate to the purpose.

REPAIRS AND COMPLETION OF SEA-WALL AT BUFFALO, N. Y.

A special appropriation for this object, of \$37,500, was made in July, 1864, and the work was commenced as soon as possible.

The operations during the year ending June 30, 1865, have consisted in repairing the breaches in the old wall, quarrying stone, and laying the foundations for the proposed extension of the sea-wall.

The total amount expended during the year was \$8,494 92.

PRESERVATION AND REPAIR OF LAKE HARBORS.

A general appropriation of \$250,000 under this head was made by Congress, approved June 28, 1864, and after due consideration it was distributed among the harbors most essential to the interests of commerce in proportion to their importance.

Owing to the lapse of time since any repairs were made upon harbor improvements, (some fifteen or twenty years,) the works had fallen into decay, and in many instances, become entirely dilapidated; and under these circumstances, especially when considering the utter inadequacy of the appropriation, the question of applying it to the most advantage was one of great difficulty.

Some of the most important harbor works had scarcely anything left to "repair or preserve," and in a strict construction of the act would have been cut off from any benefit in the appropriation, while from others much of the old work had to be removed before anything new could be commenced. It will be evident, therefore, that although much has been done generally, the amount of work at particular points must appear small.

The following summary from the reports of the officers in charge will exhibit the state of the works at the close of the year. Should it be the determination of Congress to persevere with the repairs and preservation of these artificial works to improve the navigation of the lake harbors, the department will be prepared to give the sums recommended by the superintending engineers for the different localities.

Repairs of pier at Oswego harbor, N. Y.—Major C. E. Blunt, corps of engineers, reports that operations for this object have been carried on during the

entire working season. The sinking of new cribs, repair and ballasting of old ones, and replanking the outer surface of the pier, constitute the work done. Similar repairs will continue to be necessary to a greater or less extent from year to year.

The amount expended during the year was \$14,588 17. The sum still available from the appropriation made last year for repairs and preservation of lake harbors will probably be sufficient for the coming year.

Genesee River harbor, N. Y.—Captain J. A. Tardy, corps of engineers, reports that preparations for repairing the west pier at this harbor were commenced in the fall of 1864, and during the year ending June 30, 1865, the amount expended was \$11,141 43. By the close of the present working season the balance of the available funds will have been expended.

Light-house pier, Buffalo, N. Y.—Captain J. A. Tardy, corps of engineers, reports that nothing was done during the fall, owing to the lateness of the season. Active operations for repairs could not be commenced before July, 1865. This pier is very much out of repair. Piles on the harbor side and at the extremity need replacing. Stone-work is much injured and thrown out of place by the action of the ice.

Harbor of Chicago, Illinois.—A special survey with a view to its improvement, as well as to the preservation and repair of existing works at this point, was made during the season. The officer in charge of the work, Colonel T. J. Cram, corps of engineers, however, could not, under the restrictions of the act making the appropriation, apply any portion of it, and the city authorities appropriated \$75,000 to be expended in continuing the dredging of the direct channel through the outer bar of the mouth of the harbor, which they had already opened to some extent, and in extending the north pier 400 feet, under the plan approved by this department and suggested by the officer in charge.

This important harbor presents great engineering difficulties to insure permanency to any system for its improvement that heretofore has been devised. The present system is designed to open a channel across a shoal that the continued effort of nature is forming. While the present method of prolonging jetties, thus extending the river channel across the shoal, has the effect of cutting a new and deep channel across such shoal, such improvement has no effect in preventing, in a limited period, the formation of another shoal across the opening of these piers into what was originally deep water. Nor have they any effect in retarding the causes of such formation. It is by checking the perpetually shifting sands along the shores that we must arrest this perpetual injury to the harbors. No place demands more care and attention to this important subject than Chicago. Most of the other lake harbors are affected in this manner and from similar causes. The attention of the superintending engineers and others interested in this subject, so important to the commerce and trade of the lakes, will be drawn to some means of rendering the expenditures for these harbors more durable.

Racine harbor, Wisconsin.—Colonel Cram reports that the work at this harbor has consisted in levelling back the sand heaps from back of the north pier, in putting in new timbers and filling with stone the shore portion likely to be breached. (north pier.) In repairing and filling with stone sixty feet of same pier further out, in securing outer crib or pier-head in place, and preventing it being overturned, and in replacing broken timbers of the pier-head of south pier.

The additional work contemplated for the remainder of the season will, it is hoped, render the work at this harbor secure for several years to come.

Milwaukee harbor, Wisconsin.—Colonel Cram reports that the work accomplished at this harbor was as follows, viz: in replacing iron bands and bolts, repairing the timbers of the south pier-head, and in removing by dredging a lump which had formed in the natural bed in the middle of the channel just at the entrance.

With the additional work yet remaining to be done, the harbor will be in good condition.

Sheboygan harbor, Wisconsin.—Colonel Cram reports that sufficient material for the repairs at this harbor could not be accumulated to justify the commencement of the work until April, 1865.

During the summer much of the work has been successfully done, a part of it having to be put under water, and therefore difficult to accomplish. It is contemplated to complete the work during the coming season.

St. Joseph's harbor, Michigan.—Colonel Cram reports that the repairs at this point, consisting of closing the breach in the north pier and removing the wood-work and filling it with stone to a level three feet above the water, were successfully accomplished with immediate beneficial results.

This harbor is a very important one, being the only harbor of refuge the United States has ever expended money upon on the east shore of Lake Michigan, and should be fully repaired and improved.

Erie harbor, Pennsylvania.—Colonel Cram reports that the repairs of the works at this place were completed, including the strengthening the low place in the peninsula at the head of the bay.

Grand River harbor, Ohio.—Colonel Cram reports that the breach in the west pier of 150 feet in length has been completely repaired, leaving an additional 150 feet of the outer damaged and decayed part to be repaired next season. The breach of 90 feet in length in the outer portion of the east pier, and likewise a very considerable portion of the inner part of the old east pier, have also been repaired, and nearly all the material that will be required for the remainder of the repairs authorized has been delivered on the spot. The entrance to the harbor has been very materially improved by what has already been done, and it is probable that a channel of nine feet over the outer bar will be made by next spring.

Cleveland harbor, Ohio.—The work at this point has been much abused by corporate authorities and private individuals, in the use of it for their own advantage; and as this abuse is, in spite of remonstrance, daily on the increase, it is highly probable that the piers will in the end be entirely destroyed.

In consequence of the officer in charge (Colonel Cram) not being able to get entire possession of the east pier from the hands of those who are using it for private pecuniary advantage, no repairs have been put upon it.

The west pier and the pier-head have been very thoroughly repaired, and both have been filled with stones, with the exception of a part of the inner sustaining work put in to strengthen and preserve the old west pier. Before the close of the present season, most or all of the filling will be in, and there will remain no more to be done until next winter, when, taking advantage of the ice, about seventy old piles will be pulled up.

Ample depth of water now exists on the bar, which has been attained by the city in large expenditures for dredging.

Black River harbor, Ohio.—Colonel Cram reports that during the season the west pier has been repaired, and also all the under-water work of the east pier has been successfully put in. Before the close of the season, it is anticipated that all of the east pier will be completely built up and planked over to a point necessary to stop the sand from running into the harbor.

Vermillion harbor, Ohio.—The amount required to repair this harbor being so large, it was not deemed advisable to commence it with the limited means at the disposal of the department.

Sandusky harbor, Ohio.—No vestige of the old work could be found upon inspection of this harbor, and as the act making the appropriation did not contemplate new works of improvement, it was not deemed proper to apply any part of the appropriation.

Repairs of harbor works at Burlington, Vermont, and Plattsburg, New York, Lake Champlain.—The sums of \$13,000 and \$2,000 respectively were allotted from the appropriation for "repairs and preservation of lake harbors" to these two points, to be expended in repairing the breakwaters, and at the latter place to direct the repairs so as to admit of placing a small harbor light on the north end of the breakwater. After examination on the spot, it was not judged expedient by Major Blunt, the engineer in charge, to commence work before the falling stage of the lake in 1865. Nothing was consequently done before the closing of the fiscal year.

Some dredging was reported as desirable by the engineer in charge near the Plattsburg breakwater. It was not, however, judged expedient to have it done at present.

The outlay of money at Burlington to make the breakwater adequate to the wants of the large and increasing business of the place would be so great, that it is not thought expedient at present to ask for any further appropriation.

MILITARY ACADEMY.

During the past year sixty-eight cadets completed their studies and military exercises at the academy, and were commissioned as lieutenants in the army.

This is the most numerous class that has ever graduated at the institution since its organization in 1802.

For many years the number of graduates has not sufficed to fill the annual vacancies in the army.

The number of officers in the several branches of the staff, and of regiments now comprising the regular army, has greatly increased from time to time, while the number of cadets authorized by law has remained unaltered since 1843. The result is that neither the staff corps, nor regiments of artillery, cavalry, and infantry, can be furnished with the numbers to perfect their company organizations, and military science and art cannot be disseminated throughout the country in proportion to the increase of population and national interests to be protected. The total number of cadets now at the academy is 235, and the total number authorized by existing laws is 293. From various incidents to which the appointments are subject, this ratio does not materially alter from year to year.

The average cost of the institution for the last twenty years has been \$160,711 83. The cost during the past academic year was \$201,217. These sums include the pay of cadets, officers, and professors, and all contingencies.

The annual average appropriation for twenty years is \$166,684 63, and for the present year is \$257,505. This excess arises from the increase of the pay of cadets, and for increase cost of forage for artillery and cavalry horses, &c.

Recommendation.—To meet the wants of the military service, and to diffuse a knowledge of the science and art of war more extensively throughout our widely extended domain, I recommend at this time an increase in the total number of cadets of two additional appointments from each State and Territory, and the District of Columbia; thus making the number of appointments to be authorized under the law to be one from each congressional district and Territory and the District of Columbia, ten from "at large" annually by the President's selection, and two in addition from each State and Territory and the District of Columbia.

The difficulties that have been experienced for years past in training the minds and bodies of the young gentlemen sent to the academy to prepare them for usefulness as members of the military profession, arise mainly from the qualifications of the candidates being so exceedingly limited. While at the present time it may not be expedient to increase the standard for admission, I do urgently recommend that a selection from at least five candidates to be nominated for

each appointment may be authorized by law, when every section of the country would more certainly have its due proportion of graduates entering the army annually. Should this principle be authorized by law, the examination of the candidates could be ordered in several sections of the country, at convenient military posts, and thus save a great annual expense now incurred by partially educating and returning deficient cadets to their distant homes, insure a much greater proportion of members who could master the course of studies, and avoid the numerous and frequent discharges from the academy for inability to acquire the requisite information and proficiency for a graduate of this institution.

FINANCES.

During the year ending June 30, 1865, the expenditures of the department for fortifications on the Atlantic, Gulf of Mexico, Pacific coasts, and on the northern lakes, including bridge trains, trenching tools, and for all other military purposes, amounted to.....	\$5,174,335 23
For civil works, as lake harbors, harbors on the Atlantic, survey of the lakes, they amounted to.....	218,400 00
And for the Military Academy, not including the pay of professors and cadets.....	86,685 00
Making a total annual expenditure of.....	5,479,420 23

The accounts of the disbursing officers of the department have been regularly forwarded from month to month. These accounts had accumulated in the department during the past four years beyond the means allotted to the financial branch to examine, correct, and forward to the Treasury Department for final settlement.

During the year twelve hundred and three monthly accounts, amounting to \$11,834,308 35, have been thus examined and forwarded to the Auditor for final settlement, and there remain on hand at this time three hundred and ninety-eight monthly accounts to be examined, amounting to \$4,492,964 85. At the rate of progress made during the past year in the examination of these accounts, the work in a short time will be brought up to the months in which they are received from the officers. No defalcation or losses in any way exist in the disbursements and accountability of the officers of the department.

At the present time all property purchased for the armies in the field, either worn or of a perishable character, is being sold, and the avails will be returned to the treasury. The amount of sales to this date is \$34,123 12. The residue of this property is being stored in engineer depots for further use, at the Jefferson Barracks depot, Missouri, and at the Willett's Point depot, New York, under charge of engineer officers and troops of the engineer battalion.

The property of the department in the hands of its agents is accounted for quarterly, and the returns examined in this bureau.

The number of returns examined during the year is.....	226
And remaining to be examined.....	43

Making the number of property returns rendered by officers..... 269

RICH'D DELAFIELD,

General, and Chief Engineer U. S. Army.

Hon. E. M. STANTON,

Secretary of War, Washington, D. C.

REPORT OF THE VISITORS TO THE WEST POINT ACADEMY.

WEST POINT, N. Y., June 26, 1865.

SIR: The board of visitors invited this year to attend the annual examination of the United States Military Academy, and to inquire generally into the condition of the institution, respectfully submit the following as their report:

The members of the board, being nearly all present, on the 2d instant entered at once upon the discharge of their duties. Within a few days, others arriving, the whole number was complete, with the exception of one gentleman on the list who has not appeared; and from that time until the termination of their labors, to-day, they have continued to devote themselves, with more or less constant participation of each, to the business for which they assembled.

This somewhat protracted session has been occasioned, not merely by the usual great variety of subjects presented for investigation and consideration, but by the size of the graduating class of cadets, more numerous than any heretofore ever sent from the academy, and the necessarily longer time required for their examination. The board believe, however, that the time has not been unprofitably employed.

The board, after organization, and at other times during their stay, have visited and carefully inspected the various buildings, grounds, library, scientific apparatus, and other property attached to and used for the purposes of the academy, and have, during a considerable portion of each day, attended the examinations of the several classes, and have also witnessed the exhibition of the drill of the cadets in the various branches of military service.

The training, drill, and discipline of the cadets in all that relates to the duties of the soldier appear to the board to be of the first and highest order; and they doubt if a finer or more creditable exhibition in those particulars can be made by a body of military students at any other institution in the world.

The average proficiency of the young men of the graduating class, as indicated by their answers and performances in the examination room, was only fair, or at least not above the ordinary measure of other first-rate educational establishments in this country.

This is perhaps principally owing to an attempt to crowd too much into the last year of the academic course; a difficulty which may in some degree be remedied by a proposed new arrangement of the subjects taught during the four years given to instruction here. But it was evident that there was more than a proper and allowable difference between the sections of the class in question; and that some of those lowest on the list would hardly be considered as coming up to the standard necessary to secure the honors of a noble national institution like this.

In one particular, especially, the members of the board could not help but remark a too prevailing deficiency, even in the highest classes. There was an almost general want of distinctness and precision in the language in which the cadets expressed their answers when under examination, exhibited even in frequent and inexcusable errors of pronunciation and of grammatical construction. While the board did not yet expect proof of finished cultivation and scholarship, it is thought that more pains taken on the part both of instructors and pupils might have avoided at least such common and careless inaccuracy, and would have secured a habit of exactness not to be altogether overcome or confused, even under the ordeal of examination.

The subjects of discipline, instruction, police, administration, and fiscal affairs, to which the attention of the board is by law especially directed, were referred to standing committees; and the reports of those committees are hereto appended, as parts of this report.

As a means of obtaining direct and reliable information to guide them in their inquiries and reflections, the board considered it proper, also, at an early day after their organization, to apply to those officers immediately connected with the government and instruction of the academy. Accordingly, the following resolution was passed, and a copy thereof communicated to the superintendent and each member of the academic staff:

"Resolved, That the superintendent of the Military Academy and the several members of the academic staff be invited to communicate to this board their views and suggestions in writing, for the future management and requirements of the institution, and what changes, if any, are necessary for its increased usefulness."

And afterwards, by further resolution, the same invitation was sent to each member of the military staff of the academy.

In compliance with this request, answers have been received from the superintendent, and from the majority of the members of the academic and military staffs, which, as being of more or less interest, and some of them containing valuable views and statements, are also appended and submitted herewith. Several of the officers have not, however, made any reply, nor thought proper to give the board the benefit of their suggestions.

In this connexion it is thought proper to record a difference of opinion in relation to their respective powers and duties, which has arisen between the board and the superintendent of the academy, and the disposition made of the question. This record is due to those who may come after us, as serving to define and construe the power and practice of any future board of visitors.

Understanding that an order had been issued by the superintendent to the several members of the academic and military staffs, requiring them to transmit such communications as the board of visitors had invited them to make, only through him as "the usual official channel," the board considered it a just interpretation of the duty in which they were engaged, to pass and convey to the superintendent the following resolutions:

"Resolved, That this board, deriving its existence and authority by appointment of the President, under the provisions of a law of the United States, is charged by that law, and by the instructions of the appointing power, to inquire into, and report for the information of Congress, 'the actual state of the discipline, instruction, police, administration, fiscal affairs, and other concerns' of the Military Academy; that the information sought for by the board, in the discharge of their duties, by inquiry and request for written or other communications from the members of the academic and military staffs, or from any other officers or persons within the command at West Point, is of the nature of testimony; and this board does not recognize the right of the superintendent of the academy and commandant of the post to supervise the said testimony, whether written or oral, or to require the same to pass through his hands, but denies the propriety of his claim to any such supervision or inspection.

"Resolved, That the secretary immediately communicate a copy of the foregoing resolution to Brigadier General Callum, the superintendent of the academy."

These resolutions being forwarded by the superintendent to the War Department for instructions, the board are gratified to learn, from copies of correspondence communicated to them, that the Secretary of War is of opinion that "the department has no authority over the board of visitors to direct its course of procedure for acquiring information upon the points concerning which it is required to make report." If it were otherwise, it must be very obvious that circumstances might some time exist under which a board of visitors might be crippled of its usefulness, and defeated in the pursuits of the very information it might be most important to obtain. These remarks, however, and the course of the present board in this matter, are not to be understood as meaning any impeachment of the present superintendent, so far as relates to the general exercise of the duties of his office, or as intimating any disposition manifested on

his part to interfere with or limit the general scope of the inquiries instituted by them. On the contrary, the most perfect facility in every other respect for pursuing their investigations has been most courteously, and at all times, afforded by General Cullum himself, as well as by all others sharing in the government or management of the academy. There was only an issue made with him in regard to the proper legal power of the visitors, in which they believed him honestly mistaken in his intervention; and they considered it a duty to themselves and to the government to maintain and vindicate their right of free investigation. But, to their surprise and regret, they find that General Cullum does not understand the letter of the Secretary of War to him as sustaining the position taken by the board, but still persists in requiring the information given by his officers to come only through him. Several such communications, when the call for them was renewed, have been thus forwarded just as the board is closing its session. By reference to the most of these it will be seen that the writers are remarkably reticent or unwilling to speak in regard to the academy in any way; and it is only to be left to conjecture how far such declining to testify may or may not have been affected by the fact that their letters must pass under the examination of their commanding officer.

Referring to the accompanying reports of the several committees charged with the consideration of special subjects, and to the suggestions furnished by officers of the academy, it is not deemed necessary to repeat the details contained therein, nor enlarge the views and reasoning on the different points presented. The members of the board are agreed in the following general conclusions and recommendations, which they propose as embodying all that they think most important now to be urged for the future increased usefulness of the institution:

1. We are of opinion that the law should be so changed as that the superintendency of the academy may be thrown open to the whole army, instead of confining the selection, as now, to an officer of the engineer corps. The institution having ceased to be only, or mainly, a school for engineers, as at first established, and having become the one great national military and polytechnic institute of our country, the reason for such exclusiveness no longer exists, and it is recommended that the appointment be free hereafter to every arm of the service.

2. Looking to the probable organization and increase of the army of the United States, and finding that with the present accommodations, and at a comparatively small increased expense, a greater number can be educated than are now admitted to the academy, we recommend that the corps of cadets be increased to four hundred; but this increase should of course be made gradually and in successive years, so as to keep up a due proportion and equality of numbers in the different classes. We desire, however, not to be understood in this recommendation as proposing to interfere with a system which we trust will be adopted for commissioning a large proportion of officers from the ranks or from civil life, on proper examination. The demand will be ample enough to require both sources of supply; and we are clearly satisfied that, in justice to the many meritorious officers and soldiers of volunteers who have shown their patriotic devotion to the country in its late hour of trial and need, selections should be made, and commissions given to all those who can establish claims to appointment by reasonable proof of capacity and acquirements, taken in connexion with actual service in the field. On this point, too, we beg leave to suggest that it might be a wise and just act of legislation for Congress to extend the age of admission to the academy to twenty-four years, for the benefit of those young men who have been not less than two years in the military service of the United States during the late war of rebellion, thus making their cases exceptional to the general rule.

3. Since the act of 1812 the standard of admission to the academy has been limited to reading, writing, the four ground rules of arithmetic, proportion, and

vulgar and decimal fractions. We adopt the recommendation contained in the report of the Committee on Instruction, that the standard for admission be raised by the addition of English grammar, descriptive geography, particularly of our own country, and the history of the United States. With the standard thus raised, not only a better class of students would enter the academy, but a great and very much-needed relief to the crowded courses of the first and second classes would be obtained by the transfer of studies proposed by the committee, which could be effected in consequence of the time saved by the previous acquirement of the branches recommended.

4. As connected with this raising of the standard of qualification for admission to the academy, we recommend such change of the law as will require appointments of cadets to be made, under proper conditions and restrictions, one year in advance of the date when they are to enter the institution. This will secure readiness for examination and many of the advantages that would be derived from the establishment of a preparatory school.

5. We repeat the recommendation made so often by former boards of visitors, that some legislative provision be made for competitive examination of candidates for cadetships. Such examinations, for convenience and economy, ought to be held in the several States or districts from which the appointments are to be made, under the supervision of the members of Congress, who by usage have the nominations, and at the expense of the government, which expense need be but trifling in amount, as compared with the great advantages to be gained by the selection of the most promising aspirants.

6. Candidates may now be admitted between the ages of 16 and 21. We recommend that in future no one be received who is under 17 or more than 22 years of age. The severity of the physical training and discipline is such that youths of 16 often do not possess the requisite strength and power of endurance. A greater maturity of mind and body of those entering seems desirable.

7. Our attention has been attracted to the fact that under existing regulations the cadets are forbidden to wear whiskers and moustaches. This may seem to be a matter of small consideration; but we are of opinion that while the present close-shaven faces detract from the manly and soldierly appearance of the corps, nothing is gained by this rule, but, on the contrary, perhaps something lost in point of health. We recommend that the regulation be so amended as to allow the entire beard and whiskers to be worn, only requiring that they be kept closely and neatly trimmed, and with as much regard as possible to uniformity of style.

8. In view of the fact that a very large proportion of the cadets who are returned to the academy, after having been found deficient and dismissed by the academic board, fail in their subsequent examinations and are again dismissed, we are decidedly of opinion that the best interests of the institution require that great caution and discrimination should be used in returning those who have thus failed.

9. In accordance with the report of the Committee on Administration, we desire to record our strong disapprobation of the too prevalent habit of profane swearing, as existing among the cadets, and earnestly to recommend that every proper expedient be used to check and suppress a practice so unbecoming and pernicious; and we also advise the establishment of public daily prayers for the cadets, at such hours as may not conflict with other exercises in the academy, and in accordance with the practice of other colleges in the country.

10. It will be observed that the Committee on Administration have in their report animadverted with severity on the practice of "hazing," consisting in the gross imposition by the cadets of the classes above on those newly arrived or of the fourth class, as well as their forced exaction from those neophytes of the performance of the most menial offices. The Committee on Discipline have

commented on the same subject, and urged the continuance of measures for its effectual suppression. It is, in fact, the English system of "fagging," carried here sometimes to barbarous extremes. No good, but much harm, can come of such selfish and oppressive custom, and we trust that the Secretary of War will continue to sustain the authorities of the academy in their efforts, by abridgement of furloughs and other fitting punishments, to entirely break it up.

11. We concur in the view taken by the Committee on Discipline of the propriety of introducing into the system of punishments of cadets a more marked distinction between gross offences, or such as involve moral turpitude, and such as are more strictly conventional, and in violation only of necessary regulations. Many delinquencies of the latter class, which are now punished by demerit marks, and which marks accumulate against the offender, who may be only careless and mischievous, but not bad or unpromising, and go to affect his class standing, it appears to us might better be followed by some fitting penalty on the spot, and so done with. For such comparatively trivial offences a prompt and certain punishment would be better, without reserving the added chances of degradation or dismissal, except in cases of repeated petty misdoing, where the penalty might still be loss of future standing, not for the original breach of rules, but for the spirit of incorrigibility manifested by perseverance in such behavior.

12. We recommend that a first assistant professor of the Spanish language be provided for, to be put on the same footing as first assistant professor in the other branches of study. The board are gratified to learn, from the clear and full statement reported by the Committee on Fiscal Affairs, that the accounts of the academy and post have been kept during the past year in the most accurate and satisfactory manner.

Among the objects of proper expenditure to be brought to the attention of Congress, the board of visitors especially urge for favorable consideration the great necessity for an improved system of ventilation and heating of the barracks and other academic buildings; an improvement in the apparatus for cooking for the cadets; repairs of the hospital building, including the introduction of baths for the sick; the construction of water-closets in the library building, and a supply of new furniture for the recitation rooms, much of that now in use having become dilapidated and worthless. The need of appropriations for these several purposes is set forth fully in the report of the Committee on Police, and the board concur in their recommendations. The Secretary of War can cause exact estimates of the cost of these several proposed supplies and improvements to be furnished to him, if he should prefer not to depend on those submitted by that committee.

The board concur also with the recommendations made by the Committee on Fiscal Affairs, that sufficient appropriations be made for the removal and enlargement of the gas house and works, which are now inadequate to the wants of the academy and post; for the removal and reconstruction of the magazine, which is now in strange and dangerous proximity to the engineer barrack and other buildings, and for a thorough repair of the officers' quarters.

Another improvement proposed by the Committee on Administration has been thought by the board worthy of special mention and recommendation. It is an extension of the cemetery. If the argument for enlargement of that most interesting and sacred spot should not prevail over the objection of economy, it is hoped that a sum may be obtained at least sufficient to repair the present dilapidated enclosure and clear up the neglected paths, so as to show decent respect for the last resting place of the honored brave, and the smitten hopes of our country, whose graves occupy that beautiful plateau.

Among many improvements made during the administration of the present superintendent is one of peculiar and touching interest: it is the device of placing on the walls of the chapel neat marble tablets, or mural monuments, inscribed with

the names of those dead army officers who have in the past been made illustrious by rank, or gallant deeds of arms, or have fallen in battle. It was a happy thought to be executed at this particular place. It is most fitting that the United States Military Academy, the nation's great school of arms, should be made to perpetuate such names and histories; thus keeping before the eyes and present in the memories of the young men here educated the noble example of faithful service and devotion to our common country.

The board recommend that the tasteful and enduring record thus begun shall be continued, and that means be furnished to extend the same mark of respect to all the officers of our army, regulars and volunteers alike, who have suffered and fallen in the war just closed in a glorious and successful struggle to vindicate the honor and maintain the life of the nation. Happy for the recreants who fought to destroy their government if, in the light shed from such a brilliant roll of the faithful, their names and treasonable career could be thrown into deeper shadow of oblivion!

For continuing the erection of these memorial tablets, including a mural monument to Washington, for which an appropriate design has been made, the board earnestly recommend an appropriation by Congress of five thousand dollars.

Such a sum will also enable the superintendent to finish a now incomplete arrangement for the preservation of many of the most interesting trophies of war which have accumulated here; and especially to inscribe suitably with the names of the battles in which they were taken some of the finer pieces of ordnance that have been captured during the rebellion and sent here for keeping. Let these lasting lessons, engraved on stone, and bronze, and iron, fill and stimulate the hearts and minds of those whose special task it must be hereafter to aid in upholding and defending our flag and all that it represents.

Let those who may come here in the future to prepare for such duty from States once in insurrection hail the sight of these proofs that the parricidal attempt of their fathers was a failure. And let all unite in cultivating by every help and influence that which now, more than ever before, seems to be a growing and strengthening sentiment at this national school of military and general science, that the truest and most precious interests, duties, and inheritance of the soldier and the citizen are one, the same, and can never be separated.

ROBERT C. SCHENCK, of Ohio,

President of the Board

F. A. CONKLING, of New York,

Secretary of the Board

JOHN M. FESSENDEN, Massachusetts,

ALFRED P. ROCKWELL, Connecticut,

J. F. DRIGGS, Michigan,

THOMAS COTTMAN, Louisiana,

D. H. BINGHAM, Alabama,

MORTON S. WILKINSON, Minnesota,

J. D. LYMAN, New Hampshire,

CHRIS. C. COX, Maryland,

A. G. MACKEY, South Carolina,

J. B. THOMAS, California,

A. P. KELSEY, Maine,

J. W. NYE, Nevada,

HENRY W. LEE, Iowa,

DAVID L. SWAIN, North Carolina,

WYLLY WOODBRIDGE, Georgia.

REPORT OF THE CHIEF OF ORDNANCE.

ORDNANCE OFFICE, WAR DEPARTMENT.

October 20, 1865.

SIR: I submit the following report of the principal operations of the Ordnance department during the fiscal year ended June 30, 1865, with such remarks and recommendations as the interests of that branch of the military service seem to require.

The fiscal resources and the disbursements of the department, during the year, were as follows, viz:

Amount of appropriations remaining in the treasury June 30, 1864.....	\$4,978,791 97
In the government depositories, to the credit of disbursing officers, on same date.....	1,797,387 16
Amount of appropriations from 30th June, 1864, to 30th June, 1865, including the fixed annual appropriation for arming and equipping the militia.....	38,800,000 00
Received since June 30, 1864, on account of damages to arms in hands of troops, from sales of arms to officers, and of condemned stores, and from all other sources not before mentioned.....	207,476 97
Total.....	45,783,656 10
Amount of expenditures since June 30, 1864.....	\$43,112,531 27
In the government depositories, to the credit of disbursing officers, June 30, 1865.....	2,671,124 83
Amount of appropriations remaining in the Treasury same date,.....	
Total.....	45,783,656 10

The estimates for the next fiscal year call for appropriations only for continuing the armament of our permanent fortifications, and for the work already begun for increasing the manufacturing and storage capacity of the arsenals, including a distinct provision for the proper storage and care of gunpowder. These are all measures not confined to the necessities of war, but requisite for keeping up a suitable preparation for any contingency, and for preserving the large and valuable munitions of war which the country now possesses.

The manufacturing capacity of the arsenals was steadily increased from the date of my last report until May, when the sudden termination of hostilities made it apparent that the immediate demand for munitions of war, beyond the supply then on hand and contracted for, had ceased.

Measures were promptly taken to reduce the manufacture and purchase of supplies, and to provide for necessary storage, and for preserving the vast quantities of ordnance and ordnance stores which had been issued to the armies and captured from the enemy. Extensive temporary buildings have been erected at some of the principal arsenals, and much of this property has already been received and securely stored in them.

Large and commodious fire-proof workshops are now being erected at Allegheny, Watervliet, and Frankford arsenals; and so much of these buildings as will not be required, in time of peace, for manufacturing purposes, can be advantageously used as storehouses, of which the want of an adequate supply is now manifest.

It is in contemplation to erect extensive fire-proof workshops at Washington

arsenal, which is considered an eligible position for a first-class arsenal. A portion of these shops can likewise be used for storing the large quantities of ordnance supplies which are now necessarily kept in insecure temporary buildings at that arsenal. Money for this object has already been appropriated by Congress.

The importance to the country of having the armaments placed in the forts as rapidly as they can be prepared to receive them is so evident, that I have caused the manufacture of sea-coast gun-carriages to be continued as rapidly as practicable at the two arsenals which possess the proper facilities for making them; and orders have been given to the several founders, who have been engaged in making heavy guns for this department, for as many guns as carriages can be made for.

I have been informed by the chief engineer that he will be prepared to receive guns in the forts faster than carriages can now be made, and it is in contemplation to increase the capacity for manufacturing sea-coast carriages.

Experimental wrought-iron field and siege gun-carriages have also been made and tested, with results so satisfactory as to render it certain that these carriages may be advantageously substituted for the wooden carriages, and it is proposed to make no more gun-carriages of wood.

The smooth-bore cannon of large calibre which have been used during the war have given satisfaction, and are regarded as perfectly reliable. The great importance of having reliable rifled guns of large calibre is universally admitted, and the attention of this government, and of the nations of Europe, has been directed to that object; but so far, it is believed, without entire success in its accomplishment.

The many failures, by bursting, of the celebrated Parrott guns in the land and naval service have weakened confidence in them, and make it the imperative duty of this department to seek elsewhere for a more reliable rifle gun.

Mr. Horatio Ames, of Falls Village, Connecticut, invented a plan of making wrought-iron guns, which many believe would possess those qualities which are so very desirable for guns of heavy calibre, and although the cost of these guns was necessarily very great in comparison with the cost of cast-iron guns, a conditional order was given to Mr. Ames to manufacture fifteen of them for the government; the condition being that the guns should be superior to any rifled guns in the service. One of these guns was fired under the direction of a board of officers, who unanimously expressed the opinion that the Ames wrought-iron guns possess, to a degree never before equalled by any cannon of equal weight offered to our service, the essential qualities of great lateral and longitudinal strength, and great powers of endurance under heavy charges; that they are not liable to burst explosively and without warning, even when fired under very high charges; and that they are well adapted to the wants of the service generally, but especially whenever long ranges and high velocities are required. The board also expressed the opinion that the fifteen Ames seven-inch guns possessed sufficient weight and strength to receive an eight-inch bore, and recommended that the gun which had been fired under their direction should be reamed up to eight inches and subjected to further trial.

They further decided, that Mr. Ames had fulfilled the obligation incurred by him in his contract to furnish the gun, and that so many of the guns as should endure a proof of ten rounds with the service charge, and pass the proper inspection, should be accepted and paid for.

Two of the fourteen guns burst in proof, exhibiting serious defects in their manufacture—defects in welding—which I had been apprehensive could not be avoided. The guns which endured the proof of ten rounds were accepted and paid for by this department.

The gun which was fired under the direction of the board was bored up to eight inches and fired twenty-four times with service charges, when it burst.

exhibiting the same defects that were developed in the other guns which burst. The failures in subsequent firing indicate that these guns cannot be relied upon, and that no more of them ought to be made for the department.

Believing that, with our present knowledge of the properties of metals and our skill in working them, reliable rifle guns of large calibre can be made of cast-iron, I have, with your sanction, caused a pair of eight-inch rifle guns of the supposed proper model and weight to be made. These guns are now at Fort Monroe, undergoing extreme proof, and should their endurance be satisfactory, it is proposed to have other guns like them made.

NATIONAL ARMORY.

The capacity of this establishment for the manufacture of muskets was not increased after the date of my last report, and upon the conclusion of hostilities, in view of the large number of muskets on hand of a model which will probably become obsolete very soon, the manufacture was reduced as rapidly as it could be done with economy; and at present no new muskets are being assembled. Only those parts which were in different stages of advancement are being finished.

In my last report I stated that it was in contemplation to change the manufacture at the national armory as soon as the best model for a breech-loading musket could be established, and that details for effecting this measure would receive the early attention of this bureau. Extensive experiments have been made by a board of officers, and also under my direction and supervision, to effect that object; but as yet, no arm has been presented which I have been willing to recommend for adoption. The selection of a proper model is considered so important a measure, that I have preferred to act slowly and with great care in its selection, rather than take a false step and have to retrace it. I hope to be able very soon to recommend a model for your approval.

A plan for altering the muzzle-loading musket into efficient breech-loaders has been devised by the master armorer at Springfield armory, which appears to be superior to any other that I have seen. I have taken measures to have five thousand muskets altered according to it, and will have some of them issued to troops for trial as soon as the alterations can be made.

The muskets of the prescribed pattern which have been turned in by the troops are being cleaned and repaired.

The number of Springfield muskets on hand and suitable for issue will reach nearly one million, while the number of foreign and captured muskets will exceed half a million. As none of the latter class will probably be required for issue, and as the care and preservation of them will be attended with considerable expense, they should be sold whenever suitable prices can be obtained for them. This recommendation will apply to other ordnance stores of a perishable nature, which are in excess of the wants of the department.

In my last annual report I called your attention to the danger of keeping large quantities of gunpowder at our arsenals, which are generally in the vicinity of closely populated districts, and recommended that a suitable site for a depot capable of storing at least one hundred thousand barrels of gunpowder should be acquired. The conclusion of the war has left this department with vast supplies of gunpowder and prepared ammunition on hand, all of which has to be stored at the arsenals, and much of it in buildings which are entirely unfit for the purpose; thereby endangering the safety of the arsenals, and in some cases of private property in the vicinity. This evil cannot be corrected too soon, and I earnestly call your attention to the necessity of obtaining from Congress authority to purchase a suitable site for a powder depot.

In my annual estimate I have asked for an appropriation for the purchase of

a site and the erection of magazines. Only so much powder as may be necessary to supply the current wants of the army should be kept at the arsenals.

The military reserve at Jefferson Barracks, Missouri, being a suitable position for a powder depot, for supplying the Mississippi valley, and a portion of it having some years ago been assigned to this department for the erection of powder magazines, I have taken measures to have three magazines, capable of containing five thousand barrels each, erected on it; and two of them will be finished this fall.

In my last annual report I stated that, in pursuance of the provisions of the act of Congress approved April 19, 1864, possession had been taken of Rock island, for the purpose of building and maintaining thereon an arsenal for the construction, deposit, and repairs of arms and munitions of war. The United States has not yet acquired a title to the property which has been taken possession of. It is important that the provisions of the act of Congress above referred to should be carried into effect, and a complete title to all of Rock island acquired by the United States before any permanent buildings are commenced. I recommend that this be done with as little delay as practicable. Evidences of title to the land, of which possession has been taken, have been forwarded to you for examination by the Attorney General, as is required by the act above referred to.

Adjacent to Rock island, and connected with it by a dam, is a small island, known as Benham's island, of which possession has not been taken. It appears to have been the intention of Congress in passing the act above referred to that the United States should have full and complete possession and control of Rock island for military purposes. Should Benham's island, or any other small islands or accretions in the river, lying between Rock island and the shores of Illinois and Iowa, be held by private parties, with the right of way across the island as is now claimed by the owner of Benham's island, the principal object of the law will be thereby defeated.

If additional legislation is necessary to give the United States full possession and control of the whole of Rock island, including the adjacent island, I recommend that it be asked of Congress.

The buildings erected as a prison and barracks on Rock island have been turned over to the Ordnance department, and are now used as storehouses, &c.

Several of the southern arsenals have been reoccupied, and it is the intention of the department to reoccupy all of them, except the Fayetteville arsenal, in North Carolina, which was destroyed.

An extensive powder-mill at Augusta, Georgia, and a large armory (unfinished) and a laboratory at Macon, Georgia, which were built by the rebel government, have fallen into possession of this department. The necessary measures for preserving the property have been taken.

The number of permanent United States arsenals and armories, exclusive of temporary depots established for war purposes, most of which have been, and all of which will soon be discontinued, is now twenty-eight. In addition to the command and supervision of these, the officers of this department are charged with the inspection of materials and manufacture of ordnance, gunpowder, and such small arms and equipments as are made for the government at the foundries, powder-mills, and other private establishments. These duties furnish constant employment for all the officers of the ordnance corps now authorized by law, the total number of which is sixty-four. The arsenals alone require, as a minimum number in time of peace, fifty-six, and the bureau and inspection duties at least eight more. During the late rebellion the want of a greater number of regular ordnance officers, educated for and experienced in their peculiar duties, was seriously felt; and the necessity, arising from the inadequate provision in this respect, of the frequent employment of acting ordnance officers, caused much embarrassment and confusion, and was detrimental to the public service.

and interest. These now require that the additional offices of the ordnance department authorized temporarily by sections 4 and 12 of the act of March 3, 1863, shall be continued as part of the military peace establishment.

The tabular statements accompanying this report show in detail the ordnance, arms, and other ordnance supplies which have been procured and issued through this department during the past fiscal year. The armies in the field were amply and well supplied in this respect. The permanent fortifications have had their armaments kept in order, and strengthened and increased by the addition of guns of heavy calibre and great efficiency.

Very respectfully, your obedient servant,

A. B. DYER,

Brigadier General and Chief of Ordnance.

Hon. E. M. STANTON,
Secretary of War.

Statement of ordnance, arms, ammunition, and other ordnance stores procured and supplied to the army, and the quantity remaining on hand at the close of the fiscal year ending June 30, 1865.

Articles.	On hand June 30, 1864.	Purchased, fabricated, and turned in by the army during the year ending June 30, 1865.	Issued to the army and expended in maintenance during the year ending June 30, 1865.	On hand June 30, 1865.
Field guns of different calibres.....	875	1,235	354	1,756
Siege guns and mortars of different calibres.....	346	424	32	738
Sea-coast guns and mortars of different calibres.....	812	612	593	831
Cannon balls, shells, and other projectiles for field guns.....	278,394	969,130	676,815	570,639
Cannon balls, shells, and other projectiles for siege guns and mortars.....	193,297	332,305	14,779	510,823
Cannon balls, shells, and other projectiles for sea-coast guns and mortars.....	469,619	317,638	178,335	609,042
Artillery carriages for field service.....	618	725	448	895
Artillery carriages for siege service.....	134	131	109	156
Artillery carriages for sea-coast forts.....	760	545	797	538
Mortar beds.....	142	329	7	464
Caissons.....	616	639	307	948
Travelling forges.....	70	116	87	99
Battery wagons.....	67	97	42	122
Muskets and rifles.....	1,167,405	436,571	298,404	1,305,572
Carbines.....	22,670	142,901	99,651	65,920
Pistols.....	24,821	70,744	37,503	68,062
Swords and sabres.....	80,645	112,067	64,692	128,020
Sets of infantry accoutrements.....	263,494	330,130	271,925	419,639
Sets of cavalry accoutrements.....	68,428	127,850	93,281	102,997
Sets of horse equipments.....	26,938	142,497	95,030	74,405
Sets of artillery harness for two horses.....	3,029	4,069	1,255	5,843
Saddle blankets.....	79,229	238,388	197,940	120,277
Rounds of ammunition for field guns.....	793,455	702,156	286,925	1,208,686
Rounds of ammunition for siege guns and mortars.....	23,000	42,738	15,236	50,511
Rounds of ammunition for sea-coast guns and mortars.....	4,809	54,485	4,691	54,609
Rounds of ammunition for small arms.....	209,315,280	961,696,538	188,784,390	282,167,888
Perforation caps.....	150,901,237	178,211,512	238,063,778	91,078,971
Prisoner primers.....	1,251,842	2,242,900	1,583,640	1,911,102
Fuses.....	280,854	1,300,012	719,678	1,561,188
Pounds of powder.....	2,329,330	6,619,925	5,582,330	3,366,925
Pounds of nitre.....	5,120,240		21,254	8,098,986
Pounds of sulphur.....	622,054		213,122	408,932
Pounds of lead.....	30,668,929	19,743,698	10,751,494	39,661,133
Pounds of lead balls.....	6,122,502	11,285,637	11,900,208	5,517,931

A. B. DYER,

Brigadier General, Chief of Ordnance.

ORDNANCE OFFICE, October 20, 1865.

REPORT OF THE SIGNAL OFFICER OF THE ARMY.

OFFICE OF THE SIGNAL OFFICER,
Washington, October 20, 1865.

SIR: In answer to your communication of the 7th instant, I have the honor to submit the following annual report of the operations of the signal corps for the year ending October 20, 1865:

On the 1st of November, 1864, the corps was represented in the field by the following detachments, thoroughly equipped, active, and energetic, to wit:

Detachments	Officers of signal corps.	Acting officers.	Non-commissioned officers.	Privates.
Office of the signal officer.....	3		2	9
Department of Washington.....	6	1	5	66
Signal camp of instruction.....	16	4	3	86
Army of the Potomac.....	12	3	13	167
Department of Virginia and North Carolina.....	15	8	14	137
Department of the South.....	7		13	39
Department of the Cumberland.....	9	10	10	87
Department of the Tennessee.....	6	7	7	140
Department of the Ohio.....	4	4	1	42
Military division of West Mississippi.....	10	15	10	210
Department of Kansas.....	2	5	2	51
Middle military division.....	8	8	2	168
Department of the Susquehanna.....	4	1	2	64
Total.....	102	66	84	1,266
	168		1,350	

Such was the disposition of the corps, and the following, in general terms, the nature of services performed:

The duties of the corps during the past year were better understood than in previous years, which gave to it more tone and character, and enabled it to approximate in most of the military departments to its true position.

In one—the department of the Gulf—it combined all the branches of the corps of information which it was designed, and of right ought to be. Here it added to aerial telegraphing, telescopic reconnoitring, and general scouting, the entire secret service department, thus having all information usually gathered from these sources flow into one common centre, where it was compared, classified, reduced to logical form, and then laid before the commanding general to be acted upon. The advantage arising from thus concentrating these services is specially apparent in the fact that particular reports and doubtful information could be thoroughly sifted and tested in two, three, or more, different modes, by the one officer having control of the several means for collecting knowledge of the enemy's movements and designs.

In other military departments, as I have stated, the corps only approximated to this more perfect system of economy. But as the value of concentration in military organizations was being daily more and more recognized, these duties, if the war had continued, would undoubtedly have been eventually assigned to the corps, wherever a detachment of it would have been placed upon duty.

In the army of the Potomac our duties were limited to signal communication, observing and reporting the changes and movements of the enemy, and such aid duty as we were called upon to perform.

In the armies operating under Major General Sherman the signal detachment added to signalling and telescopic reconnoitring general scouting, courier, guide, and aid duty.

The detachment in the department of the South was limited to keeping communication open between the several military posts along the coast, and between the land and naval forces, when operating in conjunction.

Upon the plains a detachment operated with the various expeditions against the Indians, keeping open communication between detached parties and the main body of the army.

In the department of Pennsylvania the signal detachment was employed in watching the crossings of the Potomac, as well as doing general outpost duty, with instructions to give timely information to the commanding general of any threatening danger, that it might be met upon the threshold of the department, and overcome before any injury could be done to the community.

In the department of Virginia and North Carolina, in addition to communicating by signals between portions of the army, and the observing of the movements of the enemy, the detachment was beneficially employed in various expeditions and operations of the army and navy combined, connecting the commanders of the two forces so immediately as to make their several efforts harmonize in such manner that their blows fell with double effect upon the strongholds and battalions of the enemy.

The insurrectionary armies having been, at the opening of the spring campaign, forced to surrender, and the power of the government having been re-established to its rightful extent, the great work of disbanding and returning to the conditions of peace the military force of the United States was commenced. The signal corps of the army having been organized by an act of Congress—which in some of its provisions had a view to permanency, but gave to the corps only an organization for the term of the rebellion—was, by various orders from the War Department, materially reduced, until all that portion of it on duty east of the Mississippi river was mustered out and discharged.

There now remain the detachment in the military division of the Mississippi, numbering nine officers, two non-commissioned officers, and thirty-five enlisted men, and the detachment in the military division of the Gulf, numbering fifteen officers, thirteen non-commissioned officers, and eighty-six enlisted men. These detachments are operating with the troops upon the plains, and throughout Texas, and along the southwestern boundary.

OFFICE OF THE SIGNAL OFFICER.

The office of the signal officer is three-fold in its character. It is, first, the headquarters of the corps, where the records are collected, completed, and filed, and has advisory superintendence and control of the special duties of the corps, and of all assignments of officers and men to signal duty. Second, a purchasing and disbursing office, from which supplies of signal stores and equipments are issued to the various detachments of the corps in the field. Third, an office for the examining of the signal accounts and returns of signal stores of all officers responsible to government for such property.

Connected with this office are two clerks of "class two," to wit, Messrs. Simeon White and Alexander Ashley, appointed in 1863. To the ability and faithful exertions of these persons is owing much of the degree of system and perfection attained in the records of the office.

EXPENDITURES, ETC.

There were expended during the year ending September 30, 1865, of the sums appropriated for the fiscal year ending June 30, 1865, eight thousand five hundred and thirty-seven dollars and six cents, leaving a balance, which, added to that yet remaining of former appropriations, and to the amount appropriated for the fiscal year ending June 30, 1866, makes the sum of two hundred and forty-eight thousand and sixty-two dollars still available.

SPECIAL SERVICES.

Having thus given a general view of the corps, its strength, duties, and expenses, I propose, without entering into a detailed statement of the constant and various acts of service performed, which were part and parcel of every battle fought, and campaign made, during the year, and which played in each a more or less important function, to merely place upon record, through the War Department, several instances where the operations of the corps were of such vital importance that all who read must acknowledge that the signal corps was a valuable adjunct to the army, and rendered such material service in the great contest just closed that its members can view with pride and infinite self-satisfaction a substantial record, made in the face of the difficulties that usually attend the introduction of a new element into any old established system.

The first instance of the kind referred to which I shall mention occurred in October, 1864, and just previous to the commencement of the great campaign of General Sherman from the northern part of Georgia to the sea-coast. That great leader, whose military genius never allowed him to overlook any visible means to aid in securing success, or guard against any and all possible occurrences to endanger his plans, in whatever enterprise undertaken, seeing the liability of his telegraph wires communicating with his depot of supplies at Alatoona being cut, he established, in addition, a line of signal communication through which he afterwards, when the enemy obtained a lodgement in his rear and cut his telegraph wires, as was foreseen, transmitted his orders and instructions that saved from capture Alatoona, its garrison, and stores of supplies, the value of which, at that time and place, cannot be computed, as without them it can well be doubted whether the great campaign, which exposed the great weakness of the enemy and propagated the seeds of the coming dissolution of the rebellion, could have been executed for months later. In connexion with this transaction, General Sherman states: "In several instances this corps (signal corps) has transmitted orders and brought me information of the greatest importance that could not have reached me in any other way. I will instance one most remarkable case. When the enemy had cut our wires and actually made a lodgement on our railroad about Big Shanty, the signal officers on Vining's hill, Kenesaw, and Alatoona sent my orders to General Corse, at Rome, whereby General Corse was enabled to reach Alatoona just in time to defend it. Had it not been for the services of this corps on that occasion, I am satisfied we should have lost the garrison at Alatoona and a most valuable depository of provisions there, which was worth to us and the country more than the aggregate expense of the whole signal corps for one year." This will serve to evince the important character of the services of the corps at times when operating with the army alone. The following account will demonstrate its eminent usefulness where the army and navy operated in conjunction. In the expedition organized to attack Fort Fisher, in the month of January of this year, an army signal officer was with Admiral Porter, commanding the fleet, and others with General Terry, commanding the land forces, who, by means of signals, placed these commanding officers in such immediate communication that the fire of the navy, which otherwise must have slackened after the assault commenced upon the part of the army, was kept up without cessation as the enemy was driven

from traverse to traverse. In this connexion Admiral Porter, in a communication to the Secretary of the Navy, which induced the latter to tender the thanks of the Navy Department to the War Department for this efficient agency, states: "Through Mr. Clemens (signal officer) I was in constant communication with General Terry, even during the assault on Fort Fisher, and was enabled to direct the fire of the New Ironsides to the traverses occupied by the enemy, without fear of hurting our own people, from my complete reliance on him." Thus, through this mobile system of visual telegraphing, the army and navy are made to act as a unit. During the war there were more forcible instances of this kind than the above, when, in most important crises, it would have been impossible for the navy to have rendered the necessary assistance save through the aid of army signals, by means of which its fire was directed to unseen points with almost as much facility and certainty as could have been done if the gunners would have had the object of their aim in view. I would also state here that improvements were made during the year in the simple cipher apparatus used by the corps in sending secret messages which, if they did not absolutely defy deciphering, were of such an intricate and complex character that messages sent thereby cannot possibly be interpreted by the uninitiated within such period as to be of any service to the enemy, even should the messages fall into his hands.

With these references to special transactions of the corps, and having accorded to its members the merit and thanks so well earned by earnest patriotism, by zealous, faithful, and constant exertion to render services throughout the war to their country, and by the success achieved, and having conceded to them the claim that no class of the military was more anxious to be useful, or welcomed with more satisfaction additional duties, we will conclude this report by calling attention to the necessity for additional action, in order to afford, in the future, to the army the requisite signal service.

As experience has clearly demonstrated the eminent advantage of having a signal officer attached to garrisons and posts liable to be besieged, in order to secure communication over the heads of an enemy, should occasion arise, and of having a sufficient number of signal officers as a nucleus that would be immediately available in the event of future wars, it is submitted that such action should be taken by the authorities as would secure for such contingencies the properly instructed officers. This can be done in two modes: either by continuing a small permanent organization with specifically defined duties, or by detailing a certain number of officers from other branches of the service, and directing them to report to the signal officer of the army to be instructed, with a view to their being assigned to such garrisons and posts as it may be deemed necessary to provide with means of signal communication.

If the former mode be adopted, it is recommended that a board of officers, more or less acquainted with the past services of this department, be appointed to report the form of the required organization, and to define, as far as practicable, the specific duties to be assigned it, to avoid, in the future, the great stumbling-block which was left in the way in the past organization, and which, in many instances, crippled the usefulness of the corps by its not being properly understood what it could do, or was expected to do.

It is presumed that no argument need be presented in favor of a new organization, as it is self-evident greater interest would be taken in the service, and greater perfection attained in it, than in a simply acting corps.

I have the honor, sir, to be, very respectfully, your obedient servant.

B. F. FISHER,

Chief Signal Officer and Colonel U. S. A.

Hon. E. M. STANTON,

Secretary of War, Washington, D. C.

REPORT OF THE JUDGE ADVOCATE GENERAL.

WAR DEPARTMENT.

Bureau of Military Justice, November 13, 1865.

SIR: In compliance with your directions, I have the honor to submit as follows in regard to the business transacted by this Bureau since March, 1865, the date of my last official report.

The operations of the Bureau during this period—of about seven and two-thirds months—are briefly presented by the following summary:

1. Number of records of general courts-martial and military commissions received, reviewed, and filed, 16,591.

2. Number of special reports made as to the regularity of proceedings, the pardon of military offenders, the remission or commutation of sentences, and upon the numerous miscellaneous subjects and questions referred for the opinion of this office, including, also, letters of instruction upon military law and practice to judge advocates, reviewing officers, and others, 6,123.

By comparing these details with those presented in March last, it will be perceived that the number of records reviewed is slightly, and that of the special reports very much greater, in proportion to the period of time embraced, than that specified in my last official communication upon the subject, and that the business of the Bureau, especially as an advisory branch of the War Department, has not yet been diminished or sensibly affected by the altered condition of public affairs.

The "Digest of Opinions of the Judge Advocate General," issued by the Bureau in January last, has, as it is inferred from the commendatory judgment expressed to me by department and other commanders, and the fact that it has come into extensive use throughout the army, proved of considerable advantage to the service in contributing to establish a uniformity of decision and action in the administration of military justice; and it is proposed, with your approval, to prepare during the coming winter an enlarged edition of the same, containing, in connexion with those already published, a selection of the official opinions communicated by me during the past year. The present edition of the work has, indeed, because of the constant demand for copies, been very nearly exhausted.

I have to express my satisfaction with the ability and efficiency with which the officers, as well as the clerks, connected with the Office have performed their several duties; and to add that, while the close of the rebellion will doubtless gradually induce a considerable falling off in the business of the Bureau, it is conceived, as this business will probably not be materially diminished for a twelve-month, that the present organization of this branch of the public service may well be continued by Congress.

In concluding this report of the business of this Bureau, it is thought proper to advert to two cases of unusual public importance, which were prepared under its supervision, and tried by military commission, since the last session of Congress—that of the assassins of President Lincoln and their accomplices, and that of Wirz, the keeper of the rebel prison at Andersonville, Georgia.

The first of these cases was brought to trial in May last before a court convened by the President, and composed of two major generals, one brevet major general, three brigadier generals, one brevet brigadier general, a brevet colonel, and a lieutenant colonel. The government was represented by the Judge Advocate General of the army, assisted by an experienced military judge advocate, and by a distinguished lawyer, who had also lately acted for the United States in the conduct of a most important prosecution by court-martial. The

accused were defended by counsel of their own selection, seven in number. The trial occupied fifty-three days—between three and four hundred witnesses, in all, having been examined—and was concluded by seven able and elaborate arguments of counsel; the final reply thereto, and argument, of Hon. John A. Bingham, on the part of the United States, being annexed hereto as part of this report. The formal brief review of the case by this Bureau is also appended.

The inevitable result of this trial had been generally anticipated throughout the country, and has now become matter of history. The most deeply guilty of the conspirators were sentenced to be hung, and their sentence was summarily executed by order of the President. Of the others, three were condemned to imprisonment for life, and one to an imprisonment for six years, at hard labor; and these are now undergoing confinement at the military prison at the Dry Tortugas, Florida.

A full and complete record of the testimony and of the proceedings of the commission has been prepared under the supervision of an officer of the government, and will presently be given to the public. To this publication reference must be had for the details of the evidence upon this momentous state trial.

The case of Wirz was conducted before a commission also constituted by the President, and composed of one major general, three brevet major generals, two brigadier generals, one brevet brigadier general, one brevet colonel, and one lieutenant colonel; the prisoner being represented by two counsel of his choice. The victims of the accused had been so numerous that the mass of testimony was nearly as great as that adduced upon the former trial, and the period of time occupied by the investigation even longer. The number of witnesses examined was one hundred and forty-eight. Of these a considerable proportion had been connected with the rebel military service. Beside the evidence from these sources, much important testimony obtained from the archives of the rebel government—including the records of the prison at Andersonville—was also laid before the commission. The capital sentence in the case was forthwith approved by the President, and this criminal has recently paid such penalty as the law could impose for his repeated murders and other atrocious violations of the laws of civilized warfare.

As it would be impossible to present, in the limits of a brief official report, even an abstract of the evidence upon this trial, a copy is herewith submitted of the address of Colonel N. P. Chipman, judge advocate, which, while containing a lucid discussion of the questions of law involved, exhibits also a most faithful summary of the testimony, much of which, indeed, is set forth in the very language of the witnesses. A copy of the formal review of the proceedings, addressed by this Bureau to the President on the 31st ultimo, is also annexed. It is submitted whether a publication of the record of this case, (similar to that undertaken by private enterprise in the instance of the trial of the assassins,) or of an abridgement of the same, prepared by some proper person, may not well be authorized by Congress, not only that a permanent memorial of the testimony and proceedings may be preserved, but also that the facts of such testimony may be made accessible to every student of the rebellion.

A peculiar characteristic of these state trials, and that which must invest them with a deep historical importance, is the fact, that, while the accused were in each case adjudged to have been guilty of the crimes with which they were charged, the complicity in those crimes of chiefs of the rebellion was declared by the court in their findings, and upon testimony which is deemed to have fully warranted the conclusions reached. In each case the proof justified the conviction that the prisoners before the court were not merely personally criminals, but conspirators; that they were the hirelings and accomplices of the cabal of traitors of whom Davis was the acknowledged chief, and that these traitors were in fact, as well as in law, equally with the accused, responsible for the detestable deeds which were adduced in evidence. The assassination of the

President was portrayed by the testimony as an inspiration of the rebellion, authorized from its seat of government, and executed through its paid agents, whose plan of action was first matured within the territory of a neighboring friendly power.

It is proper to remark that events and testimony disclosed subsequent to this trial have added a powerful support to the conclusions arrived at by the court in reference to the complicity of rebel leaders in the assassination of the President.

The barbarities of Wirz, which resulted in the sacrifice of the lives of at least ten thousand of our helpless prisoners in his hands, were also clearly shown to have been but the revolting features of a system, doubtless devised at Richmond, for the destruction, by starvation and fatal cruelties, of all the federal prisoners of war who should come into the enemy's hands. As there is no baseness too infamous to be incompatible with treason, so, for the execution of the details of this inhuman scheme, fit agents were readily found wearing the rebel uniform, and to these were committed the care and custody of Union prisoners. The administration of Wirz, however, though atrocious in the extreme, was but a striking example of the general system of treatment by the enemy of prisoners of war. Of the enforcement of this system throughout the south, at Richmond, Belle Isle, Salisbury, North Carolina, Florence, South Carolina, Macon and Millen, Georgia, Tuscaloosa, Florida, and at many other localities, the cruelties of Andersonville, as is made to appear by testimony on file in this bureau, were but a forcible illustration. For the result—for the almost countless deaths and lasting injuries by wounds, by starvation, by inhuman punishments, by the maiming and laceration by dogs, by every brutality and by every neglect—the chiefs of the rebel confederacy, the instigators and leaders of the rebellion, should be held responsible; and for these they will be held responsible by the judgment of history and by the abhorrence of the civilized world.

It is to be added that in this case, also, the complicity of the rebel executive in the crimes of the accused was declared by the court in its findings.

This report cannot well be closed without its bearing testimony to the worth and efficiency of *Military Commissions* as judicial tribunals in time of war, as illustrated by these two trials.

These commissions, originating in the necessities of the rebellion, had been proved, by the experience of three years, indispensable for the punishment of public crimes in regions where other courts had ceased to exist, and in cases of which the local criminal courts could not legally take cognizance, or which, by reason of intrinsic defects of machinery, they were incompetent to pass upon. These tribunals had long been a most powerful and efficacious instrumentality in the hands of the Executive for the bringing to justice of a large class of malefactors in the service or interest of the rebellion, who otherwise would have altogether escaped punishment; and it had, indeed, become apparent that, without their agency, the rebellion could hardly, in some quarters, have been suppressed. So conspicuous had the importance of these commissions, and the necessity for their continuance, become, that the highest civil courts of the country had recognized them as part of the military judicial system of the government, and Congress, by repeated legislation, had confirmed their authority, and indeed extended their jurisdiction.

But it was not until the two cases under consideration came on to be tried by the Military Commission that its highest excellence was exhibited. It was not merely in that it was unincumbered by the technicalities and inevitable embarrassments attending the administration of justice before civil tribunals, or in the fact that it could so readily avail itself of the military power of the government for the execution of its processes and the enforcement of its orders, that its efficacy (though in these directions most conspicuous) was chiefly illustrated.

It was rather in the extended reach which it could give to its investigation, and in the wide scope which it could cover by testimony, that its practical and pre-eminent use and service were displayed. It was by means of this freedom of view and inquiry that the element of *conspiracy*, which gave to these cases so startling a significance, was enabled to be traced and exposed, and that the fact that the infamous crimes which appeared in proof were fruits borne by the rebellion and authorized by its head was published to the community and to the world. By no other species of tribunal, and by no other known mode of judicial inquiry, could this result have been so successfully attained; and it may truly be said that without the aid and agency of the Military Commission one of the most important chapters in the annals of the rebellion would have been lost to history, and the most complete and reliable disclosure of its inner and real life, alike treacherous and barbaric, would have failed to be developed.

It is due not only to the late President, who, as commander-in-chief, unhesitatingly employed this tribunal in the suppression of crimes connected with the rebellion, but to the heads of the military departments and other commanders, who so resolutely and effectively availed themselves of its simple but potent machinery; to the national legislatures, which, recognizing its continuance as indispensable during the war, have confirmed and increased its jurisdiction; and to the intelligence and good sense of the people at large, who, disregarding the shallow and disloyal clamors raised against it, have appreciated its service to the country, that this brief testimony to its value, as an arm of the military administration, evidenced alike by the fairness of its judgments and by its enlightened and vigorous action, should be publicly and formally borne by this Bureau.

J. HOLT,

Judge Advocate General.

Hon. E. M. STANTON, *Secretary of War.*

REPORT OF THE COMMISSIONER FOR EXCHANGE OF PRISONERS.

WASHINGTON CITY, D. C.,

November 22, 1865.

SIR: I have the honor to submit the following statement, as my general report for the current year, on the subject of the exchange of prisoners of war; in doing which I find it necessary to revert to some facts of a precedent date in order that the subject may be the better understood.

At an early period of the rebellion, a cartel for the exchange of prisoners was agreed upon in conformity with the authority of the President, as communicated to General Dix by the Secretary of War in the following despatch, which contains on its face an important limitation, carefully guarding against any recognition of the rebel government, the object having expressly in view the humane purpose of extending relief to prisoners of war:

"WAR DEPARTMENT,

"*Washington City, July 12, 1862.*

"The President directs me to say that he authorizes you to negotiate a general exchange of prisoners with the enemy.

"You will take immediate measures for that purpose, observing proper caution against any recognition of the rebel government, and confining the negotiation to the subject of exchange. The cartel between the United States and Great Britain has been considered a proper regulation as to the relative exchange value of prisoners.

"EDWIN M. STANTON,

"Secretary of War."

"Major General JOHN A. DIX, *Fortress Monroe.*"

The agreement, signed by General Dix on the part of the government, and General Hill on the part of the rebels, was duly announced in public orders by authority dated War Department, Adjutant General's Office, Washington, September 25, 1862, a copy of which is hereunto annexed.

So long as the cartel for the exchange of prisoners was respected in the south, it was faithfully observed by the government, and there is no doubt that its faithful execution would have been continued by the government until the end of the war, unless properly revoked by competent authority, if the rebel authorities had not most distinctly violated its terms, under circumstances, indeed, of great aggravation.

The first indication on the part of the rebels of a disposition to disregard the cartel became public through a message by Jefferson Davis to the rebel congress, in which, after alluding to the proclamation of the President announcing emancipation, he makes use of the following language:

"I shall, unless in your wisdom you deem some other course more expedient, deliver to the several State authorities all commissioned officers of the United States that may hereafter be captured by our forces in any of the States embraced in the proclamation, that they may be dealt with in accordance with the laws of those States providing for the punishment of criminals engaged in exciting servile insurrection."

This announcement of Mr. Davis was made January 12, 1863, and received the modified approval of the rebel congress, as shown in the following sections of an act approved May 1, 1863, to wit:

"SEC. 4. That every white person, being a commissioned officer, or acting as such, who, during the present war, shall command negroes or mulattoes in arms against the Confederate States, or who shall arm, train, organize or prepare negroes or mulattoes for military service against the Confederate States, or who shall voluntarily aid negroes or mulattoes in any military enterprise, attack or conflict in such service, shall be deemed as inciting servile insurrection, and shall, if captured, be put to death, or be otherwise punished at the discretion of the court.

"SEC. 5. Every person, being a commissioned officer or acting as such in the service of the enemy, who shall, during the present war excite, attempt to excite, or cause to be excited, a servile insurrection, or who shall incite, or cause to be incited, a slave to rebel, shall, if captured, be put to death, or be otherwise punished at the discretion of the court."

"SEC. 7. All negroes and mulattoes who shall be engaged in war or be taken in arms against the Confederate States, or shall give aid or comfort to the enemies of the Confederate States, shall, when captured in the Confederate States, be delivered to the authorities of the State or States in which they shall be captured, to be dealt with according to the present or future laws of such State or States."

When the message just referred to became known to the President, he saw at once the necessity of meeting it, and gave instructions to retain such rebel officers as might be captured, in order to be in a position to check the rebel government and restrain the execution of its avowed purpose, in violation of the cartel.

This proceeding, initiated by the rebel government in violation of the cartel, ultimately in the cessation of exchanges, which, as the history of the matter shows, became unavoidable, and was entirely due to the rebel government.

Coincident with the proceedings with regard to the exchange of prisoners of war, the rebels inaugurated a system of seizing unoffending citizens of the United States, and subjecting them to maltreatment, in various ways, in order to effect a particular object, which became apparent when a demand was made

for their release. For this purpose quite a number of citizens of Pennsylvania were carried into captivity by General Lee, when he penetrated into that State in 1863.

When a demand was made for the release of this class of prisoners, it was met by a most positive declaration that no citizen prisoner in rebel hands should be released unless the government would enter into an agreement with the rebel authorities not to arrest any one on account of his opinions or on account of his sympathy with the rebel cause; and this declaration was repeated again and again by the rebel authorities whenever the government demanded the release or exchange of said citizen prisoners.

It will require but the slightest glance at this subject to convince any one of the utter impossibility of acquiescing in the demand of the rebel authorities, as a pre-requisite to the release of the citizens thus held in bondage. Such an agreement on the part of the United States would have been a virtual acknowledgment of the independence of the rebel government, and would have foreclosed all proceedings of the United States against all persons whomsoever engaged in the crime of treason and rebellion. It was absolutely impossible to acquiesce in the demand of the South on that point, and this is the reason why this class of prisoners was beyond the reach of the government, except through the power of its armies, which finally settled the entire question by putting an end to the rebellion itself.

At the commencement of the cessation of exchanges the rebels held a few prisoners of war over and above the number of rebels held by the government, but the capture of Vicksburg and Port Hudson threw the balance largely the other way; and, as the prisoners captured by General Grant and General Banks were left in the south on parole, the rebel authorities determined to make use of them, not merely in violation of the cartel, but in open contempt of the laws of war. They first ordered that body of men to be assembled at a place called Enterprise, in Mississippi, on pretence of facilitating measures for their supplies, but in reality with the distinct purpose, as we are now compelled to believe, of throwing them into the rebel ranks to meet the anticipated conflict which, it was seen, was near at hand in East Tennessee, and which accordingly took place at the memorable battles of Chickamauga and Chattanooga; in which battles many of the captured prisoners paroled in the south by Generals Grant and Banks took part, without having been duly exchanged, although the rebel authorities made an ex parte declaration of exchange in their favor without proper authority, which was protested against by the United States.

It must be understood that the rebels might at any time have resumed the system of exchange agreed upon in the cartel by receding from the assumed right of disposing of captured Union officers as required in the act passed by the rebel Congress, before alluded to, and agreeing to the exchange of colored troops; but they would never agree to acknowledge the right of colored troops to treatment due to prisoners of war; and, as the government of the United States had exercised the right of employing colored troops as a part of the force against the rebels, their claim to such protection as the government could give was one which did not admit of discussion.

When the rebels discovered that the suspension of exchanges was operating against them, they resorted to the horrible expedient of subjecting the prisoners they held to starvation and exposure to the elements, without the protection of quarters or tents, after first robbing them of their money and most of their clothing, and without regard to seasons or their inclemencies, in the hope of forcing the government into a system of exchanges which should have the effect, not only of leaving in their hands all of the colored prisoners they had taken, but of throwing into their ranks the entire body of prisoners held by the federal power, then greatly in excess over the prisoners held by the rebels. This fact is proved by the declarations of the Richmond papers, at the time

when a few exchanges were made, that the rebel agent, Colonel Ould, had not sent over the lines the number of prisoners equivalent to those received, but only a proportionate number, the ratio being determined by Colonel Ould, in view of the number of prisoners held in the south against those held in the north—the claim to hold in reserve the colored prisoners in the south having never been abandoned. This fact was further established by the official records of the commissary general of prisoners, by which it appeared that, after sending several boat-loads of exchanged prisoners each way, the rebels were constantly falling in debt. Upon observing this fact, and noticing the publications in Richmond, I called upon the commissary general of prisoners for a tabular statement of the result, and the statement showed an indebtedness in our favor of over five hundred men; which statement was handed to the Secretary of War, who thereupon directed an order to General Grant to assume the entire control of the matter of exchanges, with authority to give such orders as he might think proper on the subject. General Grant at once reverted to first principles, and directed that Colonel Ould, or the rebel authorities, should be notified that colored troops should be treated as prisoners of war when captured; and, as the rebels were not willing to accede to this requirement, no further exchanges were made.

Upon the receipt at the War Department of the first intelligence of the inhuman treatment to which our prisoners were subjected at Richmond, the Secretary of War, without a moment's hesitation, gave instructions to our agent of exchange, at Fortress Monroe, to send forward supplies from the public stores for their relief, and large quantities of provisions and clothing were accordingly sent for distribution among the prisoners, and every possible effort was made to afford that sort of relief, even at the hazard of large portions of the supplies being wasted, or, what was worse, misappropriated to the benefit of our enemies, who, it soon appeared, made use of these supplies for their own advantage, leaving our prisoners still to suffer. But even this did not destroy the hope of the Secretary that some portion of the supplies would, at least, be permitted to reach its destination, and the orders to send that relief were left in force until the rebels themselves, shamed, perhaps, by the scandalous state of things, then likely to become historical, refused to receive any further supplies through the agents of the government.

In the mean time the sympathies of friends in the north were naturally awakened, and large quantities of supplies of all kinds were sent to Fortress Monroe, whence they were forwarded for the relief of the prisoners at Richmond; but the moment they passed beyond the control of our agents they fell into the hands of the most unprincipled and shameless scoundrels that ever disgraced humanity. It is in proof that large quantities of supplies furnished by the benevolence of the north for the relief of suffering humanity in southern prisons, were piled up in sight of the objects for whose relief those supplies were sent, but beyond the line of the prison guards; and while the prisoners were thus in sight of their own boxes, they were not only forbidden to touch them, but compelled to witness depredations upon them by the guards themselves, who feasted upon their contents, leaving the victims of war a prey to that merciless barbarism which will make one of the darkest pages in the history of a rebellion which will itself remain an astonishment to all posterity for its almost causeless existence.

Many have supposed that it was in the power of the government to afford relief to the prisoners in the south by a resort to retaliatory treatment of rebel prisoners in the north. It is difficult to meet a suggestion of this kind by an appeal to the instincts of civilized humanity, because the mere suggestion supposes the absence of those instincts, and implies a willingness to see the public sentiment degraded into barbarism, which would have put the nation itself on the footing of savages, whose only excuse for their barbarity is their ignorance and their exclusion from the civilized world. The day must come when every

true American will be proud of the reflection that the government was strong enough to crush the rebellion without losing the smallest element of its humanity or its dignity, and stands before the world unimpeached in its true honor and glory.

It may be observed that no one imagined, prospectively, the horrors which came to light at Andersonville, the full enormity of which only became known at the close of the military events which ended the war. Had they been known when at their worst, the government would have had the choice of but three measures: first, the rebel prisoners might have been sent south, we to receive in return such white prisoners as they might have held, leaving the colored troops to their fate; second, a resort to retaliatory measures; or, lastly, for the country to wage the war with increased zeal to bring it to a legitimate end. No man can doubt which of these plans the northern people would have approved, if submitted to them, and the government only assumed to represent the people in the question.

It ought to be mentioned here, as a beautiful illustration of the moral sublime, that among the many memorials, some of them very numerous signed, which reached the War Department, praying for relief to federal prisoners suffering in the south, in nearly all of them there was an express protest against a resort to retaliation. And what was the real effect of the barbarity upon the prisoners in the south? Certainly, it was most deplorable and shocking upon individuals for the time being; but no one whose moral eyes are open can fail to see that it became in many ways a signal step, under the guidance of Providence, for bringing the rebel cause to destruction. It strengthened the feeling in the north in favor of warlike and determined measures against rebellion; it sent thousands into the army who took the field resolutely determined to punish the authors of a great crime against humanity. The enemy might almost literally have felt that it is "a terrible thing to fall into the hands of the living God."

An erroneous opinion appears to have been circulated, more or less widely, with regard to the number of colored federal troops who fell into the hands of the enemy, which makes it important to state that the actual number thus exposed to injurious treatment was very much greater than has been commonly supposed. This will sufficiently appear from the fact that, on the 21st of January, 1865, Lieutenant O. O. Poppleton, adjutant of the 111th United States colored infantry, addressed a letter, dated at Nashville, Tennessee, to Major General Butler, in the following words, to wit:

"I have the honor to enclose herewith a copy of a Mobile paper (rebel) containing, over the signature of D. H. Maury, major general Confederate States army, the names of five hundred and sixty-nine (569) soldiers belonging to the 106th, 110th, and 111th regiments of United States colored infantry, who were taken prisoners by a force of the enemy, under Major General N. B. Forrest, at Athens and Sulphur Branch Trestle, Alabama, on the 24th and 25th of September, 1864, and placed at work on the defences of Mobile, Alabama, by order of the rebel authorities. Lieutenant William T. Lewis, adjutant 110th United States colored infantry, has a paper of later date than this, containing the names of nearly three hundred (300) more soldiers of the same command, also at work on the defences of Mobile."

This is an official report from the adjutant of the 111th regiment colored infantry, showing that there were then, in January, 1865, at work on the fortifications about Mobile five hundred and sixty-nine (569) colored soldiers belonging to three regiments only; and a reference is made to another paper as being at that time in the hands of another officer, an adjutant also of one of those regiments, embracing the names of "nearly three hundred (300) more soldiers of the same command," making in all over eight hundred (800) colored soldiers of the United States army at work, under rebel officers, on the fortifications around Mobile alone.

When the government determined to employ colored troops in its armies, the principle was recognized that they were entitled to protection; and, accordingly, it was claimed that the class of troops referred to should receive such treatment from the enemy as was due to other troops employed in the defence of the government. The assertion of this principle did not depend upon the number of colored troops who might at any one time be in the hands of the enemy. Every consideration of honor and humanity required the assertion of this principle as due to the troops employed in the service of the government; and, accordingly, in various communications, when the subject required it, the government agents connected with the duties of the exchange of prisoners invariably set forward the principle. But this did not prevent the exchange of prisoners, man for man and officer for officer. The difficulty on this subject was due, first, to the message of Mr. Davis to the rebel congress, already referred to, declaring his purpose to deliver to southern State authorities such white Union officers as might be captured, for trial under State laws unknown alike to the laws of Congress and to the laws of war; and, secondly, to the open contempt of the laws of war, as also stated above, in the fact that the rebel authorities released from the obligations of their parole a number of rebel prisoners, and placed them in their ranks without exchange.

During a brief period prior to the capture of Vicksburg, the rebels held more prisoners of war than the government; but after the date of that event the case was reversed, and from that time forward the government made every effort to obtain exchanges—man for man and officer for officer—but without avail, the rebel authorities persistently resisting applications for exchange unless the government would release all rebel prisoners, after they had openly violated the cartel themselves, claiming that the government should deliver to them all rebel prisoners, while they, on their part, declared their purpose of withholding from exchange such colored prisoners as they might have in their possession.

It is important to observe here, that while this controversy was pending we actually held, in prison depots in the north, about seventy thousand (70,000) prisoners of war, over and above which we had a just and valid claim for more than thirty thousand (30,000) men who had been captured and paroled in the south, chiefly at Vicksburg and Port Hudson, and who had never been properly exchanged; making in all at least one hundred thousand (100,000) men whom the rebel authorities wished to draw from us in exchange for about forty thousand (40,000) of the white troops of the United States; the effect of which would have been to throw into the army of General Lee an effective force of about sixty or seventy thousand men, in fine health and able in all respects to be put immediately into the field against General Grant's army, or with which General Lee might have obtained a disposable force of some fifty or more thousand men for the purpose of entering the States of the north, and thereby possibly compelling General Grant to raise the siege of Richmond, or expose the northern States to devastation by the enemy.

It was the desire of the rebel agent of exchange to avoid making special exchanges, in the hope of drawing from us the whole of the rebel prisoners of war we held in return for inferior numbers held by the enemy. To accomplish that object, the rebel commissioner or agent of exchange not only declined to make exchanges on equal terms, in any considerable number, but refused to make special exchanges except under extraordinary influences brought to bear by the friends of interested parties; and, in repeated instances, the rebel agent took care to indorse, upon special applications, the express declaration that he neither made nor countenanced such applications.

In consequence of this state of things, and while there was a hope of effecting general exchanges, only a few applications of a special character were forwarded over the lines; but when it became apparent that a general exchange could not be effected, I received your instructions to forward all special applica-

tions for exchange, in order, as you explained the purpose at the time, to afford every possible opportunity to extend relief to as many individuals as might have the good fortune to secure southern influences for that object; and great numbers of such applications were sent over the lines, most of which, however, were never heard from afterwards.

Another fact I beg to state in connexion with this subject, as a further illustration of the efforts of the department to extend relief to federal officers and soldiers imprisoned south, to wit: The rebel authorities resorted to the system of placing individuals in close confinement, in alleged retaliation for what on our side was but the legitimate operation of the laws of war in the punishment of spies and other offenders against those laws. In the endeavor to afford relief in a particular case of this kind, the rebel agent seized the opportunity of proposing the mutual release and exchange of all prisoners in close confinement, although at that time we had no rebel prisoners thus confined except by due course of law. This proposition was manifestly unfair, and a recovered letter from the rebel agent has shown that he knew it was so. Nevertheless, the proposition was accepted, by your orders; and although it effected the release of some criminals belonging to the rebel army, it carried relief to a number of federal officers and soldiers in the south who thus obtained liberation: the concession on your part having had in view the relief it promised, and, to some extent, effected, in favor of a few of our officers and soldiers.

The recovered letter alluded to was dated at City Point, March 17, 1863, and addressed to Brigadier General Winder, in the following words:

"SIR: A flag-of-truce boat has arrived with 350 political prisoners, General Barrow and several other prominent men amongst them. I wish you to send me, at four o'clock, Wednesday morning, all the military prisoners (except officers) and all the political prisoners you have. If any of the political prisoners have on hand proof enough to convict them of being spies or of having committed other offences which should subject them to punishment, so state opposite their names. Also, state whether you think, under all circumstances, they should be released. The arrangement I have made works largely in our favor. We get rid of a set of miserable wretches, and receive some of the best material I ever saw. Tell Captain Turner to put down on the list of political prisoners the names of Edward G. Egging and Eugenia Hammernister. The President is anxious they should get off. They are here now. This, of course, is between ourselves. If you have any female political prisoner whom you can send off safely to keep her company, I would like you to send her. Two hundred and odd more political prisoners are on their way. I would be more full in my communication if I had time.

"Yours truly,

"ROBERT OULD, *Agent of Exchange.*"

It should be noticed in this report that when the subject of exchange became embarrassing, because of the unwillingness of the enemy to exchange man for man, he demanding all of the rebel prisoners we held in exchange for the white prisoners held by him, Major General Halleck, by the direction of the Secretary of War, made an effort to obtain exchanges on equal terms. For this purpose he sent a flag of truce to General Lee, then in force on the Rapidan, and proposed that species of exchange. But General Lee declined to act upon the proposition, and answered, evidently in accordance with instructions from Richmond, that the subject of exchange was in the hands of a commissioner, and he preferred to have nothing to do with it.

As a further effort to obtain this class of exchanges, the Secretary authorized various commanders, distant from Washington, to open communications with the enemy, and to effect exchanges whenever they could be made on equal terms. In the midst of these difficulties I was painfully impressed with

the impossibility of effecting exchanges on equal terms with Judge Ould; and having understood that General Butler was of the opinion that, if empowered to do so, he could make exchanges, I addressed a note to the Secretary of War and proposed to withdraw from the position of commissioner of exchange in favor of any officer who could accomplish so desirable a result; upon which, however, the Secretary did not see fit to make an order. A few days after this I was sent for from the War Office, where I found the Secretary in conversation with General Halleck on the subject of exchanges. The Secretary then informed me that General Butler had expressed the opinion above stated, and that several members of Congress had expressed a similar opinion with regard to General Butler's ability to effect exchanges, if empowered to do so. I at once said to the Secretary, "If General Butler is of opinion that he can make exchanges, I think, sir, you had better let him try." He then said that it was his wish that I should go to Fortress Monroe and confer upon General Butler the requisite power by his authority; and he thereupon wrote, in the presence of General Halleck and myself, the following order:

"WAR DEPARTMENT.

"Washington, December 16, 1863.

"Major General HITCHCOCK, *Commissioner of Exchange of Prisoners:*

"GENERAL: You will proceed immediately to Fortress Monroe, and take any measures that may be practicable for the release, exchange, or relief of United States officers and soldiers held as prisoners by the rebels.

"You are authorized and directed to confer with Major General Butler on the subject, and may authorize him, as special agent, commissioner, or otherwise, to procure their release or exchange upon any just terms not conflicting with principles on which the department has heretofore acted in reference to the exchange of colored troops and their officers, and not surrendering to the rebels any prisoners without just equivalents. You may, if you deem it proper, relieve General Meredith, and direct him to report to the Adjutant General for orders.

"Yours truly,

"EDWIN M. STANTON,
"Secretary of War."

Within half an hour after the writing of the above order I was on my way to Fortress Monroe, and on the morning of the 17th of December I reported to General Butler. After stating the limitations under which he would be authorized to make exchanges, I requested him to prepare instructions for himself, giving him the authority he desired, in accordance with the orders of the Secretary, stating that, when ready, I would sign them in the name of or with the authority of the Secretary. In two or three hours thereafter I called again upon General Butler, and made the instructions he had prepared official. They contained the following paragraphs:

"You are hereby instructed not to make any exchange which shall not return to you man for man, officer for officer, of equal rank with those paroled and sent forward by yourself, regarding, of course, for motives of humanity, in the earlier exchanges, those officers and men on either side who have been the longest confined.

"Colored troops and their officers will be put upon an equality in making exchanges, as of right, with other troops.

"You are permitted, in conducting the exchange, to waive for the present the consideration of the questions of parole and excess now pending between the confederate belligerent authorities and this government, leaving them untouched as they stand until further interchange of views between those authorities and yourself."

The above instructions to General Butler will show precisely the *animus* of the Secretary of War on the subject of exchanges. He was perfectly willing and anxious to make exchanges, man for man, officer for officer, and gave, as must be seen, the fullest power to General Butler to effect those exchanges. General Butler, in his conversation with me, expressed no desire to have any other instructions or powers committed to him, and appeared to be very confident of his ability to accomplish the desired result, giving me, in detail, many reasons for that confidence. I returned to the city of Washington, and within a few days the public prints announced General Butler's first attempt to make exchanges and the result. General Butler sent a boat-load of prisoners under a flag of truce to City Point, where they were offered for a like number of federal troops. It appears that, when this was reported to the rebel government, violent indignation was expressed by the rebel authorities, on the alleged ground that General Butler was an outlaw by the proclamation of Mr. Davis, and that it was an insult to employ him to accomplish any result requiring any sort of intercourse between him and the rebel authorities; but it was concluded that, inasmuch as a certain number of their troops were actually within their lines as returned prisoners of war, they should be received, and a like number of federal prisoners should be exchanged for them; but notice was given to our agent that no more prisoners would be received in that manner, and it was reported at the time that General Butler was informed that a flag of truce even should not protect him within the rebel lines.

When this was reported in Washington, the President himself, in the presence of the Secretary of War, declined to give any order on the subject, unwilling to concede to the rebels the right to dictate what agents this government should employ in its public business; but it was plain to be seen that the real object of the rebel authorities was to avoid making equal exchanges of man for man and officer for officer, their purpose being to deliver to us, as before stated, only a proportionate number of prisoners held by them as against those held by us; and because General Butler's instructions required the exchange of man for man, made the employment of General Butler in the business of exchange a pretext for refusing those equal exchanges. This was evident, because, in point of fact, General Butler did not personally appear in the business—that is, he did not accompany the flag of truce—and, if there had been any disposition on the part of the rebels to make equal exchanges, they knew those exchanges would be made through the agency of another officer, and not personally by General Butler; and thus the real purpose of the rebels becomes manifest, their object being to draw from us all of their own troops in our hands, giving us in exchange only such white troops of the federal forces as they might hold.

After this experiment by General Butler, matters remained in suspense for some time, no exchanges being made.

At length two federal officers, who had escaped from rebel prisons, gave me their opinion, in this city, that if we would send to City Point, for exchange, a body of three, four, or five hundred rebel officers, demanding a like number in return, the feeling in the south, they believed, would be such that the rebel authorities would not dare to refuse the exchange; and if that succeeded, they would not dare thereafter to refuse to exchange private soldiers. I thought very well of this suggestion, and addressed a note to the Secretary of War, communicating it, and recommending its trial. The Secretary at once accepted the suggestion, and directed General Canby, then on duty in the War Office, to require General Butler to make that trial. But General Butler thought proper to send a mixed boat-load of officers and men.

Here, then, was another effort to make exchanges on equal terms. The enemy accepted the prisoners sent over the lines, but did not return a like number. This fact was publicly stated by the newspapers at Richmond, and was con-

firmed by official reports received at the office of General Hoffman, the commissary general of prisoners, after several boat-loads had passed. When the purpose of the rebel commissioner became apparent, not to make exchanges man for man, but only in proportionate numbers, the fact, with the evidence for it, was submitted to the Secretary of War, and then it was, as stated above, that General Grant was instructed to take the subject under his own supervision, with the result already alluded to.

After General Butler took charge of the duties in connexion with the exchange of prisoners, I was not officially advised of his proceedings, because, he being of senior rank to myself, made no reports to me; but in August, 1864, there was published in the journals of the day a letter, over the signature of General Butler, of the highest importance in connexion with this subject. No official copy was furnished to me, and I have never seen the letter of Judge Ould to which it refers, the authenticity of which, however, is sufficiently vouched in the letter of General Butler, which commences, addressed to Judge Ould, in these words:

"SIR: Your note to Major Mulford, assistant agent of exchange, under date of the 10th of August, has been referred to me. You therein state that Major Mulford has several times proposed to exchange prisoners respectively held by the two belligerents, officer for officer and man for man; and that the offer has also been made by other officials having charge of matters connected with the exchange of prisoners, and that this proposal has been heretofore declined by the confederate authorities. That you now consent to the above proposition, and agree to deliver to you (Major Mulford) the prisoners held in captivity by the confederate authorities, provided you agree to deliver an equal number of officers and men."

This letter, cited by General Butler from Colonel Ould, shows, conclusively, by whom the proposition for an equal exchange was originally made. It shows, also, that it had been repeatedly made by the government, and had been as repeatedly refused by the rebel authorities.

The matter had been placed in General Butler's hands, and he answered Judge Ould's letter, asking some preliminary explanations, which I believe were never made, and the opportunity of a final action upon Judge Ould's letter was thus cut off by himself.

The reasons which induced General Butler's action may no doubt be seen, in part at least, in the letter he addressed to Judge Ould, which was published in the journals of the day. I have never heard that the matter was referred to the Secretary of War, and have never understood that he gave any order in the premises.

We learn from General Butler's letter that Judge Ould did not reach his conclusion in reference to Major Mulford's proposition until a period of eight months had elapsed.

It is impossible to approach the subject of this report without being solemnly impressed by a sense of the horrors inflicted upon the prisoners of war in the south; but, in making the report, I have felt imperatively called upon to confine myself to facts connected immediately with the subject of exchanges, leaving inferences to be drawn by others. I attach hereto such official letters and telegraphic despatches as have either originated in my office or have reached me, as may throw light upon the subject of this report.

I have the honor to be, very respectfully, your obedient servant,

E. A. HITCHCOCK,

Major Gen. Vols., Commissioner for Exchange of Prisoners.

Hon. EDWIN M. STANTON,
Secretary of War.

REPORT OF THE GENERAL-IN-CHIEF.

HEADQUARTERS ARMIES OF THE UNITED STATES,

Washington, D. C., July 22, 1865.

SIR: I have the honor to submit the following report of the operations of the armies of the United States from the date of my appointment to command the same:

From an early period in the rebellion I had been impressed with the idea that active and continuous operations of all the troops that could be brought into the field, regardless of season and weather, were necessary to a speedy termination of the war. The resources of the enemy and his numerical strength were far inferior to ours; but as an offset to this, we had a vast territory with a population hostile to the government, to garrison, and long lines of river and railroad communications to protect, to enable us to supply the operating armies.

The armies in the east and west acted independently and without concert, like a balky team, no two ever pulling together, enabling the enemy to use to great advantage his interior lines of communication for transporting troops from east to west, re-enforcing the army most vigorously pressed, and to furlough large numbers, during seasons of inactivity on our part, to go to their homes and do the work of producing for the support of their armies. It was a question whether our numerical strength and resources were not more than balanced by these disadvantages and the enemy's superior position.

From the first, I was firm in the conviction that no peace could be had that would be stable and conducive to the happiness of the people, both north and south, until the military power of the rebellion was entirely broken.

I therefore determined, first, to use the greatest number of troops practicable against the armed force of the enemy; preventing him from using the same force at different seasons against first one and then another of our armies, and the possibility of repose for refitting and producing necessary supplies for carrying on resistance. Second, to hammer continuously against the armed force of the enemy and his resources, until by mere attrition, if in no other way, there should be nothing left to him but an equal submission with the loyal section of our common country to the Constitution and laws of the land.

These views have been kept constantly in mind, and orders given and campaigns made to carry them out. Whether they might have been better in conception and execution is for the people, who mourn the loss of friends fallen, and who have to pay the pecuniary cost, to say. All I can say is, that what I have done has been done conscientiously, to the best of my ability, and in what I conceived to be for the best interests of the whole country.

At the date when this report begins the situation of the contending forces was about as follows: The Mississippi river was strongly garrisoned by federal troops from St. Louis, Missouri, to its mouth. The line of the Arkansas was also held, thus giving us armed possession of all west of the Mississippi, north of that stream. A few points in southern Louisiana, not remote from the river, were held by us, together with a small garrison at and near the mouth of the Rio Grande. All the balance of the vast territory of Arkansas, Louisiana, and Texas was in the almost undisputed possession of the enemy, with an army of probably not less than 80,000 effective men that could have been brought into the field had there been sufficient opposition to have brought them out. The *let-alone policy* had demoralized this force so that probably but little more than one-half of it was ever present in garrison at any one time. But the one-half, or 40,000 men, with the bands of guerillas scattered through Missouri,

Arkansas, and along the Mississippi river, and the disloyal character of much of the population, compelled the use of a large number of troops to keep navigation open on the river, and to protect the loyal people to the west of it. To the east of the Mississippi we held substantially with the line of the Tennessee and Holston rivers, running eastward to include nearly all of the State of Tennessee. South of Chattanooga a small foothold had been obtained in Georgia, sufficient to protect East Tennessee from incursions from the enemy's force at Dalton, Georgia. West Virginia was substantially within our lines. Virginia, with the exception of the northern border, the Potomac river, a small area about the mouth of James river covered by the troops at Norfolk and Fort Monroe, and the territory covered by the army of the Potomac lying along the Rapidan, was in the possession of the enemy. Along the sea-coast footholds had been obtained at Plymouth, Washington, and Newbern, in North Carolina; Beaufort, Folly and Morris islands, Hilton Head, Fort Pulaski, and Port Royal, in South Carolina; Fernandina and St. Augustine, in Florida. Key West and Pensacola were also in our possession, while all the important ports were blockaded by the navy. The accompanying map, a copy of which was sent to General Sherman and other commanders in March, 1864, shows by red lines the territory occupied by us at the beginning of the rebellion and at the opening of the campaign of 1864, while those in blue are the lines which it was proposed to occupy.

Behind the Union lines there were many bands of guerillas and a large population disloyal to the government, making it necessary to guard every foot of road or river used in supplying our armies. In the south a reign of military despotism prevailed, which made every man and boy capable of bearing arms a soldier, and those who could not bear arms in the field acted as provosts for collecting deserters and returning them. This enabled the enemy to bring almost his entire strength into the field.

The enemy had concentrated the bulk of his forces east of the Mississippi into two armies, commanded by Generals R. E. Lee and J. E. Johnston, his ablest and best generals. The army commanded by Lee occupied the south bank of the Rapidan, extending from Mine Run westward, strongly intrenched, covering and defending Richmond, the rebel capital, against the army of the Potomac. The army under Johnston occupied a strongly intrenched position at Dalton, Georgia, covering and defending Atlanta, Georgia, a place of great importance as a railroad centre, against the armies under Major General W. T. Sherman. In addition to these armies, he had a large cavalry force under Forrest, in northeast Mississippi; a considerable force, of all arms, in the Shenandoah valley, and in the western part of Virginia and extreme eastern part of Tennessee; and also confronting our sea-coast garrisons, and holding blockaded ports where we had no foothold upon land.

These two armies, and the cities covered and defended by them, were the main objective points of the campaign.

Major General W. T. Sherman, who was appointed to the command of the military division of the Mississippi, embracing all the armies and territory east of the Mississippi river to the Alleghanies, and the department of Arkansas, west of the Mississippi, had the immediate command of the armies operating against Johnston.

Major General George G. Meade had the immediate command of the army of the Potomac, from where I exercised general supervision of the movements of all our armies.

General Sherman was instructed to move against Johnston's army, to break it up, and to go into the interior of the enemy's country as far as he could, inflicting all the damage he could upon their war resources. If the enemy in his front showed signs of joining Lee, to follow him up to the full extent of his ability,

while I would prevent the concentration of Lee upon him if it was in the power of the army of the Potomac to do so. More specific written instructions were not given, for the reason that I had talked over with him the plans of the campaign, and was satisfied that he understood them and would execute them to the fullest extent possible.

Major General N. P. Banks, then on an expedition up Red river against Shreveport, Louisiana, (which had been organized previous to my appointment to command,) was notified by me on the 15th of March of the importance it was that Shreveport should be taken at the earliest possible day, and that if he found that the taking of it would occupy from ten to fifteen days more time than General Sherman had given his troops to be absent from their command, he would send them back at the time specified by General Sherman, even if it led to the abandonment of the main object of the Red river expedition, for this force was necessary to movements east of the Mississippi; that should his expedition prove successful, he would hold Shreveport and the Red river with such force as he might deem necessary, and return the balance of his troops to the neighborhood of New Orleans, commencing no move for the further acquisition of territory unless it was to make that then held by him more easily held; that it might be a part of the spring campaign to move against Mobile; that it certainly would be if troops enough could be obtained to make it without embarrassing other movements; that New Orleans would be the point of departure for such an expedition; also, that I had directed General Steele to make a real move from Arkansas, as suggested by him, (General Banks,) instead of a demonstration, as Steele thought advisable.

On the 21st of March, in addition to the foregoing notification and directions, he was instructed as follows:

"1st. If successful in your expedition against Shreveport, that you turn over the defence of the Red river to General Steele and the navy.

"2d. That you abandon Texas entirely with the exception of your hold upon the Rio Grande. This can be held with four thousand men, if they will turn their attention immediately to fortifying their positions. At least one-half of the force required for this service might be taken from the colored troops.

"3d. By properly fortifying on the Mississippi river, the force to guard it from Port Hudson to New Orleans can be reduced to ten thousand men, if not to a less number. Six thousand more would then hold all the rest of the territory necessary to hold until active operations can be resumed west of the river. According to your last return this would give you a force of over thirty thousand effective men with which to move against Mobile. To this I expect to add five thousand men from Missouri. If, however, you think the force here stated too small to hold the territory regarded as necessary to hold possession of, I would say, concentrate at least twenty-five thousand men of your present command for operations against Mobile. With these and such additions as I can give you from elsewhere, lose no time in making a demonstration, to be followed by an attack upon Mobile. Two or more iron-clads will be ordered to report to Admiral Farragut. This gives him a strong naval fleet with which to co-operate. You can make your own arrangements with the Admiral for his co-operation, and select your own line of approach. My own idea of the matter is that Pascagoula should be your base, but, from your long service in the Gulf department, you will know best about the matter. It is intended that your movements shall be co-operative with movements elsewhere, and you cannot now start too soon. All I would now add is, that you commence the concentration of your forces at once. Preserve a profound secrecy of what you intend doing, and start at the earliest possible moment.

U. S. GRANT,
Lieutenant General.

"Major General N. P. BANKS."

Major General Meade was instructed that Lee's army would be his objective point; that wherever Lee went he would go also. For his movement two plans presented themselves: One to cross the Rapidan below Lee, moving by his

right flank; the other above, moving by his left. Each presented advantages over the other, with corresponding objections. By crossing above, Lee would be cut off from all chance of ignoring Richmond or going north on a raid. But if we took this route all we did would have to be done whilst the rations we started with held out; besides, it separated us from Butler, so that he could not be directed how to co-operate. If we took the other route, Brandy Station could be used as a base of supplies until another was secured on the York or James rivers. Of these, however, it was decided to take the lower route.

The following letter of instruction was addressed to Major General B. F. Butler:

"FORT MONROE, VA., April 2, 1864.

"GENERAL. In the spring campaign, which it is desirable shall commence at as early a day as practicable, it is proposed to have co-operative action of all the armies in the field, as far as this object can be accomplished.

"It will not be possible to unite our armies into two or three large ones to act as so many units, owing to the absolute necessity of holding on to the territory already taken from the enemy. But, generally speaking, concentration can be practically effected by armies moving to the interior of the enemy's country from the territory they have to guard. By such movement they interpose themselves between the enemy and the country to be guarded, thereby reducing the number necessary to guard important points, or at least occupy the attention of a part of the enemy's force, if no greater object is gained. Lee's army and Richmond being the greater objects towards which our attention must be directed in the next campaign, it is desirable to unite all the force we can against them. The necessity of covering Washington with the army of the Potomac, and of covering your department with your army, makes it impossible to unite these forces at the beginning of any move. I propose, therefore, what comes nearest this of anything that seems practicable: The army of the Potomac will act from its present base, Lee's army being the objective point. You will collect all the forces from your command that can be spared from garrison duty—I should say not less than twenty thousand effective men—to operate on the south side of James river, Richmond being your objective point. To the force you already have will be added about ten thousand men from South Carolina, under Major General Gillmore, who will command them in person. Major General W. F. Smith is ordered to report to you, to command the troops sent into the field from your own department.

"General Gillmore will be ordered to report to you at Fortress Monroe, with all the troops on transports, by the 15th instant, or as soon thereafter as practicable. Should you not receive notice by that time to move, you will make such disposition of them and your other forces as you may deem best calculated to deceive the enemy as to the real move to be made.

"When you are notified to move, take City Point with as much force as possible. Fortify, or rather intrench, at once, and concentrate all your troops for the field there as rapidly as you can. From City Point directions cannot be given at this time for your further movements.

"The fact that has already been stated—that is, that Richmond is to be your objective point, and that there is to be co-operation between your force and the army of the Potomac—must be your guide. This indicates the necessity of your holding close to the south bank of the James river as you advance. Then, should the enemy be forced into his intrenchments in Richmond, the army of the Potomac would follow, and by means of transports the two armies would become a unit.

"All the minor details of your advance are left entirely to your direction. If, however, you think it practicable to use your cavalry south of you so as to cut the railroad about Hick's ford about the time of the general advance, it would be of immense advantage.

"You will please forward for my information, at the earliest practicable day, all orders, details and instructions you may give for the execution of this order.

U. S. GRANT,
Lieutenant General.

"Major General B. F. BUTLER."

On the 16th, these instructions were substantially reiterated. On the 19th, in order to secure full co-operation between his army and that of General Meade, he was informed that I expected him to move from Fort Monroe the same day that General Meade moved from Culpeper. The exact time I was to telegraph him as soon as it was fixed, and that it would not be earlier than the 27th of April; that it was my intention to fight Lee between Culpeper and Rich-

mond if he would stand. Should he, however, fall back into Richmond, I would follow up and make a junction with his (General Butler's) army on the James river; that, could I be certain he would be able to invest Richmond on the south side so as to have his left resting on the James, above the city, I would form the junction there; that circumstances might make this course advisable anyhow; that he should use every exertion to secure footing as far up the south side of the river as he could, and as soon as possible after the receipt of orders to move; that if he could not carry the city, he should at least detain as large a force as possible.

In co-operation with the main movements against Lee and Johnston, I was desirous of using all other troops necessarily kept in departments remote from the fields of immediate operations, and also those kept in the background for the protection of our extended lines between the loyal States and the armies operating against them.

A very considerable force under command of Major General Sigel was so held for the protection of West Virginia, and the frontiers of Maryland and Pennsylvania. Whilst these troops could not be withdrawn to distant fields without exposing the north to invasion by comparatively small bodies of the enemy, they could act directly to their front and give better protection than if lying idle in garrison. By such movement they would either compel the enemy to detach largely for the protection of his supplies and lines of communication, or he would lose them.

General Sigel was therefore directed to organize all his available force into two expeditions, to move from Beverly and Charleston, under command of Generals Ord and Crook, against the East Tennessee and Virginia railroad. Subsequently, General Ord having been relieved at his own request, General Sigel was instructed, at his own suggestion, to give up the expedition by Beverly and to form two columns, one under General Crook, on the Kanawha, numbering about ten thousand men, and one on the Shenandoah, numbering about seven thousand men. The one on the Shenandoah to assemble between Cumberland and the Shenandoah, and the infantry and artillery advanced to Cedar creek with such cavalry as could be made available at the moment, to threaten the enemy in the Shenandoah valley, and advance as far as possible; while General Crook would take possession of Lewisburg with part of his force and move down the Tennessee railroad, doing as much damage as he could, destroying the New river bridge and the salt-works at Saltville, Va.

Owing to the weather and bad condition of the roads, operations were delayed until the 1st of May, when, everything being in readiness and the roads favorable, orders were given for a general movement of all the armies not later than the 4th of May.

My first object being to break the military power of the rebellion and capture the enemy's important strongholds, made me desirous that General Butler should succeed in his movement against Richmond, as that would tend more than anything else, unless it were the capture of Lee's army, to accomplish this desired result in the east. If he failed, it was my determination, by hard fighting, either to compel Lee to retreat or to so cripple him that he could not detach a large force to go north and still retain enough for the defence of Richmond. It was well understood, by both Generals Butler and Meade, before starting on the campaign, that it was my intention to put both their armies south of the James river, in case of failure to destroy Lee without it.

Before giving General Butler his instructions, I visited him at Fort Monroe, and in conversation pointed out the apparent importance of getting possession of Petersburg and destroying railroad communication as far south as possible. Believing, however, in the practicability of capturing Richmond unless it was re-enforced, I made that the objective point of his operations. As the army of

the Potomac was to move simultaneously with him, Lee could not detach from his army with safety, and the enemy did not have troops elsewhere to bring to the defence of the city in time to meet a rapid movement from the north of James river.

I may here state that, commanding all the armies as I did, I tried, as far as possible, to leave General Meade in independent command of the army of the Potomac. My instructions for that army were all through him, and were general in their nature, leaving all the details and the execution to him. The campaigns that followed proved him to be the right man in the right place. His commanding always in the presence of an officer superior to him in rank, has drawn from him much of that public attention that his zeal and ability entitle him to, and which he would otherwise have received.

The movement of the army of the Potomac commenced early on the morning of the 4th of May, under the immediate direction and orders of Major General Meade, pursuant to instructions. Before night the whole army was across the Rapidan, (the 5th and 6th corps crossing at Germania ford, and the 2d corps at United States ford, the cavalry, under Major General Sheridan, moving in advance,) with the greater part of its trains, numbering about 4,000 wagons, meeting with but slight opposition. The average distance travelled by the troops that day was about twelve miles. This I regarded as a great success, and it removed from my mind the most serious apprehensions I had entertained, that of crossing the river in the face of an active, large, well-appointed and ably-commanded army, and how so large a train was to be carried through a hostile country and protected. Early on the 5th, the advance corps (the 5th, Major General G. K. Warren commanding) met and engaged the enemy outside his intrenchments near Mine Run. The battle raged furiously all day, the whole army being brought into the fight as fast as the corps could be got upon the field, which, considering the density of the forest and narrowness of the roads, was done with commendable promptness.

General Burnside, with the 9th corps, was, at the time the army of the Potomac moved, left with the bulk of his corps at the crossing of the Rappahannock river and Alexandria railroad, holding the road back to Bull Run, with instructions not to move until he received notice that a crossing of the Rapidan was secured, but to move promptly as soon as such notice was received. This crossing he was apprised of on the afternoon of the 4th. By six o'clock of the morning of the 6th he was leading his corps into action near the Wilderness tavern, some of his troops having marched a distance of over thirty miles, crossing both the Rappahannock and Rapidan rivers. Considering that a large proportion, probably two-thirds of his command, was composed of new troops, unaccustomed to marches and carrying the accoutrements of a soldier, this was a remarkable march.

The battle of the Wilderness was renewed by us at five o'clock on the morning of the 6th, and continued with unabated fury until darkness set in, each army holding substantially the same position that they had on the evening of the 5th. After dark the enemy made a feeble attempt to turn our right flank, capturing several hundred prisoners and creating considerable confusion. But the promptness of General Sedgwick, who was personally present and commanded that part of our line, soon reformed it and restored order. On the morning of the 7th reconnoissances showed that the enemy had fallen behind his intrenched lines, with pickets to the front, covering a part of the battle-field. From this it was evident to my mind that the two days' fighting had satisfied him of his inability to further maintain the contest in the open field, notwithstanding his advantage of position, and that he would wait an attack behind his works. I therefore determined to push on and put my whole force between him and Richmond; and orders were at once issued for a movement by his right

flank. On the night of the 7th the march was commenced towards Spottsylvania Court-House; the 5th corps moving on the most direct road. But the enemy having become apprised of our movement, and having the shorter line, was enabled to reach there first. On the 8th General Warren met a force of the enemy which had been sent out to oppose and delay his advance, to gain time to fortify the line taken up at Spottsylvania. This force was steadily driven back on the main force, within the recently constructed works, after considerable fighting, resulting in severe loss to both sides. On the morning of the 9th General Sheridan started on a raid against the enemy's lines of communication with Richmond. The 9th, 10th, and 11th were spent in manoeuvring and fighting, without decisive results. Among the killed on the 9th was that able and distinguished soldier Major General John Sedgwick, commanding the 6th army corps. Major General H. G. Wright succeeded him in command. Early on the morning of the 12th a general attack was made on the enemy in position. The 2d corps, Major General Hancock commanding, carried a salient of his line, capturing most of Johnston's division of Ewell's corps and twenty pieces of artillery. But the resistance was so obstinate that the advantage gained did not prove decisive. The 13th, 14th, 15th, 16th, 17th, and 18th, were consumed in manoeuvring and awaiting the arrival of re-enforcements from Washington. Deeming it impracticable to make any further attack upon the enemy at Spottsylvania Court-House, orders were issued on the 18th with a view to a movement to the North Anna, to commence at 12 o'clock on the night of the 19th. Late in the afternoon of the 19th Ewell's corps came out of its works on our extreme right flank; but the attack was promptly repulsed, with heavy loss. This delayed the movement to the North Anna until the night of the 21st, when it was commenced. But the enemy again having the shorter line, and being in possession of the main roads, was enabled to reach the North Anna in advance of us, and took position behind it. The 5th corps reached the North Anna on the afternoon of the 23d, closely followed by the 6th corps. The 2d and 9th corps got up about the same time, the 2d holding the railroad bridge and the 9th lying between that and Jericho ford. General Warren effected a crossing the same afternoon, and got a position without much opposition. Soon after getting into position he was violently attacked, but repulsed the enemy with great slaughter. On the 25th General Sheridan rejoined the army of the Potomac from the raid on which he started from Spottsylvania, having destroyed the depots at Beaver Dam and Ashland stations, four trains of cars, large supplies of rations, and many miles of railroad track; recaptured about four hundred of our men, on their way to Richmond as prisoners of war; met and defeated the enemy's cavalry at Yellow Tavern; carried the first line of works around Richmond, (but finding the second line too strong to be carried by assault) recrossed to the north bank of the Chickahominy at Meadow's Bridge, under heavy fire, and moved by a detour to Haxall's landing, on the James river, where he communicated with General Butler. This raid had the effect of drawing off the whole of the enemy's cavalry force, and making it comparatively easy to guard our trains.

General Butler moved his main force up the James river, in pursuance of instructions, on the 4th of May, General Gillmore having joined him with the 10th corps. At the same time he sent a force of 1,800 cavalry, by way of West Point, to form a junction with him wherever he might get a foothold, and a force of 3,000 cavalry, under General Kautz, from Suffolk, to operate against the roads south of Petersburg and Richmond. On the 5th he occupied, without opposition, both City Point and Bermuda Hundred, his movement being a complete surprise. On the 6th he was in position with his main army, and commenced intrenching. On the 7th he made a reconnaissance against the Petersburg and Richmond railroad, destroying a portion of it after some fighting. On the 9th he telegraphed as follows:

"HEADQUARTERS NEAR BERMUDA LANDING, May 9, 1864.

"Our operations may be summed up in a few words. With 1,700 cavalry we have advanced up the Peninsula, forced the Chickahominy, and have safely brought them to our present position. These were colored cavalry, and are now holding our advance pickets towards Richmond.

"General Kautz with three thousand cavalry from Suffolk, on the same day with our movement up James river, forced the Blackwater, burned the railroad bridge at Stony creek, below Petersburg, cutting in two Beauregard's force at that point.

"We have landed here, intrenched ourselves, destroyed many miles of railroad, and got a position which with proper supplies we can hold out against the whole of Lee's army. I have ordered up the supplies.

"Beauregard with a large portion of his force was left south by the cutting of the railroads by Kautz. That portion which reached Petersburg under Hill I have whipped to-day, killing and wounding many and taking many prisoners, after a severe and well-contested fight.

"General Grant will not be troubled with any further re-enforcements to Lee from Beauregard's force.

"BENJAMIN F. BUTLER,

"Major General.

"Hon. E. M. STANTON, Secretary of War."

On the evening of the 13th and morning of the 14th he carried a portion of the enemy's first line of defences at Drury's Bluff, or Fort Darling, with small loss. The time thus consumed from the 6th lost to us the benefit of the surprise and capture of Richmond and Petersburg, enabling, as it did, Beauregard to collect his loose forces in North and South Carolina and bring them to the defence of those places. On the 16th the enemy attacked General Butler in his position in front of Drury's Bluff. He was forced back, or drew back, into his intrenchments between the forks of the James and Appomattox rivers, the enemy intrenching strongly in his front, thus covering his railroads, the city, and all that was valuable to him. His army, therefore, though in a position of great security, was as completely shut off from further operations directly against Richmond as if it had been in a bottle strongly corked. It required but a comparatively small force of the enemy to hold it there.

On the 12th General Kautz with his cavalry was started on a raid against the Danville railroad, which he struck at Coalfield, Powhatan, and Chola stations, destroying them, the railroad track, two freight trains, and one locomotive, together with large quantities of commissary and other stores; thence crossing to the South Side road, struck it at Wilson's, Wellsville, and Black and White stations, destroying the road and station-houses; thence he proceeded to City Point, which he reached on the 18th.

On the 19th of April, and prior to the movement of General Butler, the enemy, with a land force under General Hoke and an iron-clad ram, attacked Plymouth, N. C., commanded by General H. W. Wessels, and our gunboats there, and after severe fighting the place was carried by assault and the entire garrison and armament captured. The gunboat *Smithfield* was sunk and the *Miami* disabled.

The army sent to operate against Richmond having hermetically sealed itself up at Bermuda Hundred, the enemy was enabled to bring the most if not all the re-enforcements brought from the south by Beauregard against the army of the Potomac. In addition to this re-enforcement, a very considerable one, probably not less than 15,000 men, was obtained by calling in the scattered troops under Breckinridge from the western part of Virginia.

The position at Bermuda Hundred was as easy to defend as it was difficult to operate from against the enemy. I determined, therefore, to bring from it all available forces, leaving enough only to secure what had been gained, and accordingly, on the 22d, I directed that they be sent forward, under command of Major General W. F. Smith, to join the army of the Potomac.

On the 24th of May the 9th army corps, commanded by Major General A. E. Burnside, was assigned to the army of the Potomac, and from this time forward constituted a portion of Major General Meade's command.

Finding the enemy's position on the North Anna stronger than either of his previous ones, I withdrew on the night of the 26th to the north bank of the North Anna, and moved via Hanover town to turn the enemy's position by his right.

Generals Torbert's and Merritt's divisions of cavalry, under Sheridan, and the 6th corps led the advance; crossed the Pamunky river at Hanover town after considerable fighting, and on the 28th the two divisions of cavalry had a severe but successful engagement with the enemy at Haw's shop. On the 29th and 30th we advanced, with heavy skirmishing, to the Hanover Court House and Cold Harbor road, and developed the enemy's position north of the Chickahominy. Late on the evening of the last day the enemy came out and attacked our left, but was repulsed with very considerable loss. An attack was immediately ordered by General Meade along his whole line, which resulted in driving the enemy from a part of his intrenched skirtnish line.

On the 31st General Wilson's division of cavalry destroyed the railroad bridges over the South Anna river, after defeating the enemy's cavalry. General Sheridan, on the same day, reached Cold Harbor, and held it until relieved by the 6th corps and General Smith's command, which had just arrived, via White House, from General Butler's army.

On the 1st day of June an attack was made at 5 p. m. by the 6th corps and the troops under General Smith, the other corps being held in readiness to advance on the receipt of orders. This resulted in our carrying and holding the enemy's first line of works in front of the right of the 6th corps and in front of General Smith. During the attack the enemy made repeated assaults on each of the corps not engaged in the main attack, but were repulsed with heavy loss in every instance. That night he made several assaults to regain what he had lost in the day, but failed. The 2d was spent in getting troops into position for an attack on the 3d. On the 3d of June we again assaulted the enemy's works, in the hope of driving him from his position. In this attempt our loss was heavy, while that of the enemy, I have reason to believe, was comparatively light. It was the only general attack made from the Rapidan to the James which did not inflict upon the enemy losses to compensate for our own losses. I would not be understood as saying that all previous attacks resulted in victories to our arms, or accomplished as much as I had hoped from them; but they inflicted upon the enemy severe losses, which tended, in the end, to the complete overthrow of the rebellion.

From the proximity of the enemy to his defences around Richmond, it was impossible by any flank movement to interpose between him and the city. I was still in a condition to either move by his left flank and invest Richmond from the north side, or continue my move by his right flank to the south side of the James. While the former might have been better as a covering for Washington, yet a full survey of all the ground satisfied me that it would be impracticable to hold a line north and east of Richmond that would protect the Fredericksburg railroad—a long, vulnerable line, which would exhaust much of our strength to guard, and that would have to be protected to supply the army, and would leave open to the enemy all his lines of communication on the south side of the James. My idea, from the start, had been to beat Lee's army north of Richmond if possible. Then, after destroying his lines of communication north of the James river, to transfer the army to the south side and besiege Lee in Richmond, or follow him south if he should retreat. After the battle of the Wilderness it was evident that the enemy deemed it of the first importance to run no risks with the army he then had. He acted purely on the defensive behind breastworks, or feebly on the offensive immediately in front of them, and where, in case of repulse, he could easily retire behind them. Without a greater sacrifice of life than I was willing to make, all could not be accomplished that I

had designed north of Richmond. I therefore determined to continue to hold substantially the ground we then occupied, taking advantage of any favorable circumstances that might present themselves, until the cavalry could be sent to Charlottesville and Gordonsville, to effectually break up the railroad connexion between Richmond and the Shenandoah valley and Lynchburg; and, when the cavalry got well off, to move the army to the south side of the James river, by the enemy's right flank, where I felt I could cut off all his sources of supply except by the canal.

On the 7th two divisions of cavalry, under General Sheridan, got off on the expedition against the Virginia Central railroad, with instructions to Hunter, whom I hoped he would meet near Charlottesville, to join his forces to Sheridan's, and after the work laid out for them was thoroughly done, to join the army of the Potomac by the route laid down in Sheridan's instructions.

On the 10th of June General Butler sent a force of infantry under General Gillmore, and cavalry under General Kautz, to capture Petersburg if possible, and destroy the railroad and common bridges across the Appomattox. The cavalry carried the works on the south side, and penetrated well in towards the town, but were forced to retire. General Gillmore finding the works which he approached very strong, and deeming an assault impracticable, returned to Bermuda Hundred without attempting one.

Attaching great importance to the possession of Petersburg, I sent back to Bermuda Hundred and City Point General Smith's command by water, via the White House, to reach there in advance of the army of the Potomac. This was for the express purpose of securing Petersburg before the enemy, becoming aware of our intention, could re-enforce the place.

The movement from Cold Harbor commenced after dark on the evening of the 12th; one division of cavalry, under General Wilson, and the 5th corps crossed the Chickahominy at Long Bridge, and moved out to White Oak swamp, to cover the crossings of the other corps. The advance corps reached James river, at Wilcox's landing and Charles City Court House, on the night of the 13th.

During three long years the armies of the Potomac and northern Virginia had been confronting each other. In that time they had fought more desperate battles than it probably ever before fell to the lot of two armies to fight, without materially changing the vantage-ground of either. The southern press and people, with more shrewdness than was displayed in the north, finding that they had failed to capture Washington and march on to New York, as they had boasted they would do, assumed that they only defended their capital and southern territory. Hence, Antietam, Gettysburg, and all the other battles that had been fought, were by them set down as failures on our part, and victories for them. Their army believed this. It produced a morale which could only be overcome by desperate and continuous hard fighting. The battles of the Wilderness, Spottsylvania, North Anna, and Cold Harbor, bloody and terrible as they were on our side, were even more damaging to the enemy, and so crippled him as to make him wary ever after of taking the offensive. His losses in men were probably not so great, owing to the fact that we were, save in the Wilderness, almost invariably the attacking party; and when he did attack it was in the open field. The details of these battles, which for endurance and bravery on the part of the soldiery have rarely been surpassed, are given in the report of Major General Meade, and the subordinate reports accompanying it.

During the campaign of forty-three days, from the Rapidan to James river, the army had to be supplied from an ever-shifting base, by wagons, over narrow roads, through a densely wooded country, with a lack of wharves at each new base from which to conveniently discharge vessels. Too much credit cannot, therefore, be awarded to the quartermaster and commissary departments for the zeal and efficiency displayed by them. Under the general supervision of the chief quartermaster, Brigadier General R. Ingalls, the trains were made to

occupy all the available roads between the army and our water base, and but little difficulty was experienced in protecting them.

The movement of the Kanawha and Shenandoah valleys, under General Sigel, commenced on the first of May. General Crook, who had the immediate command of the Kanawha expedition, divided his forces into two columns, giving one, composed of cavalry, to General Averill. They crossed the mountains by separate routes. Averill struck the Tennessee and Virginia railroad, near Wytheville, on the 10th, and proceeding to New river and Christiansburg, destroyed the road, several important bridges and depots, including New river bridge, forming a junction with Crook at Union on the 15th. General Sigel moved up the Shenandoah valley, met the enemy at New Market on the 15th, and, after a severe engagement, was defeated with heavy loss, and retired behind Cedar creek. Not regarding the operations of General Sigel as satisfactory, I asked his removal from command, and Major General Hunter was appointed to supersede him. His instructions were embraced in the following despatches to Major General H. W. Halleck, chief of staff of the army:

"NEAR SPOTTSYLVANIA COURT HOUSE, VA., May 20, 1864.

"The enemy are evidently relying for supplies greatly on such as are brought over the branch road running through Staunton. On the whole, therefore, I think it would be better for General Hunter to move in that direction; reach Staunton and Gordonsville or Charlottesville, if he does not meet too much opposition. If he can hold at bay a force equal to his own, he will be doing good service.

"Major General H. W. HALLECK."

"If Hunter can possibly get to Charlottesville and Lynchburg, he should do so, living on the country. The railroads and canal should be destroyed beyond possibility of repairs for weeks. Completing this, he could find his way back to his original base, or from about Gordonsville join this army.

"Major General H. W. HALLECK."

General Hunter immediately took up the offensive, and moving up the Shenandoah valley, met the enemy on the 5th of June at Piedmont, and after a battle of ten hours routed and defeated him, capturing on the field of battle 1,500 men, 3 pieces of artillery, and 300 stand of small-arms. On the 8th of the same month he formed a junction with Crook and Averill at Staunton, from which place he moved direct on Lynchburg, via Lexington, which place he reached and invested on the 16th day of June. Up to this time he was very successful, and but for the difficulty of taking with him sufficient ordnance stores over so long a march, through a hostile country, he would no doubt have captured that (to the enemy,) important point. The destruction of the enemy's supplies and manufactories was very great. To meet this movement under General Hunter, General Lee sent a force, perhaps equal to a corps, a part of which reached Lynchburg a short time before Hunter. After some skirmishing on the 17th and 18th, General Hunter, owing to a want of ammunition to give battle, retired from before the place. Unfortunately, this want of ammunition left him no choice of route for his return but by way of Kanawha. This lost to us the use of his troops for several weeks from the defence of the north.

Had General Hunter moved by way of Charlottesville, instead of Lexington, as his instructions contemplated, he would have been in a position to have covered the Shenandoah valley against the enemy, should the force he met have seemed to endanger it. If it did not, he would have been within easy distance of the James river canal, on the main line of communication between Lynchburg and the force sent for its defence. I have never taken exception to the operations of General Hunter, and I am not now disposed to find fault with him, for I have no doubt he acted within what he conceived to be the spirit of

his instructions and the interests of the service. The promptitude of his movements and his gallantry should entitle him to the commendation of his country.

To return to the army of the Potomac: The 2d corps commenced crossing the James river on the morning of the 14th by ferry-boats at Wilcox's landing. The laying of the pontoon bridge was completed about midnight of the 14th, and the crossing of the remainder of the army was rapidly pushed forward by both bridge and ferry.

After the crossing had commenced, I proceeded by a steamer to Bermuda Hundred to give the necessary orders for the immediate capture of Petersburg.

The instructions to General Butler were verbal, and were for him to send General Smith immediately, that night, with all the troops he could give him without sacrificing the position he then held. I told him that I would return at once to the army of the Potomac, hasten its crossing, and throw it forward to Petersburg by divisions as rapidly as it could be done; that we could re-enforce our armies more rapidly there than the enemy could bring troops against us. General Smith got off as directed, and confronted the enemy's pickets near Petersburg before daylight next morning, but for some reason, that I have never been able to satisfactorily understand, did not get ready to assault his main lines until near sundown. Then, with a part of his command only, he made the assault, and carried the lines northeast of Petersburg from the Appomattox river, for a distance of over two and a half miles, capturing fifteen pieces of artillery and three hundred prisoners. This was about 7 p. m. Between the line thus captured and Petersburg there were no other works, and there was no evidence that the enemy had re-enforced Petersburg with a single brigade from any source. The night was clear—the moon shining brightly—and favorable to further operations. General Hancock, with two divisions of the 2d corps, reached General Smith just after dark, and offered the service of these troops as he (Smith) might wish, waiving rank to the named commander, who he naturally supposed knew best the position of affairs, and what to do with the troops. But instead of taking these troops, and pushing at once into Petersburg, he requested General Hancock to relieve a part of his line in the captured works, which was done before midnight.

By the time I arrived the next morning the enemy was in force. An attack was ordered to be made at 6 o'clock that evening by the troops under Smith and the 2d and 9th corps. It required until that time for the 9th corps to get up and into position. The attack was made as ordered, and the fighting continued with but little intermission until 6 o'clock the next morning, and resulted in our carrying the advance and some of the main works of the enemy to the right (our left) of those previously captured by General Smith, several pieces of artillery, and over four hundred prisoners.

The 5th corps having got up, the attacks were renewed and persisted in with great vigor on the 17th and 18th, but only resulted in forcing the enemy to an interior line from which he could not be dislodged. The advantages in position gained by us were very great. The army then proceeded to envelop Petersburg toward the Southside railroad, as far as possible, without attacking fortifications.

On the 6th the enemy, to re-enforce Petersburg, withdrew from a part of his intrenchment in front of Bermuda Hundred, expecting no doubt to get troops from north of the James to take the place of those withdrawn before we could discover it. General Butler, taking advantage of this, at once moved a force on the railroad between Petersburg and Richmond. As soon as I was apprised of the advantage thus gained, to retain it I ordered two divisions of the 6th corps, General Wright commanding, that were embarking at Wilcox's landing, under orders for City Point, to report to General Butler, at Bermuda Hundred, of which General Butler was notified, and the importance of holding a position in advance of his present line urged upon him.

About 2 o'clock in the afternoon General Butler was forced back to the line the enemy had withdrawn from in the morning. General Wright, with his two divisions, joined General Butler on the forenoon of the 17th, the latter still holding with a strong picket line the enemy's works. But instead of putting these divisions into the enemy's works to hold them, he permitted them to halt and rest some distance in the rear of his own line. Between 4 and 5 o'clock in the afternoon the enemy attacked and drove in his pickets and reoccupied his old line.

On the night of the 20th and morning of the 21st a lodgment was effected by General Butler, with one brigade of infantry, on the north bank of the James, at Deep Bottom, and connected the pontoon bridge with Bermuda Hundred.

On the 19th General Sheridan, on his return from his expedition against the Virginia Central railroad, arrived at the White House just as the enemy's cavalry was about to attack it, and compelled it to retire. The result of this expedition was, that General Sheridan met the enemy's cavalry near Trevillian Station on the morning of the 11th of June, whom he attacked, and after an obstinate contest drove from the field in complete rout. He left his dead and nearly all his wounded in our hands, and about four hundred prisoners and several hundred horses. On the 12th he destroyed the railroad from Trevillian Station to Louisa Court House. This occupied until 3 o'clock p. m., when he advanced in the direction of Gordonsville. He found the enemy re-enforced by infantry, behind well-constructed rifle-pits, about five miles from the latter place, and too strong to successfully assault. On the extreme right, however, his reserve brigade carried the enemy's works twice, and was twice driven therefrom by infantry. Night closed the contest. Not having sufficient ammunition to continue the engagement, and his animals being without forage, (the country furnishing but inferior grazing,) and hearing nothing from General Hunter, he withdrew his command to the north side of the North Anna, and commenced his return march, reaching White House at the time before stated. After breaking up the depot at that place he moved to the James river, which he reached safely after heavy fighting. He commenced crossing on the 25th, near Fort Powhatan, without further molestation, and rejoined the army of the Potomac.

On the 23d General Wilson, with his own division of cavalry of the army of the Potomac, and General Kautz's division of cavalry of the army of the James, moved against the enemy's railroads south of Richmond. Striking the Weldon railroad at Ream's Station, destroying the depot and several miles of the road and the Southside road about fifteen miles from Petersburg, to near Nottoway Station, where he met and defeated a force of the enemy's cavalry, he reached Burksville Station on the afternoon of the 23d, and from there destroyed the Danville railroad to Roanoke bridge, a distance of twenty-five miles, where he found the enemy in force, and in a position from which he could not dislodge him. He then commenced his return march, and on the 28th met the enemy's cavalry in force at the Weldon railroad crossing of Stony creek, where he had a severe but not decisive engagement. Thence he made a detour from his left, with a view of reaching Ream's Station, (supposing it to be in our possession.) At this place he was met by the enemy's cavalry, supported by infantry, and forced to retire, with the loss of his artillery and trains. In this last encounter General Kautz, with a part of his command, became separated, and made his way into our lines. General Wilson, with the remainder of his force, succeeded in crossing the Nottoway river and coming in safely on our left and rear. The damage to the enemy in this expedition more than compensated for the losses we sustained. It severed all connexion by railroad with Richmond for several weeks.

With a view of cutting the enemy's railroad from near Richmond to the Anna rivers and making him wary of the situation of his army in the Shenan-

doah, and, in the event of failure in this, to take advantage of his necessary withdrawal of troops from Petersburg, to explode a mine that had been prepared in front of the 9th corps and assault the enemy's lines at that place, on the night of the 26th of July the 2d corps and two divisions of the cavalry corps and Kautz's cavalry were crossed to the north bank of the James river and joined the force General Butler had there. On the 27th the enemy was driven from his intrenched position, with the loss of four pieces of artillery. On the 28th our lines were extended from Deep Bottom to New Market road, but in getting this position were attacked by the enemy in heavy force. The fighting lasted for several hours, resulting in considerable loss to both sides. The first object of this move having failed, by reason of the very large force thrown there by the enemy, I determined to take advantage of the diversion made, by assaulting Petersburg before he could get his force back there. One division of the 2d corps was withdrawn on the night of the 28th, and moved during the night to the rear of the 18th corps, to relieve that corps in the line, that it might be foot-loose in the assault to be made. The other two divisions of the 2d corps and Sheridan's cavalry were crossed over on the night of the 29th and moved in front of Petersburg. On the morning of the 30th, between four and five o'clock, the mine was sprung, blowing up a battery and most of a regiment, and the advance of the assaulting column, formed of the 9th corps, immediately took possession of the crater made by the explosion, and the line for some distance to the right and left of it, and a detached line in front of it, but for some cause failed to advance promptly to the ridge beyond. Had they done this, I have every reason to believe that Petersburg would have fallen. Other troops were immediately pushed forward, but the time consumed in getting them up enabled the enemy to rally from his surprise (which had been complete) and get forces to this point for its defence. The captured line thus held being untenable, and of no advantage to us, the troops were withdrawn, but not without heavy loss. Thus terminated in disaster what promised to be the most successful assault of the campaign.

Immediately upon the enemy's ascertaining that General Hunter was retreating from Lynchburg by way of the Kanawha river, thus laying the Shenandoah valley open for raids into Maryland and Pennsylvania, he returned northward, and moved down that valley. As soon as this movement of the enemy was ascertained, General Hunter, who had reached the Kanawha river, was directed to move his troops without delay, by river and railroad, to Harper's Ferry; but owing to the difficulty of navigation by reason of low water and breaks in the railroad, great delay was experienced in getting there. It became necessary, therefore, to find other troops to check this movement of the enemy. For this purpose the 6th corps was taken from the armies operating against Richmond, to which was added the 19th corps, then fortunately beginning to arrive in Hampton roads from the Gulf department, under orders issued immediately after the ascertainment of the result of the Red River expedition. The garrisons of Baltimore and Washington were at this time made up of heavy artillery regiments, hundred-days men, and detachments from the invalid corps. One division under command of General Ricketts, of the 6th corps, was sent to Baltimore, and the remaining two divisions of the 6th corps, under General Wright, were subsequently sent to Washington. On the 3d of July the enemy approached Martinsburg; General Sigel, who was in command of our forces there, retreated across the Potomac at Shepardstown; and General Weber, commanding at Harper's Ferry, crossed the river and occupied Maryland heights. On the 6th the enemy occupied Hagerstown, moving a strong column towards Frederick city. General Wallace with Ricketts's division and his own command, the latter mostly new and undisciplined troops, pushed out from Baltimore with great promptness, and met the enemy in force on the Monocacy, near the crossing of the railroad bridge. His force was not sufficient to insure success, but he fought

the enemy nevertheless, and although it resulted in a defeat to our arms, yet it detained the enemy and thereby served to enable General Wright to reach Washington with two divisions of the 6th corps, and the advance of the 19th corps, before him. From Monocacy the enemy moved on Washington, his cavalry advance reaching Rockville on the evening of the 10th. On the 12th a reconnoissance was thrown out in front of Fort Stevens, to ascertain the enemy's position and force. A severe skirmish ensued, in which we lost about 280 in killed and wounded. The enemy's loss was probably greater. He commenced retreating during the night. Learning the exact condition of affairs at Washington, I requested by telegraph, at 11.45 p. m. on the 12th, the assignment of Major General H. G. Wright to the command of all the troops that could be made available to operate in the field against the enemy, and directed that he should get outside of the trenches with all the force he could, and push Early to the last moment. General Wright commenced the pursuit on the 13th; on the 18th the enemy was overtaken at Snicker's ferry, on the Shenandoah, when a sharp skirmish occurred; and on the 20th General Averill encountered and defeated a portion of the rebel army at Winchester, capturing four pieces of artillery and several hundred prisoners.

Learning that Early was retreating south towards Lynchburg or Richmond, I directed that the 6th and 19th corps be got back to the armies operating against Richmond, so that they might be used in a movement against Lee before the return of the troops sent by him into the valley; and that Hunter should remain in the Shenandoah valley, keeping between any force of the enemy and Washington, acting on the defensive as much as possible. I felt that if the enemy had any notion of returning, the fact would be developed before the 6th and 19th corps could leave Washington. Subsequently the 19th corps was excepted from the order to return to the James.

About the 25th it became evident that the enemy was again advancing upon Maryland and Pennsylvania, and the 6th corps, then at Washington, was ordered back to the vicinity of Harper's Ferry. The rebel force moved down the valley, and sent a raiding party into Pennsylvania, which on the 30th burned Chambersburg and then retreated, pursued by our cavalry, towards Cumberland. They were met and defeated by General Kelly, and with diminished numbers escaped into the mountains of West Virginia. From the time of the first raid the telegraph wires were frequently down between Washington and City Point, making it necessary to transmit messages a part of the way by boat. It took from twenty-four to thirty-six hours to get despatches through and return answers back; so that often orders would be given, and then information would be received showing a different state of facts from those on which they were based, causing a confusion and apparent contradiction of orders that must have considerably embarrassed those who had to execute them, and rendered operations against the enemy less effective than they otherwise would have been. To remedy this evil, it was evident to my mind that some person should have the supreme command of all the forces in the departments of West Virginia, Washington, Susquehanna and the middle department, and I so recommended.

On the 2d of August I ordered General Sheridan to report in person to Major General Halleck, chief of staff, at Washington, with a view to his assignment to the command of all the forces against Early. At this time the enemy was concentrated in the neighborhood of Winchester, whilst our forces, under General Hunter, were concentrated on the Monocacy, at the crossing of the Baltimore and Ohio railroad, leaving open to the enemy western Maryland and southern Pennsylvania. From where I was, I hesitated to give positive orders for the movement of our forces at Monocacy, lest by so doing I should expose Washington. Therefore, on the 4th I left City Point to visit Hunter's command, and determine for myself what was best to be done. On arrival there, and after consultation with General Hunter, I issued to him the following instructions:

MONOCACY BRIDGE, MD.,

August 5, 1864—8 p. m.

"GENERAL: Concentrate all your available force without delay in the vicinity of Harper's Ferry, leaving only such railroad guards and garrisons for public property as may be necessary. Use, in this concentrating, the railroads, if by so doing time can be saved. From Harper's Ferry, if it is found that the enemy has moved north of the Potomac in large force, push north, following him and attacking him wherever found; follow him if driven south of the Potomac, as long as it is safe to do so. If it is ascertained that the enemy has but a small force north of the Potomac, then push south with the main force, detaching under a competent commander a sufficient force to look after the raiders, and drive them to their homes. In detaching such a force, the brigade of cavalry now en route from Washington via Rockville may be taken into account.

"There are now on their way to join you three other brigades of the best cavalry, numbering, at least, 5,000 men and horses. These will be instructed, in the absence of further orders, to join you by the south side of the Potomac. One brigade will probably start tomorrow. In pushing up the Shenandoah valley, where it is expected you will have to go first or last, it is desirable that nothing should be left to invite the enemy to return. Take all provisions, forage, and stock wanted for the use of your command; such as cannot be consumed, destroy. It is not desirable that the buildings should be destroyed—they should rather be protected—but the people should be informed that so long as an army can subsist among them, recurrences of these raids must be expected, and we are determined to stop them at all hazards.

"Bear in mind the object is to drive the enemy south, and to do this you want to keep him always in sight. Be guided in your course by the course he takes.

"Make your own arrangements for supplies of all kinds, giving regular vouchers for such as may be taken from loyal citizens in the country through which you march.

"U. S. GRANT, Lieutenant General.

"Major General D. HUNTER."

The troops were immediately put in motion, and the advance reached Halltown that night.

General Hunter having, in our conversation, expressed a willingness to be relieved from command, I telegraphed to have General Sheridan, then at Washington, sent to Harper's Ferry by the morning train, with orders to take general command of all the troops in the field, and to call on General Hunter at Monocacy, who would turn over to him my letter of instructions. I remained at Monocacy, until General Sheridan arrived, on the morning of the 6th, and, after a conference with him in relation to military affairs in that vicinity, I returned to City Point by way of Washington.

On the 7th of August the middle department and the departments of West Virginia, Washington, and Susquehanna were constituted into the "Middle military division," and Major General Sheridan was assigned to temporary command of the same.

Two divisions of cavalry, commanded by Generals Torbert and Wilson, were sent to Sheridan from the army of the Potomac. The first reached him at Harper's Ferry about the 11th of August.

His operations during the month of August and the fore part of September were both of an offensive and defensive character, resulting in many severe skirmishes, principally by the cavalry, in which we were generally successful, but no general engagement took place. The two armies lay in such a position—the enemy on the west bank of the Opequan creek covering Winchester, and our forces in front of Berryville—that either could bring on a battle at any time. Defeat to us would lay open to the enemy the States of Maryland and Pennsylvania for long distances before another army could be interposed to check him. Under these circumstances, I hesitated about allowing the initiative to be taken. Finally, the use of the Baltimore and Ohio railroad and the Chesapeake and Ohio canal, which were both obstructed by the enemy, became so indispensably necessary to us, and the importance of relieving Pennsylvania and Maryland from continuously threatened invasion so great, that I determined the risk should be taken. But fearing to telegraph the order for an attack without knowing more than I did of General Sheridan's feelings as to what

would be the probable result, I left City Point on the 15th of September to visit him at his headquarters, to decide, after conference with him, what should be done. I met him at Charleston, and he pointed out so distinctly how each army lay; what he could do the moment he was authorized, and expressed such confidence of success, that I saw there were but two words of instructions necessary—Go in! For the convenience of forage, the teams for supplying the army were kept at Harper's Ferry. I asked him if he could get out his teams and supplies in time to make an attack on the ensuing Tuesday morning. His reply was, that he could before daylight on Monday. He was off promptly to time, and I may here add that the result was such that I have never since deemed it necessary to visit General Sheridan before giving him orders.

Early on the morning of the 19th General Sheridan attacked General Early at the crossing on the Opequan creek, and after a most sanguinary and bloody battle, lasting until 5 o'clock in the evening, defeated him with heavy loss, carrying his entire position from Opequan creek to Winchester, capturing several thousand prisoners and five pieces of artillery. The enemy rallied and made a stand in a strong position at Fisher's Hill, where he was attacked and again defeated with heavy loss on the 20th. Sheridan pursued him with great energy through Harrisonburg, Staunton, and the gaps of the Blue Ridge. After stripping the upper valley of most of the supplies and provisions for the rebel army, he returned to Strasburg, and took position on the north side of Cedar creek.

Having received considerable re-enforcements, General Early again returned to the valley, and on the 9th of October his cavalry encountered ours near Strasburg, where the rebels were defeated with the loss of eleven pieces of artillery and 350 prisoners. On the night of the 18th the enemy crossed the mountains which separated the branches of the Shenandoah, forded the north fork, and early on the morning of the 19th, under cover of the darkness and the fog, surprised and turned our left flank, and captured the batteries which enfiladed our whole line. Our troops fell back with heavy loss and in much confusion, but were finally rallied between Middletown and Newtown. At this juncture General Sheridan, who was at Winchester when the battle commenced, arrived on the field, arranged his lines just in time to repulse a heavy attack of the enemy, and immediately assuming the offensive, he attacked in turn with great vigor. The enemy was defeated with great slaughter and the loss of most of his artillery and trains and the trophies he had captured in the morning. The wreck of his army escaped during the night, and fled in the direction of Staunton and Lynchburg. Pursuit was made to Mount Jackson. Thus ended this, the enemy's last attempt to invade the north via the Shenandoah valley. I was now enabled to return the 6th corps to the army of the Potomac, and to send one division from Sheridan's army to the army of the James, and another to Savannah, Georgia, to hold Sherman's new acquisitions on the sea-coast, and thus enable him to move without detaching from his force for that purpose.

Reports from various sources led me to believe that the enemy had detached three divisions from Petersburg to re-enforce Early in the Shenandoah valley. I therefore sent the 2d corps and Gregg's division of cavalry, of the army of the Potomac, and a force of General Butler's army, on the night of the 13th of August, to threaten Richmond from the north side of the James, to prevent him from sending troops away, and, if possible, to draw back those sent. In this move we captured six pieces of artillery and several hundred prisoners, detained troops that were under marching orders, and ascertained that but one division, (Kershaw's) of the three reputed detached, had gone.

The enemy having withdrawn heavily from Petersburg to resist this movement, the 5th corps, General Warren commanding, was moved out on the 18th and took possession of the Weldon railroad. During the day he had considerable fighting. To regain possession of the road, the enemy made repeated and desperate assaults, but was each time repulsed with great loss. On the

night of the 20th the troops on the north side of the James were withdrawn, and Hancock and Gregg returned to the front of Petersburg. On the 25th the 2d corps and Gregg's division of cavalry, while at Ream's Station destroying the railroad, were attacked, and after desperate fighting, a part of our line gave way, and five pieces of artillery fell into the hands of the enemy.

By the 12th of September a branch railroad was completed from the City Point and Petersburg railroad to the Weldon railroad, enabling us to supply, without difficulty, in all weather, the army in front of Petersburg.

The extension of our lines across the Weldon railroad compelled the enemy to so extend his that it seemed he could have but few troops north of the James for the defence of Richmond. On the night of the 28th the 10th corps, Major General Birney, and the 18th corps, Major General Ord commanding, of General Butler's army, were crossed to the north side of the James, and advanced on the morning of the 29th, carrying the very strong fortifications and intrenchments below Chapin's farm, known as Fort Harrison, capturing fifteen pieces of artillery and the New Market road and intrenchments. This success was followed up by a gallant assault upon Fort Gillmore, immediately in front of the Chapin farm fortifications, in which we were repulsed with heavy loss. Kautz's cavalry was pushed forward on the road to the right of this, supported by infantry, and reached the enemy's inner line, but was unable to get further. The position captured from the enemy was so threatening to Richmond that I determined to hold it. The enemy made several desperate attempts to dislodge us, all of which were unsuccessful, and for which he paid dearly. On the morning of the 30th General Meade sent out a reconnoissance, with a view to attacking the enemy's line if it was found sufficiently weakened by withdrawal of troops to the north side. In this reconnoissance we captured and held the enemy's works near Poplar Spring church. In the afternoon troops moving to get to the left of the point gained were attacked by the enemy in heavy force, and compelled to fall back until supported by the forces holding the captured works. Our cavalry under Gregg was also attacked, but repulsed the enemy with great loss.

On the 7th of October the enemy attacked Kautz's cavalry north of the James, and drove it back with heavy loss in killed, wounded and prisoners, and the loss of all the artillery—eight or nine pieces. This he followed up by an attack on our intrenched infantry line, but was repulsed with severe slaughter. On the 13th a reconnoissance was sent out by General Butler, with a view to drive the enemy from some new works he was constructing, which resulted in very heavy loss to us.

On the 27th the army of the Potomac, leaving only sufficient men to hold its fortified line, moved by the enemy's right flank. The 2d corps, followed by two divisions of the 5th corps, with the cavalry in advance and covering our left flank, forced a passage of Hatcher's run, and moved up the south side of it towards the South Side railroad, until the 2d corps and part of the cavalry reached the Boydton plank road, where it crosses Hatcher's run. At this point we were six miles distant from the South Side railroad, which I had hoped by this movement to reach and hold. But finding that we had not reached the end of the enemy's fortifications, and no place presenting itself for a successful assault by which he might be doubled up and shortened, I determined to withdraw to within our fortified line. Orders were given accordingly. Immediately upon receiving a report that General Warren had connected with General Hancock, I returned to my headquarters. Soon after I left, the enemy moved out across Hatcher's run, in the gap between Generals Hancock and Warren, which was not closed as reported, and made a desperate attack on General Hancock's right and rear. General Hancock immediately faced his corps to meet it, and after a bloody combat drove the enemy within his works, and withdrew that night to his old position.

In support of this movement General Butler made a demonstration on the north side of the James, and attacked the enemy on the Williamsburg road, and also on the York River railroad. In the former he was unsuccessful; in the latter he succeeded in carrying a work which was afterwards abandoned, and his forces withdrawn to their former positions.

From this time forward the operations in front of Petersburg and Richmond, until the spring campaign of 1865, were confined to the defence and extension of our lines, and to offensive movements for crippling the enemy's lines of communication, and to prevent his detaching any considerable force to send south. By the 7th of February our lines were extended to Hatcher's run, and the Weldon railroad had been destroyed to Hicksford.

General Sherman moved from Chattanooga on the 6th of May, with the armies of the Cumberland, Tennessee, and Ohio, commanded, respectively, by Generals Thomas, McPherson, and Schofield, upon Johnston's army at Dalton; but finding the enemy's positions at Buzzard Roost, covering Dalton, too strong to be assaulted, General McPherson was sent through Snake Gap to turn it, whilst Generals Thomas and Schofield threatened it in front and on the north. This movement was successful. Johnston, finding his retreat likely to be cut off, fell back to his fortified position at Resaca, where he was attacked on the afternoon of May 15th. A heavy battle ensued. During the night the enemy retreated south. Late on the 17th his rear guard was overtaken near Adairsville, and heavy skirmishing followed. The next morning, however, he had again disappeared. He was vigorously pursued and was overtaken at Cassville on the 19th, but, during the ensuing night, retreated across the Etowah. Whilst these operations were going on, General Jefferson C. Davis's division of Thomas's army was sent to Rome, capturing it with its forts and artillery and its valuable mills and foundries. General Sherman having given his army a few days' rest at this point, again put it in motion on the 23d for Dallas, with a view of turning the difficult pass at Allatoona. On the afternoon of the 25th the advance, under General Hooker, had a severe battle with the enemy, driving him back to New Hope church, near Dallas. Several sharp encounters occurred at this point. The most important was on the 28th, when the enemy assaulted General McPherson at Dallas, but received a terrible and bloody repulse.

On the 4th of June Johnston abandoned his intrenched position at New Hope church and retreated to the strong positions of Kennesaw, Pine, and Lost mountains. He was forced to yield the two last named places and concentrate his army on Kennesaw, where, on the 27th, Generals Thomas and McPherson made a determined but unsuccessful assault. On the night of the 2d of July Sherman commenced moving his army by the right flank, and on the morning of the 3d found that the enemy, in consequence of this movement, had abandoned Kennesaw and retreated across the Chattahoochie.

General Sherman remained on the Chattahoochie to give his men rest and get up stores until the 17th of July, when he resumed his operations, crossed the Chattahoochie, destroyed a large portion of the railroad to Augusta, and drove the enemy back to Atlanta. At this place General Hood succeeded General Johnston in command of the rebel army, and assuming the offensive-defensive policy, made several severe attacks upon Sherman in the vicinity of Atlanta, the most desperate and determined of which was on the 22d of July. About 1 p. m. of this day the brave, accomplished, and noble-hearted McPherson was killed. General Logan succeeded him, and commanded the army of the Tennessee through this desperate battle, and until he was superseded by Major General Howard, on the 26th, with the same success and ability that had characterized him in the command of a corps or division.

In all these attacks the enemy was repulsed with great loss. Finding it impossible to entirely invest the place, General Sherman, after securing his line of communications across the Chattahoochie, moved his main force round by the

enemy's left flank upon the Montgomery and Macon roads, to draw the enemy from his fortifications. In this he succeeded, and, after defeating the enemy near Rough and Ready, Jonesboro', and Lovejoy's, forcing him to retreat to the south, on the 2d of September occupied Atlanta, the objective point of his campaign.

About the time of this move the rebel cavalry, under Wheeler, attempted to cut his communications in the rear, but was repulsed at Dalton and driven into East Tennessee, whence it proceeded west to McMinnville, Murfreesboro', and Franklin, and was finally driven south of the Tennessee. The damage done by this raid was repaired in a few days.

During the partial investment of Atlanta, General Rousseau joined General Sherman with a force of cavalry from Decatur, having made a successful raid upon the Atlanta and Montgomery railroad, and its branches near Opelika. Cavalry raids were also made by Generals McCook, Garrard and Stoneman to cut the remaining railroad communication with Atlanta. The first two were successful—the latter disastrous.

General Sherman's movement from Chattanooga to Atlanta was prompt, skilful and brilliant. The history of his flank movements and battles during that memorable campaign will ever be read with an interest unsurpassed by anything in history.

His own report, and those of his subordinate commanders accompanying it, give the details of that most successful campaign.

He was dependent for the supply of his armies upon a single-track railroad from Nashville to the point where he was operating. This passed the entire distance through a hostile country, and every foot of it had to be protected by troops. The cavalry force of the enemy under Forrest, in northern Mississippi, was evidently waiting for Sherman to advance far enough into the mountains of Georgia to make a retreat disastrous, to get upon his line and destroy it beyond the possibility of further use. To guard against this danger Sherman left what he supposed to be a sufficient force to operate against Forrest in West Tennessee. He directed General Washburn, who commanded there, to send Brigadier General S. D. Sturgis in command of this force to attack him. On the morning of the 10th of June General Sturgis met the enemy near Guntown, Mississippi, was badly beaten, and driven back in utter rout and confusion to Memphis, a distance of about one hundred miles, hotly pursued by the enemy. By this, however, the enemy was defeated in his designs upon Sherman's line of communications. The persistency with which he followed up this success exhausted him, and made a season for rest and repairs necessary. In the mean time Major General A. J. Smith, with the troops of the army of the Tennessee that had been sent by General Sherman to General Banks, arrived at Memphis on their return from Red river, where they had done most excellent service. He was directed by General Sherman to immediately take the offensive against Forrest. This he did with the promptness and effect which has characterized his whole military career. On the 14th of July he met the enemy at Tupelo, Mississippi, and whipped him badly. The fighting continued through three days. Our loss was small compared with that of the enemy. Having accomplished the object of his expedition, General Smith returned to Memphis.

During the months of March and April this same force under Forrest annoyed us considerably. On the 24th of March it captured Union City, Kentucky, and its garrison, and on the 24th attacked Paducah, commanded by Colonel S. G. Hicks, 40th Illinois volunteers. Colonel H. having but a small force, withdrew to the forts near the river, from where he repulsed the enemy and drove him from the place.

On the 13th of April, part of this force, under the rebel General Buford, summoned the garrison of Columbus, Kentucky, to surrender, but received for

reply from Colonel Lawrence, 34th New Jersey volunteers, that, being placed there by his government with adequate force to hold his post and repel all enemies from it, surrender was out of the question.

On the morning of the same day Forrest attacked Fort Pillow, Tennessee, garrisoned by a detachment of Tennessee cavalry, and the 1st regiment Alabama colored troops, commanded by Major Booth. The garrison fought bravely until about 3 o'clock in the afternoon, when the enemy carried the works by assault; and, after our men threw down their arms, proceeded to an inhuman and merciless massacre of the garrison.

On the 14th, General Buford, having failed at Columbus, appeared before Paducah, but was again driven off.

Guerillas and raiders, seemingly emboldened by Forrest's operations, were also very active in Kentucky. The most noted of these was Morgan. With a force of from two to three thousand cavalry he entered the State through Pound Gap in the latter part of May. On the 11th of June he attacked and captured Cynthiana, with its entire garrison. On the 12th he was overtaken by General Burbridge, and completely routed with heavy loss, and was finally driven out of the State. This notorious guerrilla was afterwards surprised and killed near Greenville, Tennessee, and his command captured and dispersed by General Gillem.

In the absence of official reports at the commencement of the Red River expedition, except so far as relates to the movements of the troops sent by General Sherman under A. J. Smith, I am unable to give the dates of its starting. The troops under General Smith, comprising two divisions of the 16th and a detachment of the 17th army corps, left Vicksburg on the 10th of March and reached the designated point on Red river one day earlier than that appointed by General Banks. The rebel forces at Fort De Russey, thinking to defeat him, left the fort on the 14th to give him battle in the open field; but, while occupying the enemy with skirmishing and demonstrations, Smith pushed forward to Fort De Russey, which had been left with a weak garrison, and captured it with its garrison—about 350 men, 11 pieces of artillery, and many small arms. Our loss was but slight. On the 15th he pushed forward to Alexandria, which place he reached on the 18th. On the 21st he had an engagement with the enemy at Henderson Hill, in which he defeated him, capturing 210 prisoners and 4 pieces of artillery.

On the 28th he again attacked and defeated the enemy under the rebel General Taylor at Cane river. By the 26th General Banks had assembled his whole army at Alexandria and pushed forward to Grand Ecore. On the morning of April 6 he moved from Grand Ecore. On the afternoon of the 7th his advance engaged the enemy near Pleasant Hill and drove him from the field. On the same afternoon the enemy made a stand eight miles beyond Pleasant Hill, but was again compelled to retreat. On the 8th, at Sabine Cross-roads and Peach Hill, the enemy attacked and defeated his advance, capturing nineteen pieces of artillery and an immense amount of transportation and stores. During the night General Banks fell back to Pleasant Hill, where another battle was fought on the 9th, and the enemy repulsed with great loss. During the night General Banks continued his retrograde movement to Grand Ecore, and thence to Alexandria, which he reached on the 27th of April. Here a serious difficulty arose in getting Admiral Porter's fleet, which accompanied the expedition, over the rapids, the water having fallen so much since they passed up as to prevent their return. At the suggestion of Colonel (now Brigadier General) Bailey, and under his superintendence, wing-dams were constructed, by which the channel was contracted so that the fleet passed down the rapids in safety.

The army evacuated Alexandria on the 14th of May, after considerable skirmishing with the enemy's advance, and reached Morganza and Point Coupée near the end of the month. The disastrous termination of this expedition, and

the lateness of the season rendered impracticable the carrying out of my plans of a movement in force sufficient to insure the capture of Mobile.

On the 23d of March Major General Steele left Little Rock with the 7th army corps to co-operate with General Banks's expedition on Red river, and reached Arkadelphia on the 28th. On the 16th of April, after driving the enemy before him, he was joined near Elkin's ferry, in Washita county, by General Thayer, who had marched from Fort Smith. After several severe skirmishes, in which the enemy was defeated, General Steele reached Camden, which he occupied about the middle of April.

On learning the defeat and consequent retreat of General Banks on Red river, and the loss of one of his own trains at Mark's mill, in Dallas county, General Steele determined to fall back to the Arkansas river. He left Camden on the 26th of April, and reached Little Rock on the 2d of May. On the 30th of April the enemy attacked him while crossing Saline river at Jenkins's ferry, but was repulsed with considerable loss. Our loss was about 600 in killed, wounded, and prisoners.

Major General Canby, who had been assigned to the command of the "military division of west Mississippi," was therefore directed to send the 19th army corps to join the armies operating against Richmond, and to limit the remainder of his command to such operations as might be necessary to hold the positions and lines of communications he then occupied.

Before starting General A. J. Smith's troops back to Sherman, General Canby sent a part of it to disperse a force of the enemy that was collecting near the Mississippi river. General Smith met and defeated this force near Lake Chicot on the 5th of June. Our loss was about 40 killed and 70 wounded.

In the latter part of July General Canby sent Major General Gordon Granger, with such forces as he could collect, to co-operate with Admiral Farragut against the defences of Mobile bay. On the 8th of August Fort Gaines surrendered to the combined naval and land forces. Fort Powell was blown up and abandoned.

On the 9th Fort Morgan was invested, and after a severe bombardment surrendered on the 23d. The total captures amounted to 1,464 prisoners and 104 pieces of artillery.

About the last of August, it being reported that the rebel General Price, with a force of about 10,000 men, had reached Jacksonport, on his way to invade Missouri, General A. J. Smith's command, then en route from Memphis to join Sherman, was ordered to Missouri. A cavalry force was also, at the same time, sent from Memphis, under command of Colonel Winslow. This made General Rosecrans's forces superior to those of Price, and no doubt was entertained he would be able to check Price and drive him back, while the forces under General Steele, in Arkansas, would cut off his retreat. On the 26th day of September Price attacked Pilot Knob and forced the garrison to retreat, and thence moved north to the Missouri river, and continued up that river towards Kansas. General Curtis, commanding department of Kansas, immediately collected such forces as he could to repel the invasion of Kansas, while General Rosecrans's cavalry was operating in his rear.

The enemy was brought to battle on the Big Blue and defeated, with the loss of nearly all his artillery and trains and a large number of prisoners. He made a precipitate retreat to northern Arkansas. The impunity with which Price was enabled to roam over the State of Missouri for a long time, and the incalculable mischief done by him, shows to how little purpose a superior force may be used. There is no reason why General Rosecrans should not have concentrated his forces and beaten and driven Price before the latter reached Pilot Knob.

September 20 the enemy's cavalry, under Forrest, crossed the Tennessee near Waterloo, Alabama, and on the 23d attacked the garrison at Athens, consisting of six hundred men, which capitulated on the 24th. Soon after the

surrender, two regiments of re-enforcements arrived, and after a severe fight were compelled to surrender. Forrest destroyed the railroad westward, captured the garrison at Sulphur Branch trestle, skirmished with the garrison at Pulaski on the 27th, and on the same day cut the Nashville and Chattanooga railroad near Tullahoma and Dechard. On the morning of the 30th one column of Forrest's command, under Buford, appeared before Huntsville, and summoned the surrender of the garrison. Receiving an answer in the negative, he remained in the vicinity of the place until next morning, when he again summoned its surrender, and received the same reply as on the night before. He withdrew in the direction of Athens, which place had been regarrisoned, and attacked it on the afternoon of the 1st of October, but without success. On the morning of the 2d he renewed his attack, but was handsomely repulsed.

Another column under Forrest appeared before Columbia on the morning of the 1st, but did not make an attack. On the morning of the 3d he moved towards Mount Pleasant. While these operations were going on every exertion was made by General Thomas to destroy the forces under Forrest before he could recross the Tennessee, but was unable to prevent his escape to Corinth, Mississippi.

In September an expedition under General Burbridge was sent to destroy the salt-works at Saltville, Virginia. He met the enemy on the 2d of October, about three miles and a half from Saltville, and drove him into his strongly intrenched position around the salt-works, from which he was unable to dislodge him. During the night he withdrew his command and returned to Kentucky.

General Sherman, immediately after the fall of Atlanta, put his armies in camp in and about the place, and made all preparations for refitting and supplying them for future service. The great length of road from Atlanta to the Cumberland river, however, which had to be guarded, allowed the troops but little rest.

During this time Jefferson Davis made a speech in Macon, Georgia, which was reported in the papers of the south, and soon became known to the whole country, disclosing the plans of the enemy, thus enabling General Sherman to fully meet them. He exhibited the weakness of supposing that an army that had been beaten and fearfully decimated in a vain attempt at the defensive could successfully undertake the offensive against the army that had so often defeated it.

In execution of this plan, Hood, with his army, was soon reported to the southwest of Atlanta. Moving far to Sherman's right, he succeeded in reaching the railroad about Big Shanty, and moved north on it.

General Sherman leaving a force to hold Atlanta, with the remainder of his army fell upon him and drove him to Gadsden, Alabama. Seeing the constant annoyance he would have with the roads to his rear if we attempted to hold Atlanta, General Sherman proposed the abandonment and destruction of that place, with all the railroads leading to it, and telegraphed me as follows:

"CENTREVILLE, GA., October 10—noon.

"Despatch about Wilson just received. Hood is now crossing Coosa river, 12 miles below Rome, bound west. If he passes over the Mobile and Ohio road, had I not better execute the plan of my letter sent by Colonel Porter, and leave General Thomas, with the troops now in Tennessee, to defend the State? He will have an ample force when the re-enforcements ordered reach Nashville.

"Lieut. Gen. GRANT."

"W. T. SHERMAN, Major General.

For a full understanding of the plan referred to in this despatch, I quote from the letter sent by Colonel Porter: "I will therefore give my opinion, that your army and Canby's should be re-enforced to the maximum; that, after you get Wilmington you strike for Savannah and the river; that Canby be instructed

to hold the Mississippi river, and send a force to get Columbus, Georgia, either by the way of the Alabama or the Appalachicola, and that I keep Hood employed and put my army in final order for a march on Augusta, Columbia, and Charleston, to be ready as soon as Wilmington is sealed as to commerce, and the city of Savannah is in our possession." This was in reply to a letter of mine of date September 12, in answer to a despatch of his containing substantially the same proposition, and in which I informed him of a proposed movement against Wilmington, and of the situation in Virginia, &c.

"CITY POINT, VA., October 11, 1864—11 a. m.

"Your despatch of October 10 received. Does it not look as if Hood was going to attempt the invasion of Middle Tennessee, using the Mobile and Ohio and Memphis and Charleston roads to supply his base on the Tennessee river, about Florence or Decatur? If he does this he ought to be met and prevented from getting north of the Tennessee river. If you were to cut loose, I do not believe you would meet Hood's army, but would be bushwhacked by all the old men, little boys, and such railroad guards as are still left at home. Hood would probably strike for Nashville, thinking that by going north he could inflict greater damage upon us than we could upon the rebels by going south. If there is any way of getting at Hood's army I would prefer that; but I must trust to your own judgment. I find I shall not be able to send a force from here to act with you on Savannah. Your movements, therefore, will be independent of mine; at least until the fall of Richmond takes place. I am afraid Thomas, with such lines of road as he has to protect, could not prevent Hood from going north. With Wilson turned loose, with all your cavalry, you will find the rebels put much more on the defensive than heretofore.

"U. S. GRANT, Lieut. General.

"Maj. Gen. W. T. SHERMAN."

"KINGSTON, GA., October 11—11 a. m.

"Hood moved his army from Palmetto Station across by Dallas and Cedartown, and is now on the Coosa river, south of Rome. He threw one corps on my road at Acworth, and I was forced to follow. I hold Atlanta with the 20th corps, and have strong detachments along my line. This reduces my active force to a comparatively small army. We cannot remain here on the defensive. With the 25,000 men, and the bold cavalry he has, he can constantly break my roads. I would infinitely prefer to make a wreck of the road and of the country from Chattanooga to Atlanta, including the latter city—send back all my wounded and worthless, and, with my effective army, move through Georgia, smashing things, to the sea. Hood may turn into Tennessee and Kentucky, but I believe he will be forced to follow me. Instead of my being on the defensive, I would be on the offensive; instead of guessing at what he means to do, he would have to guess at my plans. The difference in war is full twenty-five per cent. I can make Savannah, Charleston, or the mouth of the Chattahoochee.

"Answer quick, as I know we will not have the telegraph long.

"W. T. SHERMAN, Major General.

"Lieut. Gen. GRANT."

"CITY POINT, VA., October 11, 1864—11.30 p. m.

"Your despatch of to-day received. If you are satisfied the trip to the sea-coast can be made, holding the line of the Tennessee river firmly, you may make it, destroying all the railroad south of Dalton or Chattanooga, as you think best.

"U. S. GRANT, Lieut. General.

"Major Gen. W. T. SHERMAN."

It was the original design to hold Atlanta, and by getting through to the coast, with a garrison left on the southern railroads leading east and west through Georgia, to effectually sever the east from the west. In other words, cut the would-be Confederacy in two again, as it had been cut once by our gaining possession of the Mississippi river. General Sherman's plan virtually effected this object.

General Sherman commenced at once his preparations for his proposed movement, keeping his army in position in the mean time to watch Hood. Becoming satisfied that Hood had moved westward from Gadsden across Sand mountain, General Sherman sent the 4th corps, Major General Stanley commanding, and the 23d corps, Major General Schofield commanding, back to Chattanooga to report to Major General Thomas, at Nashville, whom he had placed in command of all the troops of his military division, save the four army corps and cavalry

division he designed to move with through Georgia. With the troops thus left at his disposal, there was little doubt that General Thomas could hold the line of the Tennessee, or in the event Hood should force it, would be able to concentrate and beat him in battle. It was therefore readily consented to that Sherman should start for the sea-coast.

Having concentrated his troops at Atlanta by the 14th of November, he commenced his march, threatening both Augusta and Macon. His coming-out point could not be definitely fixed. Having to gather his subsistence as he marched through the country, it was not impossible that a force inferior to his own might compel him to head for such point as he could reach, instead of such as he might prefer. The blindness of the enemy, however, in ignoring his movement, and sending Hood's army, the only considerable force he had west of Richmond and east of the Mississippi river, northward on an offensive campaign, left the whole country open, and Sherman's route to his own choice.

How that campaign was conducted, how little opposition was met with, the condition of the country through which the armies passed, the capture of Fort McAllister, on the Savannah river, and the occupation of Savannah on the 21st of December, are all clearly set forth in General Sherman's admirable report.

Soon after General Sherman commenced his march from Atlanta, two expeditions, one from Baton Rouge, Louisiana, and one from Vicksburg, Mississippi, were started by General Canby to cut the enemy's line of communication with Mobile and detain troops in that field. General Foster, commanding department of the south, also sent an expedition, *via* Broad river, to destroy the railroad between Charleston and Savannah. The expedition from Vicksburg, under command of Brevet Brigadier General E. D. Osband, (colonel 3d United States colored cavalry,) captured, on the 27th of November, and destroyed the Mississippi Central railroad bridge and trestle-work over Big Black river, near Canton, thirty miles of the road, and two locomotives, besides large amounts of stores. The expedition from Baton Rouge was without favorable results. The expedition from the department of the south, under the immediate command of Brigadier General John P. Hatch, consisting of about five thousand men of all arms, including a brigade from the navy, proceeded up Broad river and debarked at Boyd's Neck on the 29th of November, from where it moved to strike the railroad at Grahamsville. At Honey Hill, about three miles from Grahamsville, the enemy was found and attacked in a strongly fortified position, which resulted, after severe fighting, in our repulse with a loss of 746 in killed, wounded, and missing. During the night General Hatch withdrew. On the 6th of December General Foster obtained a position covering the Charleston and Savannah railroad, between the Coosawhatchie and Tallapoosa rivers.

Hood, instead of following Sherman, continued his move northward, which seemed to me to be leading to his certain doom. At all events, had I had the power to command both armies, I should not have changed the orders under which he seemed to be acting. On the 26th of October the advance of Hood's army attacked the garrison at Decatur, Alabama, but failing to carry the place, withdrew towards Courtland, and succeeded, in the face of our cavalry, in effecting a lodgment on the north side of the Tennessee river, near Florence. On the 28th Forrest reached the Tennessee, at Fort Hicman, and captured a gunboat and three transports. On the 2d of November he planted batteries above and below Johnsonville, on the opposite side of the river, isolating three gunboats and eight transports. On the 4th the enemy opened his batteries upon the place, and was replied to from the gunboats and the garrison. The gunboats becoming disabled were set on fire, as also were the transports, to prevent their falling into the hands of the enemy. About a million and a half dollars' worth of stores and property on the levee and in storehouses was consumed by fire. On the 5th the enemy disappeared and crossed to the north

side of the Tennessee river, above Johnsonville, moving towards Clifton, and subsequently joined Hood. On the night of the 5th General Schofield, with the advance of the 23d corps, reached Johnsonville, but finding the enemy gone, was ordered to Pulaski, and put in command of all the troops there, with instructions to watch the movements of Hood and retard his advance, but not to risk a general engagement until the arrival of General A. J. Smith's command from Missouri, and until General Wilson could get his cavalry remounted.

On the 19th General Hood continued his advance. General Thomas, retarding him as much as possible, fell back towards Nashville for the purpose of concentrating his command and gaining time for the arrival of re-enforcements. The enemy coming up with our main force commanded by General Schofield, at Franklin, on the 30th, assaulted our works repeatedly during the afternoon until late at night, but were in every instance repulsed. His loss in this battle was 1,750 killed, 702 prisoners, and 3,800 wounded. Among his losses were six general officers killed, six wounded, and one captured. Our entire loss was 2,300. This was the first serious opposition the enemy met with, and I am satisfied was the fatal blow to all his expectations. During the night General Schofield fell back towards Nashville. This left the field to the enemy—not lost by battle, but voluntarily abandoned—so that General Thomas's whole force might be brought together. The enemy followed up and commenced the establishment of his line in front of Nashville on the 2d of December.

As soon as it was ascertained that Hood was crossing the Tennessee river, and that Price was going out of Missouri, General Rosecrans was ordered to send to General Thomas the troops of General A. J. Smith's command and such other troops as he could spare. The advance of this re-enforcement reached Nashville on the 30th of November.

On the morning of the 15th of December General Thomas attacked Hood in position, and, in a battle lasting two days, defeated and drove him from the field in the utmost confusion, leaving in our hands most of his artillery and many thousand prisoners, including four general officers.

Before the battle of Nashville I grew very impatient over, as it appeared to me, the unnecessary delay. This impatience was increased upon learning that the enemy had sent a force of cavalry across the Cumberland into Kentucky. I feared Hood would cross his whole army and give us great trouble there. After urging upon General Thomas the necessity of immediately assuming the offensive, I started west to superintend matters there in person. Reaching Washington city, I received General Thomas's despatch announcing his attack upon the enemy, and the result as far as the battle had progressed. I was delighted. All fears and apprehensions were dispelled. I am not yet satisfied but that General Thomas, immediately upon the appearance of Hood before Nashville, and before he had time to fortify, should have moved out with his whole force and given him battle, instead of waiting to remount his cavalry, which delayed him until the inclemency of the weather made it impracticable to attack earlier than he did. But his final defeat of Hood was so complete that it will be accepted as a vindication of that distinguished officer's judgment.

After Hood's defeat at Nashville he retreated, closely pursued by cavalry and infantry, to the Tennessee river, being forced to abandon many pieces of artillery and most of his transportation. On the 28th of December our advance forces ascertained that he had made good his escape to the south side of the river.

About this time, the rains having set in heavily in Tennessee and North Alabama, making it difficult to move army transportation and artillery, General Thomas stopped the pursuit by his main force at the Tennessee river. A small force of cavalry, under Colonel W. J. Palmer, fifteenth Pennsylvania volunteers, continued to follow Hood for some distance, capturing considerable transpor-

tation and the enemy's pontoon bridge. The details of these operations will be found clearly set forth in General Thomas's report.

A cavalry expedition, under Brevet Major General Grierson, started from Memphis on the 21st of December. On the 25th he surprised and captured Forrest's dismounted camp at Verona, Mississippi, on the Mobile and Ohio railroad, destroyed the railroad, sixteen cars loaded with wagons and pontoons for Hood's army, 4,000 new English carbines, and large amounts of public stores. On the morning of the 28th he attacked and captured a force of the enemy at Egypt, and destroyed a train of fourteen cars; thence turning to the southwest, he struck the Mississippi Central railroad at Winona, destroyed the factories and large amounts of stores at Bankston, and the machine shops and public property at Grenada, arriving at Vicksburg January 5.

During these operations in Middle Tennessee, the enemy, with a force under General Breckinridge, entered East Tennessee. On the 13th of November he attacked General Gillem, near Morristown, capturing his artillery and several hundred prisoners. Gillem, with what was left of his command, retreated to Knoxville. Following up his success, Breckinridge moved to near Knoxville, but withdrew on the 18th, followed by General Ammen. Under the directions of General Thomas, General Stoneman concentrated the commands of Generals Burbridge and Gillem near Bean's Station, to operate against Breckinridge, and destroy or drive him into Virginia—destroy the salt-works at Saltville, and the railroad into Virginia as far as he could go without endangering his command. On the 12th of December he commenced his movement, capturing and dispersing the enemy's forces wherever he met them. On the 16th he struck the enemy, under Vaughn, at Marion, completely routing and pursuing him to Wytheville, capturing all his artillery, trains, and 198 prisoners; and destroyed Wytheville, with its stores and supplies, and the extensive lead-works near there. Returning to Marion, he met a force under Breckinridge, consisting, among other troops, of the garrison of Saltville, that had started in pursuit. He at once made arrangements to attack it the next morning; but morning found Breckinridge gone. He then moved directly to Saltville, and destroyed the extensive salt-works at that place, a large amount of stores, and captured eight pieces of artillery. Having thus successfully executed his instructions, he returned General Burbridge to Lexington and General Gillem to Knoxville.

Wilmington, North Carolina, was the most important sea-coast port left to the enemy through which to get supplies from abroad, and send cotton and other products out by blockade-runners, besides being a place of great strategic value. The navy had been making strenuous exertions to seal the harbor of Wilmington, but with only partial effect. The nature of the outlet of Cape Fear river was such that it required watching for so great a distance, that without possession of the land north of New Inlet, or Fort Fisher, it was impossible for the navy to entirely close the harbor against the entrance of blockade-runners.

To secure the possession of this land required the co-operation of a land force, which I agreed to furnish. Immediately commenced the assemblage in Hampton roads, under Admiral D. D. Porter, of the most formidable armada ever collected for concentration upon one given point. This necessarily attracted the attention of the enemy, as well as that of the loyal north; and through the imprudence of the public press, and very likely of officers of both branches of service, the exact object of the expedition became a subject of common discussion in the newspapers both north and south. The enemy, thus warned, prepared to meet it. This caused a postponement of the expedition until the latter part of November, when, being again called upon by Hon. G. V. Fox, Assistant Secretary of the Navy, I agreed to furnish the men required at once, and went myself, in company with Major General Butler, to Hampton roads, where we had a conference with Admiral Porter as to the force required and the time of starting. A force of 6,500 men was regarded as sufficient. The time of

starting was not definitely arranged, but it was thought all would be ready by the 6th of December, if not before. Learning on the 30th of November that Bragg had gone to Georgia, taking with him most of the forces about Wilmington, I deemed it of the utmost importance that the expedition should reach its destination before the return of Bragg, and directed General Butler to make all arrangements for the departure of Major General Weitzel, who had been designated to command the land forces, so that the navy might not be detained one moment.

On the 6th of December the following instructions were given:

"CITY POINT, VA., December 6, 1864.

"GENERAL: The first object of the expedition under General Weitzel is to close to the enemy the port of Wilmington. If successful in this, the second will be to capture Wilmington itself. There are reasonable grounds to hope for success, if advantage can be taken of the absence of the greater part of the enemy's forces now looking after Sherman in Georgia. The directions you have given for the numbers and equipment of the expedition are all right, except in the unimportant matter of where they embark and the amount of intrenching tools to be taken. The object of the expedition will be gained by effecting a landing on the main land between Cape Fear river and the Atlantic, north of the north entrance to the river. Should such landing be effected whilst the enemy still holds Fort Fisher and the batteries guarding the entrance to the river, then the troops should intrench themselves, and, by co-operating with the navy, effect the reduction and capture of those places. These in our hands, the navy could enter the harbor, and the port of Wilmington would be sealed. Should Fort Fisher and the point of land on which it is built fall into the hands of our troops immediately on landing, then it will be worth the attempt to capture Wilmington by a forced march and surprise. If time is consumed in gaining the first object of the expedition, the second will become a matter of after consideration.

"The details for execution are intrusted to you and the officer immediately in command of the troops.

"Should the troops under General Weitzel fail to effect a landing at or near Fort Fisher, they will be returned to the armies operating against Richmond without delay.

"U. S. GRANT, Lieutenant General.

"Major General B. F. BUTLER."

General Butler commanding the army from which the troops were taken for this enterprise, and the territory within which they were to operate, military courtesy required that all orders and instructions should go through him. They were so sent; but General Weitzel has since officially informed me that he never received the foregoing instructions, nor was he aware of their existence until he read General Butler's published official report of the Fort Fisher failure, with my indorsement and papers accompanying it. I had no idea of General Butler's accompanying the expedition until the evening before it got off from Bermuda Hundred, and then did not dream but that General Weitzel had received all the instructions, and would be in command. I rather formed the idea that General Butler was actuated by a desire to witness the effect of the explosion of the powder-boat. The expedition was detained several days at Hampton roads, awaiting the loading of the powder-boat.

The importance of getting the Wilmington expedition off without any delay, with or without the powder-boat, had been urged upon General Butler, and he advised to so notify Admiral Porter.

The expedition finally got off on the 13th of December, and arrived at the place of rendezvous, off New Inlet, near Fort Fisher, on the evening of the 15th. Admiral Porter arrived on the evening of the 18th, having put in at Beaufort to get ammunition for the monitors. The sea becoming rough, making it difficult to land troops, and the supply of water and coal being about exhausted, the transport fleet put back to Beaufort to replenish; this, with the state of the weather, delayed the return to the place of rendezvous until the 24th. The powder-boat was exploded on the morning of the 24th, before the return of General Butler from Beaufort; but it would seem from the notice taken of it in the southern newspapers that the enemy were never enlightened as to the object of the explosion until they were informed by the northern press.

On the 25th a landing was effected without opposition, and a reconnoissance, under Brevet Brigadier General Curtis, pushed up towards the fort. But before receiving a full report of the result of this reconnoissance, General Butler, in direct violation of the instructions given, ordered the re-embarkation of the troops and the return of the expedition.

The re-embarkation was accomplished by the morning of the 27th.

On the return of the expedition, officers and men—among them Brevet Major General (then Brevet Brigadier General) M. R. Curtis, First Lieutenant G. W. Ross, — regiment Vermont volunteers, First Lieutenant George W. Walling and Second Lieutenant George Simpson, 142d New York volunteers—voluntarily reported to me that when recalled they were nearly into the fort, and, in their opinion, it could have been taken without much loss.

Soon after the return of the expedition, I received a despatch from the Secretary of the Navy, and a letter from Admiral Porter, informing me that the fleet was still off Fort Fisher, and expressing the conviction that, under a proper leader, the place could be taken. The natural supposition with me was that, when the troops abandoned the expedition, the navy would do so also. Finding it had not, however, I answered on the 30th of December, advising Admiral Porter to hold on, and that I would send a force and make another attempt to take the place. This time I selected Brevet Major General (now Major General) A. H. Terry to command the expedition. The troops composing it consisted of the same that composed the former, with the addition of a small brigade, numbering about 1,500, and a small siege train. The latter it was never found necessary to land. I communicated direct to the commander of the expedition the following instructions:

"CITY POINT, VA., January 3, 1865.

"GENERAL: The expedition intrusted to your command has been fitted out to renew the attempt to capture Fort Fisher, N. C., and Wilmington ultimately, if the fort falls. You will, then, proceed with as little delay as possible to the naval fleet lying off Cape Fear river, and report the arrival of yourself and command to Admiral D. D. Porter, commanding North Atlantic blockading squadron.

"It is exceedingly desirable that the most complete understanding should exist between yourself and the naval commander. I suggest, therefore, that you consult with Admiral Porter freely and get from him the part to be performed by each branch of the public service, so that there may be unity of action. It would be well to have the whole programme laid down in writing. I have served with Admiral Porter, and know that you can rely on his judgment and his nerve to undertake what he proposes. I would, therefore, defer to him as much as is consistent with your own responsibilities. The first object to be attained is to get a firm position on the spit of land on which Fort Fisher is built, from which you can operate against that fort. You want to look to the practicability of receiving your supplies, and to defending yourself against superior forces sent against you by any of the avenues left open to the enemy. If such a position can be obtained, the siege of Fort Fisher will not be abandoned until its reduction is accomplished or another plan of campaign is ordered from these headquarters.

"My own views are that, if you effect a landing, the navy ought to run a portion of their fleet into Cape Fear river, while the balance of it operates on the outside. Land forces cannot invest Fort Fisher, or cut it off from supplies or re-enforcements, while the river is in possession of the enemy.

"A siege train will be loaded on vessels and sent to Fort Monroe, in readiness to be sent to you if required. All other supplies can be drawn from Beaufort as you need them.

"Keep the fleet of vessels with you until your position is assured. When you find they can be spared, order them back, or such of them as you can spare, to Fort Monroe, to report for orders.

"In case of failure to effect a landing, bring your command back to Beaufort, and report to these headquarters for further instructions. You will not debark at Beaufort until so directed.

"General Sheridan has been ordered to send a division of troops to Baltimore, and place them on sea-going vessels. These troops will be brought to Fort Monroe and kept there on the vessels until you are heard from. Should you require them they will be sent to you.

"U. S. GRANT, Lieutenant General.

"Brevet Major General A. H. TERRY."

Lieutenant Colonel C. B. Comstock, aide-de-camp, (now brevet brigadier general,) who accompanied the former expedition, was assigned in orders as chief engineer to this.

It will be seen that these instructions did not differ materially from those given for the first expedition; and that in neither instance was there an order to assault Fort Fisher. This was a matter left entirely to the discretion of the commanding officer.

The expedition sailed from Fort Monroe on the morning of the 6th, arriving on the rendezvous, off Beaufort, on the 8th, where, owing to the difficulties of the weather, it lay until the morning of the 12th, when it got under way and reached its destination that evening. Under cover of the fleet the disembarkation of the troops commenced on the morning of the 13th, and by 3 o'clock p. m. was completed without loss. On the 14th a reconnoissance was pushed to within five hundred yards of Fort Fisher, and a small advance work taken possession of and turned into a defensive line against any attempt that might be made from the fort. This reconnoissance disclosed the fact that the front of the work had been seriously injured by the navy fire. In the afternoon of the 15th the fort was assaulted, and after most desperate fighting was captured with its entire garrison and armament. Thus was secured, by the combined efforts of the navy and army, one of the most important successes of the war. Our loss was—killed, 110; wounded, 536. On the 16th and 17th the enemy abandoned and blew up Fort Caswell and the works on Smith's island, which were immediately occupied by us. This gave us entire control of the mouth of the Cape Fear river.

At my request Major General B. F. Butler was relieved, and Major General E. O. C. Ord assigned to the command of the department of Virginia and North Carolina.

The defence of the line of the Tennessee no longer requiring the force which had beaten and nearly destroyed the only army threatening it, I determined to find other fields of operation for General Thomas's surplus troops—fields from which they would co-operate with other movements. General Thomas was therefore directed to collect all troops, not essential to hold his communications, at Eastport, in readiness for orders. On the 7th of January General Thomas was directed, if he was assured of the departure of Hood south from Corinth, to send General Schofield with his corps east with as little delay as possible. This direction was promptly complied with, and the advance of the corps reached Washington on the 23d of the same month, whence it was sent to Fort Fisher and Newbern. On the 26th he was directed to send General A. J. Smith's command and a division of cavalry to report to General Canby. By the 7th of February the whole force was en route for its destination.

The State of North Carolina was constituted into a military department, and General Schofield assigned to command, and placed under the orders of Major General Sherman. The following instructions were given him:

"CITY POINT, VIRGINIA, January 31, 1865.

"GENERAL: Your movements are intended as co-operative with Sherman's through the States of South and North Carolina. The first point to be attained is to secure Wilmington. Goldsboro' will then be your objective point, moving either from Wilmington or Newbern, or both, as you deem best. Should you not be able to reach Goldsboro', you will advance on the line or lines of railway connecting that place with the sea-coast—as near to it as you can, building the road behind you. The enterprise under you has two objects: the first is to give General Sherman material aid, if needed, in his march north; the second, to open a base of supplies for him on his line of march. As soon, therefore, as you can determine which of the two points, Wilmington or Newbern, you can best use for throwing supplies from to the interior, you will commence the accumulation of twenty days' rations and forage for 60,000 men and 20,000 animals. You will get of these as many as you can house and protect to such point in the interior as you may be able to occupy. I believe General Palmer has received some instructions direct from General Sherman on the subject of securing supplies for his army. You can learn what steps he has

taken, and be governed in your requisitions accordingly. A supply of ordnance stores will also be necessary.

"Make all requisitions upon the chiefs of their respective departments in the field with me at City Point. Communicate with me by every opportunity, and should you deem it necessary at any time, send a special boat to Fortress Monroe, from which point you can communicate by telegraph.

"The supplies referred to in these instructions are exclusive of those required for your own command.

"The movements of the enemy may justify, or even make it your imperative duty to cut loose from your base and strike for the interior to aid Sherman. In such case you will act on your own judgment, without waiting for instructions. You will report, however, what you purpose doing. The details for carrying out these instructions are necessarily left to you. I would urge, however, if I did not know that you are already fully alive to the importance of it, prompt action. Sherman may be looked for in the neighborhood of Goldsboro' any time from the 23d to the 28th of February; this limits your time very materially.

"If rolling stock is not secured in the capture of Wilmington, it can be supplied from Washington. A large force of railroad men have already been sent to Beaufort, and other mechanics will go to Fort Fisher in a day or two. On this point I have informed you by telegraph.

"U. S. GRANT, Lieutenant General.

"Major General J. M. Schofield."

Previous to giving these instructions I had visited Fort Fisher, accompanied by General Schofield, for the purpose of seeing for myself the condition of things, and personally conferring with General Terry and Admiral Porter as to what was best to be done.

Anticipating the arrival of General Sherman at Savannah—his army entirely foot-loose, Hood being then before Nashville, Tennessee, the southern railroads destroyed, so that it would take several months to re-establish a through line from west to east, and regarding the capture of Lee's army as the most important operation towards closing the rebellion—I sent orders to General Sherman, on the 6th of December, that after establishing a base on the sea-coast, with necessary garrison to include all his artillery and cavalry, to come by water to City Point with the balance of his command.

On the 15th of December, having received information of the defeat and utter rout of Hood's army by General Thomas, and that, owing to the great difficulty of procuring ocean transportation, it would take over two months to transport Sherman's army, and doubting whether he might not contribute as much towards the desired result by operating from where he was, I wrote to him to that effect, and asked him for his views as to what would be best to do. A few days after this I received a communication from General Sherman, of date 16th December, acknowledging the receipt of my order of the 6th, and informing me of his preparations to carry it into effect as soon as he could get transportation. Also that he had expected, upon reducing Savannah, instantly to march to Columbia, South Carolina, thence to Raleigh, and thence to report to me; but that this would consume about six weeks' time after the fall of Savannah, whereas by sea he could probably reach me by the middle of January. The confidence he manifested in this letter of being able to march up and join me pleased me, and, without waiting for a reply to my letter of the 18th, I directed him, on the 28th of December, to make preparations to start, as he proposed, without delay, to break up the railroads in North and South Carolina and join the armies operating against Richmond as soon as he could.

On the 21st of January I informed General Sherman that I had ordered the 23d corps, Major General Schofield commanding, east; that it numbered about 21,000 men; that we had at Fort Fisher about 8,000 men; at Newbern about 4,000; that if Wilmington was captured, General Schofield would go there; if not, he would be sent to Newbern; that, in either event, all the surplus force at both points would move to the interior towards Goldsboro', in co-operation with his movement; that from either point railroad communication could be run out; and that all these troops would be subject to his orders as he came into communication with them.

In obedience to his instructions, General Schofield proceeded to reduce Wilmington, North Carolina, in co-operation with the navy under Admiral Porter, moving his forces up both sides of the Cape Fear river. Fort Anderson, the enemy's main defence on the west bank of the river, was occupied on the morning of the 19th, the enemy having evacuated it after our appearance before it.

After fighting on the 20th and 21st, our troops entered Wilmington on the morning of the 22d, the enemy having retreated towards Goldsboro' during the night. Preparations were at once made for a movement on Goldsboro' in two columns—one from Wilmington, and the other from Newbern—and to repair the railroads leading there from each place, as well as to supply General Sherman by Cape Fear river, toward Fayetteville, if it became necessary. The column from Newbern was attacked on the 8th of March at Wise's Forks, and driven back with the loss of several hundred prisoners. On the 11th the enemy renewed his attack upon our intrenched position, but was repulsed with severe loss, and fell back during the night. On the 14th the Neuse river was crossed and Kinston, occupied, and on the 21st Goldsboro' was entered. The column from Wilmington reached Cox's bridge, on the Neuse river, ten miles above Goldsboro', on the 22d.

By the 1st of February General Sherman's whole army was in motion from Savannah. He captured Columbia, South Carolina, on the 17th; thence moved on Goldsboro', North Carolina, *via* Fayetteville, reaching the latter place on the 12th of March, opening up communication with General Schofield by way of Cape Fear river. On the 15th he resumed his march on Goldsboro'. He met a force of the enemy at Averysboro', and after a severe fight defeated and compelled it to retreat. Our loss in the engagement was about 600. The enemy's loss was much greater. On the 18th the combined forces of the enemy, under Joe Johnston, attacked his advance at Bentonville, capturing three guns and driving it back upon the main body. General Slocum, who was in the advance, ascertaining that the whole of Johnston's army was in the front, arranged his troops on the defensive, intrenched himself, and awaited re-enforcements, which were pushed forward. On the night of the 21st the enemy retreated to Smithfield, leaving his dead and wounded in our hands. From there Sherman continued to Goldsboro', which place had been occupied by General Schofield on the 21st, (crossing the Neuse river ten miles above there, at Cox's bridge, where General Terry had got possession and thrown a pontoon bridge, on the 22d,) thus forming a junction with the columns from Newbern and Wilmington.

Among the important fruits of this campaign was the fall of Charleston, South Carolina. It was evacuated by the enemy on the night of the 17th of February, and occupied by our forces on the 18th.

On the morning of the 31st of January General Thomas was directed to send a cavalry expedition under General Stoneman from East Tennessee, to penetrate South Carolina well down towards Columbia, to destroy the railroads and military resources of the country, and return, if he was able, to East Tennessee, by way of Salisbury, North Carolina, releasing our prisoners there, if possible. Of the feasibility of this latter, however, General Stoneman was to judge. Sherman's movements, I had no doubt, would attract the attention of all the force the enemy could collect and facilitate the execution of this. General Stoneman was so late in making his start on this expedition, (and Sherman having passed out of the State of South Carolina,) on the 27th of February I directed General Thomas to change his course, and ordered him to repeat his raid of last fall, destroying the railroad towards Lynchburg as far as he could. This would keep him between our garrisons in East Tennessee and the enemy. I regarded it not impossible that in the event of the enemy being driven from Richmond he might fall back to Lynchburg and attempt a raid north through East Tennessee. On the 14th of February the following communication was sent to General Thomas:

"CITY POINT, VA., February 14, 1865.

"General Canby is preparing a movement from Mobile bay against Mobile and the interior of Alabama. His force will consist of about 20,000 men, besides A. J. Smith's command. The cavalry you have sent to Canby will be debarked at Vicksburg. It, with the available cavalry already in that section, will move from there eastward, in co-operation. Hood's army has been terribly reduced by the severe punishment you gave it in Tennessee, by desertion consequent upon their defeat, and now by the withdrawal of many of them to oppose Sherman. (I take it a large portion of the infantry has been so withdrawn. It is so asserted in the Richmond papers, and a member of the rebel Congress said a few days since in a speech, that one-half of it had been brought to South Carolina to oppose Sherman.) This being true, or even if it is not true, Canby's movement will attract all the attention of the enemy, and leave the advance from your stand-point easy. I think it advisable, therefore, that you prepare as much of a cavalry force as you can spare, and hold it in readiness to go south. The object would be three-fold: first, to attract as much of the enemy's force as possible to insure success to Canby; second, to destroy the enemy's line of communications and military resources; third, to destroy or capture their forces brought into the field. Tuscaloosa and Selma would probably be the points to direct the expedition against. This, however, would not be so important as the mere fact of penetrating deep into Alabama. Discretion should be left to the officer commanding the expedition to go where, according to the information he may receive, he will best secure the objects named above.

"Now that your force has been so much depleted, I do not know what number of men you can put into the field. If not more than 5,000 men, however, all cavalry, I think it will be sufficient. It is not desirable that you should start this expedition until the one leaving Vicksburg has been three or four days out, or even a week. I do not know when it will start, but will inform you by telegraph as soon as I learn. If you should hear through other sources before hearing from me, you can act on the information received.

"To insure success, your cavalry should go with as little wagon train as possible, relying upon the country for supplies. I would also reduce the number of guns to a battery, or the number of batteries, and put the extra teams to the guns taken. No guns or caissons should be taken with less than eight horses.

"Please inform me by telegraph, on receipt of this, what force you think you will be able to send under these directions.

"U. S. GRANT, Lieutenant General.

"Major General G. H. THOMAS."

On the 15th he was directed to start the expedition as soon after the 20th as he could get it off.

I deemed it of the utmost importance, before a general movement of the armies operating against Richmond, that all communications with the city, north of James river, should be cut off. The enemy having withdrawn the bulk of his force from the Shenandoah valley and sent it south, or replaced troops sent from Richmond, and desiring to re-enforce Sherman, if practicable, whose cavalry was greatly inferior in numbers to that of the enemy, I determined to make a move from the Shenandoah, which, if successful, would accomplish the first at least, and possibly the latter of these objects. I therefore telegraphed General Sheridan as follows:

"CITY POINT, VA., February 20, 1865—1 p. m.

"GENERAL: As soon as it is possible to travel I think you will have no difficulty about reaching Lynchburg with a cavalry force alone. From there you could destroy the railroad and canal in every direction, so as to be of no further use to the rebellion. Sufficient cavalry should be left behind to look after Mosby's gang. From Lynchburg, if information you might get there would justify it, you could strike south, heading the streams in Virginia to the westward of Danville, and push on and join General Sherman. This additional raid, with one now about starting from East Tennessee under Stoneman, numbering four or five thousand cavalry, one from Vicksburg, numbering seven or eight thousand cavalry, one from Eastport, Mississippi, ten thousand cavalry, Canby from Mobile bay with about thirty-eight thousand mixed troops, these three latter pushing for Tuscaloosa, Selma, and Montgomery, and Sherman with a large army eating out the vitals of South Carolina, is all that will be wanted to leave nothing for the rebellion to stand upon. I would advise you to overcome great obstacles to accomplish this. Charleston was evacuated on Tuesday last.

"U. S. GRANT, Lieutenant General.

"Major General P. H. SHERIDAN."

On the 25th I received a despatch from General Sheridan, inquiring where Sherman was aiming for, and if I could give him definite information as to the

points he might be expected to move on this side of Charlotte, North Carolina. In answer the following telegram was sent him:

"CITY POINT, VA., February 25, 1865.

"GENERAL: Sherman's movements will depend on the amount of opposition he meets with from the enemy. If strongly opposed, he may possibly have to fall back to Georgetown, S. C., and fit out for a new start. I think, however, all danger for the necessity of going to that point has passed. I believe he has passed Charlotte. He may take Fayetteville on his way to Goldsboro'. If you reach Lynchburg, you will have to be guided in your after movements by the information you obtain. Before you could possibly reach Sherman, I think you would find him moving from Goldsboro' towards Raleigh, or engaging the enemy strongly posted at one or the other of these places, with railroad communications opened from his army to Wilmington or Newbern.

"U. S. GRANT, Lieutenant General.

"Major General P. H. SHERIDAN."

General Sheridan moved from Winchester on the 27th of February, with two divisions of cavalry, numbering about 5,000 each. On the 1st of March he secured the bridge, which the enemy attempted to destroy, across the middle fork of the Shenandoah, at Mount Crawford, and entered Staunton on the 2d, the enemy having retreated on Waynesboro'. Thence he pushed on to Waynesboro', where he found the enemy in force in an intrenched position, under General Early. Without stopping to make a reconnoissance, an immediate attack was made, the position was carried, and 1,600 prisoners, 11 pieces of artillery, with horses and caissons complete, 200 wagons and teams loaded with subsistence, and 17 battle flags, were captured. The prisoners, under an escort of 1,500 men, were sent back to Winchester. Thence he marched on Charlottesville, destroying effectually the railroad and bridges as he went, which place he reached on the 3d. Here he remained two days, destroying the railroad toward Richmond and Lynchburg, including the large iron bridges over the north and south forks of the Rivanna river, and awaiting the arrival of his trains. This necessary delay caused him to abandon the idea of capturing Lynchburg. On the morning of the 6th, dividing his force into two columns, he sent one to Scottsville, whence it marched up the James River canal to New Market, destroying every lock, and in many places the bank of the canal. From here a force was pushed out from this column to Duquidville, to obtain possession of the bridge across the James river at that place, but failed. The enemy burned it on our approach. The enemy also burned the bridge across the river at Hardwicksville. The other column moved down the railroad toward Lynchburg, destroying it as far as Amherst Court-House, sixteen miles from Lynchburg; thence across the country, uniting with the column at New Market. The river being very high, his pontoons would not reach across it; and the enemy having destroyed the bridges by which he had hoped to cross the river and get on the South Side railroad about Farmville, and destroy it to Appomattox Court-House, the only thing left for him was to return to Winchester or strike a base at the White House. Fortunately, he chose the latter. From New Market he took up his line of march, following the canal towards Richmond, destroying every lock upon it and cutting the banks wherever practicable, to a point eight miles east of Goochland, concentrating the whole force at Columbia on the 10th. Here he rested one day, and sent through by scouts information of his whereabouts and purposes, and a request for supplies to meet him at White House, which reached me on the night of the 12th. An infantry force was immediately sent to get possession of White House, and supplies were forwarded. Moving from Columbia in a direction to threaten Richmond, to near Ashland Station, he crossed the Annas, and after having destroyed all the bridges and many miles of the railroad, proceeded down the north bank of the Pamunkey to White House, which place he reached on the 19th.

Previous to this the following communication was sent to General Thomas:

"CITY POINT, VA., March 7, 1865—9.30 a. m.

"GENERAL: I think it will be advisable now for you to repair the railroad in East Tennessee, and throw a good force up to Bull's Gap and fortify there. Supplies at Knoxville could always be got forward as required. With Bull's Gap fortified, you can occupy as outposts about all of East Tennessee, and be prepared, if it should be required of you in the spring, to make a campaign towards Lynchburg, or into North Carolina. I do not think Stoneman should break the road until he gets into Virginia, unless it should be to cut off rolling stock that may be caught west of that.

"U. S. GRANT, Lieutenant General.

"Major General G. H. THOMAS."

Thus it will be seen that in March, 1865, General Canby was moving an adequate force against Mobile and the army defending it under General Dick Taylor; Thomas was pushing out two large and well-appointed cavalry expeditions—one from Middle Tennessee under Brevet Major General Wilson against the enemy's vital points in Alabama, the other from East Tennessee under Major General Stoneman towards Lynchburg—and assembling the remainder of his available forces, preparatory to offensive operations from East Tennessee; General Sheridan's cavalry was at White House; the armies of the Potomac and James were confronting the enemy under Lee in his defences of Richmond and Petersburg; General Sherman with his armies, re-enforced by that of General Schofield, was at Goldsboro'; General Pope was making preparations for a spring campaign against the enemy under Kirby Smith and Price, west of the Mississippi; and General Hancock was concentrating a force in the vicinity of Winchester, Virginia, to guard against invasion or to operate offensively, as might prove necessary.

After the long march by General Sheridan's cavalry over winter roads, it was necessary to rest and refit at White House. At this time the greatest source of uneasiness to me was the fear that the enemy would leave his strong lines about Petersburg and Richmond for the purpose of uniting with Johnston, before he was driven from them by battle, or I was prepared to make an effectual pursuit. On the 24th of March General Sheridan moved from White House, crossed the James river at Jones's landing, and formed a junction with the army of the Potomac in front of Petersburg on the 27th. During this move General Ord sent forces to cover the crossings of the Chickahominy.

On the 24th of March the following instructions for a general movement of the armies operating against Richmond were issued:

"CITY POINT, VA., March 24, 1865.

"GENERAL: On the 29th instant the armies operating against Richmond will be moved by our left for the double purpose of turning the enemy out of his present position around Petersburg, and to insure the success of the cavalry under General Sheridan, which will start at the same time, in its efforts to reach and destroy the South Side and Danville railroads. Two corps of the army of the Potomac will be moved at first in two columns, taking the two roads crossing Hatcher's run nearest where the present line held by us strikes that stream, both moving towards Dinwiddie Court-House.

"The cavalry under General Sheridan, joined by the division now under General Davies, will move at the same time by the Weldon road and the Jerusalem plank road, turning west from the latter before crossing the Nottoway, and west with the whole column before reaching Stony creek. General Sheridan will then move independently, under other instructions which will be given him. All dismounted cavalry belonging to the army of the Potomac, and the dismounted cavalry from the middle military division not required for guarding property belonging to their arm of service, will report to Brigadier General Benham, to be added to the defences of City Point. Major General Parke will be left in command of all the army left for holding the lines about Petersburg and City Point, subject, of course, to orders from the commander of the army of the Potomac. The 9th army corps will be left intact to hold the present line of works so long as the whole line now occupied by us is held. If, however, the troops to the left of the 2d corps are withdrawn, then the left of the corps may be thrown back so as to occupy the position held by the army prior to the capture of the Weldon road. All troops to the left of the 9th corps will be held in readiness to move at the shortest notice by such route as may be designated when the order is given.

"General Ord will detach three divisions, two white and one colored, or so much of them as he can, and hold his present lines, and march for the present left of the army of the Potomac. In the absence of further orders, or until further orders are given, the white divisions will follow the left column of the army of the Potomac, and the colored division the right column. During the movement Major General Weitzel will be left in command of all the forces remaining behind from the army of the James.

"The movement of troops from the army of the James will commence on the night of the 27th instant. General Ord will leave behind the minimum number of cavalry necessary for picket duty, in the absence of the main army. A cavalry expedition from General Ord's command will also be started from Suffolk, to leave there on Saturday, the 1st of April, under Colonel Sumner, for the purpose of cutting the railroad about Hicksford. This, if accomplished, will have to be a surprise, and therefore from three to five hundred men will be sufficient. They should, however, be supported by all the infantry that can be spared from Norfolk and Portsmouth, as far out as to where the cavalry crosses the Blackwater. The crossing should probably be at Union. Should Colonel Sumner succeed in reaching the Weldon road he will be instructed to do all the damage possible to the triangle of roads between Hicksford, Weldon, and Gaston. The railroad bridge at Weldon being fitted up for the passage of carriages, it might be practicable to destroy any accumulation of supplies the enemy may have collected south of the Roanoke. All the troops will move with four days' rations in haversacks, and eight days' in wagons. To avoid as much hauling as possible, and to give the army of the James the same number of days' supply with the army of the Potomac, General Ord will direct his commissary and quartermaster to have sufficient supplies delivered at the terminus of the road to fill up in passing. Sixty rounds of ammunition per man will be taken in wagons, and as much grain as the transportation on hand will carry, after taking the specified amount of other supplies. The densely wooded country in which the army has to operate making the use of much artillery impracticable, the amount taken with the army will be reduced to six or eight guns to each division, at the option of the army commanders.

"All necessary preparations for carrying these directions into operation may be commenced at once. The reserves of the 9th corps should be massed as much as possible. Whilst I would not how order an unconditional attack on the enemy's line by them, they should be ready, and should make the attack if the enemy weakens his line in their front, without waiting for orders. In case they carry the line, then the whole of the 9th corps could follow up, so as to join or co-operate with the balance of the army. To prepare for this, the 9th corps will have rations issued to them, same as the balance of the army. General Weitzel will keep vigilant watch upon his front, and if found at all practicable to break through at any point, he will do so. A success north of the James should be followed up with great promptness. An attack will not be feasible unless it is found that the enemy has detached largely. In that case it may be regarded as evident that the enemy are relying upon their local reserves, principally, for the defence of Richmond. Preparations may be made for abandoning all the line north of the James, except enclosed works—only to be abandoned, however, after a break is made in the lines of the enemy.

"By these instructions a large part of the armies operating against Richmond is left behind. The enemy, knowing this, may, as an only chance, strip their lines to the nearest skeleton, in the hope of advantage not being taken of it, whilst they hurl everything against the moving column, and return. It cannot be impressed too strongly upon commanders of troops left in the trenches not to allow this to occur without taking advantage of it. The very fact of the enemy coming out to attack, if he does so, might be regarded as almost conclusive evidence of such a weakening of his lines. I would have it particularly enjoined upon corps commanders that, in case of an attack from the enemy those not attacked are not to wait for orders from the commanding officer of the army to which they belong, but that they will move promptly, and notify the commander of their action. I would also enjoin the same action on the part of division commanders when other parts of their corps are engaged. In like manner, I would urge the importance of following up a repulse of the enemy.

"U. S. GRANT, Lieutenant General.

"Major Generals MEADE, ORD, and SHERIDAN."

Early on the morning of the 25th the enemy assaulted our lines in front of the 9th corps (which held from the Appomattox river towards our left) and carried Fort Steadman, and a part of the line to the right and left of it, established themselves and turned the guns of the fort against us; but our troops on either flank held their ground until the reserves were brought up, when the enemy was driven back with a heavy loss in killed and wounded and 1,900 prisoners. Our loss was 68 killed, 337 wounded, and 506 missing. General Meade at once ordered the other corps to advance and feel the enemy in their respective fronts. Pushing forward, they captured and held the enemy's strongly intrenched picket line in front of the 2d and 6th corps, and 834 prisoners. The enemy

made desperate attempts to retake this line, but without success. Our loss in front of these was 52 killed, 864 wounded, and 207 missing. The enemy's loss in killed and wounded was far greater.

General Sherman having got his troops all quietly in camp about Goldsboro', and his preparations for furnishing supplies to them perfected, visited me at City Point on the 27th of March, and stated that he would be ready to move, as he had previously written me, by the 10th of April, fully equipped and rationed for twenty days, if it should become necessary to bring his command to bear against Lee's army, in co-operation with our forces in front of Richmond and Petersburg. General Sherman proposed in this movement to threaten Raleigh, and then, by turning suddenly to the right, reach the Roanoke at Gaston or thereabouts, whence he could move on to the Richmond and Danville railroad, striking it in the vicinity of Burkesville, or join the armies operating against Richmond, as might be deemed best. This plan he was directed to carry into execution, if he received no further directions in the mean time. I explained to him the movement I had ordered to commence on the 29th of March. That if it should not prove as entirely successful as I hoped, I would cut the cavalry loose to destroy the Danville and South Side railroads, and thus deprive the enemy of further supplies, and also prevent the rapid concentration of Lee's and Johnston's armies.

I had spent days of anxiety lest each morning should bring the report that the enemy had retreated the night before. I was finally convinced that Sherman's crossing the Roanoke would be the signal for Lee to leave. With Johnston and him combined, a long, tedious, and expensive campaign, consuming most of the summer, might become necessary. By moving out I would put the army in better condition for pursuit, and would at least, by the destruction of the Danville road, retard the concentration of the two armies of Lee and Johnston, and cause the enemy to abandon much material that he might otherwise save. I therefore determined not to delay the movement ordered.

On the night of the 27th Major General Ord, with two divisions of the 24th corps, Major General Gibbon commanding, and one division of the 25th corps, Brigadier General Birney commanding, and McKenzie's cavalry, took up his line of march in pursuance of the foregoing instructions, and reached the position assigned him near Hatcher's run on the morning of the 29th. On the 28th the following instructions were given to General Sheridan:

"CITY POINT, VA., March 28, 1865.

"GENERAL: The 5th army corps will move by the Vaughn road at 3 a. m. to-morrow morning. The 2d moves at about 9 a. m., having but about three miles to march to reach the point designated for it to take on the right of the 5th corps, after the latter reaching Dinwiddie Court-House. Move your cavalry at as early an hour as you can, and without being confined to any particular road or roads. You may go out by the nearest roads in rear of the 24th corps, pass by its left, and, passing near to or through Dinwiddie, reach the right and rear of the enemy as soon as you can. It is not the intention to attack the enemy in his intrenched position, but to force him out, if possible. Should he come out and attack us, or get himself where he can be attacked, move in with your entire force in your own way, and with the full reliance that the army will engage or follow, as circumstances will dictate. I shall be on the field, and will probably be able to communicate with you. Should I not do so, and you find that the enemy keeps within his main intrenched line, you may cut loose and push for the Danville road. If you find it practicable, I would like you to cross the South Side road, between Petersburg and Burkesville, and destroy it to some extent. I would not advise much detention, however, until you reach the Danville road, which I would like you to strike as near to the Appomattox as possible. Make your destruction on that road as complete as possible. You can then pass on to the South Side road, west of Burkesville, and destroy that, in like manner.

"After having accomplished the destruction of the two railroads, which are now the only avenues of supply to Lee's army, you may return to this army, selecting your road further south, or you may go on into North Carolina and join General Sherman. Should you select the latter course, get the information to me as early as possible, so that I may send orders to meet you at Goldsboro'.

"Major General P. H. SHERIDAN."

"U. S. GRANT, Lieutenant General.

On the morning of the 29th the movement commenced. At night the cavalry was at Dinwiddie Court-House, and the left of our infantry line extended to the Quaker road, near its intersection with the Boydton plank road. The position of the troops, from left to right, was as follows: Sheridan, Warren, Humphreys, Ord, Wright, Parke.

Everything looked favorable to the defeat of the enemy and the capture of Petersburg and Richmond, if the proper effort was made. I therefore addressed the following communication to General Sheridan, having previously informed him verbally not to cut loose for the raid contemplated in his orders until he received notice from me to do so:

"GRAVELLY CREEK, March 29, 1865.

"GENERAL: Our line is now unbroken from the Appomattox to Dinwiddie. We are all ready, however, to give up all, from the Jerusalem plank road to Hatcher's run, whenever the forces can be used advantageously. After getting into line south of Hatcher's we pushed forward to find the enemy's position. General Griffin was attacked near where the Quaker road intersects the Boydton road, but repulsed it easily, capturing about one hundred men. Humphreys reached Dabney's mill, and was pushing on when last heard from.

"I now feel like ending the matter, if it is possible to do so, before going back. I do not want you, therefore, to cut loose and go after the enemy's roads at present. In the morning push around the enemy, if you can, and get on to his right rear. The movements of the enemy's cavalry may, of course, modify your action. We will act all together as one army here until it is seen what can be done with the enemy. The signal officer at Cobb's Hill reported, at 11.30 a. m., that a cavalry column had passed that point from Richmond towards Petersburg, taking forty minutes to pass.

"U. S. GRANT, Lieutenant General.

"Major General P. H. SHERIDAN."

From the night of the 29th to the morning of the 31st the rain fell in such torrents as to make it impossible to move a wheeled vehicle, except as corduroy roads were laid in front of them. During the 30th, Sheridan advanced from Dinwiddie Court-House towards Five Forks, where he found the enemy in force. General Warren advanced and extended his line across the Boydton plank road to near the White Oak road, with a view of getting across the latter; but finding the enemy strong in his front and extending beyond his left, was directed to hold on where he was and fortify. General Humphreys drove the enemy from his front into his main line on the Hatcher, near Burgess's mills. Generals Ord, Wright, and Parke made examinations in their fronts to determine the feasibility of an assault on the enemy's lines. The two latter reported favorably. The enemy confronting us, as he did, at every point from Richmond to our extreme left, I conceived his lines must be weakly held, and could be penetrated if my estimate of his forces was correct. I determined, therefore, to extend my line no further, but to re-enforce General Sheridan with a corps of infantry, and thus enable him to cut loose and turn the enemy's right flank, and with the other corps assault the enemy's lines. The result of the offensive effort of the enemy the week before, when he assaulted Fort Steadman, particularly favored this. The enemy's intrenched picket line captured by us at that time threw the lines occupied by the belligerents so close together at some points that it was but a moment's run from one to the other. Preparations were at once made to relieve General Humphreys' corps, to report to General Sheridan; but the condition of the roads prevented immediate movement. On the morning of the 31st General Warren reported favorably to getting possession of the White Oak road, and was directed to do so. To accomplish this, he moved with one division, instead of his whole corps, which was attacked by the enemy in superior force and driven back on the second division before it had time to form, and it, in turn, forced back upon the third division, when the enemy was checked. A division of the 2d corps was immediately sent to his support, the enemy driven back with heavy loss, and possession of the White Oak road gained. Sheridan advanced, and with a portion of his

cavalry got possession of the Five Forks, but the enemy, after the affair with the 5th corps, re-enforced the rebel cavalry, defending that point with infantry, and forced him back towards Dinwiddie Court-House. Here General Sheridan displayed great generalship. Instead of retreating with his whole command on the main army, to tell the story of superior forces encountered, he deployed his cavalry on foot, leaving only mounted men enough to take charge of the horses. This compelled the enemy to deploy over a vast extent of woods and broken country, and made his progress slow. At this juncture he despatched to me what had taken place, and that he was dropping back slowly on Dinwiddie Court-House. General McKenzie's cavalry and one division of the 5th corps were immediately ordered to his assistance. Soon after, receiving a report from General Meade that Humphreys could hold our position on the Boydton road, and that the other two divisions of the 5th corps could go to Sheridan, they were so ordered at once. Thus the operations of the day necessitated the sending of Warren because of his accessibility, instead of Humphreys, as was intended, and precipitated intended movements. On the morning of the 1st of April, General Sheridan, re-enforced by General Warren, drove the enemy back on Five Forks, where, late in the evening, he assaulted and carried his strongly fortified position, capturing all his artillery and between 5,000 and 6,000 prisoners. About the close of this battle Brevet Major General Charles Griffin relieved Major General Warren in command of the 5th corps. The report of this reached me after nightfall. Some apprehensions filled my mind lest the enemy might desert his lines during the night, and by falling upon General Sheridan before assistance could reach him, drive him from his position and open the way for retreat. To guard against this, General Miles's division of Humphreys' corps was sent to re-enforce him, and a bombardment was commenced and kept up until 4 o'clock in the morning (April 2.) when an assault was ordered on the enemy's lines. General Wright penetrated the lines with his whole corps, sweeping everything before him and to his left towards Hatcher's Run, capturing many guns and several thousand prisoners. He was closely followed by two divisions of General Ord's command, until he met the other division of General Ord's that had succeeded in forcing the enemy's lines near Hatcher's Run. Generals Wright and Ord immediately swung to the right, and closed all of the enemy on that side of them in Petersburg, while General Humphreys pushed forward with two divisions and joined General Wright on the left. General Parke succeeded in carrying the enemy's main line, capturing guns and prisoners, but was unable to carry his inner line. General Sheridan being advised of the condition of affairs, returned General Miles to his proper command. On reaching the enemy's lines immediately surrounding Petersburg, a portion of General Gibbon's corps, by a most gallant charge, captured two strong, enclosed works—the most salient and commanding south of Petersburg—thus materially shortening the line of investment necessary for taking in the city. The enemy south of Hatcher's Run retreated westward to Sutherland's Station, where they were overtaken by Miles's division. A severe engagement ensued and lasted until both his right and left flanks were threatened by the approach of General Sheridan, who was moving from Ford's Station towards Petersburg, and a division sent by General Meade from the front of Petersburg, when he broke in the utmost confusion, leaving in our hands his guns and many prisoners. This force retreated by the main road along the Appomattox river. During the night of the 2d the enemy evacuated Petersburg and Richmond, and retreated toward Danville. On the morning of the 3d pursuit was commenced. General Sheridan pushed for the Danville road, keeping near the Appomattox, followed by General Meade with the 2d and 6th corps, while General Ord moved for Burkesville along the South Side road; the 9th corps stretched along that road behind him. On the 4th General Sheridan struck the Danville road near Jettersville, where he learned

that Lee was at Amelia Court-House. He immediately intrenched himself and awaited the arrival of General Meade, who reached there the next day. General Ord reached Burkesville on the evening of the 5th.

On the morning of the 5th I addressed Major General Sherman the following communication:

"WILSON'S STATION, April 5, 1865.

"GENERAL: All indications now are that Lee will attempt to reach Danville with the remnant of his force. Sheridan, who was up with him last night, reports all that is left, horse, foot, and dragoons, at 20,000, much demoralized. We hope to reduce this number one-half. I shall push on to Burkesville, and if a stand is made at Danville, will in a very few days go there. If you can possibly do so, push on from where you are, and let us see if we cannot finish the job with Lee's and Johnston's armies. Whether it will be better for you to strike for Greensboro', or nearer to Danville, you will be better able to judge when you receive this. Rebel armies now are the only strategic points to strike at.

"U. S. GRANT, Lieutenant General.

"Major General W. T. SHERMAN."

On the morning of the 6th, it was found that General Lee was moving west of Jettersville, towards Danville. General Sheridan moved with his cavalry, (the 5th corps having been returned to General Meade on his reaching Jettersville,) to strike his flank, followed by the 6th corps, while the 2d and 5th corps pressed hard after, forcing him to abandon several hundred wagons and several pieces of artillery. General Ord advanced from Burkesville toward Farmville, sending two regiments of infantry and a squadron of cavalry, under Brevet Brigadier General Theodore Read, to reach and destroy the bridges. This advance met the head of Lee's column near Farmville, which it heroically attacked and detained until General Read was killed and his small force overpowered. This caused a delay in the enemy's movements, and enabled General Ord to get well up with the remainder of his force, on meeting which the enemy immediately intrenched himself. In the afternoon General Sheridan struck the enemy south of Sailor's creek, captured 16 pieces of artillery, and about 400 wagons, and detained him until the 6th corps got up, when a general attack of infantry and cavalry was made, which resulted in the capture of 6,000 or 7,000 prisoners, among whom were many general officers. The movements of the 2d corps and General Ord's command contributed greatly to the day's success.

On the morning of the 7th the pursuit was renewed, the cavalry, except one division, and the 5th corps moving by Prince Edward's Court-House; the 6th corps, General Ord's command, and one division of cavalry, on Farmville, and the 2d corps by the High Bridge road. It was soon found that the enemy had crossed to the north side of the Appomattox; but so close was the pursuit that the 2d corps got possession of the common bridge at High Bridge before the enemy could destroy it, and immediately crossed over. The 6th corps and a division of cavalry crossed at Farmville to its support.

Feeling now that General Lee's chance of escape was utterly hopeless, I addressed him the following communication from Farmville:

"APRIL 7, 1865.

"GENERAL: The result of the last week must convince you of the hopelessness of further resistance on the part of the army of northern Virginia in this struggle. I feel that it is so, and regard it as my duty to shift from myself the responsibility of any further effusion of blood by asking of you the surrender of that portion of the Confederate States army known as the army of northern Virginia.

"U. S. GRANT, Lieutenant General.

"General R. E. LEE."

Early on the morning of the 8th, before leaving, I received, at Farmville, the following:

"APRIL 7, 1865.

"GENERAL: I have received your note of this date. Though not entertaining the opinion you express on the hopelessness of further resistance on the part of the army of northern

Virginia, I reciprocate your desire to avoid useless effusion of blood, and therefore, before considering your proposition, ask the terms you will offer on condition of its surrender.

"R. E. LEE, General."

"Lieutenant General U. S. GRANT."

To this I immediately replied:

"APRIL 8, 1865."

"GENERAL: Your note of last evening, in reply to mine of same date, asking the condition on which I will accept the surrender of the army of northern Virginia, is just received. In reply, I would say that peace being my great desire, there is but one condition I would insist upon, namely: that the men and officers surrendered shall be disqualified for taking up arms again against the government of the United States until properly exchanged. I will meet you, or will designate officers to meet any officers you may name for the same purpose, at any point agreeable to you, for the purpose of arranging definitely the terms upon which the surrender of the army of northern Virginia will be received."

"U. S. GRANT, Lieutenant General."

"General R. E. LEE."

Early on the morning of the 8th the pursuit was resumed. General Meade followed north of the Appomattox, and General Sheridan, with all the cavalry, pushed straight for Appomattox Station, followed by General Ord's command and the 5th corps. During the day General Meade's advance had considerable fighting with the enemy's rear guard, but was unable to bring on a general engagement. Late in the evening General Sheridan struck the railroad at Appomattox Station, drove the enemy from there, and captured 25 pieces of artillery, a hospital train, and four trains of cars loaded with supplies for Lee's army. During this day I accompanied General Meade's column, and about midnight received the following communication from General Lee:

"APRIL 8, 1865."

"GENERAL: I received at a late hour your note of to-day. In mine of yesterday I did not intend to propose the surrender of the army of northern Virginia, but to ask the terms of your proposition. To be frank, I do not think the emergency has arisen to call for the surrender of this army, but as the restoration of peace should be the sole object of all, I desired to know whether your proposals would lead to that end. I cannot, therefore, meet you with a view to surrender the army of northern Virginia, but as far as your proposal may affect the Confederate States forces under my command, and tend to the restoration of peace, I should be pleased to meet you at 10 a. m., to-morrow, on the old stage road to Richmond, between the picket lines of the two armies."

"R. E. LEE, General."

"Lieutenant General U. S. GRANT."

Early on the morning of the 9th I returned him an answer as follows, and immediately started to join the column south of the Appomattox:

"APRIL 9, 1865."

"GENERAL: Your note of yesterday is received. I have no authority to treat on the subject of peace; the meeting proposed for 10 a. m. to-day could lead to no good. I will state, however, general, that I am equally anxious for peace with yourself, and the whole north entertains the same feeling. The terms upon which peace can be had are well understood. By the south laying down their arms they will hasten that most desirable event, save thousands of human lives, and hundreds of millions of property not yet destroyed. Seriously hoping that all our difficulties may be settled without the loss of another life, I subscribe myself, &c.,"

"U. S. GRANT, Lieutenant General."

"General R. E. LEE."

On the morning of the 9th General Ord's command and the 5th corps reached Appomattox Station just as the enemy was making a desperate effort to break through our cavalry. The infantry was at once thrown in. Soon after a white flag was received, requesting a suspension of hostilities pending negotiations for a surrender.

Before reaching General Sheridan's headquarters, I received the following from General Lee:

"APRIL 9, 1865."

"GENERAL: I received your note of this morning on the picket line, whither I had come to meet you, and ascertain definitely what terms were embraced in your proposal of yesterday with reference to the surrender of this army. I now ask an interview in accordance with the offer contained in your letter of yesterday for that purpose."

"R. E. LEE, General."

"Lieutenant General U. S. GRANT."

The interview was held at Appomattox Court-House, the result of which is set forth in the following correspondence:

"APPOMATTOX COURT-HOUSE, VA., April 9, 1865."

"GENERAL: In accordance with the substance of my letter to you of the 8th instant, I propose to receive the surrender of the army of northern Virginia on the following terms, to wit: Rolls of all the officers and men to be made in duplicate, one copy to be given to an officer to be designated by me, the other to be retained by such officer or officers as you may designate. The officers to give their individual paroles not to take up arms against the government of the United States until properly exchanged; and each company or regimental commander sign a like parole for the men of their commands. The arms, artillery, and public property to be parked and stacked, and turned over to the officers appointed by me to receive them. This will not embrace the side-arms of the officers nor their private horses or baggage. This done, each officer and man will be allowed to return to his home, not to be disturbed by United States authority so long as they observe their paroles and the laws in force where they may reside."

"U. S. GRANT, Lieutenant General."

"General R. E. LEE."

"HEADQUARTERS ARMY OF NORTHERN VIRGINIA, April 9, 1865."

"GENERAL: I received your letter of this date containing the terms of the surrender of the army of northern Virginia as proposed by you. As they are substantially the same as those expressed in your letter of the 8th instant, they are accepted. I will proceed to designate the proper officers to carry the stipulations into effect."

"R. E. LEE, General."

"Lieutenant General U. S. GRANT."

The command of Major General Gibbon, the 5th army corps under Griffin, and McKenzie's cavalry, were designated to remain at Appomattox Court-House until the paroling of the surrendered army was completed, and to take charge of the public property. The remainder of the army immediately returned to the vicinity of Burkesville.

General Lee's great influence throughout the whole south caused his example to be followed, and to-day the result is that the armies lately under his leadership are at their homes, desiring peace and quiet, and their arms are in the hands of our ordnance officers.

On the receipt of my letter of the 5th, General Sherman moved directly against Joe Johnston, who retreated rapidly on and through Raleigh, which place General Sherman occupied on the morning of the 13th. The day preceding news of the surrender of General Lee reached him at Smithfield.

On the 14th a correspondence was opened between General Sherman and General Johnston, which resulted, on the 18th, in an agreement for a suspension of hostilities, and a memorandum or basis for peace, subject to the approval of the President. This agreement was disapproved by the President on the 21st, which disapproval, together with your instructions, was communicated to General Sherman by me in person on the morning of the 24th, at Raleigh, North Carolina, in obedience to your orders. Notice was at once given by him to General Johnston for the termination of the truce that had been entered into. On the 25th another meeting between them was agreed upon, to take place on the 26th, which terminated in the surrender and disbandment of Johnston's army upon substantially the same terms as were given to General Lee.

The expedition under General Stoneman from East Tennessee got off on the 20th of March, moving by way of Boone, North Carolina, and struck the rail-

road at Wytheville, Chambersburg and Big Lick. The force striking it at Big Lick pushed on to within a few miles of Lynchburg, destroying the important bridges, while with the main force he effectually destroyed it between New river and Big Lick, and then turned for Greensboro' on the North Carolina railroad; struck that road and destroyed the bridges between Danville and Greensboro' and between Greensboro' and the Yadkin, together with the depots of supplies along it, and captured 400 prisoners. At Salisbury he attacked and defeated a force of the enemy under General Gardner, capturing 14 pieces of artillery and 1,364 prisoners, and destroyed large amounts of army stores. At this place he destroyed fifteen miles of railroad and the bridges toward Charlotte. Thence he moved to Slatersville.

General Canby, who had been directed in January to make preparations for a movement from Mobile bay against Mobile and the interior of Alabama, commenced his movement on the 20th of March. The 16th corps, Major General A. J. Smith commanding, moved from Fort Gaines by water to Fish river; the 13th corps, under Major General Gordon Granger, moved from Fort Morgan and joined the 16th corps on Fish river, both moving thence on Spanish fort and investing it on the 27th; while Major General Steele's command moved from Pensacola, cut the railroad leading from Texas to Montgomery, effected a junction with them, and partially invested Fort Blakely. After a severe bombardment of Spanish fort, a part of its line was carried on the 8th of April. During the night the enemy evacuated the fort. Fort Blakely was carried by assault on the 9th, and many prisoners captured; our loss was considerable. These successes practically opened to us the Alabama river, and enabled us to approach Mobile from the north. On the night of the 11th the city was evacuated, and was taken possession of by our forces on the morning of the 12th.

The expedition under command of Brevet Major General Wilson, consisting of twelve thousand five hundred mounted men, was delayed by rains until March 22, when it moved from Chickasaw, Alabama. On the 1st of April General Wilson encountered the enemy in force under Forrest near Ebenezer Church, drove him in confusion, captured three hundred prisoners and three guns, and destroyed the central bridge over the Cahawba river. On the 2d he attacked and captured the fortified city of Selma, defended by Forrest with seven thousand men and thirty-two guns, destroyed the arsenal, armory, naval foundry, machine shops, vast quantities of stores, and captured three thousand prisoners. On the 4th he captured and destroyed Tuscaloosa. On the 10th he crossed the Alabama river, and after sending information of his operations to General Canby marched on Montgomery, which place he occupied on the 14th, the enemy having abandoned it. At this place many stores and five steamboats fell into our hands. Thence a force marched direct on Columbus, and another on West Point, both of which places were assaulted and captured on the 16th. At the former place we got fifteen hundred prisoners and fifty-two field-guns, destroyed two gunboats, the navy-yard, foundries, arsenal, many factories, and much other public property. At the latter place we got three hundred prisoners, four guns, and destroyed nineteen locomotives and three hundred cars. On the 20th he took possession of Macon, Georgia, with sixty field-guns, twelve hundred militia and five generals, surrendered by General Howell Cobb. General Wilson hearing that Jeff. Davis was trying to make his escape, sent forces in pursuit, and succeeded in capturing him on the morning of May 11.

On the 4th day of May, General Dick Taylor surrendered to General Canby all the remaining rebel forces east of the Mississippi.

A force sufficient to insure an easy triumph over the enemy under Kirby Smith, west of the Mississippi, was immediately put in motion for Texas, and Major General Sheridan designated for its immediate command; but on the 26th day of May, and before they reached their destination, General Kirby Smith surrendered his entire command to Major General Canby. This surrender did

not take place, however, until after the capture of the rebel president and vice-president; and the bad faith was exhibited of first disbanding most of his army and permitting an indiscriminate plunder of public property.

Owing to the report that many of those lately in arms against the government had taken refuge upon the soil of Mexico, carrying with them arms rightfully belonging to the United States, which had been surrendered to us by agreement—among them some of the leaders who had surrendered in person—and the disturbed condition of affairs on the Rio Grande, the orders for troops to proceed to Texas were not changed.

There have been severe combats, raids, expeditions, and movements to defeat the designs and purposes of the enemy, most of them reflecting great credit on our arms, and which contributed greatly to our final triumph, that I have not mentioned. Many of these will be found clearly set forth in the reports herewith submitted; some in the telegrams and brief despatches announcing them, and others, I regret to say, have not as yet been officially reported.

For information touching our Indian difficulties, I would respectfully refer to the reports of the commanders of departments in which they have occurred.

It has been my fortune to see the armies of both the west and the east fight battles, and from what I have seen I know there is no difference in their fighting qualities. All that it was possible for men to do in battle they have done. The western armies commenced their battles in the Mississippi valley, and received the final surrender of the remnant of the principal army opposed to them in North Carolina. The armies of the east commenced their battles on the river from which the army of the Potomac derived its name, and received the final surrender of their old antagonist at Appomattox Court-House, Virginia. The splendid achievements of each have nationalized our victories, removed all sectional jealousies, (of which we have unfortunately experienced too much,) and the cause of crimination and recrimination that might have followed had either section failed in its duty. All have a proud record, and all sections can well congratulate themselves and each other for having done their full share in restoring the supremacy of law over every foot of territory belonging to the United States. Let them hope for perpetual peace and harmony with that enemy, whose manhood, however mistaken the cause, drew forth such herculean deeds of valor.

I have the honor to be, very respectfully, your obedient servant,

U. S. GRANT,

Lieutenant General.

Hon. E. M. STANTON,

Secretary of War.

REPORTS OF MILITARY OPERATIONS

[The following reports of military operations, which are necessarily excluded from this abridgment, will be found in the unabridged Report of the Secretary of War.]

Reports of Major Generals G. G. Meade and P. H. Sheridan, of the campaign before Richmond and Petersburg, 1865.

Major General W. T. Sherman's report of the campaign of Atlanta, 1864.

Major General W. T. Sherman's report of the campaign of Georgia and capture of Savannah, 1864.

Major General W. T. Sherman's report of the campaign of the Carolinas, 1865.

Major General W. T. Sherman's report of Johnston's surrender, &c., 1865.
Major General P. H. Sheridan's report of operations in the Shenandoah valley, from Winchester to the armies in front of Petersburg, between February 27, and March 28, 1865.

Major General G. H. Thomas's report of operations from September 7, 1864, to January 20, 1865, including battles of Franklin and Nashville.

Major General G. H. Thomas's report of operations in the department of the Cumberland, from January 20 to June 1, 1865.

Major General D. Hunter's report of operations in West Virginia, 1864.

Major General B. F. Butler's report of operations against Fort Fisher, 1864.

Major General A. H. Terry's report of the capture of Fort Fisher, 1865.

Major General W. S. Rosser's report of operations against Price, in the department of Missouri.



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