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State of the Union Address

Ulysses S. (Ulysses Simpson) Grant

Imprint

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State of the Union Address
Ulysses S. Grant
December 6, 1869

To the Senate and House of Representatives:

In coming before you for the first time as Chief Magistrate of this great nation, it is with gratitude to the Giver of All Good for the many benefits we enjoy. We are blessed with peace at home, and are without entangling alliances abroad to forebode trouble; with a territory unsurpassed in fertility, of an area equal to the abundant support of 500,000,000 people, and abounding in every variety of useful mineral in quantity sufficient to supply the world for generations; with exuberant crops; with a variety of climate adapted to the production of every species of earth's riches and suited to the habits, tastes, and requirements of every living thing; with a population of 40,000,000 free people, all speaking one language; with facilities for every mortal to acquire an education; with institutions closing to none the avenues to fame or any blessing of fortune that may be coveted; with freedom of the pulpit, the press, and the school; with a revenue flowing into the National Treasury beyond the requirements of the Government. Happily, harmony is being rapidly restored within our own borders. Manufactures hitherto unknown in our country are springing up in all sections, producing a degree of national independence unequalled by that of any other power.

These blessings and countless others are intrusted to your care and mine for safe-keeping for the brief period of our tenure of office. In a short time we must, each of us, return to the ranks of the people, who have conferred upon us our honors, and account to them for our stewardship. I earnestly desire that neither you nor I may be condemned by a free and enlightened constituency nor by our own consciences.

Emerging from a rebellion of gigantic magnitude, aided, as it was, by the sympathies and assistance of nations with which we were at

peace, eleven States of the Union were, four years ago, left without legal State governments. A national debt had been contracted; American commerce was almost driven from the seas; the industry of one-half of the country had been taken from the control of the capitalist and placed where all labor rightfully belongs—in the keeping of the laborer. The work of restoring State governments loyal to the Union, of protecting and fostering free labor, and providing means for paying the interest on the public debt has received ample attention from Congress. Although your efforts have not met with the success in all particulars that might have been desired, yet on the whole they have been more successful than could have been reasonably anticipated.

Seven States which passed ordinances of secession have been fully restored to their places in the Union. The eighth (Georgia) held an election at which she ratified her constitution, republican in form, elected a governor, Members of Congress, a State legislature, and all other officers required. The governor was duly installed, and the legislature met and performed all the acts then required of them by the reconstruction acts of Congress. Subsequently, however, in violation of the constitution which they had just ratified (as since decided by the supreme court of the State), they unseated the colored members of the legislature and admitted to seats some members who are disqualified by the third clause of the fourteenth amendment to the Constitution—an article which they themselves had contributed to ratify. Under these circumstances I would submit to you whether it would not be wise, without delay, to enact a law authorizing the governor of Georgia to convene the members originally elected to the legislature, requiring each member to take the oath prescribed by the reconstruction acts, and none to be admitted who are ineligible under the third clause of the fourteenth amendment.

The freedmen, under the protection which they have received, are making rapid progress in learning, and no complaints are heard of lack of industry on their part where they receive fair remuneration for their labor. The means provided for paying the interest on the public debt, with all other expenses of Government, are more than ample. The loss of our commerce is the only result of the late rebellion which has not received sufficient attention from you. To this

subject I call your earnest attention. I will not now suggest plans by which this object may be effected, but will, if necessary, make it the subject of a special message during the session of Congress.

At the March term Congress by joint resolution authorized the Executive to order elections in the States of Virginia, Mississippi, and Texas, to submit to them the constitutions which each had previously, in convention, framed, and submit the constitutions, either entire or in separate parts, to be voted upon, at the discretion of the Executive. Under this authority elections were called. In Virginia the election took place on the 6th of July, 1869. The governor and lieutenant-governor elected have been installed. The legislature met and did all required by this resolution and by all the reconstruction acts of Congress, and abstained from all doubtful authority. I recommend that her Senators and Representatives be promptly admitted to their seats, and that the State be fully restored to its place in the family of States. Elections were called in Mississippi and Texas, to commence on the 30th of November, 1869, and to last two days in Mississippi and four days in Texas. The elections have taken place, but the result is not known. It is to be hoped that the acts of the legislatures of these States, when they meet, will be such as to receive your approval, and thus close the work of reconstruction.

Among the evils growing out of the rebellion, and not yet referred to, is that of an irredeemable currency. It is an evil which I hope will receive your most earnest attention. It is a duty, and one of the highest duties, of Government to secure to the citizen a medium of exchange of fixed, unvarying value. This implies a return to a specie basis, and no substitute for it can be devised. It should be commenced now and reached at the earliest practicable moment consistent with a fair regard to the interests of the debtor class. Immediate resumption, if practicable, would not be desirable. It would compel the debtor class to pay, beyond their contracts, the premium on gold at the date of their purchase and would bring bankruptcy and ruin to thousands. Fluctuation, however, in the paper value of the measure of all values (gold) is detrimental to the interests of trade. It makes the man of business an involuntary gambler, for in all sales where future payment is to be made both parties speculate as to what will be the value of the currency to be paid and received. I earnestly recommend to you, then, such legislation as will insure a

gradual return to specie payments and put an immediate stop to fluctuations in the value of currency.

The methods to secure the former of these results are as numerous as are the speculators on political economy. To secure the latter I see but one way, and that is to authorize the Treasury to redeem its own paper, at a fixed price, whenever presented, and to withhold from circulation all currency so redeemed until sold again for gold.

The vast resources of the nation, both developed and undeveloped, ought to make our credit the best on earth. With a less burden of taxation than the citizen has endured for six years past, the entire public debt could be paid in ten years. But it is not desirable that the people should be taxed to pay it in that time. Year by year the ability to pay increases in a rapid ratio. But the burden of interest ought to be reduced as rapidly as can be done without the violation of contract. The public debt is represented in great part by bonds having from five to twenty and from ten to forty years to run, bearing interest at the rate of 6 per cent and 5 per cent, respectively. It is optional with the Government to pay these bonds at any period after the expiration of the least time mentioned upon their face. The time has already expired when a great part of them may be taken up, and is rapidly approaching when all may be. It is believed that all which are now due may be replaced by bonds bearing a rate of interest not exceeding 4 1/2 per cent, and as rapidly as the remainder become due that they may be replaced in the same way. To accomplish this it may be necessary to authorize the interest to be paid at either of three or four of the money centers of Europe, or by any assistant treasurer of the United States, at the option of the holder of the bond. I suggest this subject for the consideration of Congress, and also, simultaneously with this, the propriety of redeeming our currency, as before suggested, at its market value at the time the law goes into effect, increasing the rate at which currency shall be bought and sold from day to day or week to week, at the same rate of interest as Government pays upon its bonds.

The subjects of tariff and internal taxation will necessarily receive your attention. The revenues of the country are greater than the requirements, and may with safety be reduced. But as the funding

of the debt in a 4 or a 4 1/2 per cent loan would reduce annual current expenses largely, thus, after funding, justifying a greater reduction of taxation than would be now expedient, I suggest postponement of this question until the next meeting of Congress.

It may be advisable to modify taxation and tariff in instances where unjust or burdensome discriminations are made by the present laws, but a general revision of the laws regulating this subject I recommend the postponement of for the present. I also suggest the renewal of the tax on incomes, but at a reduced rate, say of 3 per cent, and this tax to expire in three years.

With the funding of the national debt, as here suggested, I feel safe in saying that taxes and the revenue from imports may be reduced safely from sixty to eighty millions per annum at once, and may be still further reduced from year to year, as the resources of the country are developed.

The report of the Secretary of the Treasury shows the receipts of the Government for the fiscal year ending June 30, 1869, to be \$370,943,747, and the expenditures, including interest, bounties, etc., to be \$321,490,597. The estimates for the ensuing year are more favorable to the Government, and will no doubt show a much larger decrease of the public debt.

The receipts in the Treasury beyond expenditures have exceeded the amount necessary to place to the credit of the sinking fund, as provided by law. To lock up the surplus in the Treasury and withhold it from circulation would lead to such a contraction of the currency as to cripple trade and seriously affect the prosperity of the country. Under these circumstances the Secretary of the Treasury and myself heartily concurred in the propriety of using all the surplus currency in the Treasury in the purchase of Government bonds, thus reducing the interest-bearing indebtedness of the country, and of submitting to Congress the question of the disposition to be made of the bonds so purchased. The bonds now held by the Treasury amount to about seventy-five millions, including those belonging to the sinking fund. I recommend that the whole be placed to the credit of the sinking fund.

Your attention is respectfully invited to the recommendations of the Secretary of the Treasury for the creation of the office of com-

missioner of customs revenue; for the increase of salaries to certain classes of officials; the substitution of increased national-bank circulation to replace the outstanding 3 per cent certificates; and most especially to his recommendation for the repeal of laws allowing shares of fines, penalties, forfeitures, etc., to officers of the Government or to informers.

The office of Commissioner of Internal Revenue is one of the most arduous and responsible under the Government. It falls but little, if any, short of a Cabinet position in its importance and responsibilities. I would ask for it, therefore, such legislation as in your judgment will place the office upon a footing of dignity commensurate with its importance and with the character and qualifications of the class of men required to fill it properly.

As the United States is the freest of all nations, so, too, its people sympathize with all people struggling for liberty and self-government; but while so sympathizing it is due to our honor that we should abstain from enforcing our views upon unwilling nations and from taking an interested part, without invitation, in the quarrels between different nations or between governments and their subjects. Our course should always be in conformity with strict justice and law, international and local. Such has been the policy of the Administration in dealing with these questions. For more than a year a valuable province of Spain, and a near neighbor of ours, in whom all our people can not but feel a deep interest, has been struggling for independence and freedom. The people and Government of the United States entertain the same warm feelings and sympathies for the people of Cuba in their pending struggle that they manifested throughout the previous struggles between Spain and her former colonies in behalf of the latter. But the contest has at no time assumed the conditions which amount to a war in the sense of international law, or which would show the existence of a de facto political organization of the insurgents sufficient to justify a recognition of belligerency.

The principle is maintained, however, that this nation is its own judge when to accord the rights of belligerency, either to a people struggling to free themselves from a government they believe to be oppressive or to independent nations at war with each other.

The United States have no disposition to interfere with the existing relations of Spain to her colonial possessions on this continent. They believe that in due time Spain and other European powers will find their interest in terminating those relations and establishing their present dependencies as independent powers—members of the family of nations. These dependencies are no longer regarded as subject to transfer from one European power to another. When the present relation of colonies ceases, they are to become independent powers, exercising the right of choice and of self-control in the determination of their future condition and relations with other powers.

The United States, in order to put a stop to bloodshed in Cuba, and in the interest of a neighboring people, proposed their good offices to bring the existing contest to a termination. The offer, not being accepted by Spain on a basis which we believed could be received by Cuba, was withdrawn. It is hoped that the good offices of the United States may yet prove advantageous for the settlement of this unhappy strife. Meanwhile a number of illegal expeditions against Cuba have been broken up. It has been the endeavor of the Administration to execute the neutrality laws in good faith, no matter how unpleasant the task, made so by the sufferings we have endured from lack of like good faith toward us by other nations.

On the 26th of March last the United States schooner *Lizzie Major* was arrested on the high seas by a Spanish frigate, and two passengers taken from it and carried as prisoners to Cuba. Representations of these facts were made to the Spanish Government as soon as official information of them reached Washington. The two passengers were set at liberty, and the Spanish Government assured the United States that the captain of the frigate in making the capture had acted without law, that he had been reprimanded for the irregularity of his conduct, and that the Spanish authorities in Cuba would not sanction any act that could violate the rights or treat with disrespect the sovereignty of this nation.

The question of the seizure of the brig *Mary Lowell* at one of the Bahama Islands by Spanish authorities is now the subject of correspondence between this Government and those of Spain and Great Britain.

The Captain-General of Cuba about May last issued a proclamation authorizing search to be made of vessels on the high seas. Immediate remonstrance was made against this, whereupon the Captain-General issued a new proclamation limiting the right of search to vessels of the United States so far as authorized under the treaty of 1795. This proclamation, however, was immediately withdrawn.

I have always felt that the most intimate relations should be cultivated between the Republic of the United States and all independent nations on this continent. It may be well worth considering whether new treaties between us and them may not be profitably entered into, to secure more intimate relations—friendly, commercial, and otherwise.

The subject of an interoceanic canal to connect the Atlantic and Pacific oceans through the Isthmus of Darien is one in which commerce is greatly interested. Instructions have been given to our minister to the Republic of the United States of Colombia to endeavor to obtain authority for a survey by this Government, in order to determine the practicability of such an undertaking, and a charter for the right of way to build, by private enterprise, such a work, if the survey proves it to be practicable.

In order to comply with the agreement of the United States as to a mixed commission at Lima for the adjustment of claims, it became necessary to send a commissioner and secretary to Lima in August last. No appropriation having been made by Congress for this purpose, it is now asked that one be made covering the past and future expenses of the commission.

The good offices of the United States to bring about a peace between Spain and the South American Republics with which she is at war having been accepted by Spain, Peru, and Chile, a congress has been invited to be held in Washington during the present winter.

A grant has been given to Europeans of an exclusive right of transit over the territory of Nicaragua, to which Costa Rico has given its assent, which, it is alleged, conflicts with vested rights of citizens of the United States. The Department of State has now this subject under consideration.

The minister of Peru having made representations that there was a state of war between Peru and Spain, and that Spain was constructing, in and near New York, thirty gunboats, which might be used by Spain in such a way as to relieve the naval force at Cuba, so as to operate against Peru, orders were given to prevent their departure. No further steps having been taken by the representative of the Peruvian Government to prevent the departure of these vessels, and I not feeling authorized to detain the property of a nation with which we are at peace on a mere Executive order, the matter has been referred to the courts to decide.

The conduct of the war between the allies and the Republic of Paraguay has made the intercourse with that country so difficult that it has been deemed advisable to withdraw our representative from there.

Toward the close of the last Administration a convention was signed at London for the settlement of all outstanding claims between Great Britain and the United States, which failed to receive the advice and consent of the Senate to its ratification. The time and the circumstances attending the negotiation of that treaty were unfavorable to its acceptance by the people of the United States, and its provisions were wholly inadequate for the settlement of the grave wrongs that had been sustained by this Government, as well as by its citizens. The injuries resulting to the United States by reason of the course adopted by Great Britain during our late civil war—in the increased rates of insurance; in the diminution of exports and imports, and other obstructions to domestic industry and production; in its effect upon the foreign commerce of the country; in the decrease and transfer to Great Britain of our commercial marine; in the prolongation of the war and the increased cost (both in treasure and in lives) of its suppression could not be adjusted and satisfied as ordinary commercial claims, which continually arise between commercial nations; and yet the convention treated them simply as such ordinary claims, from which they differ more widely in the gravity of their character than in the magnitude of their amount, great even as is that difference. Not a word was found in the treaty, and not an inference could be drawn from it, to remove the sense of the unfriendliness of the course of Great Britain in our

struggle for existence, which had so deeply and universally impressed itself upon the people of this country.

Believing that a convention thus misconceived in its scope and inadequate in its provisions would not have produced the hearty, cordial settlement of pending questions, which alone is consistent with the relations which I desire to have firmly established between the United States and Great Britain, I regarded the action of the Senate in rejecting the treaty to have been wisely taken in the interest of peace and as a necessary step in the direction of a perfect and cordial friendship between the two countries. A sensitive people, conscious of their power, are more at ease under a great wrong wholly unatoned than under the restraint of a settlement which satisfies neither their ideas of justice nor their grave sense of the grievance they have sustained. The rejection of the treaty was followed by a state of public feeling on both sides which I thought not favorable to an immediate attempt at renewed negotiations. I accordingly so instructed the minister of the United States to Great Britain, and found that my views in this regard were shared by Her Majesty's ministers. I hope that the time may soon arrive when the two Governments can approach the solution of this momentous question with an appreciation of what is due to the rights, dignity, and honor of each, and with the determination not only to remove the causes of complaint in the past, but to lay the foundation of a broad principle of public law which will prevent future differences and tend to firm and continued peace and friendship.

This is now the only grave question which the United States has with any foreign nation.

The question of renewing a treaty for reciprocal trade between the United States and the British Provinces on this continent has not been favorably considered by the Administration. The advantages of such a treaty would be wholly in favor of the British producer. Except, possibly, a few engaged in the trade between the two sections, no citizen of the United States would be benefited by reciprocity. Our internal taxation would prove a protection to the British producer almost equal to the protection which our manufacturers now receive from the tariff. Some arrangement, however, for the

regulation of commercial intercourse between the United States and the Dominion of Canada may be desirable.

The commission for adjusting the claims of the "Hudsons Bay and Puget Sound Agricultural Company" upon the United States has terminated its labors. The award of \$650,000 has been made and all rights and titles of the company on the territory of the United States have been extinguished. Deeds for the property of the company have been delivered. An appropriation by Congress to meet this sum is asked.

The commissioners for determining the northwestern land boundary between the United States and the British possessions under the treaty of 1856 have completed their labors, and the commission has been dissolved.

In conformity with the recommendation of Congress, a proposition was early made to the British Government to abolish the mixed courts created under the treaty of April 7, 1862, for the suppression of the slave trade. The subject is still under negotiation.

It having come to my knowledge that a corporate company, organized under British laws, proposed to land upon the shores of the United States and to operate there a submarine cable, under a concession from His Majesty the Emperor of the French of an exclusive right for twenty years of telegraphic communication between the shores of France and the United States, with the very objectionable feature of subjecting all messages conveyed thereby to the scrutiny and control of the French Government, I caused the French and British legations at Washington to be made acquainted with the probable policy of Congress on this subject, as foreshadowed by the bill which passed the Senate in March last. This drew from the representatives of the company an agreement to accept as the basis of their operations the provisions of that bill, or of such other enactment on the subject as might be passed during the approaching session of Congress; also, to use their influence to secure from the French Government a modification of their concession, so as to permit the landing upon French soil of any cable belonging to any company incorporated by the authority of the United States or of any State in the Union, and, on their part, not to oppose the establishment of any such cable. In consideration of this agreement I

directed the withdrawal of all opposition by the United States authorities to the landing of the cable and to the working of it until the meeting of Congress. I regret to say that there has been no modification made in the company's concession, nor, so far as I can learn, have they attempted to secure one. Their concession excludes the capital and the citizens of the United States from competition upon the shores of France. I recommend legislation to protect the rights of citizens of the United States, as well as the dignity and sovereignty of the nation, against such an assumption. I shall also endeavor to secure, by negotiation, an abandonment of the principle of monopolies in ocean telegraphic cables. Copies of this correspondence are herewith furnished.

The unsettled political condition of other countries, less fortunate than our own, sometimes induces their citizens to come to the United States for the sole purpose of becoming naturalized. Having secured this, they return to their native country and reside there, without disclosing their change of allegiance. They accept official positions of trust or honor, which can only be held by citizens of their native land; they journey under passports describing them as such citizens; and it is only when civil discord, after perhaps years of quiet, threatens their persons or their property, or when their native state drafts them into its military service, that the fact of their change of allegiance is made known. They reside permanently away from the United States, they contribute nothing to its revenues, they avoid the duties of its citizenship, and they only make themselves known by a claim of protection. I have directed the diplomatic and consular officers of the United States to scrutinize carefully all such claims for protection. The citizen of the United States, whether native or adopted, who discharges his duty to his country, is entitled to its complete protection. While I have a voice in the direction of affairs I shall not consent to imperil this sacred right by conferring it upon fictitious or fraudulent claimants.

On the accession of the present Administration it was found that the minister for North Germany had made propositions for the negotiation of a convention for the protection of emigrant passengers, to which no response had been given. It was concluded that to be effectual all the maritime powers engaged in the trade should join in such a measure. Invitations have been extended to the cabi-

nets of London, Paris, Florence, Berlin, Brussels, The Hague, Copenhagen, and Stockholm to empower their representatives at Washington to simultaneously enter into negotiations and to conclude with the United States conventions identical in form, making uniform regulations as to the construction of the parts of vessels to be devoted to the use of emigrant passengers, as to the quality and quantity of food, as to the medical treatment of the sick, and as to the rules to be observed during the voyage, in order to secure ventilation, to promote health, to prevent intrusion, and to protect the females; and providing for the establishment of tribunals in the several countries for enforcing such regulations by summary process.

Your attention is respectfully called to the law regulating the tariff on Russian hemp, and to the question whether to fix the charges on Russian hemp higher than they are fixed upon manila is not a violation of our treaty with Russia placing her products upon the same footing with those of the most favored nations.

Our manufactures are increasing with wonderful rapidity under the encouragement which they now receive. With the improvements in machinery already effected, and still increasing, causing machinery to take the place of skilled labor to a large extent, our imports of many articles must fall off largely within a very few years. Fortunately, too, manufactures are not confined to a few localities, as formerly, and it is to be hoped will become more and more diffused, making the interest in them equal in all sections. They give employment and support to hundreds of thousands of people at home, and retain with us the means which otherwise would be shipped abroad. The extension of railroads in Europe and the East is bringing into competition with our agricultural products like products of other countries. Self-interest, if not self-preservation, therefore dictates caution against disturbing any industrial interest of the country. It teaches us also the necessity of looking to other markets for the sale of our surplus. Our neighbors south of us and China and Japan, should receive our special attention. It will be the endeavor of the Administration to cultivate such relations with all these nations as to entitle us to their confidence and make it their interest, as well as ours, to establish better commercial relations.

Through the agency of a more enlightened policy than that heretofore pursued toward China, largely due to the sagacity and efforts of one of our own distinguished citizens, the world is about to commence largely increased relations with that populous and hitherto exclusive nation. As the United States have been the initiators in this new policy, so they should be the most earnest in showing their good faith in making it a success. In this connection I advise such legislation as will forever preclude the enslavement of the Chinese upon our soil under the name of coolies, and also prevent American vessels from engaging in the transportation of coolies to any country tolerating the system. I also recommend that the mission to China be raised to one of the first class.

On my assuming the responsible duties of Chief Magistrate of the United States it was with the conviction that three things were essential to its peace, prosperity, and fullest development. First among these is strict integrity in fulfilling all our obligations; second, to secure protection to the person and property of the citizen of the United States in each and every portion of our common country, wherever he may choose to move, without reference to original nationality, religion, color, or politics, demanding of him only obedience to the laws and proper respect for the rights of others; third, union of all the States, with equal rights, indestructible by any constitutional means.

To secure the first of these, Congress has taken two essential steps: First, in declaring by joint resolution that the public debt shall be paid, principal and interest, in coin; and, second, by providing the means for paying. Providing the means, however, could not secure the object desired without a proper administration of the laws for the collection of the revenues and an economical disbursement of them. To this subject the Administration has most earnestly addressed itself, with results, I hope, satisfactory to the country. There has been no hesitation in changing officials in order to secure an efficient execution of the laws, sometimes, too, when, in a mere party view, undesirable political results were likely to follow; nor any hesitation in sustaining efficient officials against remonstrances wholly political.

It may be well to mention here the embarrassment possible to arise from leaving on the statute books the so-called "tenure-of-office acts," and to earnestly recommend their total repeal. It could not have been the intention of the framers of the Constitution, when providing that appointments made by the President should receive the consent of the Senate, that the latter should have the power to retain in office persons placed there by Federal appointment against the will of the President. The law is inconsistent with a faithful and efficient administration of the Government. What faith can an Executive put in officials forced upon him, and those, too, whom he has suspended for reason? How will such officials be likely to serve an Administration which they know does not trust them?

For the second requisite to our growth and prosperity time and a firm but humane administration of existing laws (amended from time to time as they may prove ineffective or prove harsh and unnecessary) are probably all that are required.

The third can not be attained by special legislation, but must be regarded as fixed by the Constitution itself and gradually acquired in by force of public opinion.

From the foundation of the Government to the present the management of the original inhabitants of this continent—the Indians—has been a subject of embarrassment and expense, and has been attended with continuous robberies, murders, and wars. From my own experience upon the frontiers and in Indian countries, I do not hold either legislation or the conduct of the whites who come most in contact with the Indian blameless for these hostilities. The past, however, can not be undone, and the question must be met as we now find it. I have attempted a new policy toward these wards of the nation (they can not be regarded in any other light than as wards), with fair results so far as tried, and which I hope will be attended ultimately with great success. The Society of Friends is well known as having succeeded in living in peace with the Indians in the early settlement of Pennsylvania, while their white neighbors of other sects in other sections were constantly embroiled. They are also known for their opposition to all strife, violence, and war, and are generally noted for their strict integrity and fair dealings. These considerations induced me to give the management of a few reser-

vations of Indians to them and to throw the burden of the selection of agents upon the society itself. The result has proven most satisfactory. It will be found more fully set forth in the report of the Commissioner of Indian Affairs. For superintendents and Indian agents not on the reservations, officers of the Army were selected. The reasons for this are numerous. Where Indian agents are sent, there, or near there, troops must be sent also. The agent and the commander of troops are independent of each other, and are subject to orders from different Departments of the Government. The army officer holds a position for life; the agent, one at the will of the President. The former is personally interested in living in harmony with the Indian and in establishing a permanent peace, to the end that some portion of his life may be spent within the limits of civilized society; the latter has no such personal interest. Another reason is an economic one; and still another, the hold which the Government has upon a life officer to secure a faithful discharge of duties in carrying out a given policy.

The building of railroads, and the access thereby given to all the agricultural and mineral regions of the country, is rapidly bringing civilized settlements into contact with all the tribes of Indians. No matter what ought to be the relations between such settlements and the aborigines, the fact is they do not harmonize well, and one or the other has to give way in the end. A system which looks to the extinction of a race is too horrible for a nation to adopt without entailing upon itself the wrath of all Christendom and engendering in the citizen a disregard for human life and the rights of others, dangerous to society. I see no substitute for such a system, except in placing all the Indians on large reservations, as rapidly as it can be done, and giving them absolute protection there. As soon as they are fitted for it they should be induced to take their lands in severalty and to set up Territorial governments for their own protection. For full details on this subject I call your special attention to the reports of the Secretary of the Interior and the Commissioner of Indian Affairs.

The report of the Secretary of War shows the expenditures of the War Department for the year ending June 30, 1869, to be \$80,644,042, of which \$23,882,310 was disbursed in the payment of debts contracted during the war, and is not chargeable to current