

deficiency of three million one hundred and forty-five thousand dollars to be supplied from the treasury, in addition to the permanent appropriation.

The present insurrection shows, I think, that the extension of this District across the Potomac river, at the time of establishing the capital here, was eminently wise, and consequently that the relinquishment of that portion of it which lies within the State of Virginia was unwise and dangerous. I submit for your consideration the expediency of regaining that part of the District, and the restoration of the original boundaries thereof, through negotiations with the State of Virginia.

The report of the Secretary of the Interior, with the accompanying documents, exhibits the condition of the several branches of the public business pertaining to that department. The depressing influences of the insurrection have been especially felt in the operations of the Patent and General Land Offices. The cash receipts from the sales of public lands during the past year have exceeded the expenses of our land system only about two hundred thousand dollars. The sales have been entirely suspended in the southern States, while the interruptions to the business of the country, and the diversion of large numbers of men from labor to military service, have obstructed settlements in the new States and Territories of the northwest.

The receipts of the Patent Office have declined in nine months about one hundred thousand dollars, rendering a large reduction of the force employed necessary to make it self-sustaining.

The demands upon the Pension Office will be largely increased by the insurrection. Numerous applications for pensions, based upon the casualties of the existing war, have already been made. There is reason to believe that many who are now upon the pension rolls and in receipt of the bounty of the government, are in the ranks of the insurgent army, or giving them aid and comfort. The Secretary of the Interior has directed a suspension of the payment of the pensions of such persons upon proof of their disloyalty. I recommend that Congress authorize that officer to cause the names of such persons to be stricken from the pension rolls.

The relations of the government with the Indian tribes have been greatly disturbed by the insurrection, especially in the southern superintendency and in that of New Mexico. The Indian country south of Kansas is in the possession of insurgents from Texas and Arkansas. The