The troops in this division are efficient and their discipline is very good, considering the smallness of the companies and the amount of hard work to be performed in fighting Indians, building posts, making roads, guarding settlements and railroads, and escorting parties engaged in surveying projected railways, boundary lines, and public lands in the Territories. The rights and the lands of the Indians have also to be protected against encroachments, and I have to reiterate what I have said in former reports, that the Army is much too small to efficiently and economically perform the duties required ot it. I would recommend greater activity in enlistments. This could be brought about by modification of the rigid standards of weight and height for recruits.

The school of instruction for cavalry and infantry, at Fort Leavenworth, Kansas, will be organized shortly after the 1st of November.

I have the honor to be, general, very respectfully, your obedient servant.

P. H. SHERIDAN, Lieutenant-General, Commanding.

Brig. Gen. R. C. Drum, Adjutant-General, United States Army, Washington, D. C.

3 A. - Report of Brigadier-General Terry.

Headquarters Department of Dakota, Fort Sneeling, Minn., October 9, 1881.

Sir: I have the honor to submit the following report of the military operations which have taken place in this department since the 4th day of October, 1880, the day on which my last annual report was made. At that time the force in the department consisted of the follow-