wards instituted to ascertain the amount, and tions with Spain. this was finally fixed according to their own cents,) but without interest, if we would accept but is made as a special favor.

island the, power is withheld from him to examine and redress wrongs committed by officials The truth is that Cuba, in its existing coloni-

al condition, is a constant source of injury and annovance to the American people. It is the only spot in the civilized world where the African slave trade is tolerated; and we are bound by treaty with Great Britain to maintain a naval force on the coast of Africa, at much expense both of life and treasure, solely for the purpose of arresting slavers bound to that island .-The late serious difficulties between the United States and Great Britain respecting the right of search now so hapily terminated, could never have arisen if Cuba had not afforded a market for slaves. As long as this market shall remain slaves continues in Cuba, wars will be waged aamong the petty and barbarous chiefs in Africa for the purpose of seizing subjects to supply In such a condition of affairs, it is impossible that the light of civilization and religion, can ever penetrate these dark abodes.

It has been made known to the world by my predecessors, that the United States have, on several occasions, endeavored to acquire Cuba were accomplished, the last relic of the African slave-trade would instantly disappear. We would not, if we could, acquire Cuba in any other manner. This is due to our national character. All the territory which we have acquired since the origin of the government, and Mexico, or by the free and voluntary act of the independent State of Texas, in blending her destinies with our own. This course we shall ever pursue, unless circumstances should occur. which we do not now anticipate, rendering a departure from it clearly justifiable, under the imperative and over-ruling law of self-preserva-

The Island of Cuba, from its geographical po-sition, commands the mouth of the Mississippi, and the immense and annually-increasing trade, foreign and coastwise, from the valley of that noble river, now embracing half the sovereign States of the Union. With that Island under the domination of a distant foreign power, this trade, of vital importance to these States, is exposed to the danger of being destroyed in time of war, and it has hitherto been subjected to perpetual injury and annoyance in time of peace. Our relations with Spain, which ought to be of the most friendly character, must aiways be placed in jeopardy, whilst the existing colonial government over the Island shall remain in its present condition.

to the United States. Jealous, as he ever was, of the national honor and interests of France, lent for this cession.

I am encouraged to make this suggestion, by the Mr. Polk in view of the acquisition of territory therefore, deemed proper to sanction his withfrom Mexico. I refer the whole subject to drawal of the legation from the city of Mexico. Congress, and commend it to their careful con-

for the purpose of distribution omong elaumants | red of a peaceful settlement of our difficulties. in the Amistad case. President Polk first made

American vessels at different custom houses in doubt that indemnity is fairly due to these clai- it, and may grant that redress to American citi- was discontinued. Suffice it to say that, since ses of complaint against New Granada on the particular country. Cuba, so long ago as the year 1844. The prin- mants under our treaty with Spain of the 27th zens which justice requires, so far as they may February, 1856, it has remained closed, greatly ciples upon which they rest are so manifestly October, 1795; and whilst demanding justice, possess the means. But for this expectation, I to the predjudice of citizens of the United States. equitable and just that after a period of nearly we ought to do justice. An appropriation ten years, in 1854, they were recognised by the promptly made for this purpose, could not fail Spanish government. Proceedings were after- to exert a favorable influence on our negotia-

Our position in relation to the independent statement (with which we were satisfied) at the States South of us on this continent, and especialsum of one hundred and twenty-eight thousand ly those within the limits of North America, is six hundred and thirty-five dollars and fifty-four of a peculiar character. The northern boundacents. Just at the moment, after a delay of ry of Mexico is coincident with our own southfourteen years, when we had reason to expect ern boundary from ocean to ocean; and we that this sum would be re-paid with interest, we must necessarily feel a deep interest in all that venting actual war. have received a proposal offering to refund one concerns the well-being and the fate of so near third of that amount forty-two thousand eight a neighbor. We have always cherished the kinhundred and seventy eight dollars and forty-one dest wishes for the success of that republic, and dition of affairs along our southwestern frontier, this in full satisfaction. The offer is also accom- all its trials, enjoy peace and prosperity under panied by a declarat on that this indemnification a free and stable government. We have never inhabitants, large bands of hostile and predatois not founded on any reason of strict justice; hitherto interfered, directly or indirectly, with ry Indians roam promiscuously over the Mexi-One alleged cause for procrastination in the owe to ourselves, to protect the integrity of its adjoining Territories. The local governments from an obstacle which it is the duty of the other power. Our geographical position, our of these States are perfectly helpless, and are the from an obstacle which it is the duty of the other power. Our geographical position, our help in a state of constant alarm by the Indians. Spanish government to remove. Whilst the direct interest in all that concerns Mexico, and They have not the power, if they possessed the captain-general of Cuba is invested with gener- our well-settled policy in regard to the North will, even to restrain lawless Mexican from al despotic authority in the government of that American continent, renders this an indespensa- passing the border and committing depredations

under his control, on citizens of the United volution, almost ever since it achieved its frontier. The laws are a dead letter, and life embraced in a treaty between the United States States. Instead of making our complaints di- independence. One military leader after anoth- and property are wholly finsecure. For this and Nicaragua, the knowledge of this fact would States. Instead of making our complaints distributed in the United States.— there very low. Confidence is gradually revised the settlement of Arizona is arrested, from committing aggressions on the route, and to find the United States.— there very low. Confidence is gradually revised that this of itself most probably prevent hostile parties whilst this is the case, a heavy duty has been ving, and so soon as it is discovered that this sent them through our minister at Madrid .- ion; and the various constitutions from time These are then referred back to the captain- to time adopted, have been set at naught algeneral for information; and much time is thus most as soon as they were proclaimed. The consumed in preliminary investigations and cor- successive governments have afforded no aderespondence between Madrid and Cuba, before quate protection, either to Mexican citizens or from California. Well founded apprehensions the Spanish government will consent to pro- foreign residents, against lowless violence .- are now entertained, that the Indians, and ceed to negotiation. Many of the difficulties Heretofore, a seizure of the capital by a militabetween the two governments would obviated ry chieftain; has been generally followed by at and a long train of negotiations avoided, if the least the nominal submission of the country to captain general were invested with authority his rule for a brief period, but not so at this crisis to settle questions of easy solution, on the spot, of Mexican affairs. A civil war has been rawhere all the facts are fresh and could be prom- ging for some time throughout the republic, beptly and satisfactorify ascertained. We have tween the central government at the city of hitherto in vain urged upon the Spanish gov- Mexico, which has endeavored to subvert ernment to confer this power upon the captain the constitution last framed, by military general, and our minister to Spain will again be power, and those who maintain the authority of instructed to arge this subject on their notice. that constitution. The antagonistic parties each In this respect, we occupy a different position hold possession of different States of the republic, from the powers of Europe. Cuba is almost and the fortunes of the war are constantly chanwithin sight of our shores; our commerce with ging. Meanwhile, the most reprehensible it is far greater than that of any other nation means have been employed by both parties to including Spain itself, and our citizens are in extort money from foreigners, as well as nahabits of daily and extended personal intercourse tives, to carry on this ruinous contest. The with every part of the island. It is, therefore, truth is, that this fine country, blessed with a a great grievance that, when any difficulty oc- productive soil and a benign climate, has been curs, no matter how unimportant, which might reduced by civil dissension to a condition of be readily settled at the moment we should be almost hopeless anarchy and imbecility. It obliged to resort to Madrid, especially when the would be vain for this government to attempt very first step to be taken there is to refer it to enforce payment in money of the claims of American citizens, now amounting to more than ten million dollars, against Mexico, because she is destitute of all pecuniary means to satisfy these demands.

Our late minister was furnished with ample powers and instructions for the adjustment of all ending questions with the central government of Mexico, and he performed his duty with zeal and ability. The claims of our citizens, some of them arising out of the violation of an express provision of the treaty of Guadalupe Hidalgo, and others from gross injuries to persons as well as property, have remained redressed and even unnoticed. Remonstrances against these grievances, have been addressed without effect to that government. Meantime, been numerous of the murder, imprisonment, and plunder of our cit z ns, by different parties clai ming and exercising a local jurisdiction; but the central government, although repeatedly urged thereto, have made no effort either to punish the authors of these outrages, or to prevent their recurrence. No American citizens can now visit Mexico on lawful business, with from Spain by honorable negotiation. If this There is no adequate protection to either; and in this respect our treaty with that republic is almost a dead letter.

This state of affairs was brought to a crisis in May last, by the promulgation of a decree levying a contribution pro rata upon all the capital in the republic, between certain specified amounts, whether held by Mexicans or foreigners. Mr. Forsyth, regarding this decree in the light of a "forced loan," formally protested against its application to his countrymen, and advised them not to pay the contribution, but to suffer it to be forcibly exacted. Acting upon this advice, an American citizen refused to pay the contribution, and his property was seized by armed men to satisfy the amount. Not content with this, the government proceeded still further, and issued a decree banishing him from the country. Our minister immediately notified them that if this decree should be carried into execution, he would feel it to be his duty to adopt "the most decided measures that belong to the powers and obligations of the representative office." Notwithstanding this the banishment was enforced, and Mr. Forsyth promptly announced to the government the suspension of the political relations of his legation with them, until the pleasure of his own government should be ascertained.

This government did not regard the contribution imposed by the decree of the 15th May Whilst the possession of the Island would be last to be in strictness a "forced loan," and as of vast importance to the United States, its val- such prohibited by the 10th article of the treaty ne to Spain is, comparatively, unimportant .- of 1826 between Great Britain and Mexico, to Such was the relative situation of the parties, the benefits of which American citizens are may traverse the route; but they insist that it when the great Napoleon transferred Louisiana entitled by treaty; yet the imposition of the contribution upon foreigners was considered an decree of that government. If disputes arise unjust and oppressive measure. Besides, interno person throughout the world, has imputed nal factions in other parts of the republic were clame to him, for accepting a pecuniary equiva- at the same time levying similar exactions upon the property of our citizens, and interrup-The publicity which has been given to our ling their commerce. There had been an enformer negotiations upon this subject, and the tire failure on the part of our minister, to selarge appropriation which may be required to cure redress for the wrongs which our citizens effect the purpose, render it expedient, before had endured, notwithstanding his persevering making another attempt to renew the negotia- efforts. And from the temper manifested by tion, that I should lay the whole subject be- the Mexican government, we had repeatedly fore Congress. This is especially necessary, as assured us that no favorable change could be it may become indispensable to success, that I expected, until the United States should "give should be intrusted with the means of making striking evidence of their will and power to an advance to the Spanish government immedi- protect their citizens," and that "severe chastately after the signing of the treaty, without ening is the only earthly remedy for our grievanawaiting the ratification of it by the Senate .- | ces." From this statement of facts, it would have been worse than idle, to direct Mr. Forexample of Mr. Jefferson previous to the pur- syth to retrace his steps and resume dipiomatchase of Louisiana from France, and by that of ic relations with that government; and it was,

drawal of the legation from the city of Mexico. Abundant cause now undoubtedly exists, for resort to hostilities against the government I repeat the reccommendation made in my still holding possession of the capital. Should message of December last, in favor of an appro- they succeed in subduing the constitutional bation win be paid to the Spanish government forces, all reasonable hope will then have expi-

On the other hand, should the constitutional

should at once have recommended to Conto be held in pledge until our injuries shall be redressed and just demands be satisfied. We of reprisals is recognised by the law of nations not only as just in itself, but as a means of pre-

But there is another view of our relations with Mexico, arising from the unhappy conhave indulged the hope that it might at last, after | which demands immediate action. In that remote region, where there are but few white its internal affairs, and it is a duty which we can States of Chihuahua and Sonora, and our on our remote settlers. A state of anarchy and violence prevails throughout the distant inhabitants should extend all along its southern border, sufficient for their own protection and that of the United States mail passing to and wandering Mexicans equally lawless, may break up the important stage and postal com-munication recently established between our Atlantic and Pacific possessions. This passes very near to the Mexican boundary, throughout the whole length of Arizona. I can imagine no possible remedy for these evils, and no mode of restoring law and order on that remote and unsettled frontier, but for the government of the United States to assume a temporary protectorate over the northern portions of Chihuahua and Sonora, and to establish milita. ry posts within the same-and this I earnestly recommend to Congress. This protection may be withdrawn, as soon as local governmentsshall be established in these Mexican States, capable of performing their duties to the United States, restraining the lawless and preserving peace along the border.

I do not doubt that this measure will be viewed in a friendly spirit by the governments and people of Chihuahua and Sonora, as it will prove equally effectual for the protection of their citizens on that remote and lawless frontier, as for citizens of the United States.

And in this connexion, permit me to recall your attention, to the condition of Arizona .-The population of that Territory, numbering, as is alleged, more than ten thosuand souls, are practically without a government, without any regular administration of justice. Murder and other crimes are committed with impunity. This state of things calls loudly for redress; and I, therefore, repeat my recommendation for the establishment of a territorial government over Arizona.

The political condition of the narrow isthmus of Central America through which transit routes pass, between the Atlantic and Pacific commercial nations. It is over these cransness that a large proportion of the trade and travel between the European and Asiatic continents, is destined to pass. To the United States these routes are of incalculable importance, as a means of communication between their Atlantic and Pacific possessions. The latter now extend throughout seventeen degrees of latitude on the Pacific coast, embracing the important State of Colifornia and the flourishing Territories of Oregon and Washington. All com-mercial nations, therefore, have a deep and direct interest, that these communications shall be rendered secure from interruption. If an arm of the sea, connecting the two oceans, penetrated through Nicaragua and Costa it could not be pretended that these States would have the right to arrest or retard its navigation, to the injury of other nations .-The transit by land over this narrow isthmus, occupies nearly the same position. It is a highway in which they themselves have little interest, when compared with the vast interests of the rest of the world. Whilst their rights of sovereignty ought to be respected, it is the duty of other nations to require, that this important passage shall not be interrupted, by the civil war and revolutionary outbreaks, which have so frequently occurred in that region. The stake is too important, to be left at the mercy of rival companies, claiming to hold conflicting contracts with Nicaragua. The commerce of other nations is not to stand still and await the adjustment of such petty controversies. The government of the United States expect no more than this, and they will not be satisfied with less. They would not, if they could, derive any advantage from the Nicaragua transit, not common to the rest of the world. Its neutrality and protection, for the common use of all nations, is their only object. They have no objection that Nicaragua shall demand and receive a fair compensation, from the companies and individuals who shall never hereafter be closed, by an arbitrary between it and those with whom they may have entered in to contracts, these must be adjusted by some fair tribunal provided for the purpose, and the route must not be closed pending the controversy. This is our whole policy, and it cannot fail to be acceptable to other

All these difficulties might be avoided, if, consistently with the good faith of Nicaragua, the use of this transit could be thrown open to general competition; providing at the same time for the payment of a reasonable rate to the Nicaraguan government, on passengers and

In August, 1852, the Accessory Transit Company made its first intercceanic trip over the Nicaraguan route, and continued in successful until the 18th February, 1856, when it was at Panama, in April, 1856. A treaty for the

the refunding of duties unjustly exacted from cessor in December 1853. I entertain no they will be animated by a less untriendly spir- the parties, up till the time when the transit be obtained, it will remove all our existing cau- have been controlled by the legislation of any Since that time the competition has ceased begress to grant the necessary power to the Presi- tween the rival routes of Panama and Nicaradent, to take possession of a sufficient portion of gua, and, in consequence thereof, an unjust the remote and unsettled territory of Mexico, and unreasonable amount has been exacted from levy a passenger tax upon our citizens arriving because it is not to be expected, at least for our citizens for their passage to and from Calfornia.

A treaty was signed on the 16th of Novemhave already exhausted every milder means of ber, 1857, by the Secretary of State and Minisobtaining justice. In such a case, this remedy ter of Nicaragua, under the stipulations of which the use and protection of the transit route nama railroad. The government of New Gra- was treated so much at large in my last annual would have been secured, not only to the United States, but equally to all other nations. -How and on what pretext this treaty has failed to receive the ratification of the Nicaraguan tween the two countries, and as such would be rupt law, applicable to banking institutions, government, will appear by the papers herewith communicated from the State Department. The principal objection seems to have been in a spirit of amity and justice, and with a sin- Such a law would mitigate, though it might to employ force to keep the route open, if Nicaragua should fail to perform her duty in been commenced. No effort has recently been upon their banking business; if they knew in this respect. From the feebleness of that republic, its frequent changes of government, and ted under present circumstances. its constant internal dissensions, this had become a most important stipulation, and one of the most friendly character. The produc-slowly but surely passing away. The energy whilst it is of great importance that a chain of from committing aggressions on the route, and whilst it is of great importance that a chain of from committing aggressions on the route, and levied, until very recently, upon the importance that a chain of from committing aggressions on the route, and levied, until very recently, upon the importance that a chain of from committing aggressions on the route, and levied, until very recently, upon the importance that a chain of from committing aggressions on the route, and levied, until very recently, upon the importance that a chain of from committing aggressions on the route, and levied, until very recently, upon the importance that a chain of from committing aggressions on the route, and levied, until very recently. I am grati-

unnecessary. The executive government of this country, in its intercourse with foreign nations, is limied to the employment of diplomacy alone .-When this fails, it can proceed no further. It cannot legitimately resort to force, without the direct authority of Congress, except in resisting and repelling hostile attacks. It would have no authority to enter the territories of Nicaragua, even to prevent the destruction of the tranit, and protect the lives and property of our own the consumers of coffee in our country, as we vent these evil consequences. citizens on their passage. It is true that on a purchase half of the entire surplus crop of that In connection with this subject, it is proper sudden emergency of this character, the President would direct any armed force in the vicini- instruction, will refferate his efforts to have causes which have produced pecuniary distress ty to march to their relief, but in doing this he would act upon his own responsibility.

Under these circumstances, I earnestly recommend to Congress the passage of an act that event, there is good reason to believe that necessary expenses of the government. To authorizing the President, under such restrict the commerce between the two countries, will supply the deficiency, Congress, by the act of tions as they may deem proper, to employ the land and naval forces of the United States in Soth.

greatly increase, much to the advantage of the 22d of December, 1857, authorized the issue of \$20,000,000 of treasury notes; and, this preventing the transit from being obstructed or closed by lawless violence, and in protecting the lives and property of American citizens very large amount; but some of these rest upon be applied to the payment of appropriations traveling thereupon, requiring at the same time hese forces shall be withdrawn the monent thedanger shall have passed away. Without such a provison, our citizens will be be made by our minister, to procure their final ordinary expenses of the government. This constantly exposed to interruption in their progress, and to lawless violence.

A similar necessity exists for the passage of such an act, for the protection of the Panama such act, for the protection of the Panama such act and the protection of the Pana and Tehuantepec routes. In reference to the judgment, may be necessary and advisable" in time of peace. It is our true policy to in-Panama route, the United States, by their exis- ofor the purpose of adjusting the difference be- crease our revenue so as to equal our expenditing treaty with New Granada, expressly guaran- tween the United States and the republic of tures. It would be ruinous to continue to bortee the neutrality of the Isthmus, "with the Paraguay, in connexion with the attack on the row. Besides, it may be proper to observe that iew that the free transit from the one to the United States steamer Water Witch, and with the incidental protection, thus afforded by a reother sea may not be interrupted or em- other measures referred to" in his annual mes- venue tariff, would at the present moment, to

and compensation of a commissioner to that re- our reviving buisness. To this, surely, no perauspices, our treaty with Mexico of the 30th December, 1853, secures to the citizens of the United States a right of transit over it for their States the "right to transport across the Isthmus in closed bags, the mails of the United States not intended for distribution along the line of he may prove successful in convincing the Para- ally sold by weight or by measure, and which ed States goeernment and its citizens which may be intended for transit, and not for distribution on the isthmus, free of custom-house or they had committed against the United States, wines and spirits. other charges by the Mexican government."

These treaty stipulations with New Granada and Mexico, in addition to the considerations

them into effect. our citizens in Costa Rica and Nicaragua, duthe prompt attention of this government. Some of these injuries were of the most aggravated character. The transaction at Virgin Bay in April, 1856, when a company of unarmed Americans, who were in no way connected with any belligerent conduct or party, were fired upon by the troops of Costa Rica, and num-bers of them killed and wounded, was brought to the knowledge of Congress by my predecessor soon after its occurrence, and was also presented to the government of Costa Rica, for that immediate investigation and redress which the nature of the case demanded. A similar course was pursued with reference to other outrages in these countries, some of which were hardly less aggravated in their character than want. however, when our present minister to Nicaragua was appointed, in December, 1857, no redress had been obtained for any of these wrongs. and no reply even had been received to the to lose no time in expressing to those governments the deep regret with which the President prompt and satisfactory fadjustmeht. this demand shall be complied with at an early day, it only remains for this government to adopt such other measures as may be necessary, in order to obtain for itself that justice which it has in vain attempted to secure by peaceful means, from the governments of Nicargua and Costa Rica. Whil it has shown and will continue to show, the most sincere regard for the rights and honor of these republics, it cannot permit this regard to be met by an utter neg-

Against New Granada we have long stansatisfied claims of our citizens upon that repubpperation, with great advantage to the public, ded the outrages committed upon our citizens dent Rivas. Previous to this date, however, tained just and acceptable provisions for that to have been rushing to this catastrophe.

subject of claims.

ernments, as to the right of New Granada to levy a tonnage duty upon the vessels of the United States in its ports of the Isthmus, and to however, probably be the less severe in future; in that country, whether with a design to re- many years to come that the commercial namain there or to pass from ocean to ocean by tions of Europe, with whose interests our own the transit route; and also a tax upon the mail are so materially involved, will expose themof the United States, transported over the Pa- selves to similar calamities. But this subject nada has been informed, that the United States | message that I shall not now pursue it further. would consider the collection of either of these Still, I respectfully renew the recommendataxes as an act in violation of the treaty be- tion, in favor of the passage of a uniform bankresisted by the United States. At the same This is all the power over the subject, which, I time we are prepared to discuss these questions believe, the federal government pissesses. to the provision authorising the United States cere desire to adjust them in a satisfactory mannot prevent the evil. The instinct of self-presner. A negotiation for that purpose has already ervation might produce a wholesome restraint would inevitably produce their civil death.

With the empire of Brazil, our relations are
But the effects of the strength of t

essentially necessary not only for the security tions of the two countries, and especially those and enterprise of our citizens, with our unof the route, but for the safety of American citi- of an agricultural nature, are such as to invite bounded resources, will, within the period of zens passing and repassing to and from our Paci-fic possessions. Were such a stipulation of American flour is consumed in Brazil; whilst dustry and trade. Capital has again accumulamore than treble the amount in value of Brazil- ted in our large cities. The rate of interest is ian coffee is consumed in the United States .- there very low. Confidence is gradually revified, however, to be able to inform you that in construction of railroads and other works of September last this has been reduced from \$1,- public and private improvement, prosperity 32 to about forty-nine cents per barrel, and the will again smile throughout the land. duties on other articles of our production have vain, however, to disguise the fact from our-

zil still continues to levy an export duty of a- other countries whose manufactures] come into bout 11 per cent. on coffee, notwithstanding competition with our own, must ever produce this article is admitted free from duty in the disastrous results to our domestic manufactures. United States. This is a heavy charge upon Notariff, short of absolute prohibition, can prearticle raised in Brazi'. Our minister, under to refer to our financial condition. The same this export duty removed; and it is hoped that throughout the country, have so reduced the a-mount of imports from foreign countries, that

plain principles of justice, and their settlement made by law." ought not to be longer delayed. A renewed No statesman would advise, that we should and earnest, and I trust a successful effort, will go on increasing the national debt to meet the

barrassed in any future time while this treaty exists. sage. And on the 12th July following, they some extent, increase the confidence of the man-In regard to the Tehuantepec route, which has made an appropriation to defray the expenses ufacturing interests, and give a fresh impulse to public, should the President deem it proper to son will object.

make such an appointment. United States a right of fransit over it for their incompliance with these enactments, I nave an united a commissioner, who has proceeded to far agony with run powers and instructions to far agony with run powers and instructions to settle these differences in an amieable and should be done by specific duties, in cases to peaceful manner, if this be practicable. His which these can be properly applied. They experience and discretion justify the hope, that are well adapted to commodities which are usuthe communication; also, the effects of the Uni- guayan government, that it is due both to hon- from their nature are of equal or nearly equal or and justice, that they should voluntarily and value. Such, for example, are the articles of ipromptly make atonement for the wrong which | ron of different classes, raw sugar, and foreign

applicable to the Nicatagua route, seem to after a sincere and earnest effort, to accomplish has been the practice a lopted for this purpose by require legislation for the purpose of carrying the object of his mission, then no alternative other commercial nations. Besides, specific will remain, but the employment of force to duties would afford to the American manufactu-obtain "just satisfaction" from Paraguay. In rer the incidental advantages to which he is view of this contingency, the Secretary of the fairly entitled under a revenue tariff. The presing the last two or three years, have received Navy, under my direction, has fitted out and ent system is a sliding scale to his disadvandespatched a naval force, to rendezvous near tage. Under it, when prices are high and busi-Buenos Ayres, which, it is believed will prove ness prosperous, the duties rise in amount when sufficient for the occasion. It is my earnest de- he least requires their aid. On the contrary, sire, however, that it may not be found neces- when prices fall and he is struggling against

sary to resort to this last alternative. When Congress met in Pecember last, the proportion greatly to his injury. usiness of the country had just been crushed by one of those periodical revulsions, which are er rate of duty than that intended by Congress the inevitable consequence of our unsound and could be levied in the form of specific duties .extravagant system of bank credits and inflated. It would be easy to ascertain the average value currency. With all the elements of national of any imported article for a series of years; wealth in abundance, our manufactures were and instead of subjecting it to an ad valorem dususpended, our useful public and private enter- ty at a certain rate per cent, to substitute in its prises were arrested, and thousands of laborers place an equivalent specific duty: were deprived of employment and reduced to the transaction at Virgin Bay. At the time, commercial, manufacturing, and mechanical a little more duty on a given article in one year, classes. This revulsion was felt the more se- but if so, he would pay a little less in another; verely in the United States, because similar and in a series of years these would countercauses had produced the like deplorable effects balance each other, and amount to the same throughout the commercial nations of Europe. thing, so far as his interest is concerned. This demands which had been made by this govern- All were experiencing sad reverses at the same nent upon that of Costa Rica more than a year moment. Our manufacturers everywhere sufbefore. Our minister was instructed, therefore, fered severely, not because of the recent reduction in the tariff of duties on imports, but because there was no demand at any price for witnessed this inattention to the just claims of their productions. The people were obliged to fruit of my own observations to which Conthe United states, and in demanding their restrict themselves, in their purchases, to articles of prime necessity. In the general prostration of business, the iron manufacturers in different States probably suffered more than any other class, and much destitution was the inevitable consequence, among the great number of workmen who had been employed in this useful cal year ending 30th June, 1858, including the branch of our industry. There could be no supply where there was no demand. To present an example, there could be no demand for railroad iron, after our magnificent system of railroads, extending its benefits to every por- 273.895.59,) which amount with the balance lect, on their part, of what is due to the tion of the Union, had been brought to a dead government and citizens of the United States. pause. The same consequences have resulted thousand one hundred and fourteen dollars from similar causes to many other branches of and twenty-seven cents, (\$17,710 114 27,) reding causes of complaint, arising out of the un- useful manufactures. It is self-evident that where there is no ability to purchase manufac- of the year made an aggregate for the service of lic ; and to these have been more recently ad- tured articles, these cannot be sold, and consequently must cease to be produced.

No government, and especially a government closed, and the grant to this company, as adjustment of these difficulties was concluded of such limited powers as that of the United well as its chater, were summarily and by the Secretary of State and the Minister of States, could have prevented the late revulsion. arbitrarily revoked by the government of Presi- New Granada, in September, 1857, which con- The whole commercial world seemed for years in 1854, serious disputes concerning the settle-men of their accounts had arisen between the ta, and was ratified by the government of New ed in the United States, whether the duties upcompany and the government, threatening the Granada, but with certain amendments. It was on foreign imports had remained as they were interruption of the route at any moment.— not, however, returned to this city until after the United States in vain endeavored to the close of the last session of the Senate. It a much higher standard. The tariff of 1857 ed to the payment of the public debt, and the a similar recommendation in December 1847, and it was repeated by my immediate predeover the republic, there is reason to hope that various proceedings which took place between the result. The general redemption of treasury notes with the interest various proceedings which took place between the result. The general redemption of treasury notes with the interest various proceedings which took place between the result.

The periodical revulsions which have existed Questions have arisen between the two gov- in our past history, must continue to return at

been diminished in nearly the same proportion. selves, that a speculative inflation of our cur-I regret to state that the government of Bra- rency, without a corresponding inflation in

will adopt this wise, just and equal policy. In the revenue has proved inadequate to meet the sue of \$20,000,000 of treasury notes; and, this The claims of our citizens against the govern- proving inadequate, they authorized, by the act

djustment.

On the 2d of June last, Congress passed a joint war, our credit must be our chief resource, at

In regard to the mode of assessing and collec-In compliance with these enactments, I have ting duties under a strictly revenue tariff, I

and indemnity our injured citizens whom they have forcibly despoiled of their property.

In my deliberate judgment specific duties have forcibly despoiled of their property. ave forcibly despoiled of their property.

Should our commissioner prove unsuccessful, revenue against fraudulent and invoices, and such adversity, the duties are diminished in the same

Neither would there be danger that a high-

By such an arrangement the consumer would Universal distress prevailed among the not be injured. It is true he might have to pay inconvenience would be trifling, when contrasted with that additional security thus afforded aconsumer is directly interested.

I have thrown out these suggestions as the gress in their better ju dgment will give such

weight as they may deserve.

The report of the Secretary of the Treasury will explain in detail the operations of that department of the government. The receipts into the Treasury from all sources during the fis-Treasury notes authorized by the act of Decem ter 23, 1857, were seventy millions two hunbred and seventy three thousand eight hundred dnd sixy-nine dollars, and fifty-nine cents, (70maining in the Treasury at the commencement the year of \$87.983.983.86.

The public expenditures during the fiscal year ending June 30, 1858, amounted to eighty one, million five hundred and eighty five thousand, six hundred and sixty-seven dollars and seventy six cents, (\$\$1,585,567,76,) of which nine million six hundred and eighty-four thousand five hundred and thirty seven dollars and