The Beaver County Argus.

VOLUME XXXIII---NO 52. BEAVER, PA., WEDNESDAY, DECEMBER 16, 1857. ESTABLISHED 1818.

PRINTED AND PUBLISHED BY
H. & J. WEYAND.

TERMS—ONE DOLLAR and FIFTY CENTS, per annum, IN ADVANCE; otherwise TWO DOLLARS will be charged. No paper discontinued, until all arrearages are settled, except at the option of the Editors.

Advertisements inserted at the rate of 50 cts. per square, of fifteen lines for one insertion—each subsequent insertion 25 cents. A liberal discount made to yearly advertisers.

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For the Argus.

MY MOTHER.

While others sing the gentle lays
Of parents unforgot,
'Tis sweeter far for me to stray
To that calm and peaceful spot,
Where the tall grass luxuriant waves
Above my own fond Mother's grave.

In evenings cool and dewy hours,
I love to linger there;
I seem to hear her own sad voice
Again in earnest prayer,
As when she sought in accents mild,
God's blessing on her erring child.

Scarce one short year has passed away,
Since that blessed spirit fled,
From the bright and fair abode
Of the pure and sinless dead;
She wears a seraph's garments now,
A heavenly halo round her brow.

E. U. S.

PRESIDENT'S MESSAGE.

Fellow-Citizens of the Senate and House of Representatives:

In obedience to the command of the constitution, it has now become my duty, "to give to Congress information of the state of the Union, and to recommend to their consideration such measures" as I judge to be "necessary and expedient."

But first and above all, our thanks are due to Almighty God for the numerous benefits which He has bestowed upon this people, and our united prayers ought to ascend to Him that He would continue to bless our great republic in time to come as He has blessed it in time past. Since the adjournment of the last Congress our constituents have enjoyed an unusual degree of health. The earth has yielded her fruits abundantly, and has bountifully rewarded the toil of the husbandman. Our great staples have commanded high prices, and, up to within a brief period, our manufacturing, mineral, and mechanical operations have largely partaken of the general prosperity. We have possessed all the elements of material wealth, in rich abundance, and yet, notwithstanding all these advantages, our country, in its monetary interests, is at the present moment in a deplorable condition.

In the midst of unsurpassed plenty in all the productions of agriculture and in all the elements of national wealth, we find our manufactures suspended, our public works retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want. The revenue of the government, which is chiefly derived from duties on imports from abroad, has been greatly reduced, whilst the appropriations made by Congress at its last session for the current fiscal year are very large in amount.

Under these circumstances a loan may be required before the close of your present session; but this, although to be deeply regretted, would prove to be only a slight misfortune when compared with the suffering and distress prevailing among the people. With this the government cannot fail deeply to sympathise, though it may be without the power to extend relief.

It is our duty to inquire what has produced such unfortunate results, and whether their recurrence can be prevented? In all former revulsions the blame might have been fairly attributed to a variety of co-operating causes; but not so upon the present occasion. It is apparent that our existing extravagant and vicious system of paper currency and bank credits, exciting the people to wild speculations and gambling in stocks. These revulsions must continue to recur at successive intervals so long as the amount of the paper currency and bank loans and discounts of the country shall be left to the discretion of fourteen hundred irresponsible banking institutions which from the very law of their nature will consult the interest of their stockholders rather than the public welfare.

The framers of the constitution, when they gave to Congress the power "to coin money and to regulate the value thereof," and prohibited the States from coining money, emitting bills of credit, or making anything but gold and silver coin a tender in payment of debts, supposed they had protected the people against the evils of an excessive and irredeemable paper currency. They are not responsible for the existing anomaly that a government endowed with the sovereign attribute of coining money and regulating the value thereof should have no power to prevent others from driving this coin out of the country and filling up the channels of circulation with paper which does not represent gold and silver.

It is one of the highest and most responsible duties of the government to insure to the people a sound circulating medium, the amount of which ought to be regulated with the utmost possible wisdom and skill to the wants of internal trade and foreign exchanges. If this be either greatly above or greatly below the proper standard, the marketable value of every thing property is increased or diminished in the same proportion, and injustice to individuals as well as incalculable evils to the community are the consequence.

Unfortunately, under the construction of the federal constitution, which has now prevailed too long to be changed, this important and delicate duty has been disseverred from the coining power and virtually transferred to more than fourteen hundred State banks, acting independently of each other, and regulating their paper issues almost exclusively by a regard to the present interest of their stockholders. Exercising the sovereign power of providing a paper currency, instead of coin, for the country, the first duty which these banks owe to the public is to keep in their vaults a sufficient amount of gold and silver to insure the convertibility of their notes into coin at all times and under all circumstances. No bank ought ever to be chartered without such restrictions on its business as to secure this result. All other restrictions are comparatively vain.

This is the only true touchstone, the only efficient regulator of a paper currency—the only one which can guard the public against over issues and bank suspensions. As a collateral and eventual security it is doubtless wise, and in all cases ought to be required, that banks shall hold an amount of United States or State securities equal to their notes in circulation and pledged for their redemption. This however, furnishes no adequate security against over issues. On the contrary, it may be perverted to inflate the currency.—Indeed, it is possible by this means to convert all the debts of the United States and State Governments into bank notes, without reference to the specie required to redeem them.

However valuable these securities be in themselves, they cannot be converted into gold and silver at the moment of pressure, as our experience teaches, in sufficient time to prevent bank suspensions and the depreciation of bank notes. In England, which is to a considerable extent a paper-money country, though vastly behind our own in this respect, it was deemed advisable, inferior to the act of Parliament of 1844, which wisely separated the issue of notes from the banking department, for the Bank of England always to keep on hand gold and silver equal to one-third of its combined circulation and deposites.

If this proportion was no more than sufficient to secure the convertibility of its notes, with the whole of Great Britian, and to some extent the continent of Europe as a field for its circulation rendering it almost impossible that a sudden immediate run to a dangerous amount should be made upon it, the same proportion would certainly be insufficient under our banking system. Each of our fourteen hundred banks has but a limited circumference for its circulation, and in the course of events might demand from such a bank a sufficient amount in specie to compel it to suspend, even although it had coin in its vaults equal to one-third of its immediate liabilities.

And yet I am not aware, with the exception of the banks of Louisiana, that any State bank throughout the Union has been required by its charter to keep this or any other proportion of gold and silver compared with the amount of its combined circulation and deposits. What has been the consequence? In a recent report made by the Treasury Department on the condition of the banks throughout the different States, according to returns dated nearest to January, 1857, the aggregate amount of actual specie in their vaults is $58,349,838, of their circulation $214,778,822, and of their deposits $230,351,352.—Thus it appears that these banks in the aggregate have considerably less than one dollar in seven of gold and silver compared with their circulation and deposites.

It was palpable, therefore, that the very first pressure must drive them to suspension, and deprive the people of a convertible currency with all its disastrous consequences. It is truly wonderful that they should have so long continued to preserve their credit, when a demand for the payment of one seventh of their immediate liabilities would have driven them into insolvency.

And this is the condition of the banks, notwithstanding that four hundred millions of gold from California have flowed in upon us within the last eight years, and the tide still continues to flow. Indeed, such has been the extravagance of bank credits that the banks now hold a considerably less amount of specie either in proportion to their capital or to their circulation and deposites combined, than they did before the discovery of gold in California.

Whilst in the year 1848 their specie in proportion to their capital was more than equal to one dollar for four and a half, in 1857 it does not amount to one dollar for every six dollars and thirty-three cents of their capital. In the year 1848 the specie was equal within a very small fraction to one dollar in five of their circulation and deposits; in 1857, it is not equal to one dollar in seven and a half of their circulation and deposites.

From this statement it is easy to account for our financial history for the last forty years. It has been a history of extravagant expansions in the business of the country, followed by ruinous contractions. At successive intervals the best and most enterprising men have been tempted to their ruin by excessive bank loans of mere paper credit, exciting them to extravagant importations of foreign goods, wild speculations, and ruinous and demoralizing stock gambling. When the crisis arrives, as arrive it must, the bank can extend no relief to the people. In vain struggle to redeem their liabilities in specie they are compelled to contract their loans and their issues; and at last, in the hour of distress, when their assistance is most needed, they and their debtors together sink into insolvency.

It is this paper system of extravagant expansion, raising the nominal price of every article far beyond its real value, when compared with the cost of similar articles in countries where circulation is wisely regulated, which has prevented us from competing in our own markets with foreign manufactures, has produced extravagant importations and has counteracted the effect of the large incidental protection afforded to our domestic manufactures by the present revenue tariff. But for this the branches of our manufactures composed of raw materials, the production of our own country—such as cotton, iron and woollen fabrics—would not only have acquired almost exclusive possession of the home market but would have created for themselves a foreign market throughout the world.

Deplorable, however, as may be our present financial condition, we may yet indulge in bright hopes for the future.—No other nation has ever existed which could have endured such violent expansions and contractions of paper credit without lasting injury; yet the buoyancy of youth, the energies of our population, and the spirit which never quails before difficulties will enable us soon to recover from our present financial embarrassment, and may even occasion us speedily to forget the lesson which they have taught.

In the meantime, it is the duty of the government by all proper means within its power, to aid in alleviating the sufferings of the people occasioned by the suspension of the banks, and to provide against a recurrence of the same calamity. Unfortunately, in either aspect of the case, it can do but little. Thanks to the independent treasury, the government has not suspended payment, as it was compelled to do by the failure of the Banks in 1837. It will continue to discharge its liabilities to the people in gold and silver. Its disbursements in coin will pass into circulation and materially assist in restoring a sound currency. From its high credit, should we be compelled to make a temporary loan, it can be effected on advantageous terms.—This, however, shall, if possible, be avoided: but if not, then the amount shall be limited to the lowest practicable sum.

I have, therefore determined that whilst no useful government works already in progress shall be suspended, new works, not already commenced, will be postponed if this can be done without injury to the country. These necessary for its defence shall proceed as though there had been no crisis in our monetary affairs.

But the Federal Government cannot do much to provide against a recurrence of existing evils. Even if insurmountable constitutional objections did not exist against the creation of a National Bank, this would furnish no adequate preventive security. The history of the last Bank of the United States abundantly proves the truth of this would, regulate the issues and credits of fourteen hundred State Banks in such a manner as to prevent the ruinous expansions and contractions in our currency which afflicted us throughout the existence of the late bank, or secure us against future suspensions. In 1825 an effort was made by the Bank of England to curtail the issues of the country banks under the most favorable circumstances.

The paper currency had been expanded to a ruinous extent, and the Bank put forth all its power to contract it in order to reduce prices and restore the equilibrium of foreign exchanges. It accordingly commenced a system of curtailment of its loans and issues, in the vain hope that the joint stock and private banks of the kingdom would be compelled to follow its example. It found, however, that as it contracted they expanded, and at the end of the process to employ the language of a very high official authority; "whatever reduction of the paper circulation was effected by the Bank of England (in 1825) was more than made up by the issues of the country banks."

But a Bank of the United States would not, if it could, restrain the issues and loans of the State Banks, because its duty as a regulator of the currency must often be in direct conflict with the immediate interests of its stockholders. If we expect one agent to restrain or control another, their interests must, at least in some degree, be antagonistic. But a director of a Bank of the United States would feel the same interest and the same inclination with the directors of the State banks to expand the currency, to accommodate their favorites and friends with loans, and to declare large dividends. Such has been our experience in regard to the last bank. After all, we must mainly rely upon the patriotism and wisdom of the States for the prevention and redress of the evil. If they will afford us a real specie basis for our paper circulation by increasing the denomination of bank notes, first to twenty, and afterwards to fifty dollars; if they will require that the banks shall at all times keep on hand at least one dollar of gold and silver for every three dollars of their circulation and deposits; and if they will provide by a self-executing enactment, which nothing can arrest that the moment they suspend they shall go into liquidation, I believe that such provisions, with a weekly publication by each bank of a statement of its condition, would go far to secure us against future suspensions of specie payments.

Congress, in my opinion, possesses the power to pass a uniform bankrupt law applicable to all banking institutions throughout the United States, and I strongly recommend its exercise. This would make it the irrevocable organic law of each bank's existence, that a suspension of specie payments shall produce its civil death. The instinct of self preservation would then compel it to perform its duties in such a manner as to escape the penalty and preserve its title.

The existence of banks and the circulation of bank paper are so identified with the habits of our people, that they cannot at this day be suddenly abolished without much immediate injury to the country.—If we could confine them to their appropriate sphere, and prevent them from administering to the spirit of wild reckless speculation by extravagant loans and issues, they might be continued with advantage to the public.

But this I say, after long and much reflection, if experience shall prove it to be impossible to enjoy the facilities which well-regulated banks might afford, without at the same time suffering the calamities which the excesses of the banks have hitherto inflicted upon the country, it would then be far the lesser evil to deprive them altogether of the power to issue a paper currency and confine them to the functions of banks of deposit and discount.

Our relations with foreign governments are upon the whole, in a satisfactory condition.

The diplomatic difficulties which existed between the Government of the United States and that of Great Britain at the adjournment of the last Congres have happily terminated by the appointment of a British minister to this country, who has been cordially received.

Whilst it is greatly to the interest, as I am convinced it is the sincere desire of the governments and people of the two countries to be on terms of intimate friendship with each other, it has been our misfortune almost always to have had some irritating, if not dangerous, outstanding question with G. Britain.

Since the origin of the government we have been employed in negotiating treaties with that power, and afterwards in discussing their true intent and meaning. In this respect, the convention of April 19th 1850, commonly called the Clayton and Bulwer treaty, has been the most unfortunate of all, because the two governments place directly opposite and contradictory constructions upon its first and most important article.

Whilst, in the United states, we believed that this treaty would place both powers upon an exact equality by the stipulation that neither will ever occupy, or fortify, colonize, or assume or exercise any dominion over any part of Central America, it is contended by the British government the true construction of this language has left them in the rightful possession of all that portion of Central America which was in their occupancy at the date of the treaty in fact that the treaty is a virtual recognition on the part of the United States of the right of Great Britain, either as owner or protector, to the whole extensive coast of Central America, sweeping round from the Rio Hondo to the port and harbor of San Juan del Nicaragua, together with the adjacent Bay Islands, except the comparatively small portion of this between the Sarstoon and Cape Honduras. According to their construction the treaty does not reach the Mosquito territory, which is in America beyond the present limits. It is not too much to assert that if in the U. S. the treaty had been considered susceptible of such a construction, it never would have been negotiated under the authority of the President, nor would it have received the approbation of the Senate. The universal conviction in the United States was, that when our government consented to violate its traditional and time-honored policy, and to stipulate with a foreign government never to occupy or acquire territory in the Central American portion of our own continent, consideration for this sacrifice was that Great Britain should, in this respect at least, be placed in the same position with ourselves. Whilst we have no right to doubt the sincerity of the British Government in their construction of the treaty, it is at the same time my deliberate conviction that this construction is in opposition both to its letter and its spirit.

Under the late Administration negotiations were instituted between the two governments for the purpose if possible, of removing these difficulties, and a treaty, having this laudable object in view was signed at London on the 17th October 1856, and was submitted by the President to the Senate on the following 10th of Dec:—Whether this treaty, either in the original of amended form, would have accomplished the object intended without giving birth to new and embarrassing complications between the two governments, may perhaps be well questioned. Certain it is, however, it was rendered much less objectionable by the different amendments made to it by the Senate. The treaty, as amended, was ratified by me on the 12th of March 1857 and was transmitted to London for ratification by the British Government.

That government expressed its willingness to concur in all the amendments made by the Senate with the single exception of the clause relating to Ruatan and the other Islands in the Bay of Honduras. The article in the original treaty, as submitted to the Senate, after reciting that these islands and their inhabitants "having been by a convention bearing date the 27th day of August, 1856, between her Britanic Majesty and the republic of Honduras, constituted and declared a free territory under the sovereignty of the said republic of Honduras," stipulated that "the two contracting powers do hereby mutually engage to recognize and respect in all future time the independence and rights of the said free territory as a part of the republic of Honduras."

Upon examination of this convention between Great Brittain and Honduras of the 27th of August, 1856, it was found that whilst declaring the Bay Islands to be a "free territory under the sovereignty of the Republic of Honduras," it deprived that republic of rights without which its sovereignty over them could scarcely be said to exist. It divided them from the remainder of Honduras, and gave to their inhabitants a seperate government of their own with legislative, executive and judicial officers elected by themselves.

It deprived the government of Honduras of the taxing power in every form, and exempted the people of the island from the performance of military duty except for their own exclusive defence. It also prohibited that republic from erecting fortifications upon them for their protection—thus leaving them open to invasion from any quarter, and, finally, it provided "that slavery shall not at any time hereafter be permitted to exist therein."

Had Honduras ratified this Convention, she would have ratified the establishment of a State substantially independent within her own limits, and a State at all times subject to British influence and control.—Moreover, had the United States ratified the treaty with Great Britain in its original form, we should have been bound "to recognize and respect in all future time" these stipulations to the prejudice of Honduras. Being in direct opposition to the spirit and meaning of the Clayton and Bulwer treaty as understood in the United States, the Senate rejected the entire clause, and substituted in its stead a simple recognition of the sovereign right of Honduras to these islands in the following language. The two contracting parties do hereby mutually engage to recognize and respect the Islands of Ruatan, Bonaco, Utila, Barbaratta, Helena and Morat, situate in the Bay of Honduras, and off the coast of the Republic of Honduras, as under the sovereignty and as part of the said Republic of Honduras.

Great Britain rejected this amendment, assigning as the only reason, that the ratifications of the Convention of the 27th August, 1856, between her and Honduras, had not been "exchanged, owing to the hesitation of that government." Had this been done, it is stated that "her Majesty's government would have had little difficulty in agreeing to the modification proposed by the Senate, which then would have had in effect the same signification as the original wording." Whether this would have been the effect; whether the mere circumstance of the exchange of the ratifications of the British Convention with Honduras, prior in point of time to the ratification of our treaty with Great Britain, would, "in effect," have had "the same signification as the original wording," and thus nullified the amendment of the Senate, may and will be doubted. It is, perhaps, fortunate that the question has never arisen.

The British government immediately after rejecting the treaty as amended, proposed to enter into a new treaty with the United States, similar in all respects to the treaty which they had just refused to ratify, if the United States would consent to add to the Senate's clear and unqualified recognition of the sovereignty of Honduras over the Bay Islands the following conditional stipulation: "Whenever and so soon as the Republic of Honduras shall have concluded and ratified a treaty with Great Britain, by which Great Britain shall have ceded, and the Republic of Honduras shall have accepted the Islands of Ruatan, Bonaco, Utila, Barbaratta, Helena and Morat, to be wars between the independent States of Central America.

Under our treaty with New Grenada of December 12, 1846, we are bound to guarantee the neutrality of the isthmus of Panama, through which the Panama railroad passes, as well as the rights of sovereignty and property which New Grenada has and possesses over the said territory. This obligation is founded upon equivalents granted by the treaty to the people and Government of the United States.

Under these circumstances I recommend to Congress the passage of an act authorizing the President, in case of necessity, to employ the land and naval forces of the U. States to carry into effect this guaranty of neutrality and protection. I also recommend similar legislation for the security of any other route across the Isthmus in which we may acquire an interest by treaty.

With the independent Republics on this continent it is both our duty and our interest to cultivate the most friendly relations. We can never feel indifferent to their fate, and must always rejoice in their prosperity. Unfortunately, both for them and for us, our example and advice have lost much of their influence in consequence of the lawless expeditions which have been fitted out against some of them within the limits of our country. Nothing is better calculated to retard our steady material progress, or impair our character as a nation, than the toleration of such enterprises, in violation of the laws of nations.

It is one of the first and highest duties of any independent State, in its relations with the members of the great family of nations, to restrain its people from acts of hostile aggression against their citizens or subjects. The most eminent writers on public law do not hesitate to denounce such hostile acts as robbery and murder.

Weak and feeble States, like those of Central America, may not feel themselves able to assert and vindicate their rights.—The case would be far different if expeditions were set on foot within our own Territories to make private war against a powerful nation. If such expeditions were fitted out from abroad, against any portion of our own country, to burn down cities and murder and plunde our people, and usurp our government, we should call any power on earth to the strictest account for not preventing such enormities.

Ever since the administration of Gen. Washington, acts of Congress have been in force to punish severely the crime of setting on foot a military expedition within the limits of the U. States. The present neutrality act of April 20, 1818, is but little more than a collection of pre-existing laws. Under this act the President is empowered to employ the land and naval forces and the militia "for the purpose of preventing the carrying on of any such expedition or enterprise from the territories and jurisdiction of the U. States," and the collectors of customs are authorized and required to detain any vessel in port when there is reason to belive she is about to take part in such lewless enterprises.

When it was first rendered probable that an attempt would be made to get up another unlawful expedition against Nicaragua, the Secretary of State issued instructions to the Marshals and District Attorneys, which were directed by the Secretaries of War and the Navy to the appropriate army and navy officers, requiring them to be vigilant, and to use their best exertions in carrying into effect the provisions of 1818.—Notwithstanding these precautions, the expedition has escaped from our shores. Such enterprises can do no possible good to the country, but have already inflicted much injury both on its interests and its character. They have prevented peaceable emigration from the United States to the States of Central America, which could not fail to be highly beneficial to all the parties concerned. In a pecuniary point of view alone, our citizens have sustained heavy losses from the seizure and closing of the transit route by the San Juan between the two oceans.

The leader of the recent expedition was arrested at New Orleans, but was discharged on giving bail for his appearance in the insufficient sum of $2000.

I recommend the whole subject to the serious attention of Congress, believing that our duty and our interest, as well as our national character, require that we should adopt such measures as will be effectual in restraining our citizens from committing such outrages.

I regret to inform you that the President of Paraguay has refused to ratify the treaty between the United States and that State, as amended by the Senate, the signature of which was mentioned in the message of my predecessor to Congress at the opening of the session in December, 1853. The reasons assigned for their refusal will appear in the correspondence herewith submitted.

It being desirable to ascertain the fitness of the river La Plata and its tributaries for navigation by steam, the United States steamer Water Witch was sent thither for that purpose in 1853. This enterprise was successfully carried on until February, 1855, when, whilst in the peaceful prosecution of her voyage up the Paraua river, the steamer was fired upon by a Paraguayan fort. The fire was returned; but as the Water Witch was of small force, and not designed for offensive operations, she retired from the conflict. The pretext upon which the attack was made, was a decree of the President of Paraguay of October, 1854, prohibiting foreign vessels of war from navigating the rivers of that State. As Paraguay, however, was the owner of but one bank of the river of that name, the other belonging to the Corrientes, a State of the Argentine Confederation, the right of its government to expect that such a decree would be obeyed cannot be acknowledged. But the Water Witch was not, properly speaking, a vessel-of-war. She was a small steamer engaged in a scientific enterprise intended for the advantage of commercial

(Continued on page 2.)