

dearest rights of the people of the United States.

Unwise laws, equally with irregularities at elections, are, in periods of great excitement, the occasional incidents of even the freest and best political institutions. But all experience demonstrates that in a country like ours, where the right of self-constitution exists in the completest form, the attempt to remedy unwise legislation by resort to revolution, is totally out of place; inasmuch as existing legal institutions afford more prompt and efficacious means for the redress of wrong.

I confidently trust that now, when the peaceful condition of Kansas affords opportunity for calm reflection and wise legislation, either the legislative assembly of the Territory, or Congress, will see that no act shall remain on its statute book violative of the provisions of the Constitution, or subversive of the great objects for which that was ordained and established, and will take all other necessary steps to assure to its inhabitants the enjoyment, without obstruction or abridgment, of all the constitutional rights, privileges and immunities of citizens of the United States, as contemplated by the organic law of the Territory.

Full information in relation to recent events in this Territory will be found in the documents communicated herewith from the Departments of State and War.

I refer you to the report of the Secretary of the Treasury for particular information concerning the financial condition of the government, and the various branches of the public service connected with the Treasury Department.

During the last fiscal year the receipts from customs were, for the first time, more than sixty-four million dollars, and from all sources, seventy-three million nine hundred and eighty thousand one hundred and forty-one dollars; which, with the balance on hand up to the 1st of July, 1855, made the total resources of the year to amount to ninety-two million eight hundred and fifty thousand one hundred and seventy-two dollars. The expenditures, including three million dollars in execution of the treaty with Mexico, and excluding sums paid on account of the public debt, amounted to sixty million one hundred and seventy-two thousand four hundred and one dollar; and, including the latter, to seventy-two million nine hundred and forty-eight thousand seven hundred and ninety-two dollars, the payment on this account having amounted to twelve million seven hundred and seventy-six thousand three hundred and ninety dollars.

On the 4th of March, 1853, the amount of the public debt was sixty-nine million one hundred and twenty-nine thousand nine hundred and thirty-seven dollars. There was a subsequent increase of two million seven hundred and fifty thousand dollars for the debt of Texas—making a total of seventy-one million eight hundred and seventy-nine thousand nine hundred and thirty-seven dollars. Of this the sum of forty-five million five hundred and twenty-five thousand three hundred and nineteen dollars, including premium, has been discharged, reducing the debt to thirty million nine hundred and sixty-three thousand nine hundred and nine dollars; all which might be paid within a year without embarrassing the public service, but being not yet due, and only redeemable at the option of the holder, cannot be pressed to payment by the government.

On examining the expenditures of the last five years, it will be seen that the average, deducting payments on account of the public debt, has been but about forty-eight million dollars. It is believed that, under an economical administration of the government, the average expenditures for the ensuing five years will not exceed that sum, unless extraordinary occasion for its increase should occur. The acts granting bounty lands will soon have been executed, while the extension of our frontier settlements will cause a continued demand for lands and augmented receipts, probably, from that source. These considerations will justify a reduction of the revenue from customs, so as not to exceed forty-eight or fifty million dollars. I think the expediency for such reduction is imperative, and again urge it upon the consideration of Congress.

The amount of reduction, as well as the manner of effecting it, are questions of great and general interest; it being essential to industrial enterprise and the public prosperity, as well as the dictate of obvious justice, that the burden of taxation be made to rest as equally as possible upon all classes, and all sections and interests of the country.

I have heretofore recommended to your consideration the revision of the revenue laws, prepared under the direction of the Secretary of the Treasury, and also legislation upon some special questions affecting the business of that department, more especially the enactment of a law to punish the abstraction of official books or papers from the files of the government, and requiring all such books and papers and all other public property to be turned over by the out-going officer to his successor; of a law requiring disbursing officers to deposit all public money in the vaults of the treasury or in other legal depositories, where the same are conveniently accessible; and a law to extend existing penal provisions to all persons who may become possessed of public money by deposit or otherwise, and who shall refuse or neglect, on due demand, to pay the same into the treasury. I invite your attention anew to each of these objects.

The army during the past year has been so constantly employed against hostile Indians in various quarters, that it can scarcely be said, with propriety of language, to have been a peace establishment. Its duties have been satisfactorily performed, and we have reason to expect, as a result of the year's operations, greater security to the frontier inhabitants than has hitherto enjoyed. Extensive combinations among the hostile Indians of the Territories of Washington and Oregon at one time threatened the devastation of the newly formed settlements of that remote portion of the country. From recent information, we are permitted to hope that the energetic and successful operations conducted there will prevent such combinations in future, and secure to those Territories an opportunity to make steady progress in the development of their agricultural and mineral resources.

Legislation has been recommended by me on previous occasions to cure defects in the existing organization, and to increase the efficiency of the army, and further observation has but served to confirm me in the views then expressed, and to enforce on my mind the conviction that such measures are not only proper but necessary.

I have, in addition, to invite the attention of Congress to a change of policy in the distribution of troops, and to the necessity of providing a more rapid increase of the military armament. For details of these and

other subjects relating to the army, I refer to the report of the Secretary of War.

The condition of the navy is not merely satisfactory, but exhibits the most gratifying evidences of increased vigor. As it is comparatively small, it is more important that it should be as complete as possible in all the elements of strength; that it should be efficient in the character of its officers, in the zeal and discipline of its men, in the reliability of its ordinance, and in the capacity of its ships. In all these various qualities the navy has made great progress within the last few years. The execution of the law of Congress, of February 28th, 1855, "to promote the efficiency of the navy," has been attended by the most advantageous results.—The law for promoting discipline among the men is found convenient and salutary.

The system of granting an honorable discharge to faithful seamen on the expiration of the period of their enlistment, and permitting them to re-enlist after a leave of absence of a few months, without cessation of pay, is highly beneficial in its influence. The apprentice system recently adopted is evidently destined to incorporate into the service a large number of our countrymen so difficult to procure. Several hundred American boys are now on a three years' cruise in our national vessels, and will return well trained seamen. In the ordinance department there is a decided and gratifying indication of progress creditable to it and to the country. The suggestions of the Secretary of the Navy, in regard to further improvement in that branch of the service, I commend to your favorable attention.

The new frigates ordered by Congress are now adrift, and two of them in active service. They are superior models of naval architecture, and with their formidable artillery add largely to public strength and security.

I concur in the views expressed by the Secretary of the Department in favor of a still further increase of our naval force.

The report of the Secretary of the Interior presents facts and views in relation to internal affairs over which the supervision of his department extends, of much interest and importance.

The aggregate sales of the public lands, during the last fiscal year, amount to nine million two hundred and twenty-seven thousand eight hundred and seventy-eight acres; for which has been received the sum of eight millions eight hundred and twenty-one thousand four hundred and fourteen dollars. During the same period there have been located, with military scrip and land-warrants, and for other purposes, thirty million one hundred thousand two hundred and thirty acres, thus making a total aggregate of thirty-nine million three hundred and twenty-eight thousand one hundred and eighty acres. On the 30th September last, surveys had been made of sixteen million eight hundred and seventy-three thousand six hundred and ninety-nine acres, a large proportion of which is ready for market.

The suggestions in this report in regard to the complication and progressive expansion of the business of the different bureaux of the department; to the pension system; to the colonization of Indian tribes, and the recommendation in relation to various improvements in the District of Columbia, are especially commended to your consideration.

The report of the Postmaster General presents fully the condition of that department of the government. Its expenditures for the last fiscal year, were ten million four hundred and eighty thousand one hundred and twenty dollars; and its gross receipts seven million six hundred and twenty thousand eight hundred and one dollar—making an excess of expenditure over receipts of two million seven hundred and eighty-seven thousand and forty-six dollars. The deficiency of this department is thus seven hundred and forty-four thousand dollars greater than for the year ending June 30, 1853. Of this deficiency, three hundred and thirty thousand dollars is to be attributed to the additional compensation allowed postmasters by the act of Congress of June 22, 1854. The mail facilities in every part of the country have been very much increased in that period, and the large addition of railroad service, amounting to seven thousand nine hundred and eighty miles, has added largely to the cost of transportation.

The inconsiderable augmentation of the income of the Post Office Department under the reduced rates of postage, and its increasing expenditures, must, for the present, make it dependent to some extent upon the treasury for support. The recommendations of the Postmaster General, in relation to the abolition of the franking privilege, and his views on the establishment of mail steamship lines, deserve the consideration of Congress. I also call the especial attention of Congress to the statement of the Postmaster General respecting the sums now paid for the transportation of mails to the Panama Railroad Company, and commend to their early and favorable consideration the suggestions of that officer in relation to new contracts for mail transportation upon that route, and also upon the Tehuantepec and Nicaragua routes.

The United States continue in the enjoyment of amicable relation with all foreign powers.

When my last annual message was transmitted to Congress, two subjects of controversy, one relating to the enlistment of soldiers in this country for foreign service, and the other to Central America, threatened to disturb good understanding between the United States and Great Britain. Of the progress and termination of the former question you were informed at the time; and the other is now in the way of satisfactory adjustment.

The object of the convention between the United States and Great Britain, of the 19th April, 1850, was to secure, for the benefit of all nations, the neutrality and the common use of any transit way, or interoceanic communication, across the isthmus of Panama, which might be opened within the limits of Central America. The pretension subsequently asserted by Great Britain, to dominion or control over territories, in or near two of the routes, those of Nicaragua and Honduras, were deemed by the United States, not merely incompatible with the main object of the treaty, but opposed even to its express stipulations. Occasion of controversy on this point has been removed by an additional treaty, which our Minister at London has concluded, and which will be immediately submitted to the Senate for its consideration.

Should the proposed supplemental arrangement be concurred in by all the parties to be effected by it, the objects contemplated by the original convention will have been fully attained.

The treaty between the United States and Great Britain, of the 5th of June, 1854, which went into effective operation in 1855, put an end to causes of irritation between the two countries, by securing to the United States the right of fishery on the coast of the British North American provinces, with advantages

equal to those enjoyed by British subjects.—Besides the signal benefits of this treaty to a large class of our citizens engaged in a pursuit connected to no inconsiderable degree with our national prosperity and strength, it has had a favorable effect upon other interests in the provision it made for reciprocal freedom of trade between the United States and the British provinces in America.

The exports of domestic articles to those provinces during the last year amounted to more than twenty-two millions of dollars, exceeding those of the preceding year by nearly seven millions of dollars; and the imports therefrom, during the same period, amounted to more than twenty-one millions—an increase of six millions upon those of the previous year.

The improved condition of this branch of our commerce is mainly attributable to the above-mentioned treaty.

Provision was made, in the first article of that treaty, for a commission to designate the mouths of rivers to which the common right of fishery, on the coast of the United States and the British Provinces, was not to extend. This commission has been employed a part of two seasons, but without much progress in accomplishing the object for which it was instituted, in consequence of a serious difference of opinion between the commissioners, not only as to the precise point where the rivers terminate, but in many instances as to what constitutes a river. These difficulties, however, may be overcome by resort to the umpirage provided for by the treaty.

The efforts perseveringly prosecuted since the commencement of my administration, to relieve our trade to the Baltic from the exaction of sound dues by Denmark, have not yet been attended with success. Other governments have also sought to obtain a like relief to their commerce, and Denmark was thus induced to propose an arrangement to all the European Powers interested in the subject; and the manner in which her proposition was received, warranting her to believe that a satisfactory arrangement with them could soon be concluded, she made a strong appeal to this government for temporary suspension of definite action on its part, in consideration of the embarrassment which might result to her European negotiations by an immediate adjustment of the question with the United States.

This request has been acceded to, upon the condition that the sums collected after the 16th of June last, and until the 16th of June next, from vessels and cargoes belonging to our merchants, are to be considered as paid under protest and subject to future adjustment. There is reason to believe that an arrangement, between Denmark and the maritime powers of Europe on the subject, will be soon concluded, and that the pending negotiation with the United States may then be resumed and terminated in a satisfactory manner.

With Spain no new difficulties have arisen, nor has much progress been made in the adjustment of pending ones.

Negotiations entered into for the purpose of relieving our commercial intercourse with the Island of Cuba of some of its burdens, and providing for the more speedy settlement of local disputes growing out of that intercourse, have not yet been attended with any results.

Soon after the commencement of the late war in Europe, this government submitted to the consideration of all maritime nations, two principles for the security of neutral commerce:—one, that the neutral flag should cover enemies' goods, except articles contraband of war; and the other, that neutral property on board merchant vessels of belligerents should be exempt from condemnation, with the exception of contraband articles.

These were not presented as new rules of international law, having been generally claimed by neutrals, though not always admitted by belligerents, as well as several neutral powers, promptly acceded these propositions; and the two other principal belligerents, Great Britain and France, having consented to observe them for the present occasion, a favorable opportunity seemed to be presented for obtaining a general recognition of them both in Europe and America.

But Great Britain and France, in common with most of the states of Europe, while forbearing to reject, did not affirmatively act upon the overtures of the United States.

While the question was in this position, the representatives of Russia, France, Great Britain, Austria, Prussia, Sardinia and Turkey, assembled at Paris, took into consideration the subject of maritime rights, and put forth a declaration containing the two principles which this government had submitted, nearly two years before, to the consideration of maritime powers, and adding thereto the following propositions:—"Privateering is and remains abolished;" and "Blockades, in order to be binding, must be effective, that is to say, maintained by a force, sufficient really, to prevent access to the coast of the enemy;" and to the declaration thus composed of four points, two of which had already been proposed by the United States, this government has been invited to accede by all the powers represented at Paris, except Great Britain and Turkey.

To the last of the two additional propositions—that in relation to blockades—there can certainly be no objection. It is merely the definition of what shall constitute the effectual investment of a blockaded place, a definition for which this government has always contended, claiming indemnity for losses where a practical violation of the rule thus defined has been injurious to our commerce. As to the remaining article of the declaration of the conference of Paris, "that privateering is and remains abolished,"—I certainly cannot ascribe to the powers represented in the conference of Paris, and but liberal and philanthropic views in the attempt to change the unquestionable rule of maritime law in regard to privateering.

Their proposition was doubtless intended to imply approval of the principle that private property upon the ocean, although it might belong to the citizens of a belligerent state, should be exempted from capture; and had that proposition been so framed as to give full effect to the principle, it would have received my ready assent on behalf of the United States. But the measure proposed is inadequate to that purpose. It is true that if adopted, private property upon the ocean would be withdrawn from one mode of plunder, but left exposed, meanwhile, to another mode, which could be used with increased effectiveness. The aggressive capacity of great naval powers would be thereby augmented, while the defensive ability of others would be reduced.

Though the surrender of the means of prosecuting hostilities by employing privateers, as proposed by the conference of Paris, is mutual in terms, yet, in practical effect, it would be the relinquishment of a right of littoral value to one class of states, but of essen-

tial importance to another and a far larger class. It ought not to have been anticipated that a measure, so inadequate to the accomplishment of the proposed object, and so unequal in its operation, would receive the assent of all maritime powers. Privateers properly would be still left to the depredations of the public armed cruisers.

I have witnessed a readiness on the part of this government, to accede to all the principles contained in the declaration of the conference of Paris, provided that the one relating to the abandonment of privateering can be so amended as to effect the object for which, as is presumed, it was intended, the immunity of private property on the ocean from hostile capture.

To effect this object, it is proposed to add to the declaration that "privateering is and remains abolished," the following amendment:—"And that the private property of subjects and citizens of a belligerent on the high seas, shall be exempt from seizure by the public armed vessels of the other belligerent, except it be contraband." This amendment has been presented not only to the powers which have asked our assent to the declaration to abolish privateering, but to all other maritime states. Thus far it has not been rejected by any, and is favorably entertained by all which have made any communication in reply.

Several of the governments, regarding with favor the proposition of the United States, have delayed definitive action upon it, only for the purpose of consulting with others, parties to the conference of Paris. I have the satisfaction of stating, however, that the Emperor of Russia has entirely and explicitly approved of that modification, and will cooperate in endeavoring to obtain the assent of other powers; and that assurances of a similar purport have been received in relation to the disposition of the Emperor of the French.

The present aspect of this important subject allows us to cherish the hope that a principle so humane in its character, so just and equal in its operation, so essential to the prosperity of commercial nations, and so consonant to the sentiments of this enlightened period of the world, will command the approval of all maritime powers, and thus be incorporated into the code of international law.

My views on the subject are more fully set forth in the reply of the Secretary of State, a copy of which is herewith transmitted, to the communication on the subject made to this government, especially to the communication of France.

The government of the United States has at all times regarded with friendly interest the other States of America, formerly, like this country, European colonies, and now independent members of the great family of nations. But the unsettled condition of some of them, distracted by frequent revolutions, and thus incapable of regular and firm internal administration, has tended to embarrass occasionally our public intercourse, by reason of wrongs which our citizens suffer at their hands, and which they are slow to redress.

Unfortunately it is against the Republic of Mexico, with which it is our special desire to maintain a good understanding, that such complaints are most numerous; and although earnestly urged upon its attention, they have not as yet received the consideration which this government had a right to expect.—While negotiations for past injustices have been withheld, others have been added. The political condition of that country, however, has been such as to demand forbearance on the part of the United States. I shall continue my efforts to procure for the wrongs of our citizens that redress which is indispensable to the continued friendly association of the two republics.

The peculiar condition of affairs in Nicaragua in the early part of the present year, rendered it important that this government should have diplomatic relations with that State. Though its territory had been opened one of the principal thoroughfares across the isthmus connecting North and South America, on which a vast amount of property was transported, and to which our citizens resorted in great numbers, in passing between the Atlantic and Pacific coasts of the United States. The protection of both required that the existing power in that state should be regarded as a responsible government; and its minister was accordingly received. But he remained here only a short time. Soon thereafter the political affairs of Nicaragua underwent unfavorable change, and became involved in much uncertainty and confusion. Diplomatic representatives from two contending parties have been recently sent to this government; but, with the imperfect information possessed, it was not possible to decide which was the government *de facto*; and, awaiting further developments, I have refused to receive either.

Questions of the most serious nature are pending between the United States and the Republic of New Granada. The government of that republic undertook, a year since, to impose tonnage duties on foreign vessels in her ports, but the purpose was resisted by this government, as being contrary to existing treaty stipulation with the United States, and to rights conferred by charter upon the Panama Railroad Company, and was accordingly relinquished at that time, it being admitted that our vessels were entitled to be exempt from tonnage duty in the free ports of Panama and Aspinwall. But the purpose has been recently revived, on the part of New Granada, by the enactment of a law to subject vessels visiting her ports to the tonnage duty of forty cents per ton; and, although the law has not been put in force, yet the right to enforce it is still asserted, and may, at any time, be acted on by the government of that republic.

The Congress of New Granada has also enacted a law, during the last year, which levies a tax of more than three dollars on every pound of mail matter transported across the isthmus. The sum thus required to be paid on the mails of the United States would be nearly two millions of dollars annually, in addition to the large sum payable by contract to the Panama Railroad Company. If the only objection to this exaction were the exorbitancy of its amount, it would not be submitted to by the United States.

The imposition of it, however, would obviously contravene our treaty with New Granada, and infringe the contract of that republic with the Panama Railroad Company. The law providing for this tax, was, by its terms, to take effect on the first of September last, but the local authorities on the isthmus have been induced to suspend its execution, and to await further instructions from the subject from the government of the republic. I am not yet advised of the determination of that government. If a measure so extraordinary in its character, and so clearly contrary to treaty stipulation, and the contract rights of the Panama Railroad Company,

composed mostly of the American citizens, should be persisted in, it will be the duty of the United States to resist its execution.

I regret exceedingly that occasion exists to invite your attention to a subject of still graver import in our relations with the Republic of New Granada. On the fifteenth day of April last, a riotous assemblage of the inhabitants of Panama committed a violent and outrageous attack on the premises of the railroad company, and the passengers and other persons in or near the same, involving the death of several citizens of the United States, the pillage of many others, and the destruction of a large amount of property belonging to the railroad company. I caused full investigation of that event to be made, and the result shows satisfactorily that complete responsibility for what occurred attaches to the government of New Granada. I have, therefore, demanded of that government that the perpetrators of the wrongs in question should be punished; that provision should be made for the families of citizens of the United States who were killed, with full indemnity for the property pillaged or destroyed.

The present condition of the Isthmus of Panama, in so far as regards the security of persons and property passing over it, requires serious consideration. Recent incidents tend to show that the local authorities cannot be relied on to maintain the public peace of Panama, and there is just ground for apprehension that a portion of the inhabitants are meditating further outrages, without adequate measures for the security and protection of persons or property having been taken, either by the State of Panama, or by the general government of New Granada.

Under the guaranties of treaty, citizens of the United States have, by the outlay of several millions of dollars, constructed a railroad across the Isthmus, and it has become the main route between our Atlantic and Pacific possessions, over which multitudes of our citizens and a vast amount of property, are constantly passing—to the security and protection of all which, and the continuance of the public advantages involved, it is impossible for the Government of the United States to be indifferent.

I have deemed the danger of the recurrence of scenes of lawless violence in this quarter so imminent as to make it my duty to station a part of our naval force in the harbors of Panama and Aspinwall, in order to protect the persons and property of the citizens of the United States in those ports, and to insure to them safe passage across the Isthmus. And it would, in my judgment, be unwise to withdraw the naval force in those ports, until, by the spontaneous action of the republic of New Granada, or otherwise, some adequate arrangement shall have been made for the protection and security of a line of interoceanic communication so important at this time, not to the United States only, but to all other maritime States both of Europe and America.

Meanwhile, negotiations have been instituted by means of a special commission, to obtain from New Granada full indemnity for injuries sustained by our citizens on the Isthmus, and satisfactory security for the general interests of the United States.

In addressing to you my last annual message, the occasion seems to me an appropriate one to express my congratulations in view of the peace, greatness and felicity which the United States now possess and enjoy. To point you to the state of the various departments of the government, and of all the great branches of the public service, civil and military, in order to speak of the intelligence and the integrity which pervades the whole, would be to indicate but imperfectly the administrative condition of the country, and the beneficial effects of that on the general welfare.

Nor would it suffice to say that the nation is actually at peace at home and abroad; that its industrial interests are prosperous; that the canvass of its mariners whitens every sea; and the plough of its husbandmen is marching steadily onward to the bloodless conquest of the continent; that cities and populous States are springing up, as if by enchantment, from the bosom of western wilds, and that the courage and energy of our people is making of the United States the great republic of the world. These results have not been attained without passing through trials and perils, by experience of which, and thus only, nations are hardened into manhood.

Our forefathers were trained to the wisdom which conceived, and the courage which achieved independence, by the circumstances which surrounded them, and they were thus made capable of the creation of the republic. It devolved on the next generation to consolidate the work of the revolution, to deliver the country entirely from the influences of conflicting transatlantic partialities or antipathies, which attached to our colonial and revolutionary history, and to organize the practical operation of the constitutional and legal institutions of the Union. To us, of this generation, remains the not less noble task of maintaining and extending the power of the United States.

We have, at length, reached that stage of the national career, in which the dangers to be encountered, and the exertions to be made, are the incidents, not of weakness, but of strength. In our foreign relations, we have to attemper our power to the less happy condition of other republics in America, and to place ourselves in the calmness and conscious dignity of right by the side of the greatest and wealthiest of the empires of Europe. In our domestic relations, we have to guard against the sleekness of the discontents, the ambitions, the interests, and the exuberant, and, therefore, sometimes irregular impulses of opinion, or of action, which are the natural product of the present political elevation, the self-reliance and the restless spirit of enterprise of the people of the United States.

I shall prepare to surrender the Executive trust to my successor, and retire to private life with sentiments of profound gratitude to the good Providence which, during the period of my administration, has vouchsafed to carry the country through many difficulties, domestic and foreign, and to enable me to contemplate the spectacle of amicable and respectful relations between ours and all other governments, and the establishment of constitutional order and tranquility throughout the Union.

FRANKLIN PIERCE.
Washington, December 2, 1856.

The Clinton Democrat, lately published by J. W. McEwen, has been purchased by Diefenbach and Martin.

\$65,000 in notes were paid into the Lancaster Bank on Friday, Saturday and Monday, thus discharging liabilities to that amount.

Report of the Postmaster General.

WASHINGTON, Dec. 2.—The Postmaster General's report shows the number of post-offices in June 30th, 1856, to have been 25,595, being an increase of 4,664 in four years.

On the 30th of June there were in operation nearly 8,000 mail routes, the length of which is estimated at 239,642 miles, costing \$3,359,474, divided as follows: 20,323 miles of railroad; 14,951 steamboats; and 50,451 canal lines; and nearly 154,000 inferior grades. The increase during the last fiscal year was nearly 20,000 miles of railroad, 312 miles of steamboat, 1,250 miles of canal lines, and 8,200 miles of inferior grades. In Nebraska and Kansas 2,238 miles were added to the length of routes. Between the 1st of July, 1855, and July 1st, 1856, the railroad service was increased 10,777 miles, exhibiting the fact that within that time this description of service was more than doubled. On the first of December, 1856, the length of railroad routes had increased to 21,310 miles, and the total cost for this service at that date amounted to \$2,403,747. The whole cost of the inland service on the 1st of July was \$6,526,028.

The Secretary alluded to the Panama Railroad Company, on the occasion of the withdrawal of the steamers via Nicaragua, to force the department to pay what he considers an exorbitant price across the Isthmus; and he recommends the making of a regular, but not exceeding \$50,000 per annum, with that company, and a contract not exceeding \$200,000 per annum via Nicaragua or Tehuantepec, so as to give a weekly mail between the Atlantic ports and California.

The expenditures for the year 1856 were \$10,105,286, and the gross revenue, including annual appropriations for free mail matter, \$7,620,821, showing a deficiency of \$2,787,000. He commends the abolition of the franking privilege, and the compulsory pre-payment of all transient printed matter. Also the repeal of the act of 1845, which gives the Postmaster General discretionary authority to make new contracts for ocean steamship service.

He alludes to the fact that embracing the branch from New Orleans to Havana there are now four ocean steamship lines running out of New York at an expense to the government of \$1,498,000 per annum. No reason is perceived why one part of the country should be preferred to the exclusion of others. Among other points it is stated that negotiations are in progress with a view to the reduction of the British transit charge on United States closed mails, and of the rate of postage between the United States and Great Britain to 12 cents a single letter or more.

Secretary of the Navy's Report.

The Secretary of the Navy gives a detailed view of the operations of the navy during the last year, and its present strength. Among his recommendations are, for another squadron in the Pacific, rendered necessary by our extending commerce; for the adoption of the English and French system of gunnery in practice ships; and for the dispatch of a small steamer to survey the Guano Islands on which Commodore Mervin made an unsatisfactory report.

The Secretary regards the construction of the six war steamers as inaugurating a new era in the naval service, and repeats his former recommendation for building steam sloops of war of small draft. The sending out of seamen to relieve distant crews is spoken of as an experiment, and will be continued if it shall work well. The Secretary likewise recommends the appointment of assistant pursers with moderate compensation.

Secretary of the Interior's Report.

The Secretary of the Interior's Report states the quantity of land surveyed since last report, and up to the 30th of September last, at 16,873,699 acres, exclusive of school sections. The execution of the graduation act has raised many grave questions which call for the interposition of Congress. He says it is important that the matter be promptly disposed of, either by sanctioning and affirming the action of the land office or directing the patents to be issued without further requirement.

The quantity of land sold for cash during the fiscal year, was over 9,250,000 acres, and the receipts therefor \$8,821,414. The total amount of land disposed of is over 30,000,000 acres. He suggests a necessity for further powers being granted to the Commission of Pensions to suspend and diminish and discontinue pensions when the reason for granting them has wholly or partially ceased.

The number of patents issued within the year will probably reach 2,500. The report says that during the present administration 52 Indian treaties have been negotiated, 20 of which remain to be acted upon by the Senate. By these treaties Indian titles have been extinguished to nearly 175,000 acres of land. The aggregate money consideration therefor is \$11,184,238.

The Indians within our borders are supposed to number about 300,000. The process of civilization among the Indians has already been attended with the happiest results, and gives prospects of steady progress in the amelioration of their physical and moral condition.

The Lancaster Bank.

The Lancaster *Intelligencer*, of last Thursday morning, says:—We understand from a reliable source that there is a strong probability of this institution being put on its feet again—by a new subscription of stock to the amount suggested by the Directors, in their report to the meeting of stockholders. This project, if carried out, will give the Bank a cash capital of \$300,000 to commence with, and enable it to pay its present depositors in one, two and three years. Of course the old stock is all sunk, and will prove a dead loss to the stockholders, unless the doubtful and bad assets of the institution should turn out better than the Directors anticipate.

Since the suspension of the Bank has redeemed over \$65,000 of her notes in payment of debts due the institution—thus discharging her liabilities to that amount.

The confidence in the re-organization of the Bank is daily gaining ground in the community, and the heavy stockholders, it is said, are subscribing with great willingness.

An adjourned meeting of the stockholders will be held, at Fulton Hall, on Saturday next, the 6th instant.

A father, aged 62 years, of property, has been condemned to be hung on the 18th of December, in Canada, for the murder of his son. The deed was done in a fit of passion, which he had not learned to curb.

The Upper Mississippi was closed with ice on the 24th ult.