

at the obligations of the government, contracted in consequence of their acquisition, the sum of \$9,549,101.11.

If the views of the Secretary of the Treasury in reference to the expenditures required for these Territories shall be met by corresponding action on the part of Congress, and appropriations be made in accordance therewith, there will be an estimated unappropriated balance in the treasury on the 30th June, of \$20,366,443.00, whereof the portion of the public debt due on the first July following, amounting to \$3,237,981.35, as well as any appropriations which may be made beyond the estimates.

In this referring to the estimated expenditures on account of our newly acquired Territories, I may express the hope that Congress will consent with me in the desire that a liberal course of policy may be pursued towards them, and that every obligation, express or implied, entered into in consequence of their acquisition, shall be fulfilled by the most liberal appropriations for that purpose.

The values of our domestic exports for the last fiscal year, as compared with those of the previous year, exhibit an increase of \$13,416,323. At first view this condition of our trade with foreign nations would seem to present the most flattering hopes of its future prosperity. An examination of the details of our exports, however, will show that the increased value of exports for the last fiscal year is to be sought in the high price of cotton which prevailed during the first half of that year, which price has since declined about one-half.

The value of our exports of breadstuffs and provisions, which it was supposed the incentive of a low tariff and large importations from abroad would have greatly augmented, has fallen from \$68,701,921, in 1847, to \$26,051,373 in 1850, and to \$21,945,653 in 1851, with a strong probability, amounting almost to a certainty, of a still further reduction in the current year.

The aggregate values of rice exported during the last fiscal year, as compared with the previous year, also exhibit a decrease amounting to \$160,917, which, with a decline in the values of the exports of tobacco for the same period, make an aggregate decrease in these two articles of \$1,156,751.

The policy, which dictated a low rate of duties on foreign merchandise, it was the duty of those who promoted and established it, would tend to benefit the farming population of this country by increasing the demand and raising the price of agricultural products in foreign markets.

The foregoing facts, however, seem to show incontrovertibly that no such result has followed the adoption of this policy. On the contrary, notwithstanding the repeal of the restrictive corn laws in England, the foreign demand for the products of the American farmer has steadily declined, since the short crops and consequent famine in a portion of Europe have been happily replaced by full crops and comparative abundance of food.

It will be seen, by recurring to the commercial statistics for the past year, that the value of our domestic exports has been increased, in the single item of raw cotton, by \$40,000,000 over the value of that export for the year preceding. This is not due to any increased general demand for that article, but to the short crop of the preceding year, which created an increased demand and an augmented price for the crop of last year. Should the cotton crop now going forward to market be only equal in quantity to that of the preceding year, and be sold at the present prices, then there would be a falling off in the value of our exports for the present fiscal year of at least \$40,000,000, compared with the amount exported for the year ending 30th June, 1851.

The production of gold in California for the past year seems to promise a large supply of that metal from that quarter for some time to come. This large annual increase of the currency of the world must be attended with its usual results. These have been already partially disclosed in the enhancement of prices and a rising spirit of speculation and adventure, tending to overtrading, as well as home as abroad. Unless some salutary check shall be given to these tendencies, it is to be feared that importations of foreign goods beyond a healthy demand in this country will lead to a sudden drain of the precious metals from us, bringing with it, as it has done in former times, the most disastrous consequences to the business and capital of the American people.

The exports of specie to liquidate our foreign debt during the past fiscal year have been \$24,268,979 over the amount of specie imported. The exports of specie during the first quarter of the present fiscal year have been \$14,651,827. Should specie continue to be exported at this rate for the remaining three quarters of this year, it will drain from our metallic currency during the year ending 30th June, 1852, the enormous amount of \$93,607,308.

In the present prosperous condition of the national finances, it will become your duty to consider the best mode of paying off the public debt. If the present and anticipated surplus in the treasury should not be absorbed by appropriations of an extraordinary character, this surplus should be employed in such way, and under such restrictions, as Congress may enact in extinguishing the outstanding debt of the nation.

By reference to the act of Congress, approved 9th September, 1850, it will be seen that, in consideration of certain concessions by the State of Texas, it is provided that the United States shall pay to the State of Texas the sum of ten millions of dollars in stock bearing five per cent interest, and payable at the end of fourteen years, the interest payable half yearly, and the principal in five equal instalments, at the treasury of the United

In the same section of the law it is further provided that no more than five millions of said stock shall be issued until the creditors of the State holding bonds and other certificates of stock of Texas, for which duties on imports were specially pledged, shall first file at the treasury of the United States releases of all claims against the United States, for or on account of said bonds or certificates, in such form as shall be prescribed by the Secretary of the Treasury, and approved by the President of the United States.

The form of release thus provided for has been prescribed by the Secretary of the Treasury, and approved. It has been published in all the leading newspapers in the commercial cities of the United States, and all persons holding claims of the kind specified in the foregoing proviso were required to file their releases (in the form thus prescribed) in the treasury of the United States, on or before the first day of October, 1851. Although this obligation has been continued from the 25th day of March, 1851, yet up to the 1st of October last comparatively few releases had been filed by the creditors of Texas.

The authorities of the State of Texas, at the request of the Secretary of the Treasury, have furnished a schedule of the public debt of that State created prior to her admission into the Union, with a copy of the laws under which each class was contracted.

I have, from the documents furnished by the State of Texas, determined the classes of claims which, in my judgment, fall within the provisions of the act of Congress of the 9th of September, 1850.

On being officially informed of the acceptance by Texas of the propositions contained in the act referred to, I caused the stock to be prepared; and the five millions which are to be issued unconditionally, bearing an interest of five per cent, from the 1st day of January, 1851, have been for some time ready to be delivered to the State of Texas. The authorities of Texas, up to the present time, have not authorized any one to receive this stock, and it remains in the Treasury Department, subject to the order of Texas.

The releases required by law to be deposited in the treasury not having been filed there, the remaining five millions have not been issued. This last amount of the stock will be withheld from Texas until the conditions upon which it is to be delivered shall be complied with by the creditors of that State, unless Congress shall otherwise direct by a modification of the law.

In my last annual message, to which I respectfully refer, I stated briefly the reasons which induced me to recommend a modification of the present tariff, by converting the ad valorem into a specific duty, wherever the article imported was of such a character as to permit it, and that such a discrimination should be made in favor of the industrial pursuits of our own country as to encourage home production without excluding foreign competition.

The numerous frauds which continue to be practised upon the revenue, by false invoices and undervaluations, constitute an unwarrantable reason for adopting specific instead of ad valorem duties in all cases where the nature of the commodity does not forbid it. A striking illustration of these frauds will be exhibited in the report of the Secretary of the Treasury, showing the custom-house valuations of articles imported under a former law subject to specific duties, when there was no inducement to undervaluation, and the custom-house valuations of the same articles, under the present system of ad valorem duties, so greatly reduced as to leave no doubt of the existence of the most flagrant abuses under the existing law. This practical evasion of the present law, combined with the languishing condition of some of the great interests of the country, caused by over-importations and consequent depressed prices, and with the failure in obtaining a foreign market for our increasing surplus of breadstuffs and provisions, has induced me again to recommend a modification of the existing tariff.

The report of the Secretary of the Treasury, which accompanies this communication, will present a condensed statement of the operations of that important department of the government.

It will be seen that the cash sales of the public lands exceed those of the preceding year, and that there is reason to anticipate a still further increase, notwithstanding the large donations which have been made to many of the States, and the liberal grants to individuals as a reward for military services. This fact furnishes very gratifying evidence of the growing wealth and prosperity of our country.

Suitable measures have been adopted for commencing the survey of the public lands in California and Oregon. Surveying parties have been made out establishing the principal base and meridian lines. But further legislation and additional appropriations will be necessary before the proper subdivisions can be made, and the general land system extended over those remote parts of the country.

On the 3d of March last an act was passed providing for the appointment of three commissioners to settle private land claims in California. Three persons were immediately appointed, all of whom, however, declined accepting the office, in consequence of the inadequacy of the compensation. Others were promptly selected, who, for the same reason, also declined, and it was not until late in the season that the services of suitable persons could be secured. A majority of the commissioners convened in this city on the 10th of September last, when detailed instructions were given to them in regard to their duties. Their first meeting for the transaction of business will be held in San Francisco on the 8th day of the present month. I have thought it proper to refer to these facts, not only to explain the causes of the delay in filling the commission; but to call

your attention to the propriety of increasing the compensation of the commissioners. The office is one of great labor and responsibility, and the compensation should be such as to command men of a high order of talents and the most unquestioned integrity.

The proper disposal of the mineral lands of California is a subject surrounded by great difficulties. In my last annual message I recommended the survey and sale of them in small parcels, under such restrictions as would effectually guard against monopoly and speculation. But upon further information, and in deference to the opinions of persons familiar with the subject, I am inclined to change that recommendation, and to advise that they be permitted to remain, as at present, a common field, open to the enterprise and industry of all our citizens, until further experience shall have developed the best policy to be ultimately adopted in regard to them. It is safer to suffer the inconveniences that now exist for a short period than, by premature legislation, to fasten on the country a system founded in error, which may place the whole subject beyond the future control of Congress.

The agricultural lands should, however, be surveyed and brought into market with as little delay as possible that the titles may become settled, and the inhabitants stimulated to make permanent improvements and enter on the ordinary pursuits of life. To effect these objects it is desirable that the necessary provision be made by law for the establishment of land offices in California and Oregon, and for the efficient prosecution of the surveys at an early day.

Some difficulties have occurred in organizing the territorial governments of New Mexico and Utah; and, when more accurate information shall be obtained of the causes, a further communication will be made on that subject.

In my last annual communication to Congress I recommended the establishment of an Agricultural Bureau, and I take this occasion again to invoke your favorable consideration of the subject.

Agriculture may justly be regarded as the great interest of our people. Four-fifths of our active population are employed in the cultivation of the soil, and the rapid expansion of our settlements over the territory is daily adding to the number of those engaged in that vocation. Justice and sound policy, therefore, alike require that the government should use all the means authorized by the constitution to promote the interests and welfare of this important class of our fellow citizens. And yet it is a singular fact, that whilst the manufacturing and commercial interests have engaged the attention of Congress during a large portion of every session, and our statutes abound in provisions for their protection and encouragement, little has yet been done for the advancement of agriculture. It is time that this reproach to our legislation should be removed; and I sincerely hope that the present Congress will not close their labors without adopting efficient means to supply the omissions of those who have preceded them.

An Agricultural Bureau, charged with the duty of collecting and disseminating correct information as to the best modes of cultivation, and the most effectual means of preserving and restoring the fertility of the soil, and of procuring and distributing seeds and plants and other vegetable productions, with instructions in regard to the soil, climate, and treatment best adapted to their growth, could not fail to be, in the language of Washington, in his last annual message to Congress, a "very cheap instrument of immense national benefit."

Regarding the act of Congress, approved 25th September, 1850, granting bounty lands to persons who had been engaged in the military service of the country, as a great measure of national justice and beneficence, an anxious desire has been felt by the officers intrusted with its immediate execution, to give prompt effect to its provisions. All the means within their control were, therefore, brought into requisition to expedite the adjudication of claims, and I am gratified to be able to state that near one hundred thousand applications have been considered, and about seventy thousand warrants issued in the short space of nine months. If adequate provision be made by law to carry into effect the recommendations of the department, it is confidently expected that, before the close of the next fiscal year, all who are entitled to the benefits of the act will have received their warrants.

The Secretary of the Interior has suggested in his report various amendments of the laws relating to pensions and bounty lands, for the purpose of more effectually guarding against abuses and frauds on the government, to all of which I invite your particular attention.

The large accessions to our Indian population consequent upon the acquisition of New Mexico and California, and the extension of our settlements into Utah and Oregon, have given increased interest and importance to our relations with the aboriginal race.

No material change has taken place within the last year in the condition and prospects of the Indian tribes who reside in the Northwestern Territory and west of the Mississippi river. We are at peace with all of them; and it will be a source of pleasure to you to learn that they are gradually advancing in civilization and the pursuits of social life.

Along the Mexican frontier, and in California and Oregon, there have been occasional manifestations of unfriendly feeling, and some depredations committed. I am satisfied, however, that they resulted more from the destitute and starving condition of the Indians than from any settled hostility towards the whites. As the settlements of our citizens progress towards the west, the game upon which they mainly rely for subsistence is driven off or destroyed, and the only alternative left to

them is starvation or plunder. It becomes us to consider, in view of this condition of things, whether justice and humanity, as well as an enlightened economy, do not require that, instead of seeking to punish them for offences which are the result of our own policy towards them, we should provide for their immediate wants, and encourage them to engage in agriculture, and to rely on their labor, instead of the chase, for the means of support.

Various important treaties have been negotiated with different tribes during the year, by which their title to large and valuable tracts of country has been extinguished, all of which will, at the proper time, be submitted to the Senate for ratification.

The joint commission under the treaty of Guadalupe Hidalgo has been actively engaged in running and marking the boundary line between the United States and Mexico. It was stated in the last annual report of the Secretary of the Interior that the initial point on the Pacific and the point of junction of Gila with the Colorado river, had been determined, and the intervening line—about one hundred and fifty miles in length—run and marked by temporary monuments. Since that time a monument of marble has been erected at the initial point, and permanent landmarks of iron have been placed at suitable distances along the line.

The initial point on the Rio Grande has also been fixed by the commissioners at latitude 32 deg. 22 min., and at the date of the last communication the survey of the line had been made thence westward about one hundred and fifty miles to the neighborhood of the copper mines.

The commission on our part was at first organized on a scale which experience proved to be unwieldy and attended with unnecessary expense. Orders have, therefore, been issued for the reduction of the number of persons employed within the smallest limits, consistent with the safety of those engaged in the service, and the prompt and efficient execution of their important duties.

Returns have been received from all the officers engaged in taking the census in the States and Territories, except California. The superintendent employed to make the enumeration in that State has not yet made his full report, from causes as he alleges, beyond his control. This failure is much to be regretted, as it has prevented the Secretary of the Interior from making the decennial apportionment of representatives among the States, as required by the act approved May 23d, 1850. It is hoped, however, that the returns will soon be received, and no time will then be lost in making the necessary apportionment, and in transmitting the certificates required by law.

The Superintendent of the Seventh Census is diligently employed, under the direction of the Secretary of the Interior, in classifying and arranging, in tabular form, all the statistical information derived from the returns of the marshals, and it is believed that when the work shall be completed it will exhibit a more perfect view of the population, wealth, occupations, and social condition of a great country, than has ever been presented to the world.

The value of such a work, as the basis of enlightened legislation, can hardly be overestimated; and I earnestly hope that Congress will lose no time in making the appropriations necessary to complete the classification, and to publish the results in a style worthy of the subject and of our national character.

The want of a uniform fee bill, prescribing the compensation to be allowed district attorneys, clerks, marshals and commissioners in civil and criminal cases, is the cause of much vexation, injustice and complaint. I would recommend a thorough revision of the laws on the whole subject, and the adoption of a tariff of fees which, as far as practicable, should be uniform, and prescribe a specific compensation for every service which the officer may be required to perform. This subject will be fully represented in the report of the Secretary of the Interior.

In my last annual message I gave briefly my reasons for believing that you possessed the constitutional power to improve the harbors of our great lakes and seacoasts, and the navigation of our principal rivers, and recommended that appropriations should be made for completing such works as had already been commenced, and for commencing such others as might seem to be of the greatest public and general importance. Without repeating the reasons then urged, I deem it my duty again to call your attention to this important subject. The works on many of the harbors were left in an unfinished state, and consequently exposed to the action of the element, which is fast destroying them. Great numbers are annually lost for want of safe and convenient harbors on the lakes. None but those who have been exposed to that dangerous navigation can fully appreciate the importance of this subject. The whole northwest appeals to you for relief, and I trust their appeal will receive due consideration at your hands.

The same is in a measure true in regard to some of the harbors and inlets on the seacoast.

The obstructed navigation of our large rivers is of equal importance. Our settlements are now extended to the source of the great rivers which empty into, and form a part of the Mississippi, and the value of the public lands in those regions would be greatly enhanced by freeing the navigation of those waters from obstructions. In few, thereof, of this great interest, I deem it my duty again to urge upon Congress to make such appropriations for these improvements as they may deem necessary.

The survey of the Delta of the Mississippi, with a view to the prevention of the overflows that have proved so disastrous to that region of the country, have been nearly completed, and the reports thereof

are now in course of preparation, and will shortly be laid before you.

The protection of our south-western frontier, and of the adjacent Mexican states, against the Indian tribes within our border, has claimed my earnest and constant attention. Congress having failed, at the last session, to adopt my recommendation that an additional regiment of mounted men, specially adapted to that service should be raised, all that remained to be done was to make the best use of the means at my disposal. Accordingly, all the troops adapted to that service that could properly be spared from other quarters have been concentrated on that frontier, and officers of high reputation selected to command them. A new arrangement of the militia posts has also been made, whereby the troops are brought nearer the Mexican frontier and to the tribes they are intended to overawe.

Sufficient time has not yet elapsed to realize all the benefits that are expected to result from these arrangements, but I have every reason to hope that they will effectually check their marauding expeditions. The nature of the country, which furnishes little for the support of an army and abounds in places of refuge and concealment, is remarkably well adapted to predatory warfare; and we can scarcely hope that any military force, combined with the greatest vigilance, can entirely suppress it.

By the Treaty of Guadalupe Hidalgo we are bound to protect the territory of Mexico against the incursions of the savage tribes within our border, with equal diligence and energy, as if the same were made within our territory or against our citizens. I have endeavored to comply, as far as possible, with this provision of the treaty. Orders have been given to the officers commanding on the frontier to consider the Mexican territory and its inhabitants as equally with our own entitled to their protection; and to make all their plans and arrangements with a view to the attainment of this object. Instructions have also been given to the Indian commissioners and agents among these tribes, in all treaties, to make the clauses designed for the protection of our own citizens apply also to those of Mexico. I have no reason to doubt that these instructions have been fully carried into effect. Nevertheless, it is probable that in spite of all our efforts, some of the neighboring States of Mexico may have suffered, as our own have, from depredations by the Indians.

To the difficulties of defending our own territory, as above mentioned, are superadded, in defending that of Mexico, those that arise from its remoteness, from the fact that we have no right to station our troops within her limits, and that there is no efficient military force on the Mexican side to co-operate with our own. So long as this shall continue to be the case, the number and activity of our troops will rather increase than diminish the evil, as the Indians will naturally turn towards that country where they encounter the least resistance. Yet these troops are necessary to subdue them, and compel them to make and observe treaties. Until this shall have been done, neither country will enjoy any security from their attacks.

The Indians in California, who had previously appeared of a peaceable character, and disposed to cultivate the friendship of the whites, have recently committed several acts of hostility. As a large portion of the reinforcements sent to the Mexican frontier were drawn from the Pacific, the military force now stationed there is considered entirely inadequate to its defence. It cannot be increased, however, without an increase of the army; and I again recommend that measure as indispensable to the protection of the frontier.

I invite your attention to the suggestions on this subject, and on others connected with his Department, in the report of the Secretary of War.

The appropriations for the support of the army during the current fiscal year ending 30th June next, were reduced far below the estimate submitted by the Department. The consequence of this reduction is a considerable deficiency, to which I invite your early attention.

The expenditures of that department, for the year ending 30th June last, were \$9,060,368 60. The estimates for the year commencing 1st July next and ending June 30, 1852, are \$7,898,775 83; showing a reduction of \$1,161,492 75.

The Board of Commissioners, to whom the management of the affairs of the Military Asylum created by the act of 3d March last was entrusted, have selected a site for the establishment of an Asylum in the vicinity of this city, which has been approved by me, subject to the production of a satisfactory title.

The report of the Secretary of navy will exhibit the condition of the public services under the supervision of that department. Our naval force afloat during the present year has been actively and usefully employed in giving protection to our widely extended and increasing commerce and interests in the various quarters of the globe, and our flag has everywhere afforded the security and received the respect inspired by the justice and liberality of our intercourse, and the dignity and power of the nation.

The expedition commanded by Lieut. Do Haven, despatched in search of the British commander, Sir John Franklin, and his companions in the Arctic seas, returned to New York in the month of October, after having undergone a great peril, and suffering from an unknown and dangerous navigation and the rigors of a northern climate, without any satisfactory information of the objects of their search, but with new contributions to science and navigation from the unfrequented polar regions. The officers and men of the expedition, having been all volunteers for this service, and having so conducted as to meet the entire approbation of the Government, it is suggested, as an act of grace and generosity, that the same

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