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RESIDENT'S MESSAGE.

(Citizens of the Senate and House of Representatives.)

Obedience to the command of the Lord, it has now become my duty "to give ingress information of the state of the Union, and recommend to their consideration measures" as I judge to be "necessary and expedient."

First, and above all, our thanks are due to Almighty God for the numerous blessings which He has bestowed upon this people, and that He would continue to bless our great Republic in time to come. He has blessed it in the past. Since the adjournment of the Congress, our constituents have enjoyed unusual degrees of health. The earth has yielded her fruits abundantly, and has bound- ed the toil of the husbandman. Staples have commanded high prices, up to within a brief period, our man- ning, mineral, and mechanical occupa- tions largely partaken of the general prosperity. We have possessed all the ele- ments of material wealth, in rich abundance, notwithstanding all these advantages, our country, in its monetary interests, is at present in a deplorable condition. The midst of unparagoned plenty in all the departments of agriculture and in all the branches of national wealth, we find our man- ners suspended, our public works retarded, private enterprises of different kinds are languishing, and thousands of useful laborers are out of employment and reduced to pauperism. The revenue of the government, which is chiefly derived from duties on impor- tations from abroad, has been greatly re- duced, the appropriations made by Con- gress for the current fiscal year are large in amount.

Under these circumstances a loan may be had before the close of your present ses- sion, but this, although to be deeply regret- ted when compared with the suffering and distress prevailing among the people. Which the government cannot fail to deeply re- gret, though it may be without the power to extend relief.

It is our duty to inquire what has produced these unfortunate results, and whether their occurrence can be prevented? In all former times the blame might have been fairly ascribed to a variety of co-operating causes, but so upon the present occasion. It is that our existing misfortunes have resulted solely from our extravagant and un- prudent system of paper currency and bank- ing, exciting the people to wild specula- tion and gambling in stocks. These re- sults must continue to recur at successive in- tervals, so long as the amount of the paper currency and bank loans and discounts of the banks shall be left to the discretion of four- hundred irresponsible banking institu- tions, which from the very law of their na- ture result in the interest of their stockholders rather than the public welfare.

It is the duty of the framers of the constitution, when they conferred the power "to coin money, to regulate the value thereof," and pro- vided the States from coining money, emit- ting of credit, or making anything but gold and silver coin a tender in payment of debts, to have provided for the people the evils of an excessive and irredeem- able paper currency. They are not respon- sible for the existing anomaly that a govern- ment, endowed with the sovereign attribute of money and regulating the value thereof, should have no power to prevent others from driving this coin out of the country and opening the channels of circulation with a metal which does not represent gold and sil- ver.

One of the highest and most responsi- ble duties of the government to insure to the people a sound circulating medium, the amount of which ought to be adapted with the best possible wisdom and skill to the wants of the country, and to the balance of ex- port and foreign exchanges. If it be either greatly above or greatly below the proper standard, the marketable value of the property is increased or diminished in the same proportion, and injustice to individuals as well as incalculable evils to the community are the consequences.

Unfortunately, under the construction of the Federal constitution, which has now pre- vailed for so long, this important and delicate duty has been disorganized from the power and virtually transferred from the Federal government to the States, which 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 credits 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 embar- rassment, 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 system, the Government has not suspended pay- ment, as it was compelled to do by the failure of the banks in 1837. It will continue to dis- charge 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 advan- tageous terms. This however, shall if pos- sible, 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, not already in progress shall be suspended, new works, not already commenced, will be postponed if this can be done without injury to the country. Those necessary for its defence shall proceed as though there had been no crisis in the monetary affairs.

partment, for the Bank of England always to keep on hand gold and silver equal to one-third of its combined circulation and deposits.

If this proportion was no more than sufficient to secure the convertibility of its notes, with the whole of Great Britain, and to some extent the continent of Europe as a field for its circulation, rendering it almost impos- sible that a sudden and immediate run to a dangerous amount should be made upon it, the same proportion would certainly be in- sufficient under our banking system. Each of our fourteen hundred banks has but a limited circumference for its circulation, and in the course of a few days the depositors and note-holders 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 li- abilities.

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 pro- portion of gold and silver compared with the amount of its combined circulation and de- posits. 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 \$58,349,868, 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 deposits.

It was palpable, therefore, that the very first pressure must drive them to suspension and deprive the people of a convertible cur- rency 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 our 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 extrava- gance 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 deposits 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 circula- tion and deposits.

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 the most enterprising men have been tempted to their ruin by excessive bank loans of mere paper credit exciting them to extravagant specula- tions in foreign goods, wild speculations, and ruinous and demoralizing stock gambling.—

When the crisis arrives, as it must, the banks can extend no relief to the people. In a 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 ex- pansion, raising the nominal price of every article far beyond its real value, when com- pared with the cost of similar articles in countries whose circulation is wisely regu- lated which has prevented us from competing in our own markets with foreign manu- facturers, 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 productions of our own country—such as cotton, iron, and woolen 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 credits 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 embar- rassment, 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 system, the Government has not suspended pay- ment, as it was compelled to do by the failure of the banks in 1837. It will continue to dis- charge 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 advan- tageous terms. This however, shall if pos- sible, 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, not already in progress shall be suspended, new works, not already commenced, will be postponed if this can be done without injury to the country. Those necessary for its defence shall proceed as though there had been no crisis in the monetary affairs.

But the Federal Government cannot do much to provide against a recurrence of ex- isting evils. Even if insurmountable consti- tutional objections did not exist against the creation of a National Bank, this would furnish no adequate preventative security.— The history of the last Bank of the United States abundantly proves the truth of this as- ssertion. Such a bank could not, if it 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 the country throughout the existence of the late bank, or secure us against future sus- pensions. 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 expended 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 the foreign exchanges. It accordingly commenced a system of curtail- ment of its loans and issues, in the vain hope that the joint stock and private banks of the kingdom would be compelled to fol- low its example. It found, however, that as it contracted they expanded, and the end of the process, to employ the language of a very high official authority, "whatever re- duction 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 the 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 interest of its stockholders. If we expect one agent to restrain or control another, be antagonistic. But the directors 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 pa- per circulation by increasing the denomina- tion 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 one dollar of gold and silver for every three dollars of their circulation and de- posits; and if they will provide by a self-ex- ecuting 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, possess the power to pass a uniform bankrupt law applicable to all banking institutions through- out the United States, and I strongly recom- mend its exercise. This would make it the irreversible organic law of each bank's existence, that a suspension of specie payments shall produce its civil death. The instant of self preservation would then com- pel it to perform its duties in such a manner as to escape the penalty and preserve its life.

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

But this I say, after long and much reflection; if my 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 or discount.

Our relations with foreign governments are upon the whole, in a satisfactory condi- tion.

The diplomatic difficulties which existed between the Government of the United States and that of Great Britain at the ad- journment of the last Congress have been 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 al- ways to have had some irritating, if not dangerous, outstanding question with Great Britain.

Since the origin of the government, we have been employed in negotiating treaties with that power, and afterwards in discuss- ing their true intent and meaning. In this respect, the convention of April 19, 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, or colonize, or assume or exercise any dominion" over any part of Central America, it is contended by the British government that the true construction of this language has left them in the rightful possession of all that portion of Central America which was in their occu- pancy 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 Honda to the port and harbor of San Juan de Nica- ragua; together with the adjacent Bay Islands,

except the comparatively small portion of this between the Sarstoon and Cape Hondo- ras. According to their construction, the treaty does no more than simply prohibit them from extending their possessions in Central America beyond their present limits. It is not too much to assert, that if in the United States the treaty had been considered susceptible of such a construction, it never would have been negotiated under the au- thority 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 govern- ment never to occupy or acquire territory in the Central American portion of our own continent, the 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, negotia- tions were instituted between the two gov- ernments 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 December. Whether this treaty, either in its original or amended form, would have accomplished the object in- tended without giving birth to new and em- barrassing complications between the two governments, may perhaps be well ques- tioned. 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 March, 1857, and was transmitted to London for ratification by the British gov- ernment.

That government expressed its wil- lingness to concur in all the amendments made by the Senate with the single exception of the clause relating to Ruanan 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, 1656, between her Britannic Majesty and the Republic of Honduras," stipulated that "the two contracting parties 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 an examination of this convention between Great Britain and Honduras of the 27th August, 1856, it was found that, whilst declaring the Bay Islands to be "a free ter- ritory 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 di- vided them from the remainder of Hondo- ras, and gave to their inhabitants a separate 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 islands from the performance of military duty except for their own exclusive defence. It also prohib- ited that that republic from erecting fortifica- tions 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 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 that 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 op- position 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 Ruanan, Bonaco, Utila, Barbareta, Helena, and Morat, situated in the Bay of Honduras, and off the coast of the republic of Honduras, as under the sov- ereignty and as part of the said republic of Honduras."

Great Britain rejected this amendment, assigning as the only reason, that the ratifi- cations 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 pro- posed by the Senate, which then would have had in effect the same significance as the original wording." Whether this would have been the effect; whether the mere circum- stance 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 significance as the original wording," and thus nullified the amend- ment of the Senate, may well be doubted.—

It is, perhaps, fortunate that the question has never arisen.

The British government, immediately af- ter rejecting the treaty as amended, propo- sed 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 the Senate's clear and unqualified recognition of the sov- ereignty of Honduras over the Bay Islands and the following conditional stipulation:—"When- ever and so soon as the republic of Hondo- ras shall have concluded and ratified a treaty with Great Britain, by which Great Britain shall have accepted, and the republic of Honduras shall have accepted, the said islands, subject to the provisions and condition con- tained in said treaty."

This proposition was, of course rejected. After the Senate had refused to recognize the British convention with Honduras of the

27th August, 1856, with full knowledge of its contents, it was impossible for me, neces- sarily ignorant of "the provisions and con- ditions" which might be contained in a fu- ture convention between the same parties, to sanction them in advance.

The fact is, that when two nations like Great Britain and the United States, mutu- ally desirous as they are, and I trust ever may be, of maintaining the most friendly relations with each other, have unfortuna- tely concluded a treaty which they understand in senses directly opposite, the wisest course is to abrogate such a treaty by mutual consent, and to commence anew. Had this been done promptly, all difficulties in Cen- tral America would most probably, ere this, have been adjusted to the satisfaction of both parties. The time spent in discussing the meaning of the Clayton and Bulwer treaty would have been devoted to this praisewor- thy purpose, and the task would have been the more easily accomplished because the in- terest of the two countries in Central Amer- ica is identical, being confined to securing safe transits over all the routes across the Isthmus.

Whilst entertaining these sentiments, I shall nevertheless not refuse to contribute to any reasonable adjustment of the Central American questions which is not practically inconsistent with the American interpre- tation of the treaty. Overtures for this purpose have been recently made by the British government in a friendly spirit, which I cordially reciprocate; but whether this renewed effort will result in success I am not yet prepared to express an opinion. A brief period will determine.

With France our ancient relations of friend- ship still continue to exist. The French government have, in several instances, which need not be enumerated, evinced a spirit of good will and kindness towards our country which I heartily reciprocate. It is, notwith- standing, much to be regretted that two na- tions whose productions are of such a char- acter as to invite the most extensive exchanges and freest commercial intercourse, should continue to enforce ancient and obsolete restrictions of trade against each other. Our commercial treaty with France is in this respect an exception from our treaties with all other commercial nations. It jealously levies discriminating duties both on tonnage and on articles, the growth, produce or manufacture of the one country, when arriving in vessels belonging to the other.

More than forty years ago, on the 3d of March, 1815, Congress passed an act offering to all nations to admit their vessels laden with their national productions, into the ports of the United States, upon the same terms with our own vessels, provided they would reciprocate to us similar advantages. This act confined the reciprocity to the productions of the respective foreign nations who might enter into the proposed arrangement with the United States. The act of May 21, 1828, re- moved this restriction and offered a similar reciprocity to all such vessels, without refer- ence to the origin of their cargoes. Upon these principles our commercial treaties and arrangements have been founded, except with France; and let us hope that this exception may not long exist.

Our relations with Russia remain, as they have ever been, on the most friendly footing. The present Emperor, as well as his predecessors, have never failed, when the occasion offered, to manifest their good will to our country; and their friendship has always been highly appreciated by the government and people of the United States.

With all other European governments, except that of Spain, our relations are as peace- ful as we could desire. I regret to say that no progress whatever has been made, since the adjournment of Congress, towards the settlement of any of the numerous claims of our citizens against the Spanish government. Besides, the outrage committed on our flag by the Spanish war-ship Ferrerona, on the high seas, off the coast of Cuba, in March, 1855, by firing into the American Mail Steamer, El Dorado, and detaining and searching her, remains unacknowledged and unredressed. The general tone and temper of the Spanish government towards that of the United States are much to be regretted. Our present envoy extraordinary and minister plenipotentiary in Madrid has asked to be recalled; and it is my purpose to send out a new minister to Spain, with special instruc- tions on all questions pending between the two governments, and with a determination to have them speedily and amicably adjusted, if this be possible. In the meantime, when- ever our minister urges the just claims of our citizens on the notice of the Spanish govern- ment, he is met with the objection that Con- gress has never made the appropriation recom- mended by President Polk in his annual message of December, 1847, "to be paid to the Spanish government for the purpose of distribution among the claimants in the Am- staded case." A similar recommendation was made by my immediate predecessor in his message of December, 1853; and entirely concurring with both in the opinion that this indemnity is justly due under the treaty with Spain on the 27th October, 1795, I earnestly recommend such an appropriation to the fa- vorable consideration of Congress.

A treaty of friendship and commerce was concluded at Constantinople on the 13th De- cember, 1850, between the United States and Persia, the ratifications of which were ex- changed at Constantinople on the 13th June, 1857, and the treaty was proclaimed by the President on the 18th August, 1857. This treaty, it is believed, will prove beneficial to American commerce. The Shah has man- ifested an earnest disposition to cultivate friendly relations with our country, and has expressed a strong wish that we should be represented at Teheran by a minister plenipotentiary; and I recommend that an approp- riation be made for this purpose.

Recent occurrences in China have been un- favorable to a revision of the treaty with that empire of the 2d July, 1844, with a view to the security and extension of our commerce. The 24th article of this treaty stipulated for a revision of it, in case experience should prove this to be requisite; "in which case the two governments will, at the expiration of twelve years from the date of said Convention, treat amicably concerning the same, by means

of suitable persons appointed to conduct such negotiations." These twelve years expired on the 3d of July, 1856; but long before that period it was ascertained that important changes in the treaty were necessary; and several fruitless attempts were made by the commissioner of the United States to effect these changes. Another effort was about to be made for the same purpose by our com- missioner, in conjunction with the ministers of England and France, but this was suspen- ded by the occurrence of hostilities in the Canton river between Great Britain and the Chinese Empire. These hostilities have ne- cessarily interrupted the trade of all nations with Canton, which is now in a state of blockade, and have occasioned a serious loss of life and property. Meanwhile the insurrection within the empire against the existing imper- ial dynasty still continues, and it is difficult to anticipate what will be the result.

Under these circumstances, I have deemed it advisable to appoint a distinguished citizen of Pennsylvania envoy extraordinary and minister plenipotentiary to proceed to China, and to avail himself of any opportunities which may offer to effect changes in the existing treaty favorable to American commerce. He left the United States for the place of his destination in July last in the war steamer Minnesota. Special ministers to China have also been appointed by the governments of Great Britain and France.

Whilst our minister has been instructed to occupy a neutral position in reference to the existing hostilities at Canton, he will cordially cooperate with the British and French min- isters in all peaceful measures to secure by treaty stipulations, those just concessions to commerce which the nations of the world have a right to expect, and which China can not long be permitted to withhold. From assurances received, I entertain no doubt that the three ministers will act in harmonious concert to obtain similar commercial treaties for each of the powers they represent.

We cannot fail to feel a deep interest in all that concerns the welfare of the independent republics on our own continent, as well as of the Empire of Brazil.

Our difficulties with New Grenada, which a short time since bore so threatening an aspect, it is to be hoped, in a fair train of settle- ment, in a manner just and honorable to both parties.

The Isthmus of Central America, including that of Panama, is the great highway be- tween the Atlantic and Pacific, over which a large portion of the commerce of the world is destined to pass. The United States are more deeply interested than any other nation in preserving the freedom and security of all the communications across this Isthmus. It is our duty, therefore, to take care that they shall not be interrupted either by invasions from our own country or by wars between the independent States of Central America. Under our treaty with New Grenada of the 12th December, 1846, we are bound to guar- anty the neutrality of the Isthmus of Pana- ma, through which the Panama railroad ap- proaches, "as well as the rights of sovereignty and property which New Grenada has and pos- sesses over the said Territory." This obligation is founded upon equivalents granted by the treaty to the government and people 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 United States to carry into effect this guarantee of neu- trality and protection. I also recommend similar legislation for the security of any other route across the Isthmus in which we 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 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 law 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 ag- gression 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 our cities, murder and plunder our people, and usurp our government, we should call any power on earth to the strict- est account for not preventing such enormi- ties.

Ever since the Administration of General 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 United States, to proceed from thence against a nation or State with whom we are at peace. 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 force and militia "for the purpose of preventing the carrying on of any such expedition or enterprise from the territories and jurisdiction of the United States," and the collectors of customs are authorized and required to detain any vessel in port when there is reason to believe she is about to take part in such lawless 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 out these instructions.

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