

Bradford Meporter.

E. O. GOODRICH, EDITOR.

Towanda, Saturday, December 9, 1854.

ESPECIAL NOTICE.

The REPORTER will be furnished at ONE DOLLAR per annum. invariably in advance, and will be sent no longer than paid for.

Subscribers will have four weeks notice previous to the expiration of their subscription; when, if it is not renewed, the paper will be stopped.

Those in arrears can avail themselves of hese terms by settling. We shall give them until the close of the settling. We shall give them until the close of the present Volume, when we shall stop sending the paper to every subscriber in arrears.

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flexibly adhered to This number of the Reporter will reach some of our subscribers a day or two later than usual,

owing to the impossibility of procuring paper.

Congress met on Monday last, a quorum ap pearing in both branches. In the Senate, the Pre sident, Mr. Atchison having resigned, Mr. Bright was elected President in his place.

The President's Message, which was delivered on Monday, will be found below. Its length excludes our usual variety, and the comments we had designed to make.

REMOVAL .- The Post Master at this place, Mr. WM. H. PERKINS has been removed, and Dr. H C. PORTER appointed in his s.ead.

We have neither time nor space, this week, to comment upon this outrage as it deserves, but we will endeavor, next week, to do full justice to the act and the actors.

ICE BRIDGE - The recent cold weather has frozen the River at this place, forming a very con venient Bridge, over which teams pass in perfect

PRESIDENT'S MESSAGE.

Fellow Citizens of the Senate and of the House of

Representatives : The past has been an eventful year, and will be hereafter referred to as a marked epoch in the history of the world. While we have been happily proserved from the calamities of war, our domestic prosperity has not been entirely uninterrupted. The crops, in portions of the country, have been nearly cut off. Disease has prevailed to a greater extent than usual, and the sacrifice of human life, through casualties by sea and land is without a parallel. But the pestilence has swept by, and restored salubrity invites the absent to their homes, and the re-turn of business to its ordinary channels. If the earth has rewarded the labor of the husbandman less bountifully than in preceding seasons, it has ings with us as a people.

ful interest in passing events, yet our country feels tricate our country from this unequal condition, with no more than the slight vibrations of the convulsions, which have shaken Europe. As individuals, we cannot repress sympathy with human suffering nor regret for the causes which produce it. As a nation, we are reminded that whatever interrupt the peace, or checks the prosperity of any part of Christendom, tends, more or less, to involve our own. The conditions of States is not unlike that of individuals. They are mutually dependent upon each other. Amicable relations between them, and reciprocal good will, are essential for the promotion of whatever is desirable in their moral, social, and political condition. Hence, it has been my earnest endeavors to maintain peace and friendly intercourse with all nations.

The wise theory of this Government, so early adopted and steadily pursued of avoiding all entangling alliances, has hitherto exempted it from many complications, in which it would otherwise have become involved. Notwithstanding this our clearly defined and well sustained course of action, and our geographical position so remote from Europe, increasing disposition has been manifested, by some of its Governments, to supervise, and, in certain respects, to direct, our foreign policy. In plans for adjusting the balance of power among themselves, they have assumed to take us into account, and would constrain us to conform our conduct to their views. One or another of the Powers of Europe has, from time to time, undertaken to enforce arbitrary regulations, contrary in many respects to established principles of international law. That law, the United States have, in their foreign intercourse, uniformly respected and observed, and they cannot recognize any such interpolations therein, as the temporary interests of others may suggest. They do not admit that the sovereigns of one continent, or of a particular community of States, can legislate

for all others. Leaving the trans-Atlantic nations to adjust their political system, in the way they may think best for their common welfare, the independent powers of this Continent may well assert the right to be exempt from all annoying interference on their part. Systematic abstinence from intimate political connection with distant foreign nations, does not conflict with giving the widest range to our foreign commerce. This distinction, so clearly marked in history, seems to have been overlooked, or disregarded, by some leading foreign States. Our refusal to be brought within, and subjected to, their peculiar system, has, I fear, created a jealous distrust of our conduct, and induced, on their part, oc-casional acts of disturbing effect upon our foreign relations. Our present attitude and past course give assurance, which should not be questioned, that our purposes are not aggresive, nor threatening to the safety and welfare of other nations. Our military establishment, in time of peace, is adapted to maintain exterior defences, and to preserve order among the aboriginal tribes within the limits of the Union. Our naval force is intended only for the protection of our citizens abroad, and of our commerce, diffused, as it is, over all the seas of the globe. The government of the United States, being essentially pacific in policy, stands prepared to repel invasion by the voluntary service of a patriotic people, and provides no permanent means of foreign aggression. These considerations should allay all apprehension, that we are disposed to encroach on the rights, or endanger the security of

other States. AMERICAN EXPANSION.

the legitimate exercise of sovereign rights, befong-ing alike to all nations, and by many liberally exer-oised. Under such circumstances, it could hardly have been expected that those among them, which manner entitled to your favorable consideration.

have, within a comparatively recent period, subdued and absorbed ancient kingdoms, planted their stan-dards on every Continent, and now possesses, the control of, the islands of every ocean as their appro-priate domain, would look with unfriendly sentiments upon the acquisitions of this country, in evthemselves justified in imputing our advancement to a spirit of aggression or to a passion for political

minance. Our foreign commerce has reached a magnitude and extent nearly equal to that of the first maritime power of the earth, and exceeding that of any other. Over this great interest, in which not only our merchants, but all classes of citizens at least indirectly are concerned, it is the duty of the executive and legislative branches of the Government to exercise a careful supervision, and adopt proper measures for its protection. The policy which I have had in view, in regard to this interest, embraces its future as well as its present security.

NEUTRAL RIGHTS.

Long experience has shown that, in general, when the principal powers of Europe are engaged in war, the rights of neutral nations are endangered. This consideration led, in the progress of the War our Independence, to the formation of the celebrat ed confederacy of armed neutrality—a primary object of which was to assert the doctrine that free ships make free goods, except in the case of articles contraband of war-adoctrise which, from the very commencement our national being, has been a cherished idea of the statesmen of this country. At one period or another, every maritime power has, by some solemn treaty stipulation, recognized that principle; and it might have been hoped that it would come to be universally received and respect, ed as a rule of international law. But the refusal of one power prevents this, and in the next great war which ensued, that of the French Revolution, it As the success of the Cash system depends upon its strict observance, our Terms will be impartially and ingenerally admitted to be a sound and salutary one; o much so, that, at the commencement of the existing war in Europe, Great Britain and France announced their purpose to observe it for the present -not, however, as a recognized international right. but as a mere concession for the time being. The co-operation, however, of these two powerful maritime nations in the interest of neutral rights, appeared to me to afford an occasion, inviting and justi-fying, on the part of the United States, a renewed effort, to make the doctrine in question a principle of international law, by means of special conventions between the several Powers of Europe and America. Accordingly, a proposition, embracing not only the rule, that free ships make free goods except contraband articles, but also the less contested one, that neutral property, other than contraband though on board enemy's ships, shall be exempt from confiscation, has been submitted by this Government to those of Europe and America.

Russia acted promptly in this matter, and a Conion was concluded, between that country and the United States, providing for the observance of principles announced, not only as between themselves, but also as between them and all other naions, which shall enter into like stipulations. None of the other powers have as vet taken final action on the subject. I am not aware, however, that any obction to the proposed stipulations has been made; ut, on the contrary, they are acknowledged to be essential to the security of neutral commerce; and the only apparent obstacle to their general adoption is in the possibility that it may be encumbered by nadmissible conditions,

The King of the Two Sicilies has expressed to our Minister at Naples his readiness to concur in our proposition relative to neutral rights, and to en-

er into Convention on the subject. The King of Prussia entirely approves of the proect of a treaty to the same effect, submitted to him but proposes an additional article providing for the renunciation of privateering. Such an article, for most obvious reasons, is much desired by nations having naval establishments, large in proportion to their foreign commerce. If it were ad pred as an in-ternational rule, the commerce of a nation having comparatively a small naval force, would be very much at the mercy of its enemy, in case of war with a power of decided naval superiority. The bare statement of the condition in which the United States would be placed, after having surrendered the right to resort to privateers, in the event of war with a belligerent of naval supremacy, will show that this Government bould never listen to such a proposition. The navy of the first maritime power in Europe is at least ten times as large as that of the less bounded in proceedings and less than with abundance for domestic wants, and less than with a wind wants and less than with a wind wants and wind wants are wind wants and wind wants are with a wind wants and wind wants are wind with a wind wants are wind with a wind wants and wind wants are wind with a wind wants are wind with a wind wants and wind wants are wind with a wind wants and wind wants are wind with a wind wants are wind wind with a wind wants are wind with a wind wants are wind with a wind wants and wind wind wants are wind with a wind wants and wi emy to inflict injury upon our commerce would be Although our attention has been arrested by pain- tenfold greater ours to retaliate. We could not exsuch an enemy, unless we at once depart from our present peaceful policy, and became a great naval Nor would this country be better situated ower. in war with one of the secondary naval powers --Though the naval disparity would be less, the great er extent and more exposed condition of our wide spread commerce would give any of them a like advantage over us.

PRIVATEERS.

The proposition to enter into engagements to orego resort to privateers, in case this country should be forced into war with a great naval power, is not entitled to more favorable consideration than would be a proposition to agree not to accept the services of volunteers for operations on land. When the honor of the rights our country require it to assume a hostile attitude, it confidently relies upon the the military profession, to augment the army and the navy, so as to make them fully adequate to the emergency which calls them into action. The proposal to surrender the right to employ privateers is professedly founded upon the principle, the private property of unoffending noncombatants, though enemies, should be exempt from the ravages of war; but the proposed surrender goes but little way in carrying out that principle, which equally requires that such private property should not be seized or molested by national ships-of-war. Should the leading powers of Europe concur in proposing, as a rule of international law, to exempt private property, upon the ocean, from seizure by public armed cruisers, as well by privateers, the United States will readily meet them upon that broad ground.

THE RECIPROCITY TREATY.

Since the adjournment of Congress, the ratificaions of the treaty between the United States and Great Britain relative to coast fisheries and to reciprocal trade with the British North American anticipated advantages are already enjoyed by us, although its full execution was to abide certain acts it was ratified, Great Britain opened to our commerce the free navigation of the river St. Lawrence, and to our fishermen unmolested access to the shores and bays, from which they had been previously excluded, on the costs of her North American rovinces; in return for which she asked for the in-roduction, free of duty, into parts of United States, of fish caught on the same coast by British fisher-men. This being the compensation, stipulated in the treaty, for privileges of the highest importance and value to United States, which were thus voluntarily yielded before it became effective, the request seemed to me to be a reasonable one; but it could not be acceded to, from want of authority to suspend our laws imposing duties upon all foreign fish. In the meantime, the Treasury Department issued a regulation, for ascertaining the duties paid or secured by bonds on fish caught on the coast of he British provinces, and brought to our markets by British subjects, after the fishing-grounds had en made fully accessable to the citizens of the United States. I recommend to your favorable consideration a proposition, which will be submitted to you, for authority to refund the duties and cancel the bonds thus received. The provinces of this Government and Brazil, it may be expected that Canada and New Brunswick have also anticipated the full operation of the treaty, by legislative arrangements, respectively, to admit, free of duty, the products of the United States mentioned in the free list Some European Powers have regarded, with dis-uieting concern, the territorial expansion of the regarding British fish, has been made for duties now quieting concern, the territorial expansion of the United States. This rapid growth has resulted from chargable on the products of those provinces enu-

There is difference of opinion between the United States and Great Britain, as to the boundary line of the territory of Washington adjoining the British possessions on the Pacific, which has already led to difficulties on the part of the citizens and local anthorities of the two Governments I recommend that provisions be made for a commis sion, to be joined by one on the part of Her Britan ic Majesty, for the purpose of running and establishing the line in controversy. Certain stipulations of the third and fourth articles of the Treaty con luded by the United States and Great Britain in 1846, regarding possessory rights of the Hudson Bay Company, and property of the Puget's Sound Agricultural Company, have given rise to serious lispates, and it important to all concerned, tha summary means of settling them amicably should be devised. I have reason to believe, that an arangement can be made on just terms, for the ex ngnishment of the rights in question, embracing, so, the rights of the Hudson's Bay Company to navigation of the River Columbia; and I therefore suggest to your consideration, the expediency of making a contingent appropriation for that purpose.

RELATIONS WITH FRANCE. France was the early and efficient ally of the nited States in their struggle for independence .-From that time to the present, with occasional slight interruptions, cordial relations of friendship have existed between the governments and people of the two counties. The kindly sentiments, therished alike by both nations, have led to extensive social and commercial intercourse, which I trust, will not be interrupted or checked by any casual event of an apparently unsatisfactory character .-The French Consul at San Francisco was, not long since, brought into the United States District Court at that place, by compulsory process, as a witness in favor of another foreign Consul, in violation, as the French Government conceives, of his privileges under our consular convention with France. There being nothing in the transaction which could imply any disrespect to France or its consul, such explanation has been made, as I hope will be satislactory. Subsequently, misunderstanding arose on the subject of the French Government having as it appeared, abruptly excluded the American Minister to Spain from passing through France, on his way from London to Mardrid. But that Gov. ernme...t has unequivocally disavowed any designs o deny the right of transit to the Minister of the United States; and, after explanations to this effect, he has resumed his journey, and actually rened through France to Spain. I herewith before Congress the correspondence on this sub eci between our envoy at Paris, and the Minister of Foreign Relations of the French Government.

RELATIONS WITH SPAIN. The position of our affairs with Spain remains as at the close of your last session. Internal agitation assuming very nearly the character of political revolution, has recently convulsed that country. The late ministers were violenly expelled from power, and men, of very different views in relation to its internal affairs, have succeeded. Since this change there has has been no propitious opportunity to re-sume, and press on, negotiations for the adjustment of serious questions of difficulty between the Spanish Government and the United States. There is reason to believe that our Minister will find the present Government more favorably inclined than the preceding to comply with our just demands, and to make suitable arrangements for restoring harmony, and preserving peace, between the two

THE SOUND DUES. Negotiations are pending with Denmark to disontinue the practice of levying tolls on our vessels and cargoes passing through the Sound. I do not doubt that we can claim exemption therefrom, as a matter of right. It is admitted on all hands that his exaction is sanctioned, not by the general principles of the law of nations, but only by special conventions, which most of the commercial nations have entered into with Denmark. The 5th article of our treaty of 1826, with Denmark, provides that there shall not be paid, on the vessels of the United States, and their cargoes, when passing through the Sound, higher duties than those of the most favored nations. This may be regarded as an im olied agreement to submit to the tolls during the continuance of the treaty, and, consequently, may embarrass the assertion of our rights to be releas ed therefrom. There are also other provisions in therefore, as in the past, we find ample grounds for reverent thankfulness to the God of Grace and Providence, for His protecting care and merciful deal- part to our mercantile marine, the means of our en- intention to terminate it. I deem it expedient that the con emplated notice should be given to the Ga vernment of Denmark.

JAPAN

years since for the purpose of establishing relations fully conducted to a successful termination by the officers to whom it was entrusted. A treaty, opening cerain of the ports of that populous country, has been negotiated; and in order to give full effect thereto, it only remains to change ratifications, and adopt requisite commercal regulations.

RELATIONS WITH MEXICO The treaty lately concluded between the United States and Mexico seuled some of our most embarrassing difficulties with that country, but numerous claims upon it for wrongs and injuries to our citizens remain unadjusted, and many new cases have been recently added to the former list of grievances. patriotism of its civizens, not ordinarily devoted to Our legation has been earnest in its endeavors to obtain from the Mexican Government a favorable consideration of these claims, but hitherto without success. This failure is, probably, in some meas ure, to be ascribed to the disturbed condition of that country. It has been my anxious desire to maintain triendly relations with the Mexican Re public, and to cause its rights and territories to be respected, not only by our citizens, but by foreign. ers, who have resorted to the United States for the purpose of organizing hostile expeditions against some of the States of the Republic. The defenceless condition in which its frontiers have been left has simulated lawless adventuers to embark in these enterprises, and greatly increased the diffi cul y of enforcing our obligations of neutrality. Regarding it as my solemn duty to fulfil efficiently these obligations, not only towards Mexico, but other foreign nations, I have exerted all the powers with which I am invested to defeat such crimidal proceedings and bring to punishment those who, by taking a part therein, violated our laws --Provinces, have been exchanged, and some of its The energy and activity of our civil and military authorities have frustrated the designs of those who meditated expeditions of this character, except in of legislation notyet fully performed. So soon as two instances. One of these, composed of foreigners, was at first countenanced and aided by the Mexican Government itself, it having been deceiv ed as to their real object. The other, small in number, eluded the vigilance of the magistrates at San Francisco, and succeeded in reaching the Mexican territories; but the effective measures taken by this Government compelled the abandonment of the undertaking

mission to establish the new line be tween the United States and Mexico, according to the provisions of the 30 h of December last, has been organized, and the work is already commenc-

SOUTH AMERICA.

Our treaties with the Argentine Confederation, and with the Republics of Uruguay and Paraguay, secure to us the free navigation of the river La Plata, and some of its largest tributaries: but the same success has not attended our endeavors to open the Amazon. The reasons in favor of the free use of that river, I had occasion to present fully, in a former message; and, considering the cordial relations which have long existed between pending negotiations will, eventually, reach a favorable result.

CENTRAL AMERICA. Convenient means of transit, between the sever-al parts of a country, are not only desirable for the objects of commercial and personal communication, but essential to its existence under one gov

institutions, and by strong attachment to the Union. Hence the constant and increasing intercourse, and vast interchange of commercial productions, between these remote divisions of the Republic. the present time, the most practicable and only commodious routes for communication between them are by the way of the Isthmus of Central America. It is the duty of the Government to secure these avenues against all danger of inter-

In relation to Central America, perplexingques tions existed between the United States and Great Britain at the time of the cession of California .-These, as well as questions which subsequetly arose oncerning inter-oceanic communications the Isthmus, were, as it was supposed adjusted by the Treaty of Apriel 19, 1850; but, unfortunately. they have been reopened by serious misunderstand ing as to the import of some of its provisions, a read justment of which is now under consideration.— Our Minister at London has made strenuous efforts to accomplish this desirable object, but has not yet found it possible to bring the negotiations to a

THE BOMBARDMENT OF GREYTOWN. As incidental to these questions, I deem it proper notice an occurrence which happened in Central America, near the close of the last session of Congress. So soon as the necessity was perceived co establishing inter-oceanic communications across the Isthmus, a company was organized, under fired upon the town. Before much injury had been authority of the State of Nicaragua, but composed done, the fire was twice suspended, in order to for the most part, of citizens of the United States, afford opportunity for an arrangement; but this or the purpose of opening such a transit way, by the river San Juan and Lake Nicarague, which soon of livile value generally were, in the sequel, desbecame an eligible and much used route in the transportation of our citizens and their property between the Atlantic and Pacific. Meanwhi in anticipation of the completion and importance of this transit way, a number of adventurers had of the old Spanish port at mouth of the river San Juan, in open desiance of the or States of Central America, which upon their becoming independent, had rightfully succeeded to the local sovereignty and jurisdiction of Spain. These adventurers undertook to change the name of the place from San Juan del Norte to Greytown, and, though at first pretending to act as the subjects of the fictitious sovereign of the Mosquito Indians they subsequently repudiated the control of any power whatever, assumed to adopt a distinct political organization, and declared themselves an independent sovereign State. If, at some time, a faint ope was entertained that they might become a stable and respectable community, that hope soon vanished. They proceeded to assert unfounded claims to civil jurisdiction over Punta Arenas, a osition on the opposite side of river San Juan; which was in possession, under a title wholly independent of them, of citizens of the United States, interested in the Nicaragua Transit Company, and which was indispensably necessary to the prosperous operation of that route across the Isthmus. The Company resisted their groundless claims

where upon they proceeded to destroy some of its

buildings, and attempted violently to dispossess it.

At a later period they organized a strong force

for the purpose of demolishing the establishment of Punta Arenas, but this mischievous design was defeated by the interposition of one of our ships o war, at that time in the harbor of San Juan. Subsequently to this, in May last, a body of men from Greytown crossed over to Punta Arenas, arrogating authority to arrest, on charge of murder, a captain of one of the steamboats of the Transit Company .-Being well aware that the claim to exercise diction there would be resisted them, as it had been on previous occasions, they went prepared to assert it by force of arms. Our Minister to Central America happened to be present on that occasion. Believng that, the captain of the steamboat was innocent, for he witnessed the transaction on which the charge was founded, and believing also, that the intruding party, having no jurisdiction over the place where they proposed to make the arrest, would encounter desperate resistance it they persisted in

session of Congress. emblage gathered from various countries, and the amount of which at the commencement of the composed, for the most part, of blacks and persons of mixed blood, had previously given other indi-had been paid on the 20th day of November, 1854, cations of mischievous and dangerous propensities the sum of \$22,365,172; leaving a balance of out-Early in the same month, property was clandesti-uely abstracted from the depot of the Transit Com-able at different periods within tourteen years pany, and taken to Greytown. The plunderers ob. There are also remnants of other government ained sheller there, and their pursuers were driven stocks, most of which are already due, and on bick by its people, who not only protected the which the interest has ceased, but which have not wrongdoers and shared the plunder, but treated yet been presented for payment, amounting to

cover their property. Such, in substance, are the facts submitted to my sideration, and proved by trustworthy evidence. could not doubt that the case demanded the inrposition of this Government. Justice required that reparation should be made for so many and such gross wrongs, and that a course of insolence and plunder, tending directly to the insecurity of revenue from all sources exceeds, by many mil the lives of numerous travelers, and of the reasure belonging to our citizens, passing overthis and economical administration of the government. ransit way, should be peremptorily arrested -Wha'ever it might be in other respects, the comcity in question, in power to do mischief was no despicable. It was well provided with ordnance, small arms, and ammunition, and might easily seize on the unarmed boats, freighted with millions of property, which passed almost daily within its It did not profess to belong to any regular Government, and had, in fact, no recognized dependence on, or connection with, any one to which the United States or their injured citizens might apply for redress, or which could be held responsin any way, for the ontrages committed. standing before the world in the attitude of an or- less than forty millions of dollars. I therefore re ganized political society, being neither competent new my recommendation for a reduction of the du to exercise the rights nor to discharge the obligaestablishment, too dangerous to be disregarded, and on emigrant trains or caravans and the frontier setements of civilized States.

Seasonable notice was given to the people of Greytown that this Government required them to repair the injuries they had done to our citizens nd to make suitable apology for their insult of our Minister, and that a ship of war would be dispatched thither to enforce compliance with these demands. But the notice passed unheeded. Thereupon, a Commander of the Navy, in charge of the sloop-of war Cyane, was ordered to repeat the de mands, and to insist upon a compliance therewith. Finding that neither the populace, nor those assuming to have authority over them,, manifested any disposition to make the required reparation, or even to offer excuses for their conduct, he warned them by a public proclamation, that if they did not give satisfactions within a time specified, he would be bard the town. By this procedure he afforded them opportunity to provide for their personal safety .-To these also who desire to avoid loss of property, in the punishment about to be inflicted on the of fending town, he furnished the means of removing their effects, by the boa's of his own ship, and of a steamer which he procured and tendered to them for that pupose. At length, perceiving no disposi merated in the same free list, and introduced therefrom into the United States; a proposition for refunding which will, in my jndgment, be, in like

ton, our essential to its existence under one gov
enment. Separated as are the Atlantic and Pacific coast of the United States by the whole breadth
of the continent, still the inhabitants of each are
Bitannic Majesty's schooner Bermudo, who was

fluence with the leaders among them, -to interpose officers, and the facility with which similar frauds and persuade them to take some course calculated to save the necessity of resorting to the extreme measure indicated in his proclamation; but that officer, instead of acceding to the request, did nothing more than to protest against the contemplated bombardment. No steps of any sort were taken themselves as not responsible for the misconduct of the community, adopted any means to separate of the Independent Treasury systems themselves from the fate of he guilty. The several merce and all monetary operations. charges, on which he demands for redress were founded, had been publicly known to all for some time, and were again announced to them. They did not deny any of these charges; they offered no explanation, nothing in ex enuation of their conduct; but commaciously refused to hold any inter course with the commander of the Cyane. By their obstinate silence they seemed rather desirons to provoke chastisement than to escape it. There is ample reason to believe that their conduct of wanton defiance, on their part is imputable chiefly to the delu-ive idea that the American Government would be deterred from punishing them, through fear of States. From the garrisons of our frontier posts it displeasing a formidable foreign power, which, they presumed to think looked with complacency upon their aggressive and insulting deportment a gallantry and a stern devotion to duy, which on towards the United States. The Cyane at length a larger field would have commanded universal adwas declined. Most of the buildings of the place. troved; but, owing to the considerate precautions taken by our naval Commander, there was no des

truction of life. When the Cyane was ordered to Central America, it was confidently hoped and expected that no occasion would arise for "a resort to violence and destruction of property and loss of life." Instructions to that effect were given to her commander. no extreme act would have been requisite had not the people themselves, by their extraordinary conduct in the affair, frustrated all the possible mile measures for obtaining satisfaction A withdrawal from the place, the object of his visit entirely deteated, woold, under circumstances in which the ommander of the Cyane found himself, have been absolute abandonment of all claims of our citizens for indemnification, and submissive acquiescence in national indignity. It would have encouraged in these lawless men a spirit of insolence and rapine most dangerous to the lives and property of our ci izens at Punta Arenas, and probably emboldened them to grasp at the treasures and valuable merchandise continually passing over the Nicaragua route. It certainly would have been most satisfactory to me if the objects of the Cyane's mission contil have been consumated without any act of public force; but the arrogant contumacy of the offenders rendered it impossible to avoid the afternative, either to break up their establishment, or to leave them impressed with the idea that they might persevere with impunity in a career of inso-

lence and plunder. This transaction has been the subject of complaint on the part of some foreign powers, and has been characterized with mo e of harshness than of justice. If comparisons were to be instituted, it would not be difficult to present repeated instances in the history of States, standing in the very front of modern civilization, where communities, far less offending and more defenceless than Greytown, the present exigency. If it were necessary careen chastised with much greater severity, and where not cities only have been laid in ruins. but human life has been recklessly sacrificed, and the blood of the innocent made profusely to mingle with that of the guilty.

THE FINANCES. Passing from foreign to domestic affairs, your attention is naturally directed to the financial condition of the country, always a subject of general interest. For complete and exact information reviolence and bloodshed. The American Minister garding the finances, and the various branches of and command, having been adopted many years atterwards visited Greytown, and while he was the public service connected therewith, I refer you ago from the British code, are not always aphere, a mob, including certain of the so called pub- to the report of the Secretary of the Treasury ; from actionaries of the place, surrounded the house which it will appear that the amount of revenue in which he was, avowing that they had come to during the last fi-cal year, from all sources, was arrest him, by order of some persons exercising the chief authority. White parleying with them, he the same period, exclusive of the payments on the ful revision. was wounded by a missile from the crowd. A boat public debt, amounted to \$51 018 249. During the ispatched from the American steamer Northern same period, the payments made in redemption of Light, to release him from the perilous situation in the public debt, including interest and premium, which he was understood to be, was fired into by amounted to \$24,336,380. To the sum total of the active duties in the field, which are deemed rethe town guard, and compelled to return. These receipts of that year is to be added a balance reneidents, together with the known character of the maining in the Treasury at the commencement population of Greytown, and their excited state, in thereof, amounting to \$21,942,892; and at the close staff mainly discharged by officers detached from duced just apprehensions that the lives and property of our citizens at Punta Arenas would be in ing to \$20,137,967 of receipts above expenditures, vice would be equally well performed, and the imminent danger after the departure of the steamer, also remained in the Treasury. Although, in the discipline and instruction of the army be improved with her passengers, for New-York, unless aguard opinion of the Secretary of the Treasury, the rewas left for their protection. For this purpose, and ceipts of the current fiscal year are not likely to ficers, and to the nice sense of honor which should in order to insure the safety of passengers and equal in amount those of last year, yet they will be cultivated among them, would seem to exact The naval expedition, dispatched about two property passing over the route, a temporary force ears since for the purpose of establishing relations was organized, at considerable expense to the Unit by at least fifteen millions of dollars. I shall, there. with the Empire of Japan, has been ably and skil- ed States, for which provision was made at the last fore, continue to direct that the surplus revenue be the range of promotion by selection, which is now ession of Congress.

This pretended community, a heterogenous asmically done, to the reduction of the public deb; with rudeness and violence those who sought to re- \$233,179. This statement exhibits the fact that the annual income of the Government greatly exceeds the amount of its public debt, which latter remains unpaid only because the time of its payment has not yet matured, and it cannot be discharged at once, except at the option of public creditors, who prefer to retain the securities of the United States; and the other fact, not less striking, that the annual lions of dollars, the amount needed for a prudent

> ESTIMATES. The estimates presented to Congress from the different Executive Departments, at the last session amounted to \$33,406.581; and the appropriations made, to the sum of \$58 116,958. Of this excess of appropriations over estimates, however, more than twenty millions was applicable to extraordinary objects, having no reference to the usual an-nual expenditures. Among these objects was em braced ten millions to meet the third article of the treaty between the United States and Mexico; so that, in fact, for objects of ordinary expenditure, the appropriations were limited to considerably ties on imports. The report of the Secretary of the tions of a Government, it was, in fact, a marauding | Treasury, presents a series of tables, showing the operation of the revenue system for several sucoo guilty to pass unpunished, and yet, incapable cessive years, and as the general principle of feeing treated in any other way than as a piratical reduction of duties with a view to revenue and not cessive years, and as the general principle of resort of outlaws, or a camp of savages, depredating protection, may now be regarded as the settled policy of the country, I trust that little difficulty will be encountered in settling the Jerails of a measure to that effect.

PECULATIONS.

In connection with this subject, I recommend a change in the laws, which recent experience has shown to be essential to the protection of the Government. There is no express provision of law. requiring the records and papers of a public charac-ter, of the several officers for the use of their successors, nor any provisions declaring it telony on their part to make false entries in the books, or return false accounts. In the absence of such express provisions by law, the outgoing officers, in many instances, have claimed and exercised the right to take into their own possession, important books and papers, on the ground that these were their private property; and have placed them beyond the reach of the Government. Conduct of this character, brought in several instances to the notice of of the navy has not kept pace with the duties prothe present Secretary of the Treasury, naturally awakened his suspicion, and resulted in the disclosure that at four ports, namely Oswego, Toledo, Sandusky, and Milwaukee, the Treasury had, by false entries, been defrauded, within the four years next proceeding March, 1853, of the sum of one hundred and ninety-eight thousand dollars. The great difficulty with which the detection of these frauds has been attended, in consequence of the closely bound together by community of origin and seen to have intercourse, and apparently much in- abstraction of books and papers by the retiring

in the public service may be perpetrated, render the necessity of new legal enactments in the respecis above referred to, quite obvious. For other material modifications of the Revenue laws which seem to me desirable, I refer you to the report of the Secretary of the Treasury. That report, and the by the people, to give the satisfaction required — tables which accompany it, furnish ample proofs of No individuals, if any there were, who regarded the solid foundation on which the financial security of the country rests, and of the salutary influence of the Independent Treasury system upon com.

ARMY INCREASE. The experience of the last year furnishes addi. of a painful characional reasons, I regret to say, ter, for the recommendation heretofore made, to provide for increasing the military force in the teritory inhabited by the Indians. The settlers on the frontiers have suffered much from the incursions of predatory tands, and large parties of emigrants to nur Pacific possessions have been massacred with mpunity. The recurrence of such scenes can only impunity. be prevented by teaching these wild tribes the power of, and their responsibility to the United is only possible to detach troops in small bodies; and though these have on all occasions displayed a gallantry and a stern devotion to duty, which on miration, they have usually suffered severely in these conflicts with superior numbers and have sometimes been entirely sacrificed. All the dispo sable force of the army is employed on this service, and is known to be wholly inadequate to the pro-tec ion which should be afforded. The public mind of the country has been recently shocked by sav. age atrocities committed upon defenceless emigrants and border settlements, and hardly less by e unnecessary destruction of valuable lives, where nade, vate detachments of troops have undertaken o turnish the needed aid. Without increase of the military force, the scenes will be repeated, it is to be feared, on a larger scale, and with more disastrons consequences. Congress, I am sure, will perceive hat the plainest duties and responsibilities of Government are involved in this question, and I doubt not that prompt action may be confidentally anticipated when delay must be attended by such fearful hazards.

The bill of the last session, providing for an inincrease of the pay of the rank and file of the army listments, but obvious improvement in the class of mer, who enter the service. I regret that cor. responding consideration was not bestowed on the officers, who in view of their character and services and the expenses to which they are necessarily subject, receive at present what, is my judgment,

inadequate compensation The valuable services constantly rendered by the Army, and its inestimable importance, as the nucleus around which the volunteer forces of the nation can promptly gather in the hour of danger, sufficiently attest the wisdom of maintaining a military peace establishment; but the theory of our system and the wise practice under it, require that any proposed augmentation, in time of peace he only commensurate with our extended limits and from ier relations. While scrupulously adhering to this principle, I find, in existing circumstances, a necessity for increase of our military force, and it is believed that four new regiments, two of inlantry the present exigency. If it were necessary care-fully to weigh the cost in a case of such urgency, would be shown that the additional expenses

would be comparatively light. ARMY REFORM.

With the increase of the numerical force of the army should, I think, be combined certain measures of reform in its organic arrangement and administration. The present organization is the re-sult of partial legislation often directed to special objects and interest; and the laws regulating tank plicable to our service. It is not surprising, there fore, that the system should be deficient in the

The present organization, by maintaining large staff corps or departments, separates many officers from that close connection with troops, quisite to qualify them for the varied responsibili-ties of high command. Were the duties of the army While due regard to the security of the rights of practically confined to the grade of general officers might be somewhat extended with benefit to the public service. Observance of the rule of seniority sometimes leads, especially in time of peace, to the promotion of officers who, after torious and even dis inguished service, may have been rendered by age or infirmity incapable of performing active duty, and whose advancement, herefore, would tend to impair the efficiency of the army. Suitable provisions for this class of officers, by the creation of a retired list, would remedy the evil, without wounding the just pride of men who, by past services, have established a claim to high consideration. In again commending this measure to the favorable consideration of Co I would suggest that the power of placing officers on retired list be limited to one year. The practical operation of the measure would thus be tested. and it, after the lapse of years, there should be occasion to renew the provision, it can be reproduced with any improvemen's which experien indicate. The present organization of the artillery into regiments is liable to obvious objections. The service of artillery is that of batteries, and an organization of batteries into a corps of artillery would be more consistent with the nature of their duties. A large part of the troops now called artillery are, and have been, on duty as infantry; the distinction between the two a ms being nearly nominal. This nominal artillery in our service is entirely disproportionate to the whole force, and greater than the wants of the country demand. I therefore com mend the discontinuance of a distinction which has no foundation in either the arms used or the char-

acter of the service expected to be performed.

In connection with the proposition for the in-In connection with the proposition for the in-crease of the army, I have presented these suggestions with regard to certain measures of reform, as the completing of a system, which would produce the happiest results from a given expenditure, and which I hope may attract the early attention, and be deemed worthy of the approval of Congress.

NAVAL AFFAIRS. The recommandation of the Secretary of the Navy, having reference to the more ample provisions for the dicipline and general improvement in the character of seamen, and for the reorganization and gradual increase of the navy, I deem eminently worthy of your favorable consideration. The prin ciples, which have controlled our policy in relation to the permanent military force, by sea and land, are sound, consistent with the theory of our system, and should by no meass be disregarded.-System, and should by no means be disregarded.— But limiting the force to the objects particularly set forth in the preceding part of this message, we should not overlook the present magnitude and prospective extension of our commercial marine, nor fail to give due weight to the fact that, besides the two thousand miles of Atlantic seaboard, we have now a Pacific coast stretching from Mexico the British possessions in the north, teeming with wealth and enterprise, and demanding the constant presence of the ships-of-war. The augmentation perly and profitably assigned to it in time of peace, and it is inadequate for the large field of i's operations, not merely in the present but still more in the progressively increasing exigencies of the wealth and commerce of the United States. I cordially approve of the proposed apprentice system for our national vessels, recommended by the Secretary of the navy.

DISASTERS AT SEA-NEW LAW RECOMMENDED The occurrence, during the last few months, of