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EDITORS AND PROPRIETORS.

PITTSBURGH:

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President's Message.

Fellow-citizens of the Senate
and House of Representatives:

When we compare the condition of the country at the present day with what it was one year ago, at the meeting of Congress, we have much reason for gratitude to that Almighty Providence, which has never failed to interpose for our relief, at the most critical periods of our history. One year ago, the sectional strife between the North and South on the dangerous subject of slavery, had again become so intense as to threaten the peace and perpetuity of the confederacy. The application for the admission of Kansas as a State into the Union, fostered this unhappy agitation, and brought the whole subject once more before Congress. It was the desire of every patriot that such measures of legislation might be adopted as would remove the excitement from the States, and confine it to the Territory where it legitimately belonged. Much has been done, I am happy to say, towards the accomplishment of this object, during the last session of Congress.

The Supreme Court of the United States had previously decided, that all American citizens have an equal right to take into the Territories, whatever is held as property under the laws of any of the States, and to hold such property there under the guardianship of the federal constitution, so long as the territorial condition shall remain.

This is now a well-established position, and the proceedings of the last session were alone wanting to give it practical effect. The principle has been recognized, in some form or other, by an almost unanimous vote of both houses of congress, that a territory has a right to come into the Union either as a free or a slave state, according to the will of its people. The just equality of all the states has been thus vindicated, and a fruitful source of dangerous dissensions among them has been removed.

Whilst such has been the beneficial tendency of your legislative proceedings outside of Kansas, their influence has nowhere been so happy as within that Territory itself. Left to manage and control its own affairs in its own way, without the pressure of external influence, the revolutionary Topeka organization and all resistance to the territorial government established by Congress, have been finally abandoned. As a natural consequence, that fine Territory now appears to be tranquil and prosperous, and is attracting increasing thousands of immigrants to make it their happy home.

The past unfortunate experience of Kansas has enforced the lesson so often already taught, that resistance to lawful authority, under our form of government, cannot fail in the end to prove disastrous to its authors. Had the people of the Territory yielded obedience to the laws enacted by their legislature, it would at the present moment have contained a large additional population of industrious and enterprising citizens, who have been deterred from entering its borders by the existence of civil strife and organized rebellion.

It was the resistance to rightful authority and the persevering attempts to establish a revolutionary government under the Topeka Constitution, which caused the people of Kansas to commit the grave error of refusing to vote for delegates to the convention to frame a constitution, under a law not denied to be fair and just in its provisions. This refusal to vote has been the prolific source of all the evils which have followed. In their hostility to the territorial government, they disregarded the principle, absolutely essential to the working of our form of government, that a majority of those who vote—not the majority who may remain at home, from whatever cause—must decide the result of an election. For this reason, seeking to take advantage of their own error, they denied the authority of the convention thus elected to frame a constitution.

The convention, notwithstanding, proceeded to adopt a constitution unexceptionable in its general features, and providing for the submission of the slavery question to a vote of the people, which, in my opinion, they were bound to do, under the Kansas and Nebraska act. This was the all-important question which had alone convulsed the Territory; and yet the opponents of the lawful government, persisting in their first error, refrained from exercising their right to vote, and preferred that slavery should continue, rather than surrender their revolutionary Topeka organization.

A wiser and better spirit seemed to prevail before the first Monday of January last, when an election was held under the constitution. A majority of the people then voted for a governor and other State officers, for a member of Congress, and members of the State Legislature. This election was warmly contested by the two political parties in Kansas, and a greater vote was polled than at any previous election. A large majority of the members of the legislature elect belonged to that party which had previously refused to vote. The anti-slavery party were thus placed in the ascendant, and the political power of the State was in their own hands. Had Congress admitted Kansas into the Union under the Lecompton constitution, the legislature might, at its very first session, have submitted the question to a vote of the people, whether they would or would not have a convention to amend their constitution, either on the slavery or any other question, and have adopted all necessary means for giving speedy effect to the will of the majority. Thus the Kansas question would have been immediately and finally settled.

Under these circumstances, I submitted to Congress the constitution thus framed, with all the officers already elected necessary to put the State government into operation, accompanied by a strong recommendation in favor of the admission of Kansas as a State. In the course of my long public life I have never performed any official act which, in the retrospect, has afforded me more heartfelt satisfaction. Its admission could have inflicted no possible injury on any human being, whilst it would, within a brief period, have restored peace to Kansas and harmony to the Union. In that event, the slavery question would ere this have been finally settled, according to the legally expressed will of a majority of the voters, and popular sovereignty would thus have been vindicated in a constitutional manner.

With my deep convictions of duty, I could have pursued no other course. It is true, that, as an individual, I had expressed an opinion, both before and during the session of the convention, in favor of submitting the remaining clauses of the constitution, as well as that concerning slavery, to the people. But, acting as an official character, neither myself nor any human authority had the power to rejudge the proceedings of the convention, and declare the constitution which it had framed to be a nullity. To have done this would have been a violation of the Kansas and Nebraska act, which left the people of the Territory "perfectly free to form and regulate their domestic institutions in their own way, subject only to the constitution of the United States." It would equally have violated the great principle of popular sovereignty, at the foundation of our institutions, to deprive the people of the power, if they thought proper to exercise it, of confiding to delegates elected by themselves the trust of framing a constitution, without requiring them to subject their constituents to the trouble, expense and delay of a second election. It would have been in opposition to many precedents in our history, commencing in the very best age of the republic, of the admission of Territories as States into the Union, without a previous vote of the people approving their constitution.

It is to be lamented that a question so insignificant when viewed in its practical effects on the people of Kansas, whether decided one way or the other, should have kindled such a flame of excitement throughout the country. This reflection may prove to be a lesson of wisdom and of warning for our future guidance. Practically considered, the question is simply whether the people of that Territory should first come into the Union and then change any provision in their constitution not agreeable to themselves, or accomplish the very same object by remaining out of the Union and framing another constitution in accordance with their will? In either case, the result would be precisely the same. The only difference in point of fact is, that the object would have been much sooner attained, and the pacification of Kansas more speedily effected, had it been admitted as a State during the last session of Congress.

My recommendation, however, for the immediate admission of Kansas, failed to meet the approbation of Congress. They deemed it wiser to adopt a different measure for the settlement of the question. For my own part, I should have been willing to yield my assent to almost any constitutional measure to accomplish this object. I, therefore, cordially acquiesced in what has been called the English Compromise, and approved the "Act for the admission of the State of Kansas into the Union" upon the terms therein prescribed.

Under the ordinance which accompanied the Lecompton constitution, the people of Kansas had claimed double the quantity of public lands for the support of common schools, which have ever been previously granted to any State, upon entering the Union; and also the alternate sections of land for twelve miles on each side of two rail roads, proposed to be constructed from the northern to the southern boundary, and from the eastern to the western boundary of the State. Congress, deeming these claims unreasonable, provided, by the act of May 4, 1858, to which I have just referred, for the admission of the State on an equal footing with the original States, but "upon the fundamental condition precedent" that a majority of the people thereof, at an election to be held for that purpose, should, in the place of the very large grants of public lands which they had demanded under the ordinance, accept such grants as had been made to Minnesota and other new States. Under this act should a majority reject the proposition offered them, "it shall be deemed and held that the people of Kansas do not desire admission into the Union with said constitution under the conditions set forth in said proposition." In that event, the act authorizes the people of the Territory to elect delegates to form a constitution and State government for themselves, "whenever, and not before, it is ascertained by a census, duly and legally taken, that the population of said Territory equals or exceeds the ratio of representation required for a member of the house of Representatives of the Congress of the United States." The delegates thus assembled "shall first determine by a vote whether it is the wish of the people of the proposed State to be admitted into the Union at that time, and, if so, shall proceed to form a constitution, and take all necessary steps for the establishment of a State government in conformity with the federal constitution." After this constitution shall have been formed, Congress, carrying out the principles of popular sovereignty and non-intervention, have left the "mode and manner of its approval or ratification by the people of the proposed State" to be "prescribed by law," and they "shall then be admitted into the Union as a State under such constitution thus fairly and legally made, with or without slavery, as said constitution may prescribe."

An election was held throughout Kansas, in pursuance of the provisions of this act, on the second day of August last, and it resulted in the rejection, by a large majority, of the proposition submitted to the people by Congress. This being the case, they are authorised to form [illegible] constitution, preparatory to admission [illegible] but not until their number, as [illegible] census, shall equal or exceed [illegible] elect a member to the [illegible] present state of the [illegible] be lawfully [illegible] Kansas, [illegible] tion in express violation of the provisions of an act of Congress. During the session of 1856, much of the time of Congress was occupied on the question of admitting Kansas under the Topeka constitution. Again, nearly the whole of the last session was devoted to the question of its admission under the Lecompton constitution. Surely it is not unreasonable to require the people of Kansas to wait, before making a third attempt, until the number of their inhabitants shall amount to ninety-three thousand four hundred and twenty. During this brief period, the harmony of the States, as well as the great business interests of the country, demand that the Union shall not for a third time be convulsed by another agitation on the Kansas question.—By waiting for a short time and acting in obedience to law, Kansas will glide into the Union, without the slightest impediment.

This excellent provision, which Congress have applied to Kansas, ought to be extended and rendered applicable to all Territories which may hereafter seek admission into the Union.

Whilst Congress possesses the undoubted power of admitting a new State into the Union, however small may be the number of inhabitants, yet this power ought not, in my opinion to be exercised before the population shall amount to the ratio required by the act for the admission of Kansas. Had this been previously the rule, the country would have escaped all the evils and misfortunes to which it has been exposed by the Kansas question.

Of course, it would be unjust to give this rule a retrospective application, and exclude a State which, acting upon the past practice of the government, has already formed its constitution, elected its legislature and other officers, and is now prepared to enter the Union.

The rule ought to be adopted, whether we consider its bearing on the people of the Territories or upon the people of the existing States. Many of the serious dissensions which have prevailed in Congress and throughout the country, would have been avoided, had this rule been established at an earlier period of the government.

Immediately upon the formation of a new Territory, people from different States and from foreign countries rush into it, for the laudable purpose of improving their condition. Their first duty to themselves is to open and cultivate farms, to construct roads, to establish schools, to erect places of religious worship, and to devote their energies generally to reclaim the wilderness and to lay the foundations of a flourishing and prosperous commonwealth. If, in this incipient condition, with a population of a few thousand, they should prematurely enter the Union, they are oppressed by the burden of State taxation, and the means necessary for the improvement of the Territory and the advancement of their own interests, are thus diverted to very different purposes.

The federal government has ever been a liberal parent to the Territories, and a generous contributor to the useful enterprises of the early settlers. It has paid the expenses of their governments and legislative assemblies out of the common treasury, and thus relieved them from a heavy charge. Under these circumstances, nothing can be better calculated to retard their material progress, than to divert them from their useful employments, by prematurely exciting angry political contests among themselves, for the benefit of aspiring leaders. It is surely no hardship for embryo governors, senators, and members of Congress, to wait until the number of inhabitants shall equal those of a single congressional district. They surely ought not to be permitted to rush into the Union, with a population less than one-half of several of the large counties in the interior of some of the States. This was the condition of Kansas when it made application to be admitted under the Topeka constitution. Besides, it requires some time to render the mass of a population collected in a new Territory, at all homogeneous, and to unite them on any thing like a fixed policy. Establish the rule, and all will look forward to it and govern themselves accordingly.

But justice to the people of the several States requires that this rule should be established by Congress. Should the people of the States fail to elect a Vice President, the power devolves upon the Senate to select this officer from the two highest candidates on the list. In case of the death of the President, the Vice President thus elected by the Senate, becomes President of the United States. On all questions of legislation, the senators from the smallest States of the Union have an equal vote with those from the largest. The same may be said in regard to the ratification of treaties, and of Executive appointments. All this has worked admirably in practice, whilst it conforms in principle with the character of a government instituted by sovereign States. I presume no American citizen would desire the slightest change in the arrangement. Still is it not unjust and unequal to the existing States to invest some forty or fifty thousand people collected into a Territory with the attributes of sovereignty, and place them on an equal footing with Virginia and New York in the Senate of the United States?

For these reasons, I earnestly recommend the passage of a general act, which shall provide that upon the application of a territorial legislature, declaring their belief that the Territory contains a number of inhabitants which, if in a State, would entitle them to elect a member of Congress, it shall be the duty of the President to cause a census of the inhabitants to be taken, and if found sufficient, then by the terms of this act to authorize them to proceed "in their own way" to frame a State constitution preparatory to admission into the Union. I also recommend that an appropriation may be made, to enable the President to take a census of the people of Kansas.

The present condition of the territory of Utah, when contrasted with what it was one year ago, is a subject for congratulation. It was then in a state of open rebellion, and cost what it might, the character of the government required, that this rebellion should be suppressed and the Mormons compelled to yield obedience to the constitution and the laws. In order to accomplish this object, and as I informed you in my last annual message, I appointed a new governor instead of Brigham Young, and other federal officers to take the place of those who [illegible] it necessary to withdraw from the territory. To protect these civil officers, and to aid them as a *posse comitatus*, in the execution of the laws in case of need, I ordered a detachment of the army to accompany them to Utah. The necessity for adopting these measures is now demonstrated.

On the 15th September, 1857, Governor Young issued his proclamation, in the style of an independent sovereign, announcing his purpose to resist by force of arms the entry of the United States troops into our own Territory of Utah. By this he required all the forces in the Territory, to "hold themselves in readiness to march at a moment's notice to repel any and all such invasion," and established martial law from its date throughout the Territory. These proved to be no idle threats. Forts Bridger and Supply were vacated and burnt down by the Mormons, to deprive our troops of a shelter after their long and fatiguing march. Orders were issued by Daniel H. Wells, styling himself "Lieutenant General, Nauvoo Legion," to stampede the animals of the United States troops on their march to set fire to their trains, to burn the grass and the whole country before them and on their flanks, to keep them from sleeping by night surprises, and to blockade the road by felling trees, and destroying the fords of rivers, &c., &c., &c.

These orders were promptly and effectually obeyed. On the 4th October, 1857, the Mormons captured and burned on Green River, three of our supply trains, consisting of seventy-five wagons, loaded with provisions and tents for the army, and carried away several hundred animals. This diminished the supply of provisions so materially that General Johnston was obliged to reduce the ration, and even with this precaution, there was only sufficient left to subsist the troops until the first of June.

Our little army behaved admirably in their encampment at Fort Bridger, under these trying privations. In the midst of the mountains, in a dreary, unsettled, and inhospitable region, more than a thousand miles from home, they passed the severe and inclement winter without a murmur. They looked forward with confidence for relief from their country in due season, and in this they were not disappointed.

The secretary of War employed all his energies to forward them the necessary supplies, and to muster and send such a military force to Utah as would render resistance on the part of the Mormons hopeless, and thus terminate the war without the effusion of blood. In his efforts he was efficiently sustained by Congress. They granted appropriations sufficient to cover the deficiency thus necessarily created, and also provided for raising two regiments of volunteers, for the purpose of quelling disturbances in the Territory of Utah, for the protection of supply and emigrant trains, and the suppression of Indian hostilities on the frontiers. Happily, there was no occasion to call these regiments into service. If there had been, I should have felt serious embarrassment in selecting them, so great was the number of our brave and patriotic citizens anxious to serve their country in this distant and apparently dangerous expedition. Thus it has ever been, and thus may it ever be!

The wisdom and economy of sending sufficient reinforcements to Utah, are established not only by the event, but in the opinion of those who, from their position and opportunities, are the most capable of forming a correct judgment. General Johnston, the commander of the forces, in addressing the Secretary of War from Fort Bridger, under date of October 18, 1857, expresses the opinion that "unless a large force is sent here, from the nature of the country, a protracted war on their (the Mormons) part is inevitable." This he considered necessary, to terminate the war "speedily and more economically than if attempted by insufficient means."

In the meantime, it was my anxious desire that the Mormons should yield obedience to the constitution and the laws, without rendering it necessary to resort to military force. To aid in accomplishing this object, I deemed it advisable, in April last, to dispatch two distinguished citizens of the United States, Messrs. Powell and M'Culloch, to Utah. They bore with them a proclamation addressed by myself to the inhabitants of Utah, dated on the sixth day of that month, warning them of their true condition, and how hopeless it was on their part to persist in rebellion against the United States, and offering all those who should submit to the laws a full pardon for their past seditions and treasons. At the same time, I assured those who should persist in rebellion against the United States, that they must expect no further lenity, but look to be rigorously dealt with according to their deserts. The instructions to these agents, as well as a copy of the proclamation, and their reports, are herewith submitted. It will be seen by their report of the 3d of July last, that they have fully confirmed the opinion expressed by Gen'l Johnston in the previous October, as to the necessity of sending reinforcements to Utah. In this they state, that they "are firmly impressed with the belief that the presence of the army here and the large additional force that had been ordered to this Territory, were the chief inducements that caused the Mormons to abandon the idea of resisting the authority of the United States. A less decisive policy would probably have resulted in a long, bloody and expensive war."

These gentlemen conducted themselves to my entire satisfaction, and rendered useful services in executing the humane intentions of the government.

It also affords me great satisfaction to state that Governor Cumming has performed his duty in an able and conciliatory manner [illegible] continuing the valuable services of Col. Thomas L. Kane, who, from motives of pure benevolence, and without any official character or pecuniary compensation, visited Utah during the last inclement winter, for the purpose of contributing to the pacification of the Territory.

I am happy to inform you that the governor and other civil officers of Utah are now performing their appropriate functions without resistance. The authority of the constitution and the laws has been fully restored, and peace prevails throughout the Territory.

A portion of the troops sent to Utah are now encamped in Cedar valley, forty-four miles southwest of Salt Lake City, and the remainder have been ordered to Oregon to suppress Indian hostilities.

The march of the army to Salt Lake City, through the Indian territory, has had a powerful effect in restraining the hostile feelings against the United States, which existed among the Indians in that region, and in securing emigrants to the Far West against their depredations. This will also be the means of establishing military posts and promoting settlements along the route.

I recommend that the benefits of our land laws and pre-emption system be extended to the people of Utah, by the establishment of a land office in that Territory.

I have occasion, also, to congratulate you on the result of the negotiations with China.

You were informed by my last annual message that our minister had been instructed to occupy a neutral position in the hostilities conducted by Great Britain and France against Canton. He was, however, at the same time, directed to co-operate cordially with the British and French ministers in all peaceful measures to secure by treaty those just concessions to foreign commerce which the nations of the world had a right to demand. It was impossible for me to proceed further than this, on my own authority, without usurping the war-making power, which, under the constitution, belongs exclusively to Congress.

Besides, after a careful examination of the nature and extent of our grievances, I did not believe they were of such a pressing and aggravated character, as would have justified Congress in declaring war against the Chinese empire, without first making an earnest attempt to adjust them by peaceful negotiation. I was the more inclined to this opinion, because of the severe chastisement which had then but recently been inflicted upon the Chinese by our squadron, in the capture and destruction of the Barrier forts, to avenge an alleged insult to our flag.

The event has proved the wisdom of our neutrality. Our minister has executed his instructions with eminent skill and ability. In conjunction with the Russian plenipotentiary, he has peacefully, but effectually, co-operated with the English and French plenipotentiaries; and each of the four powers has concluded a separate treaty with China, of a highly satisfactory character. The treaty concluded by our own plenipotentiary will immediately be submitted to the Senate.

I am happy to announce that, through the energetic yet conciliatory efforts of our consul general in Japan, a new treaty has been concluded with that empire, which may be expected materially to augment our trade and intercourse in that quarter, and remove from our countrymen the disabilities which have heretofore been imposed upon the exercise of their religion. The treaty shall be submitted to the Senate for approval without delay.

It is my earnest desire that every misunderstanding with the government of Great Britain should be amicably and speedily adjusted. It has been the misfortune of both countries, almost ever since the period of the Revolution, to have been annoyed by a succession of irritating and dangerous questions, threatening their friendly relations. This has partially prevented the full development of those feelings of mutual friendship between the people of the two countries, so natural in themselves and so conducive to their common interest. Any serious interruption of the commerce between the United States and Great Britain, would be equally injurious to both. In fact, no two nations have ever existed on the face of the earth, which could do each so much good or so much harm.

Entertaining these sentiments, I am gratified to inform you, that the long pending controversy between the two governments, in relation to the question of visitation and search, has been amicably adjusted. The claim on the part of Great Britain, forcibly to visit American vessels on the high seas in time of peace, could not be sustained under the law of nations, and it had been overruled by her own most eminent jurists.

This question was recently brought to an issue, by the repeated acts of British cruisers, in boarding and searching our merchant vessels in the Gulf of Mexico and the adjacent seas. These acts were the more injurious and annoying, as these waters are traversed by a large portion of the commerce and navigation of the United States, and their free and unrestricted use is essential to the security of the coastwise trade between different States of the Union.—Such vexatious interruptions could not fail to excite the feelings of the country, and to require the interposition of the government. Remonstrances were addressed to the British government against these violations of our rights of sovereignty, and a naval force was at the same time ordered to the [illegible] waters, with directions "to protect all vessels of the United States on the high seas, from search or detention by the vessels of war of any other nation."—These measures received the unqualified and even enthusiastic approbation of the American people. Most fortunately, however, no collision took place, and the British government promptly avowed its recognition of the principles of international law upon this subject, as laid down by the government of the United States, in the note of the Secretary of State to the British minister at Washington, of April 10, 1858, which secure the vessels of the United States upon the high seas from visitation or search in time of peace, under any circumstances whatever. The claim has been abandoned in a manner reflecting honor on the British government, and evincing a just regard for the law of nations, and cannot fail to strengthen the amicable relations between the two countries.

The British government at the same time, proposed to the United States that some mode should be adopted, by mutual arrangement between the two countries, of a character which may be found effective without being offensive, for verifying the nationality of vessels suspected on good grounds of carrying false colors. They have also invited the United States to take the initiative, and propose measures for this purpose. Whilst declining to assume so great a responsibility, the Secretary of State has informed the British government that we are ready to receive any proposals which they may feel disposed to offer, having this object in view, and to consider them in an amicable spirit. A strong opinion is however expressed that the occasional abuse of the flag of any nation, is an evil far less to be deprecated, than would be the establishment of any regulations which might be incompatible with the freedom of the seas. This government has yet received no communication specifying the manner in which the British government would propose to carry out their suggestion; and I am inclined to believe that no plan which can be devised, will be free from grave embarrassments. Still, I shall form no decided opinion on the subject, until I shall have carefully and in the best spirit examined any proposals which they may think proper to make.

I am truly sorry I cannot also inform you that the complications between Great Britain and the United States, arising out of the Clayton and Bulwer treaty of April, 1850, have been finally adjusted.

At the commencement of your last session, I had reason to hope that, emancipating themselves from further unavailing discussions, the two governments would proceed to settle the Central American questions in a practical manner, alike honorable and satisfactory to both; and this hope I have not yet abandoned. In my last annual message, I stated that overtures had been made by the British government for this purpose, in a friendly spirit which I cordially reciprocated. Their proposal was to withdraw these questions from direct negotiation between the two governments; but to accomplish the same object by a negotiation between the British government and each of the Central American republics whose territorial interests are immediately involved. The settlement was to be made in accordance with the general tenor of the interpretation placed upon the Clayton and Bulwer treaty by the United States, with certain modifications. As negotiations are still pending upon this basis, it would not be proper for me to communicate their present condition. A final settlement of these questions is greatly to be desired, as this would wipe out the last remaining subject of dispute between the two countries.

Our relations with the great empires of France and Russia, as well as with all other governments on the continent of Europe, except that of Spain, continue to be of the most friendly character.

With Spain our relations remain in an unsatisfactory condition. In my message of December last, I informed you that our envoy extraordinary and minister plenipotentiary to Madrid had asked for his recall; and it was my purpose to send out a new minister to that court, with special instructions on all questions pending between the two governments, and with a determination to have them speedily and amicably adjusted, if that were possible. This purpose has been hitherto defeated by causes which I need not enumerate.

The mission to Spain has been intrusted to a distinguished citizen of Kentucky, who will proceed to Madrid without delay, and make another and a final attempt to obtain justice from that government.

Spanish officials, under the direct control of the captain-general of Cuba, have insulted our national flag, and, in repeated instances, have from time to time inflicted injuries on the persons and property of our citizens. These have given birth to numerous claims against the Spanish government, the merits of which have been ably discussed for a series of years, by our successive diplomatic representatives. Notwithstanding this, we have not arrived at a practical result in any single instance, unless we may except the case of the Black Warrior under the late administration, and that presented an outrage of such a character as would have justified an immediate resort to war. All our attempts to obtain redress have been baffled and defeated. The frequent and oft-recurring changes in the Spanish ministry, have been employed as means for delay. We have been compelled to wait, again and again, until the new minister shall have had time to investigate the justice of our demands.

Even what have been denominated the "Cuban claims," in which more than a hundred of our citizens are directly interested, have furnished no exception. These claims were for the refunding of duties unjustly exacted from American vessels at different custom-houses in Cuba, so long ago as the year 1844. The principles upon which they [illegible] so manifestly [illegible] and just [illegible] Spanish government [illegible] their amount this was finally fixed according to their own statement (with which we were satisfied) at the sum of one hundred and twenty-eight thousand six hundred and thirty-five dollars and fifty-four cents. Just at the moment, after a delay of fourteen years, when we had reason to expect, that this sum would be repaid with interest, we have received a proposal offering to refund one-third of that amount (forty-two thousand eight hundred and seventy-eight dollars and forty-one cents,) but without interest, if we would accept this in full satisfaction. The offer is, also, accompanied by a declaration, that this indemnification is not founded on any reason of strict justice; but is made as a special favor.

One alleged cause for procrastination, in the examination and adjustment of our claims, arises from an obstacle which it is the duty of the Spanish government to remove. Whilst the captain-general of Cuba, is invested with general despotic authority in the government of that island, the power is withheld from him to examine and redress wrongs committed by officials under his control, on citizens of the United States. Instead of making our complaints directly to him at Havana, we are obliged to present them through our minister at Madrid. These are then referred back to the captain-general for information; and much time is thus consumed in preliminary investigations and correspondence between Madrid and Cuba, before the Spanish government will consent to proceed to negotiation. Many of the difficulties between the two governments would be obviated, and a long train of negotiation avoided, if the captain-general were invested with authority to settle questions of easy solution on the spot, where all the facts are fresh, and could be promptly and satisfactorily ascertained. We have hitherto in vain urged upon the Spanish government, to confer this power upon the captain-general, and our minister to Spain will again be instructed to urge this subject on their notice. In this respect we occupy a different position from the powers of Europe. Cuba is almost within sight of our shores; our commerce with it is far greater than any other nation, including Spain itself, and our citizens are in habit of daily and extended personal intercourse with every part of the island. It is, therefore, a great grievance that, when any difficulty occurs, no matter how unimportant which might be readily settled, at the moment, we should be obliged to resort to Madrid, especially when the very first step to be taken there is to refer it back to Cuba.

The truth is that Cuba, in its existing colonial condition, is a constant source of injury and annoyance to the American people. It is the only spot in the civilized world where the African slave-trade is tolerated; and we are bound by treaty with Great Britain, to maintain a naval force on the coast of Africa, at much expense both of life and treasure, solely for the purpose of arresting slavers bound to that island. The late serious difficulties between the United States and Great Britain respecting the right of search, now so happily terminated, could never have arisen if Cuba had not afforded a market for slaves. As long as this market shall remain open, there can be no hope for the civilization of benighted Africa. Whilst the demand for slaves continues in Cuba, wars will be waged among the petty and barbarous chiefs in Africa, for the purpose of seizing subjects to supply this trade. In such a condition of affairs, it is impossible that the light of civilization and religion can ever penetrate these dark clouds.

It has been made known to the world by my predecessors, that the United States have, on several occasions, endeavored to acquire Cuba from Spain by honorable negotiation. If this were accomplished the last relic of the African slave trade would instantly disappear. We would not, if we could, acquire Cuba in any other manner. This is due to our national character. All the territory which we have acquired since the origin of the government, has been by fair purchase from France, Spain and Mexico, or by the free and voluntary act of the independent State of Texas, in blending her destinies with our own. This course we shall pursue, unless circumstances should occur, which we do not now anticipate, rendering a departure from it clearly justifiable, under the imperative and overruling law of self-preservation.

The Island of Cuba from its geographical position, commands the mouth of the Mississippi, and the immense and annually increasing trade, foreign and coastwise, from the valley of that noble river, now embracing half the sovereign States of the Union. With that island under the dominion of a distant foreign power, this trade, of vital importance to these States, is exposed to the danger of being destroyed in the time of war, and it has hitherto been subjected to perpetual injury and annoyance in time of peace. Our relations with Spain, which ought to be of the most friendly character, must always be placed in jeopardy whilst the existing colonial government over the island shall remain in its present condition.

Whilst the possession of the island would be of vast importance to the United States, its value to Spain is comparatively unimportant. Such was the relative situation of the parties, when the great Napoleon transferred Louisiana to the United States. Jealous, as he ever was, of the national honor and interests of France, no person throughout the world, has imputed to him blame for accepting a pecuniary equivalent for this cession.

The publicity which has been given to our former negotiations upon this subject, and the large appropriation which may be required to effect it, render it expedient, before making another attempt to renew the negotiation, that I should lay the whole subject before Congress. This is especially necessary, as it may become indispensable to success, that I should be intrusted with the means of making an advance to the Spanish government immediately after the signing of the treaty, without awaiting the ratification of it by the Senate. I am encouraged to make this suggestion, by the example of Mr. Jefferson previous to the purchase of Louisiana from France, and by that of Mr. Polk in view of the acquisition of territory from Mexico. I refer the whole subject to Congress, and commend it to their careful consideration.

I repeat the recommendation made in my message of December last, in favor of an appropriation "to be paid to the Spanish government for the purpose of distribution among the claimants in the Amistad case." President Polk first made a similar recommendation in December, 1847, and it was repeated by my immediate predecessor in December, 1853. I entertain no doubt that indemnity is fairly due to these claimants under our treaty with Spain of the 27th of October 1795; and whilst demanding justice we ought to do justice. An appropriation promptly made for this purpose, could not fail to exert a favorable influence on our negotiations with Spain.

Our position in relation to the independent States south of us on this continent, and especially those within the limits of North America, is of peculiar character. The northern boundary of Mexico is coincident with our own southern boundary from ocean to ocean; and we must necessarily feel a deep interest in all that concerns the well being and the fate of so near a neighbor. We have always cherished the kindest wishes for the success of that republic, and have indulged the hope that it might at last, after all its trials, enjoy peace and prosperity under a free and stable government. We have never hitherto interfered, directly or indirectly, with its internal affairs, and it is a duty which we owe to ourselves, to protect the integrity of its territory, against the hostile interference of any other power. Our geographical position, our direct interest in all that concerns Mexico, and our well-settled policy in regard to the North American continent, render this an indispensable duty.

Mexico has been in a state of constant revolution, almost ever since it achieved its independence. One military leader after another has usurped the government in rapid succession; and the various constitutions from time to time adopted have been set at naught almost as soon as they were proclaimed. The successive governments have afforded no adequate protection, either to Mexican citizens or foreign residents, against lawless violence. Heretofore, a seizure of the capital by a military chieftain has been generally followed by at least the nominal submission of the country to his rule for a brief period; but not so at the present crisis of Mexican affairs. A civil war has been raging for some time throughout the republic, between the central government at the city of Mexico, which has endeavored to subvert the constitution last framed, by military power, and those who maintain the authority of that constitution. The antagonist parties each hold possession of different States of the republic, and the fortunes of the war are constantly changing. Meanwhile, the most reprehensible means have been employed by both parties to extort money from foreigners, as well as natives, to carry on this ruinous contest. The truth is that this fine country, blessed with a productive soil and a benign climate, has been reduced by civil dissension to a condition of almost hopeless anarchy and imbecility. It would be vain for this government to attempt to enforce payment in money of the claims of American citizens, now amounting to more than ten million dollars, against Mexico, because she is destitute of all pecuniary means to satisfy these demands.

Our late minister was furnished with ample powers and instructions for the adjustment of all pending questions with the central government of Mexico, and he performed his duty with zeal and ability. The claims of our citizens, some of them arising out of the violation of an express provision of the treaty of Guadalupe Hidalgo, and others from gross injuries to persons as well as property, have remained unredressed and even unnoticed. Remonstrances against these grievances have been addressed without effect to that government. Meantime, in various parts of the republic, instances have been numerous of the murder, imprisonment and plunder of our citizens, by different parties claiming and exercising a local jurisdiction; but the central government, although repeatedly urged thereto, have made no effort either to punish the authors of these outrages or to prevent their recurrence. No American citizen can now visit Mexico on lawful business, without imminent danger to his person and property. There is no adequate protection to either; and in this respect our treaty with that republic is almost a dead letter.

This state of affairs was brought to a crisis in May last, by the promulgation of a decree levying a contribution *pro rata* upon all the capital in the republic, between certain specified amounts, whether held by Mexicans or foreigners. Mr. Forsyth, regarding this decree in the light of a "forced loan," formally protested against its application to his countrymen, and advised them not to pay the contribution, but to suffer it to be forcibly exacted. Acting upon this advice, an American citizen refused to pay the contribution, and his property was seized by armed men to satisfy the amount. Not content with this, the government proceeded still further, and issued a decree banishing him from the country. Our minister immediately notified them that if this decree should be carried into execution, he would feel it to be his duty to adopt "the most decided measures that belong to the powers and obligations of the representative office." Notwithstanding this warning, the banishment was inforced, and Mr. Forsyth promptly announced to the government the suspension of the political relations of his legation with them until the pleasure of his own government should be ascertained.

This government did not regard the contribution imposed by the decree of the 15th May last, to be in strictness a "forced loan," and as such prohibited by the 10th article of the treaty of 1826 between Great Britain and Mexico, to the benefits of which American citizens are entitled by treaty; yet the imposition of the contribution upon foreigners was considered an unjust and oppressive measure. Besides, internal factions in other parts of the republic were at the same time levying similar exactions upon the property of our citizens, and interrupting their commerce. There had been an entire failure on the part of our minister to secure redress for the wrongs which our citizens had endured, notwithstanding his persevering efforts. and from the temper manifested by the Mexican government, he had repeatedly assured us that no favorable change could be expected, until the United States should "give striking evidence of their will and power to protect their citizens," and that "severe chastisement is the only earthly remedy for our grievances." From this statement of facts, it would have been worse than idle, to direct Mr Forsyth to retrace his steps and resume diplomatic relations with that government; and it was, therefore, deemed proper to sanction his withdrawal of the legation from the city of Mexico.

Abundant cause now undoubtedly exists, for a resort to hostilities against the government still holding possession of the capital. Should they succeed in subduing the constitutional forces, all reasonable hope will then have expired of a peaceful settlement of our difficulties.

On the other hand, should the constitutional party prevail, and their authority be established over the republic, there is reason to hope that they will be animated by a less unfriendly spirit, and may grant that redress to American citizens which justice requires, so far as they may possess the means. But for this expectation, I should at once have recommended to Congress to grant the necessary power to the President, to take possession of a sufficient portion of the remote and unsettled territory of Mexico, to be held in pledge until our injuries shall be redressed and our just demands be satisfied. We have already exhausted every milder means of obtaining justice. In such a case, this remedy of reprisals is recognized by the law of nations, not only as just in itself, but as a means of preventing actual war.

But there is another view of our relations with Mexico, arising from the unhappy condition of affairs along our southwestern frontier, which demands immediate action. In that remote region, where there are but few white inhabitants, large bands of hostile and predatory Indians roam promiscuously over the Mexican States of Chihuahua and Sonora, and our adjoining Territories. The local governments of these States are perfectly helpless, and are kept in a state of constant alarm by the Indians. They have not the power, if they possessed the will, even to restrain lawless Mexicans from passing the border and committing depredations on our remote settlers. A state of anarchy and violence prevails throughout that distant frontier. The laws are a dead letter, and life and property are wholly insecure. For this reason the settlement of Arizona is arrested, whilst it is of great importance that a chain of inhabitants should extend all along its southern border, sufficient for their own protection and that of the United States mail passing to and from California. Well-founded apprehensions are now entertained, that the Indians, and wandering Mexicans equally lawless, may break up the important stage and postal communication recently established between our Atlantic and Pacific possessions.—This passes very near to the Mexican boundary, throughout the whole length of Arizona. I can imagine no possible remedy for these evils, and no mode of restoring law and order on that remote and unsettled frontier, but for the government of the United States to assume a temporary protectorate over the northern portions of Chihuahua and Sonora, and to establish military posts within the same—and this I earnestly recommend to Congress. This protection may be withdrawn, as soon as local governments shall be established in these Mexican States, capable of performing their duties to the United States, restraining the lawless and preserving peace along the borders.

I do not doubt that this measure will be viewed in a friendly spirit by the government and people of Chihuahua and Sonora, as it will prove equally effectual for the protection of their citizens on that remote and lawless frontier, as for citizens of the United States.

And in this connection, permit me to call your attention to the condition of Arizonia. The population of that Territory, numbering, as is alleged, more than ten thousand souls, are practically without a government, without laws, and without any regular administration of justice. Murder and other crimes are committed with impunity. This state of things calls loudly for redress; and I therefore repeat my recommendation for the establishment of a territorial government over Arizona.

The political condition of the narrow isthmus of Central America through which transit routes pass, between the Atlantic and Pacific oceans, presents a subject of deep interest to all commercial nations. It is over these transits that a large proportion of the trade and travel between European and Asiatic continents is destined to pass. To the United States these routes are of incalculable importance as a means of communication between their Atlantic and Pacific possessions. The latter now extend throughout seventeen degrees of latitude on the Pacific cost, embracing the important State of California and the flourishing Territories of Oregon and Washington. All commercial nations, therefore, have a deep and direct interest that these communications shall be rendered secure from interruption. If an arm of the sea, connecting the two oceans, penetrated through Nicaragua and Costa Rica, it could not be pretended that those States would have the right to arrest or retard its navigation, to the injury of other nations. The transit by land over this narrow isthmus, occupies nearly the same position. It is a highway in which they themselves have little interest, when compared with the vast interests of the rest of the world. Whilst their rights of sovereignty ought to be respected, it is the duty of other nations to require that this important passage shall not be interrupted by the civil wars and revolutionary outbreaks which have so frequently occurred in that region. The stake is too important to be left to the mercy of rival companies, claiming to hold conflicting contracts with Nicaragua.

The commerce of other nations is not to stand still and await the adjustment of such petty controversies. The government of the United States expect no more than this, and they will not be satified with less. They would not, if they could, derive any advantage from the Nicaragua transit, not common to the rest of the world. Its neutrality and protection for the common use of all nations, is their only object. They have no objection that Nicaragua shall demand and receive a fair compensation, from the companies and individuals who may traverse the route; but they insist that it shall never hereafter be closed, by an arbitrary decree of that government. If disputes arise between it and those with whom they may have entered into contracts, these must be adjusted by some fair tribunal provided for the purpose, and the route must not be closed pending the controversy. This is our whole policy, and it cannot fail to be acceptable to other nations.

All these difficulties might be avoided, if, consistently with the good faith of Nicaragua, the use of this transit could be thrown open to general competition; providing at the same time for the payment of a reasonable rate to the Nicaraguan government, on passengers and freight.

In August, 1852, the Accessory Transit Company made its first interoceanic trip over the Nicaraguan route, and continued in successful operation, with great advantage to the public, until the 18th February, 1856, when it was closed, and the grant to this company, as well as its charter, were summarily and arbitrarily revoked by the government of President Rivas. Previous to this date, however, in 1854, serious disputes concerning the settlement of their accounts had arisen between the company and the government, threatening the interruption of the route at any moment. These the United States in vain endeavored to compose. It would be useless to narrate the various proceedings which took place between the parties, up to the time when the transit was discontinued. Suffice it to say that since February, 1856, it has remained closed, greatly to the prejudice of citizens of the United States. Since that time the competition has ceased between the routes of Panama and Nicaragua, and, in consequence thereof, an unjust and unreasonable amount has been exacted from our citizens for their passage to and from California.

A treaty was signed on the 16th day of November, 1857, by the Secretary of State and Minister of Nicaragua, under the stipulations of which the use and protection of the transit route would have been secured, not only to the United States, but equally to all other nations. How and on what pretexts this treaty has failed to receive the ratification of the Nicaraguan government, will appear by the papers herewith communicated from the State Department. The principal objection seems to have been, to the provision authorizing the United States to employ force to keep the route open, in case Nicaragua should fail to perform her duty in this respect. From the feebleness of that republic, its frequent changes of government, and its constant internal dissentions, this had become a most important stipulation, and one essentially necessary not only for the security of the route, but for the safety of American citizens passing and re-passing to and from our Pacific possessions. Were such a stipulation embraced in a treaty between the United States and Nicaragua, the knowledge of this fact should of itself most probably prevent hostile parties from committing aggressions on the route and render our actual interference for its protection unnecessary.

The executive government of this country, in its intercourse with foreign nations, is limited to the employment of diplomacy alone. When this fails, it can proceed no further. It cannot legitimately resort to force, without the direct authority of Congress, except in resisting and repelling hostile attacks. It would have no authority to enter the Territory of Nicaragua, even to prevent the destruction of the transit, and protect the lives and property of our own citizens on their passage. It is true that on a sudden emergency of this character, the President would direct any armed force in the vicinity to march to their relief; but in doing this he would act upon his own responsibility.

Under these circumstances, I earnestly recommend to Congress, the passage of an act authorizing the President, under such restrictions as they may deem proper, to employ the land and naval force of the United States in preventing the transit from being obstructed or closed by lawless violence, and in protecting the lives and property of American citizens traveling thereupon, requiring at the same time that these forces shall be withdrawn the moment the danger shall have passed away. Without such a provision, our citizens will be constantly exposed to interruption in their progress, and to lawless violence.

A similar necessity exists for the passage of such an act for the protection of the Panama and Tehuantepec routes.

In reference to the Panama route, the United States, by their existing treaty with new Grenada, expressly guarantee the neutrality of the Isthmus, "with the view that the free transit from the one to the other sea, may not be interrupted or embarrassed in any future time while this treaty exists."

In regard to the Tehuantepec route, which has been recently opened under the most favorable auspices, our treaty with Mexico of the 30th December, 1853, secures to the citizens of the United States a right of transit over it for their persons and merchandise, and stipulates that neither government shall "interpose any obstacle" thereto. It also concedes to the United States the "right to transport across the Isthmus, in closed bags, the mails of the United States not intended for distribution along the line of the communication; also, the effects of the United States government and its citizens which may be intended for transit, and not for distribution on the Isthmus, free of custom-house or other charges by the Mexican government."

These treaty stipulations with New Granada and Mexico, in addition to the considerations applicable to the Nicaraguan route, seems to require legislation for the purpose of carrying them into effect.

The injuries which have been inflicted upon our citizens in Costa Rica and Nicaragua, during the last two or three years, have received the prompt attention of this government. Some of these injuries were of the most aggravated character. The transaction at Virgin Bay in April, 1856, when a company of unarmed Americans, who were in no way connected with any belligerent conduct or party, were fired upon by the troops of Costa Rica, and numbers of them killed and wounded, was brought to the knowledge of Congress by my predecessor soon after its occurrence, and was also presented to the government of Costa Rica, for that immediate investigation and redress which the nature of the case demanded. A similar course was pursued with reference to other outrages in these countries, some of which were hardly less aggravated in their character than the transaction at Virgin Bay. At the time, however, when our present minister to Nicaragua was appointed, in December, 1857, no redress had been obtained for any of these wrongs, and no reply even had been received to the demands which had been made by this government upon that of Costa Rica, more than a year before. Our minister was instructed, therefore, to lose no time in expressing to those governments the deep regret with which the President had witnessed this inattention to the just claims of the United States and in demanding their prompt and satisfactory adjustment.

Unless this demand shall be complied with at an early day, it will only remain for this government to adopt such other measures as may be necessary, in order to obtain for itself that justice which it has in vain attempted to secure by peaceful means, from the governments of Nicaragua and Costa Rica. While it has shown, and will continue to show, the most sincere regard for the rights and honor of these republics, it cannot permit this regard to be met by an utter neglect, on their part, of what is due to the government and citizens of the United States.

Against New Granada we have long-standing causes of complaint, arising out of the unsatisfied claims of our citizens upon that republic; and to these have been more recently added the outrages committed upon our citizens at Panama in April, 1856. A treaty for the adjustment of these difficulties was concluded by the Secretary of State and the minister of New Granada, in September, 1857, which contained just and acceptable provisions for that purpose.—This treaty was transmitted to Bogota, and was ratified by the government of New Granada, but with certain amendments. It was not, however, returned to this city until after the close of the last session of the Senate. It will be immediately transmitted to that body for their advice and consent; and should this be obtained it will remove all our existing causes of complaint against New Granada on the subject of claims.

Questions have arisen between the two governments, as to the right of New Grenada to levy a tonnage duty upon the vessels of the United States in its ports of the Isthmus, and to levy a passenger tax upon our citizens arriving in that country, whether with a design to remain there or to pass from ocean to ocean by the transit route; and also a tax upon the mail of the U. States transported over the Panama railroad.—The government of New Granada has been informed, that the United States would consider the collection of these taxes, as an act in violation of the treaty between the two countries, and as such would be resisted by the United States. At the same time, we are are prepared to discuss these questions in a spirit of amity and justice, but with a sincere desire to adjust them in a satisfactory manner. A negotiation for that purpose has already been commenced. No effort has recently been made to collect these taxes, nor is any anticipated under present circumstances.

With the empire of Brazil our relations are of the most friendly character. The productions of the two countries, and especially those of an agricultural nature, are such as to invite extensive mutual exchanges. A large quantity of American flour is consumed in Brazil; whilst more than treble the amount in value of Brazilian coffee is consumed in the United States. Whilst this is the case, a heavy duty has been levied, until very recently, upon the importation of American flour into Brazil. I am gratified however, to be able to inform you that in September last this has been reduced from $1.32 to about forty-nine cents per barrel, and the duties on other articles of our production have been diminished in nearly the same proportion.

I regret to state that, the government of Brazil still continues to levy an export duty of about 11 per cent. on coffee notwithstanding this article is admitted free from duty in the United States. This is a heavy charge upon the consumers of coffee in our country, as we purchase half of the entire surplus crop of that article raised in Brazil. Our minister, under instructions, will reiterate his efforts to have this export duty removed; and it is hoped that the enlightened government of the Emperor will adopt this wise, just, and equal policy. In that event, there is good reason to believe that the commerce between the two countries will greatly increase, much to the advantage of both.

The claims of our citizens again t the government of Brazil are not, in the aggregate, of very large amount; but some of these rest upon plain principles of justice, and their settlement ought not to be longer delayed. A renewed and earnest, and I trust a successful effort, will be made by our minister to procure their final adjustment.

On the 2d of June last, Congress passed a joint resolution authorizing the President "to adopt such measures and use such force as, in his judgment, may be necessary and advisable" "for the purpose of adjusting the differences between the United States, and the republic of Paraguay, in connexion with the attack on the Unites States steamer Water Witch, and with other measures referred to" in his annual message. And on the 12th of July following, they made an appropriation to defray the expenses and compensation of a commissioner to that republic, should the President deem it proper to make such an appointment.

In compliance with these enactments, I have appointed a commissioner, who has proceeded to Paraguay, with full powers and instructions to settle these differences in an amicable and peaceful manner, if this be practicable. His experience and discretion justify the hope, that he may prove successful in convincing the Paraguayian government, that it is due both to honor and justice, that they should voluntarily and promptly make atonement for the wrongs which they have committed against the United States, and indemnify our injured citizens whom they have forcibly despoiled of their property.

Should our commissioner prove unsuccessful, after a sincere and most earnest effort to accomplish the object of his mission, then no alternative will remain, but the employment of force to obtain "just satisfaction" from Paraguay. In view of this contingency, the Secretary of the Navy, under my direction, has fitted out and despatched a naval force, to rendezvous near Buenos Ayres, which, it is believed, will prove sufficient for the occasion. It is my earnest desire, however, that it may not be found necessary to resort this last alternative.

When Congress met in December last the business of the country had just been crushed by one of those periodical revulsions which are the inevitable consequence of our unsound and extravagant system of bank credits and inflated currency. With all the elements of national wealth in abundance our manufactures were suspended; our useful public and private enterprises were arrested, and thousands of laborers were deprived of employment and reduced to want. Universal distress prevailed among the commercial manufacturing and mechanical classes.—This revulsion was felt the more severely in the United States, because similar causes had produced the like deplorable effects throughout the commercial nations of Europe. All were experiencing sad reverses at the same moment. Our manufacturers everywhere suffered severely, not because of the recent reduction in the tariff of duties on imports, but because there was no demand at any price for their productions. The people were obliged to restrict themselves, in their purchases, to articles of prime necessity.

In the general prostration of business, the iron manufacturers in different States probably suffered more than any other class, and much destitution was the inevitable consequence, among the great number of workmen who had been employed in this useful branch of our industry. There could be no supply where there was no demand. To present an example: there could be no demand for railroad iron after our magnificent system of railroads, extending its benefits to every portion of the Union, had been brought to a dead pause. The same consequences have resulted from similar causes to many other useful branches of useful manufactures. It is self evident that where there is no ability to purchase manufactured articles, these cannot be sold, and consequently must cease to be produced. No government, and especially a government of such limited powers as that of the United States, could have prevented the late revulsion. The whole commercial world seemed for years to have been rushing to this catastrophe. The same ruinous consequences would have followed in the United States whether the duties upon foreign imports had remained as they were under the tariff of 1846 or had been raised to a much higher standard. The tariff of 1857 had no agency in the result. The general causes existing throughout the world could not have been controlled by the legislation of any particular country.

The periodical revulsions which have existed in our past history, must continue to return at intervals, so long as our present unbounded system of bank credits shall prevail. They will, however, probably be the less severe in future; because it is not to be expected, at least for many years to come, that the commercial nations of Europe, with whose interests our own are so materially involved, will expose themselves to similar calamities. But this subject was treated so much at large in my last annual message that I shall not now pursue it further. Still, I respectfully renew the recommendation, in favor of the passage of a uniform bankrupt law, applicable to banking institutions. This is all the power over the subject which, I believe, the federal government possesses. Such a law would mitigate, though it might not prevent the evil. The instinct of self-preservation might produce a wholesome restraint upon their banking business, if they new in advance, that a suspension of specie payments would inevitably produce their civil death. But the effects of the revulsion are now slowly but surely passing away. The energy and enterprise of our citizens, with our unbounded resources, will, within the period of another year, restore a state of wholesome industry and trade. Capital has again accumulated in our large cities; the rate of interest is there very low. Confidence is gradually reviving, and so soon as it is discovered that this capital can be profitably employed in commercial and manufacturing enterprises, and in the construction of railroads and other works of public and private improvement, prosperity will again smile throughout the land. It is vain, however, to disguise the fact from ourselves that a speculative inflation of our currency, without a corresponding inflation in other countries whose manufactures come in competition with our own must ever produce disastrous results to our domestic manufacturers. No tariff short of absolute prohibition can prevent these evil consequences.

In connection with this subject it is proper to refer to our financial condition. The same causes which have produced pecuniary distress throughout the country, have so reduced the amount of imports from foreign countries, that the revenue has proved inadequate to meet the necessary expenses of the government. To supply the deficiency, Congress by an Act of the 23d December, 1857, authorised the issue of $20,000,000 of Treasury notes, and this proving inadequate, they authorized by the Act of June 14th, 1858, a loan of $20,000,000, to be applied to the payment of appropriations made by law. No statesman would advise that we should go on increasing the national debt, but to meet the ordinary expenses of the government; this would be a most ruinous policy. In case of war, our credit must be our chief resource, at least for the first year, and this would be greatly impaired by having contracted a large debt in time of peace. It is our true policy, to increase our revenue so as to equal our expenditures.—It would be ruinous to continue to borrow. Besides it may be proper to observe, that the incidental protection thus afforded by a revenue tariff would at the present moment, to some extent, increase the confidence of the manufacturing interests, and give a fresh impulse to our reviving business. To this surely no person will object. In regard to the mode of assessing and collecting duties under a strictly revenue tariff, I have long entertained and often expressed the opinion that sound policy requires that this should be done by specific duties in cases to which these can be properly applied. they are well adapted to commodities which are usually sold by weight or by measure, and which from their nature are of equal or nearly equal value; such, for example, are the articles of iron of different classes, raw sugar and foreign wines and spirits. In my deliberate judgment, specific duties are the best if not the only means of securing the revenue against false and fraudulent invoices, and such has been the practice adopted for this purpose by other commercial nations.

Besides, specific duties would afford to the American manufacturer the incidental advantages to which he is fairly entitled under a revenue tariff. The present system is a sliding scale to his disadvantage. Under it, when prices are high and business is prosperous, the duties rise in amount when he least requires their aid. on the contrary, when prices fall and he is struggling against adversity, the duties are diminished, in the same proportion, greatly to his injury; neither would there be danger that a higher rate of duty than that intended by Congress should be levied in the form of specific duties. It would be easy to ascertain the average value of any imported article for a series of years, and instead of subjecting it to an adralorem duty, at a certain rate per centum, to substitute in its place an equivalent specific duty.

By such arrangement the consumer would not be injured; it is true that he might have to pay a little more duty on a given article in one year; but if so, he would pay a little less in another, and in a series of years, these would counterbalance each other, and amount to the same thing so far as his interest is concerned. The inconvenience would be trifling when contrasted with the additional security thus afforded against frauds upon the revenue, in which every consumer is directly interested. I have thrown out these suggestions as the fruit of my own observations, to which Congress in their better judgment will give such weight as they may justly deserve.

The report of the Secretary of the Treasury will explain in detail the operations of that department of the government. The receipts into the treasury from all sources during the fiscal year ending 30th June, 1858, including the treasury notes authorized by the act of December 23, 1857, were seventy million two hundred and seventy-three thousand eight hundred and sixty-nine dollars and fifty-nine cents, ($70,273,869.59,) which amount, with the balance of seventeen million seven hundred and ten thousand one hundred and fourteen dollars and twenty-seven cents ($17,710,114.27,) remaining in the treasury at the commencement of the year, made an aggregate for the service of the year of eighty-seven million nine hundred and eighty-three thousand nine hundred and eighty-three dollars and eighty-six cents, ($87,983,983.86.)

The public expenditures during the fiscal year ending June 30, 1858, amounted to eighty-one million five hundred and eighty-five thousand six hundred and sixty-seven dollars and seventy-six cents, ($81,585,667.76,) of which nine million six hundred and eighty-four thousand five hundred and thirty-seven dollars and ninety-nine cents ($9,684,537 99,) were applied to the payment of the public debt, and the redemption of treasury notes with the interest thereon, leaving in the treasury on July 1, 1858, being the commencement of the present fiscal year, six million three hundred and ninety-eight thousand three hundred and sixteen dollars and ten cents, ($6,398,316.10.)

The receipts into the treasury, during the first quarter of the present fiscal year, commencing the first of July, 1858, including one-half of the loan of twenty millions of dollars, with the premium upon it, authorized by the act of 14th June, 1858, were twenty-five million two hundred and thirty thousand eight hundred and seventy-nine, dollars and forty-six cents, ($25,230,879.46,) and the estimated receipts for the remaining three-quarters to the 30th June, 1859, from ordinary sources, are thirty-eight million five hundred thousand dollars, ($38,500,000,) making, with the balance before stated, an aggregate of seventy million one hundred and twenty-nine thousand one hundred and ninety-five dollars and fifty-six cents ($70,129,195.56.)

The expenditures, during the first quarter of the present fiscal year, were twenty-one million seven hundred and eight thousand one hundred and ninety-eight dollars and fifty-one cents, ($21,708,198 51;) of which one million and ten thousand one hundred and forty-two dollars and thirty-seven cents ($1,010,142 37) were applied to the payment of the public debt and the redemption of treasury notes and the interest thereon. The estimated expenditures, during the remaining three quarters to 30th June, 1859, are fifty-two million three hundred and fifty-seven thousand six hundred and ninety-eight dollars and forty-eight cents, ($52,357,698 48,) making an aggregate of seventy-four million sixty-five thousand eight hundred and ninety-six dollars and ninety-nine cents, ($74,065,896 99,) being an excess of expenditure, beyond the estimated receipts into the treasury from ordinary sources, during the fiscal year to the 30th June, 1859, of three million nine hundred and thirty-six thousand seven hundred and one dollars and forty-three cents, ($3,936,701 43.) Extraordinary means are placed by law within the command of the Secretary of the Treasury, by the reissue of treasury notes redeemed, and by negotiating the balance of the loan authorized by the act of 14th June, 1858, to the extent of eleven millions of dollars, which, if realized during the present fiscal year, will leave a balance in the treasury, on the first day of July, 1859, of seven million sixty-three thousand two hundred and ninety-eight dollars and fifty-seven cents, ($7,063,298 57.)

The estimated receipts during the next fiscal year ending 30th June, 1860, are sixty-two millions of dollars, ($62,000,000,) which, with the above estimated balance of seven million sixty three thousand two hundred and ninety eight dollars and fifty seven cents, ($7,063,298 57,) make an aggregate for the service of the next fiscal year, of sixty nine million sixty three thousand two hundred and ninety eight dollars and fifty seven cents, ($69,063,298 57.) The estimated expenditures, during the next fiscal year ending 30th June, 1860, are seventy three million one hundred and thirty nine thousand one hundred and forty seven dollars and forty six cents, ($73,139,147 46,) which leave a deficit of estimated means, compared with the estimated expenditures for that year, commencing on the 1st of July, 1859, of four million and seventy-five thousand eight hundred and forty eight dollars and eighty nine cents, ($4,075,848 89.)

In addition to this sum, the Postmaster General will require from the treasury, for the service of the Post Office Department, three millions eight hundred and thirt-eight thousand seven hundred and twenty-eight dollars, ($3,838,728,) as explained in the report of the Secretary of the Treasury, which will increase the estimated deficit on the 30th of June, 1860, to seven millions nine hundred and fourteen thousand, five hundred and seventy-six dollars and eighty-nine cents, ($7,914,576.89.) To provide for the payment of this estimated deficiency, which will be increased by such appropriations as may be made by Congress, not estimated for in the report of the Treasury Department, as well as to provide for the gradual redemption, from year to year, of the outstanding treasury notes, the Secretary of the Treasury recommends such a revision of the present tariff as will raise the required amount. After what I have already said, I need scarcely add that I concur in the opinion expressed in his report—that the public debt should not be increased by an additional loan, and would there strongly urge upon Congress the duty of making, at their present session, the necessary provision for meeting these liabilities.

The public debt on the 1st of July, 1858, the commencement of the present fiscal year, was $25,155,977.66.

During the first quarter of the present year, the sum of $10,000,000 has been negotiated of the loan authorized by the Act of 14th June, 1858—making the present outstanding public debt, exclusive of Treasury notes, $35,155,977.66. There was, on the 1st of July 1858, of treasury notes issued by authority of the act of December 23, 1857, unredeemed, the sum of $19,754,800—making the amount of actual indebtedness at that date, $54,910,777.66. To this will be added $10,000,000 during the present fiscal year—this being the remaining half of the loan of $20,000,000 not yet negotiated.

The rapid increase of the public debt, and the necessity which exists for a modification of the tariff, to meet even the ordinary expenses of the government, ought to admonish us all, in our respective spheres of duty, to the practice of rigid economy. The objects of expenditure should be limited in number, as far as this may be practicable, and the appropriations necessary to carry them into effect, ought to be disbursed under the strictest accountability. Enlightened economy does not consist in [illegible] to appropriate money for constitutional purposes, essential to the defence, progress and prosperity of the republic, but in taking care that none of this