

FIRST ANNUAL MESSAGE OF

CLEARFIELD, PA., WEDNESDAY, DECEMBER 16, 1857.

JAMES BUCHANAN. Delivered on Tuesday, Lec. 8, 1357.

Fellow-Citizens of the Senate and House of Representatives.

In obedience to the command of the constitution, it has now become my duty "to give to although it had coin in its vaults equal to one-Congress information of the State of the Union, and recommend to their consideration such measures" as I judge to be "necessary and expedient."

But first, and above all, our thanks are due to Almighty God for the numerous benefits which He has bestowed upon this people; and our united prayers ought to ascend to Him that in time to come, as He blessed it in time past. Since the adjournment of the last Congress ent States, according to returns dated near-st our constituents have onjoyed an unusual degree of health. The earth has yielded her truits abundantly, and has bountifully rewarded the toil of the husbandman. Our great staples have commanded high prices, and, up till within a brief period, our manufacturing, mineral, and mechanical occupations have largely partaken of the general prosperity. We have possessed all the elements of material wealth in rich abundance, and yet, notwithstanding all these advantages, our country, in its monetary interests, is at the present moment in a deplorable condition. In the midst of unsurpassed plenty in all the productions of agriculture and in all the elements of nationei wealth, we find our manufactures suspended. our public works retarded, our private enterprises of different kinds abandoned, and thousands of useful laborers thrown out of employment and reduced to want. The revenue of the government, which is chieffy derived from duties on imports from abroad, has been greatly reduced, whilst the appropriations made by Congress at its last session for the current fiscal year are very large in amount.

Under these circumstances a loan may be required before the close of the present session, but this, although deeply to be regretted, would prove to be only a slight misfortane when compared with the suffering and distress prevailing among the people. With this the government cannot fail deeply to sympathize, though it may be without the power to extend relief.

It is our duty to inquire what has produced | to one dollar in seven and a half of their cirsuch unfortunate results, and whether their recurrence can be prevented ? In all former revulsions the blame might have been fairly

same proportion would cert inly be sufficient | would be compelled to follow its example. It | ever, it was rendered much less objectionable | ue to enforce ancient and obsolete restrictions under our banking system. Each of our four- found, however, that as it contracted they exteen hundred banks has but a limited circumference for its circulation, and in the course of a very few days the depositors and note-holders might demand from such a bank a sufficient amount in specie to compel it to suspend, even third of its immediate liabilities.

And yet I am not aware, with the exception of the banks of Louisiana, that any State bank throughout the Union has been required by its charter to keep this or any other proportion of with the immediate interest of its stockholdgold and silver compared with the amount of ers. If we expect one agent to restrain or its combined circulation and deposites. What control another, their interest must, at least in has been the consequence ? In a recent re-He would continue to bless our great Republic port made by the Treasury Department on the tors of a bank of the United States would feel territory under the sovereignty of the said recondition of the banks throughout the differ-January, 1857, the aggregate amount of specie in their vaults is \$58,849,838; of their circulation \$214,778.822, and of their deposites \$280.851,852. Thus it appears that these banks in the aggregate have considerably less than one dollar in seven of gold and silver compared with their circulation and deposits. It was palpable, therefore, that the very lirst pressure must drive them to suspension, and deprive the people of a convertible currency, with all its disastrous consequences. It is truly wonderful that they should have so long continued to preserve their credit, when a demand for the payment of one-seventh of their immediate liabilities would have driven them into insolvency. And this is the condition of the banks, notwithstanding that four hundred militons of gold from California have flowed in upon us within the last eight years, and the tide still continues to flow. Indeed, such has been the extravagance of bank credits, that the banks now hold a considerable less amount of specie, either in proportion to the amount of their capital or to their circulation and deoesites combined, than they did before the liscovery of gold in California. Whilst in the year 1848 their specie in proportion to their capital was more than equal to one dollaa for four and a half, in 1857 it does not amount to one dollar for every six dollars and thirty-three cents of their capital. In the year 1848 the specie was equal within a very small fraction to one dollar in five of their circulation and deposites; in 1857 it is not equal

ulation and deposites. From this statement it is easy to account for our financial history for the last forty years. attributed to a variety of co-operating causes ; It has been a history of extravagant expansions them from administering to the spirit of wild but not so upon the present occasion. It is in the business of the country, followed by ru- and reckless speculation by extravagant loans apparent that our existing misfortunes have inous contractions. At successive intervals and issues, they might be continued with adproceeded solely from our extravagant and the best and most enterprising men have been vantage to the public. vicious system of paper currency and bank | tempted to their ruin by excessive bank loans and gambling in stocks. These revulsions agant importations of foreign goods, wild spec- joy the facilities which well regulated banks uate in the Bay of Honduras, and off the coast to the Spanish government for the purpose of ulations, and ruinous and demoralizing stock | might afford, without at the same time suffer- | of the republic of Honduras, as under the gambling. When the crisis arrives, as arrive ing the calamities which the excess of the it must, the banks can extend no relief to the banks have hitherto inflicted upon the country, people. In a vain struggle to redeem their li- it would then be far the lesser evil to deprive ibilities in specie, they are compelled to conin the hour of distress, when their assistance is most needed, they and their debtors together sink into insolvency. It is this paper system of extravagant expansion, raising the nomnal price of every article far beyond its real value, when compared with the cost of similar articles in countries whose circulation is wisely regulated, which has prevented us from c mpeting in our own markets with foreign manufacturers, has produced extravagant importations, and has counteracted the effect of he large incidental protection afforded to our lomestic manufactures by the present revenue tariff. But for this the branches of our manuductions of our own country-such as cotton, iron, and woollen fabrics-would not only have acquired almost exclusive possession of the tain. home market, but would have created for themselves a foreign market throughout the world. Deplorable, however, as may be our present financial condition, we may yet induige in bright hopes for the future. No other nation has ever existed which could have endured such violent expansions and contractions of paper credits without lasting injury ; yet the moyancy of youth, the energies of our population, and the spirit which never quails before difficulties, will enable us soon to recover from our present financial embarrassment, and may even occasion us speedily to torget the lesson which they have taught. In the mean time it is the duty of the goverament, by all proper means within its power, ple, occasioned by the suspension of the banks, them in the rightful possession of all that dependently of each other, and regulating their and to provide against a recurrence of the same portion of Central America which was in calamity. Unfortunately, in either aspect of the case, it can do but little. Thanks to the fact, that the treaty is a virtual recognition ercising the sovereign power of providing a independent treasury, the government has not on the part of the United States of the right suspended payment, as it was compelled to do of Great Britain, either as owner or protector, try, the first duty which these banks owe to the by the failure of the banks in 1887. It will to the whole extensive coast of Central Amerpublic is to keep in their vanits a sufficient a- continue to discharge its liabilities to the peo- ica, sweeping round from the Rio Hondo to in advance. ple in gold and silver. Its disbursements in the port and harbor of San Juan de Nicaragua, under all circumstances. No bank ought ever assist in restoring a sound currency. From the comparatively small portion of this beto be chartered without such restrictions on its its high credit, should we be compelled to tween the Sarstoon and Cape Honduras. Acbusiness as to secure this result. All other make a temporary loan, it can be affected on cording to their construction, the treaty does restrictions are comparatively vain. This is advantageous terms. This, however, shall, if no more than simply prohibit them from expossible, be avoided; but, if not, then the a- tending their possessions in Central America mount shall be limited to the lowest practicable sum. I have, therefore, determined that whilst no useful government works already in progress commenced, will be postponed, if this can be necessary for its defence shall proceed as tho? there had been no crisis in our monetary affairs. But the federal government cannot do much to provide against a recurrence of existing objections did not exist against the creation of a National Bank, this would furnish no adc- that Great Britain should, in this respect at quate preventive security. The history of the last Bank of the United States abundantly bank could not, if it would, regulate the issues in such a manner as to prevent the ruinous struction is in opposition both to its letter and expansions and contractions in our currency which afflicted the country throughout the existence of the late bank, or secure us against future suspensions. In 1825 an effort was for the purpose, if possible, of removing these made by the Bank of England to curtail the issues of the country banks under the most favorable circumstances. The paper currency new for its circulation, rendering it almost im-possible that a sudden and immediate run to a danget its loans and issues, in the vain hope that the danget is loans and issues, in the vain hope that the hans be well questioned. Certain it is, how-

panded, and at the end of the process, to employ the language of a very high official authority, "whatever reduction of the paper cir-culation was effected by the Bank of England (in 1825) was more than made up by the issues of the country banks."

But a Bank of the United States would not. if it could, restrain the issues and loans of the State banks, because its duty as a regulator of in the original treaty, as submitted to the Senthe currency must often be in direct conflict some degree, be ant gonistic. But the directhe same interest and the same inclination with the directors of the State banks to expand the currency, to accommodate their favorites and friends with loans, and to declare large dividends. Such has been our experience in regard to the last bank.

After all, we must mainly rely upon the patriotism and wisdom of the States for the prévention and redress of the evil. If they will afford us a real specie basis for our paper circulation by increasing the denomination of bank notes, first to twenty and atterwards to fifty dollars; if they will require that the banks shall at all times keep on hand at least one dollar of gold and silver for every three dollars of their circulation and deposits; and if they will provide by a self-executing enactment, which nothing can arrest, that the moment they suspend they shall go into liquidation, I believe that such provisions, with a weekly publication by each bank of a statement of its condition, would go far to secure us against future suspension of specie payments.

Congress, in my opinion, possesses the power to pass a uniform bankrupt law, applicable to all banking institutions throughout the United States, and I strongly recommend its exercise. This would make it the irreversable organic law of each bank's existence, that a suspension of specie payments shall produce its civil death. The instinct of self preservation would then compel it to perform its duties in such a manner as to escape the penalty and preserve its life.

The evistence of banks and the circulation of bank paper are so identified with the habits of our people, that they cannot at this day be suddenly abolished without much immediate injury to the country. If we would confine them to their appropriate sphere, and prevent

of the clause relating to Ruatan and the other | the other. islands in the bay of Honduras. The article ate, after reciting that these islands and their inhabitants "having been by a convention bearing date the 27th day of August, 1856, between her Britannic Majesty and the republic of Honduras, constituted and declared a free public of Honduras," stipulated that "the two contracting parties do hereby mutually engage to recognize and respect in all future time the independence and rights of the said free territory as a part of the republic of Honduras."

Upon an examination of this convention between Great Britain and Honduras of the 27th August, 1856, it was found that, whilst declaring the Bay Islands to be "a free territory under the sovereignty of the Republic of Honduras," it deprived that republic of rights, without which its sovereignty over them could scarcely be said to exist. It divided them from the remainder of Honduras, and gave to their inhabitants a seperate government of their own, with legislative, executive, and judicial officers elected by themselves. It deprived the government of Honduras of the taxing power in every form, and exempted the people of the Islands from the performance of military duty except for their own exclusive defence. It also prohibited that republic from erecting fortifications upon them for their protection-thus leaving them open to invasion from any quarter; and, finally, it provided "that slavery shall not at any time hereafter be permitted to exist therein."

Had Honduras ratified this convention, she would have ratified the establishment of a State substantially independent within her own limits, and a State at all times subject to British influence and control. Moreover, had the United States ratified the treaty with Great Britain in its original form, we should have been bound "to recognise and respect in all future time" these stipulations to the prejudice of Honduras. Being in direct opposition to the spirit and meaning of the Clayton and Bulwer treaty as understood in the United States. the Senate rejected the entire clause, and substituted in its stead a simple recognition of the sovereign right of Honduras to these islands ing parties do hereby mutually engage to rec-

by the different amendments made to it by the of trade against each other. Our;commercial Senate. The treaty, as amended, was ratified treaty with France is in this respect an excepby me on the 12th March, 1857, and was trans- tion from our treaties with all other commermitted to London for ratification by the Brit- cial nations. Its jealousy levies discriminatish government. That government expressed ing duties both on tonnage and on articles, the its willingness to concur in all the amendments growth, produce, or manufacture of the one made by the Senate, with the single exception | country, when arriving in vessels belonging to

More than forty years ago, on the 3d March, 1815, Congress passed an act offering to all nations to admit their vessels laden with their national productions into the ports of the United States upon the same terms with our own vessels, provided they would reciprocate to us similar advantages. This act confined the reciprocity to the productions of the respective foreign nations who might enter into the proposed arrangement with the U. States. The act of May 24, 1828, removed this restriction, and offered a similar reciprocity to all such vessels without reference to the origin of their cargoes. Upon these principles, our commercial treaties and arrangements have been founded, except with France; and let us hope that this exception may not long exist. Our relations with Russia remain, as they have ever been, on the most friendly footing. The present Emperor, as well as his predecessors, have never failed, when the occasion offered, to manifest their good will to our country; and their friendship has always been highly appreciated by the gevernment and people of the United States.

With all other European governments, except that of Spain, our relations are as peace-ful as we could desire. I regret to say that no progress whatever has been made, since the adjournment of Congress, towards the settlement of any of the numerous claims of our citizens against the Spanish government. Besides, the outrage committed on our flag by the Spanish war frigate Ferrolana, on the high seas, off the coast of Cuba, in March, 1855, by firing into the Americal mail steamer El Dorado, and detaining and searching her, remains unacknowledged and unredressed. The general tone and temper of the Spanish government towards that of the United States are much to be regretted. Our present envoy extraordinary and minister plenipotentiary to Madrid has asked to be recalled ; and it is my purpose to send out a new minister to Spain, with special instructions on all questions pending between the two governments, and with a determination to have them speedily and amicably adjusted, if this be possible. In the mean time, whenever our minister urges the just claims of our citizens on the notice of the in the following language : "The two contract- Spanish government, he is met with the objection that Congress have never made the appropriation recommended by President

the Atlantic and Pacific, over which a large portion of the commerce of the world is destined to pass. The United States are more deeply interested than any other nation in pre-serving the freedom and security of all the communications across this isthmus. It is our duty, therefore, to take care that they shall not be interrupted either by invasions from our own country or by wars between the independent States of Central America. Under our treaty with New Granada of the 12th Dec. 1846, we are bound to guarantee the neutral-

ity of the Isthmus of Panama, through which the Panama railroad passes, "as well as the rights of sovereignty and property which New Granada has and possesses over the said Terri-tory." This obligation is founded upon equivalents granted by the treaty to the gov-crament and people of the United States.

Under these circumstances, I recommend to Congress the passage of an act authorizing the President, in case of necessity, to employ the land and naval forces of the United States to carry into effect this guarranty of neutrality and protection. I also recommend similar legislation for the security of any other route across the isthmus in which we may acquire an interest by treaty.

With the independent republics on this continent it is both our duty and our interest to cultivate the most friendly relations. We can never feel indifferent to their fate, and must always rejoice in their prosperity. Unfortunately, both for them and for us, our example and advice have lost much of their influence in consequence of the lawless expeditions which have been fitted out against some of them within the limits of our country. Nothing is better calculated to retard our steady material progress, or impair our character as a nation, than the toleration of such enterprises in violation of the law of nations.

It is one of the first and highest duties of any independent State, in its relations with the members of the great family of nations, to restrain its people from acts of hostile aggression against their citizens or subjects. The most eminent writers on public law do not hesitate to denounce such hostile acts as robbery and murder.

Weak and feeble States, like those of Cenral America, may not feel themselves able to assert and vindicate their rights. The case would be far different if expeditions were set on foot within our own territories to make private war against a powerful nation. If such expeditions were fitted out from abroad against any portion of our own country, to burn down our cities, murder and plunder our people, and usurp our government, we should call any power on earth to the strictest account for not preventing such enormities.

credits, exciting the people to wild speculation of more paper credit, exciting them to extravmust continue to recur at successive intervals, so long as the amount of paper currency and bank loans and discounts of the country shall be left to the discretion of fourteen hundred presponsible banking institutions, which from the very law of their nature will consult the in- tract their loans and their issues; and at last, terest of their stock-holders rather than the putlie welfare.

The framers of the Constitution, when they gave to Congress the power sto coin money and regulate the value thereof," and prohibited the States from coining money, emitting bills of credit, or making anything but gold and silver coin a tender in payment of debts, supposed they had protected the people against the evils of an excessive and irredeemable paper currency. They are not responsible for the existing anomaly that a government endowed with the sovereign attribute of coining money and regulating the value thereof, should have no power to prevent others from driving this factures composed of raw materials, the procoin cut of the country and filling up the channels of circulation with paper, which does not represent gold and silver. It is one of the highest and most responsi-

ble duties of government to insure to the people a sound circulating medium, the amount of which ought to be adapted with the utmost possible wisdom and skill to the wants of internal trade and foreign exchanges. If this be either greatly above or greatly below the proper standard, the marketable value of every man's property is increased or diminished in the same proportion, and justice to individnals, as well as incalculable evils to the community, are the consequence.

Unfortunately, under the construction of the federal constitution, which has now prevailed too long to be changed, this important and delicate duty has been dissevered from the coining power, and virtually transferred to more | to aid in alleviating the sufferings of the peothan fourteen hundred State banks, acting inpaper issues almost exclusively by a regard to the present interest of their stockholders. Expaper currency, instead of coin, for the counmount of gold and silver to insure the convertibility of their notes into coin at all times and coin will pass into circulation, and materially the only true touchstone, the only efficient regulator of a paper currency-the only one which can guard the public against over-issues and bank suspensions. As a collateral and eventual security. it is doubtless wise, and in all cases ought to be required, that banks shall shall be suspended, new works, not already hold an amount of United States or State securities equal to their notes in circulation and done without injury to the country. Those pledged for their redemption. This, however, furnishes no adequate security against overissues. On the contrary, it may be perverted to inflate the currency. Indeed, it is possible by this means to convert all the debts of the United States and State governments into evils. Even if insurmountable constitutional bank notes, without reference to the specie required to redeem them. However valuable these securifies may be in themselves, they cannot be converted into gold and silver at the moment of pressure, as our experience teach- proves the truth of this assertion. Such a es, in sufficient time to prevent bank suspensions and the depreciation of bank notes. In and credits of fourteen hundred State banks England, which is to a considerable extent a paper-money country, though vastly behind our own in this respect, it was deemed advisable, anterior to the act of Parliament of 1814. which wisely seperated the issue of notes from the banking department, for the Bank of England always to keep on hand gold and silver epossible that a sudden and immediate run to a its loans and issues, in the vain hope that the haps be well questioned. Certain it is, how-i freest commercial intercourse, should contin- that of Panama, is the great highway between had their property seized and taken from them,

them altogether of the power to issue a paper currency and confine them to the functions of banks of deposite and discount.

Our relations with foreign governments are, upon the whole, in a satisfactory condition.

The diplomatic difficuties which existed between the government of the United States and that of Great Britain at the adjournment of the last Congress have been happily terminated by the appointment of a British minister to this country, who has been cordially received.

Whilst it is greatly to the interest, as I am convinced it is the sincere desire, of the government and people of the two countries to be on terms of intimate friendship with each other, it has been our misfortune almost always to have had some irritating, if not dangerous, ontstanding question with Great Bri-

Since the origin of the government we have been employed in negotiating treaties with that power, and afterwards in discussing their true intent and meaning. In this respect, the convention of April 19, 1850, commonly called the Clayton and Bulwer treaty, has been the most unfortunate of all ; because the two goveraments place directly opposite and contradictory constructions upon its first and most important article. While in the United States, we believed that this treaty would place both powers upon an exact equality by the stipulation that neither will ever "ocupy, or fortify, or colonize, or assume or exercise any dominion" over, any part of Central America, it is contended by the British government that the true construction of this language has left their occupancy at the date of the treaty ; in together with the adjacent Bay Islands, except beyond the present limits. It is not too much to assert, that if in the

susceptible of such a construction, it never would have been negotiated under the authority of the President, nor would it have receivversal conviction in the United States was, that when our government consented to violate its traditional and time-honored policy, and to stipulate with a foreign government countries in Central America is identical, benever to occupy or acquire territory in the ing confined to securing safe transits over all Central American portion of our own conti- the routes across the 1sthmus. nent, the consideration for this sacrifice was least, be placed in the same position with ourselves. Whilst we have no right to doubt the sincerity of the British government in their construction of the treaty, it is at the same time my deliberate conviction that this con-

its spirit. difficulties; and a treaty having this laudable object in view was signed at London on the ship still continue to exist. The French gov- republics of our own continent, as well as of

But this I say, after much reflection, if ex- | ognise and respect the islands of Ruatan, Bonperience shall prove it to be impossible to en- aco, Utila, Barbaretta, Helena, and Morat, sitsovereignty and as part of the said republic of Honduras." Great Britain rejected this amendment, as-

signing as the only reason, that the ratifications of the convention of the 27th August, 1856, between her and Honduras, had not been "exchanged, owing to the hesitation of that government." Had this been done, it is stated that "her Majesty's government would have had little difficulty in agreeing to the modification proposed by the Senate, which then would have had in effect the same signification as the original wording." Whether this would have been the effect; whether the mere circumstances of the exchange of the ratifications of the British convention with Honduras prior in point of time to the ratification of our treaty with Great Britain would, "in effect," have had "the same significations as the original never arisen.

The British government, immediately after rejecting the treaty as amended, proposed to similar in all respects to the treaty which they had just refused to ratify, if the United States would consent to add to the Senate's clear and | revision of it, in case experience should prove | unqualified recognition of the sovereignty of this to be requisite, "in which case the two Honduras over the Bay Islands the following governments will, at the expiration of tweive conditional stipulation: "Whenever and so years from the date of said convention, treat concluded and ratified a treaty with Great suitable persons appointed to conduct such Britain, by which Great Britain shall have ce- negotiations." These twelve years expired on ded, and the republic of Honduras shall have the 3d July, 1856; but long before that period accepted, the said islands, subject to the pro- it was ascertained that important changes in visions and conditions contained in such treaty." This proposition was, of course, rejected.

After the Senate had refused to recognise the British convention with Hondmas of the 27th August, 1856, with full knowledge of its contents, it was impossible for me, necessarily ignorant of "the provisions and conditions" which might be cont ined in a future convention between the same parties, to sanction them

The fact is that when two nations like Great Britan and the United States, mutually desirly opposite, the wisest course is to abrogate such a treaty by mutual consent, and to commence anew. Had this been done promptly,

United States the treaty had been considered all difficulties in Central America would most satisfaction of both parties. The time spent in discussing the meaning of been devoted to this praiseworthy purpose,

and the task would have been the more easily

Whilst entertaining these sentiments, I shall nevertheless not refuse to contribute to any reasonable adjustment of the Central A- ters in all peaceful measures to secure by treamerican questions which is not practically in- ty stipulations, those just concessions to comof the treaty. Overtures for this purpose have | right to expect, and which China cannot long | been recently made by the British government | be permitted to withhold. From assurances in a friendly spirit which I cordially reciprocate; but whether this renewed effort will re- ministers will act in harmonious concert to

were instituted between the two governments press an opinion. A brief period will deter- the powers they represent. mine. With France our ancient relations of friend-

17th October, 1856, and was submitted by the ernment have in several recent instances which the empire of Brazil. and deposits. If this proportion was no more than sufficient to secure the convertability of its notes, with the whole of Great Britain, and to remuce a structure of the foreign exchanges. It accordto some extent the Continent of Europe, as a brium of the foreign exchanges. It accord-for some extent the Continent of Europe, as a brium of the foreign exchanges. It accord-for the foreign exchanges of curtailment of the new and embarrassing complicato some extent the Continent of Europe, as a brium of the foreign exchanges. If accord ing birth to new and embarrassing complica-field for its circulation, rendering it almost im-

his annual message of Dec. 1847, "to be paid distribution among the claimants in the Amistad case." A similar recommendation was made by my immediate predecessor in his message of December, 1853; and entirely concurring with both in the opinion that this indemnity is justly due under the treaty with Spain of Oct. 27, 1795, I earnestly recommend such an appropriation to the favorable consid-

A treaty of friendship and commerce was concluded at Constantinople on the 13th December, 1856, between the United States and Persia, the ratifications of which were exchanged at Constantinople on the 13th June, 1857, and the treaty was proclaimed by the President on the 18th August, 1857. This treaty, it is believed, will prove beneficial to American commerce. The Shah has manifested an earnest disposition to cultivate friendly a strong wish that we should be represented at is, perhaps, fortunate that the question has recommend that an appropriation be made for this purpose.

Recent occurrences in China have been un favorable to a revision of the treaty with that enter into a new treaty with the United States, empire of the 3d July, 1844, with a view to the security and extension of our commerce. The 24th article of this treaty stipulated for a soon as the republic of Honduras shall have amicably concerning the same, by means of the treaty were necessary ; and several fruitless attempts were made by the commissioner of the United States to effect these changes. Another effort was about to be made for the same purpose by our commissioner, in conjunction with the ministers of England and France, but this was suspended by the occurrence of hostilities in the Cauton river between Great Britain and the Chinese Empire. These hostilities have necessarily interrupted the trade of all nations with Canton, which is

ous as they are, and I trust may ever be, of while the insurrection within the empire a- tween the United States and that State, as maintaining the most friendly relations with gainst the existing imperial dynasty still coneach other, have unfortunately concluded a tinues, and it is difficult to anticipate what

Under these circumstances, I have deemed it advisable to appoint a distinguished citizen of Pennsylvania envoy extraordinary and minister plenipoten tiary to proceed to China, probably ere this have been adjusted to the and avail himself of any opportunities which may offer to effect changes in the existing treaty faverable to America commerce. He left ed the approbation of the Senate. The uni- the Clayton and Bulwer treaty would have the United States for the place of his distination in July last in the war steamer Minnesota. Special ministers to China have also been apaccomplished because the interest of the two pointed by the governments of Great Britain and France.

Whilst our minister has been instructed to occupy a neutral position in reference to the existing hostilities at Canton, he will cordially co-operate with the British and French minisreceived, I entertain no doubt that the three Under the late administration negotiations sult in success I am not yet prepared to ex- obtain similar commercial treaties for each of

We cannot fail to teel a deep interest in all that concerns the welfare of the independent

Our difficulties with New Granada, which a

Ever since the administration of General Washington, acts of Congress have been in force to punish severely the crime of setting on foot a military expedition within the limits of the United States, to proceed from thence against a nation or State, with whom we are at peace. The present neutrality act of April 20th, 1818, is but little more than a collection of pre-existing laws. Under this act the President is empowered to employ the land and naval forces and the militia . for the purpose of preventing the carrying on of any such expeditions or enterprise from the territories and jurisdicton of the United States," and the collectors of customs are authorized, and required to detain any vessel in port when there is reason to believe she is about to take

part in such lawless enterprises. When it was first rendered probable that an attempt would be made to get up another unlawful expedition against Nicaragua, the Secrelations with our country, and has expressed retary of State issued instructions to the marshals and district attorneys, which were direcment of the Senate, may well be doubted. It Teheran by a minister plenipotentiary ; and I ted by the Secretaries of War and the Navy to the appropriate army and navy officers, requiring them to be vigilant, and to use their best exertions in carrying into effect the provisions of the act of 1818. Notwithstanding these precautions, the expedition has escaped from our shores. Such enterprises can do ro possible good to the country, but have already inflicted much injury both on its interests and its character. They have prevented peaceful emigration from the United States to the States of Central America, which could not fail to prove highly beneficial to all the parties concerned. In a pecuniary point of view alone, our citizens have sustained heavy losses from the seizure and closing of the transit route by the San Juan, between the two occans.

> The leader of the recent expedition was arrested at New Orleans, but was discharged on giving bail for his appearance in the insufficient sum of two thousand dollars.

> I commend the whole subject to the serious attention of Congress, believing that our duty and our interest, as well as our national character, require that we should adopt such measures as will be effectual in restraining our citizens from committing such outrages.

now in a state of blockade, and have occasion-ed a serious loss of life and property. Mean-Paraguay has refused to ratify the treaty beamended by the Senate, the signature of which was mentioned in the message of my predecessor to Congress at the opening of its session in December, 1853. The reasons assigned for this refusal will appear in the correspon-

dence herewith submitted. It being desirable to ascertain the fitness of the river La Plata and its tributaries for navigation by steam, the United States Steamer Water Witch was sent thither for that purpose in 1853. This enterprise was successfully carried on until February, 1855, when, whilst in the peaceful prosecution of her voyage up the Parasa river, the steamer was fired upon by a Paraguayan fort. The fire was returned ; but as the Water Witch was of small force, and not designed for offensive operations, she retired from the conflict. The pretext upon which the attack was made was a decree of the President of Paraguay of October, 1854. prohibiting foreign vessels of war from naviconsistent with the American interpretaton merce which the nations of the world have a gating the rivers of that State. As Paraguay, however, was the owner of but one bank of the river of that name, the other belonging to Corrientes, a State of the Argentine Confederation, the right of its government to expect that such a decree would be obeyed cannot be acknowledged. But the Water Witch was not, properly speaking, a vessel-of-war. She was a small steamer engaged in a scientific enterprise intended for

the advantage of commercial States generally. Under these circumstances, I am constrained to consider the attack upon her as unjustifiable, and as calling for satisfaction from the Paraguayan government.

Citizens of the United States, also, who were established in business in Paraguay, bave