

Democrat and Sentinel.

THE BLESSINGS OF GOVERNMENT, LIKE THE DEWS OF HEAVEN, SHOULD BE DISTRIBUTED EQUALLY UPON THE HIGH AND THE LOW, THE RICH AND THE POOR.

NEW SERIES.

EBENSBURG, PA., WEDNESDAY, DECEMBER 22, 1858

VOL. 6--NO. 5.

TERMS:
 Published every Wednesday Morning at
 FIFTY CENTS PER ANNUM,
 payable in advance. ONE DOLLAR AND SEVENTY
 FIVE CENTS if not paid within six months, and
 TWO DOLLARS if not paid until the termination
 of the year.
 No subscription will be taken for a shorter
 period than six months, and no subscriber will be
 at liberty to discontinue his paper until all ar-
 rangements are paid, except at the option of the
 editor.
 Any person subscribing for six months will be
 charged ONE DOLLAR, unless the money is paid
 in advance.

Advertising Rates.
One insert'n. Two do. Three do

| | | | |
|-------------------------|-------|-------|---------|
| 1 square, (12 lines) | \$ 50 | \$ 75 | \$ 1 00 |
| 2 squares, (24 lines) | 1 00 | 1 50 | 2 00 |
| 3 squares, (36 lines) | 1 50 | 2 00 | 3 00 |
| 4 squares, (48 lines) | 2 00 | 2 50 | 3 50 |
| 5 squares, (60 lines) | 2 50 | 3 00 | 4 00 |
| 6 squares, (72 lines) | 3 00 | 3 50 | 4 50 |
| 7 squares, (84 lines) | 3 50 | 4 00 | 5 00 |
| 8 squares, (96 lines) | 4 00 | 4 50 | 5 50 |
| 9 squares, (108 lines) | 4 50 | 5 00 | 6 00 |
| 10 squares, (120 lines) | 5 00 | 5 50 | 6 50 |
| 11 squares, (132 lines) | 5 50 | 6 00 | 7 00 |
| 12 squares, (144 lines) | 6 00 | 6 50 | 7 50 |
| 13 squares, (156 lines) | 6 50 | 7 00 | 8 00 |
| 14 squares, (168 lines) | 7 00 | 7 50 | 8 50 |
| 15 squares, (180 lines) | 7 50 | 8 00 | 9 00 |
| 16 squares, (192 lines) | 8 00 | 8 50 | 9 50 |
| 17 squares, (204 lines) | 8 50 | 9 00 | 10 00 |
| 18 squares, (216 lines) | 9 00 | 9 50 | 10 50 |
| 19 squares, (228 lines) | 9 50 | 10 00 | 11 00 |
| 20 squares, (240 lines) | 10 00 | 10 50 | 11 50 |
| 21 squares, (252 lines) | 10 50 | 11 00 | 12 00 |
| 22 squares, (264 lines) | 11 00 | 11 50 | 12 50 |
| 23 squares, (276 lines) | 11 50 | 12 00 | 13 00 |
| 24 squares, (288 lines) | 12 00 | 12 50 | 13 50 |
| 25 squares, (300 lines) | 12 50 | 13 00 | 14 00 |
| 26 squares, (312 lines) | 13 00 | 13 50 | 14 50 |
| 27 squares, (324 lines) | 13 50 | 14 00 | 15 00 |
| 28 squares, (336 lines) | 14 00 | 14 50 | 15 50 |
| 29 squares, (348 lines) | 14 50 | 15 00 | 16 00 |
| 30 squares, (360 lines) | 15 00 | 15 50 | 16 50 |
| 31 squares, (372 lines) | 15 50 | 16 00 | 17 00 |
| 32 squares, (384 lines) | 16 00 | 16 50 | 17 50 |
| 33 squares, (396 lines) | 16 50 | 17 00 | 18 00 |
| 34 squares, (408 lines) | 17 00 | 17 50 | 18 50 |
| 35 squares, (420 lines) | 17 50 | 18 00 | 19 00 |
| 36 squares, (432 lines) | 18 00 | 18 50 | 19 50 |
| 37 squares, (444 lines) | 18 50 | 19 00 | 20 00 |
| 38 squares, (456 lines) | 19 00 | 19 50 | 20 50 |
| 39 squares, (468 lines) | 19 50 | 20 00 | 21 00 |
| 40 squares, (480 lines) | 20 00 | 20 50 | 21 50 |

Long advertisements must be marked with
 the number of insertions desired, or they will
 be charged until forbidden, and charged accordingly.

PRESIDENT'S MESSAGE.

CONCLUDED.

In August, 1852, the Accessory Transit Company made its first interoceanic trip over the Nicaragua route, and continued in successful operation, with great advantage to the public, until the 10th of February, 1856, when it was closed, and the grant to this company, as well as its charter, was summarily and arbitrarily revoked by the Government of 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 till 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 rival 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 10th 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 pretenses 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 the constant internal dissensions, 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 repassing 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 would 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 territories of Nicaragua, even to prevent the destruction of the transit, and protect the lives and property of their own citizens on their passage. It is true, that on 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 the act authorizing the President, under such restrictions as they may deem proper to employ the land and naval forces 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.

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 Nicaragua route, seem 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 were killed and wounded, were 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 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 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, which contained just and acceptable provisions for their redress. 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 Granada 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 United States transported over the Panama Railroad. The government of New Granada has been informed that the United States would consider the collection of either 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 prepared to discuss these questions in a spirit of amity and justice, and 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 exchange. 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 against 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 successful effort, will be made by our minister to procure their final adjustment.

On the 21 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 deemed necessary, and advisable" "for the purpose of adjusting the differences between the United States and the republic of Paraguay, in connection with the attack on the United States steamer, Water Witch, and with other measures referred to" in his annual message. And on the 12th July following, they made an appropriation to defray the expense 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 Paraguayan 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 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 to 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 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 1849, 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 knew 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 ac-

cumulated 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 into competition with our own, must ever produce disastrous results to our domestic manufactures. 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 the act of the 23d of December, 1857, authorized the issue of \$20,000,000 of treasury notes; and, this proving inadequate they authorized, by the act of June 14th, 1858, the 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 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. Beside, 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, sound policy requires 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 of 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 fraud 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 prosperous, the duties rise in amount when he least requires 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, could 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 *ad valorem* duty at a certain rate per centum, to substitute in its place an equivalent specific duty.

By such an arrangement the consumer would not be injured. It is true, 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 an other, and in a series of years these would counterbalance each other, and amount to the same thing, so far as his interest is concerned. This 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 observation, 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 \$70,273,869 59, which amount, with the balance of \$17,710,114 27 remaining in the treasury at the commencement of the year, made an aggregate for the service of the year of \$87,983,983 86.

The public expenditures during the fiscal year ending June 30, 1858, amounted to \$1,585,607 76, of which \$9,634,837 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, \$6,398,317 10.

The receipts in the treasury, during the first quarter of the present fiscal year, commencing the 1st July, 1858, including one-half of the loan of £20,000,000, with the premium upon it, authorized by the act of 14th June, 1858, were \$25,240,879 47, and the estimated receipts for the remaining three quarters to the 30th June, 1859, from ordinary sources, are \$38,500,000, making with the balance before stated, an aggregate of \$70,120,105 56.

The expenditures, during the first quarter of the present fiscal year, were \$21,768,108 51, of which \$1,010,142 37 were applied to the payment of the public debt and the redemption of treasury and the interest

thereon. The estimated expenditures, during the remaining three quarters to 30th June, 1859, are \$55,157,698 48, making an aggregate of \$74,065,906 90, being an excess of expenditure, beyond the estimated receipts into the treasury from ordinary sources, during the fiscal year to the 30th June, 1860, of \$3,036,701 44. Extraordinary means are placed by law within the command of the Secretary of the Treasury, by the issuance of treasury notes redeemed, and by negotiating the balance of the loan authorized by the act of 14th June, 1858, to the extent of \$11,000,000, which, if realized during the present fiscal year, will leave a balance in the treasury, on the 1st day of July, 1859, of \$7,063,208 57.

The estimated receipts during the next fiscal year ending 30th June, 1860, are \$62,000,000, which with the above estimated balance of \$7,063,168 57, make an aggregate for the service of the next fiscal year of \$69,063,168 57. The estimated expenditures during the next fiscal year ending 30th June, 1860, are \$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 \$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, \$3,838,728, as explained in the report of the Secretary of the Treasury, which will increase the estimated deficit for the year ending 30th June, 1860, to \$7,914,577 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 out-standing 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 therefore 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 \$26,153,977 66.

During the first quarter of the present year, the sum of \$10,000,000 has been negotiated by the loan authorized by the act of 14th June, 1858—making the present outstanding public debt, exclusive of treasury notes, \$36,153,977 66. There was on the 1st of July, 1857, of treasury notes issued by authority of the act of December 23, 1857, unredeemed, the sum of \$19,754,900—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 distributed under the strictest accountability. Enlightened economy does not consist in the refusal to appropriate money for constitutional purposes essential for the defence, progress and prosperity of the Republic, but in taking care that none of this money shall be wasted by mismanagement in its application to the objects designated by law.

Comparisons between the expenditures at the present time and what it was twenty years ago, are altogether fallacious. The rapid increase of our country in extent and population renders a corresponding increase of expenditure, to some extent, unavoidable. This is constantly creating new objects of expenditure, and augmenting the amount required for the old. The true question, then, are these objects been unnecessarily multiplied? or, has the amount expended upon any or all been larger than comports with due economy? In accordance with these principles, the different executive departments of the government have been instructed to reduce their estimates for the next fiscal year to the lowest standard consistent with the efficiency of the service, and this duty they have performed in a spirit of economy.

The estimates of the Treasury, War, Navy and Interior Departments have each been in some degree reduced; and unless a sudden and unforeseen emergency should arise, it is not anticipated that a deficiency will exist either the present or the next fiscal year. The Post Office Department is placed in a peculiar position, different to the other departments, and to this I shall hereafter refer.

I invite Congress to institute a rigid scrutiny to ascertain whether the expenses in all the departments cannot be still further reduced; and I promise them all the aid in my power in pursuing the investigation.

I transmit herewith the reports made to me by the Secretaries of War, of the Navy, of the Interior and of the Postmaster General. They each contain valuable information and important recommendations, to which I invite the attention of Congress.

In my last annual message, I took occasion to recommend the immediate construction of ten small steamers, of light draught, for the purpose of increasing the efficiency of the navy. Congress responded to the recommendation by authorizing the construction of eight of them. The progress which has been made in executing this authority is stated in the report of the Secretary of the Navy. I concur with him in the opinion that a greater number of this class of vessels is necessary for the purpose of protecting in a more effi-

cient manner the persons and property of American citizens on the high seas, and foreign countries, as well as in guarding more effectually our own coasts. I accordingly recommend the passage of an act for this purpose.

The suggestions contained in the report of the Secretary of the Interior, especially those in regard to the disposition of the public domain, the pension and bounty-land system, the policy towards the Indians, and the amendment of our patent laws, are worthy of the serious consideration of Congress.

The Post Office Department occupies a position very different from that of the other departments. For many years it was the policy of the government to render this a self-sustaining department; and if this cannot now be accomplished, in the present condition of the country we ought to make as near an approach to it as may be practicable.

The Postmaster General is placed in a most embarrassing position by the existing laws. He is obliged to carry these into effect. He has no alternative. He finds, however, that this cannot be done without heavy demands upon the treasury over and above what is received for postage; and these have been progressively increasing from year to year until they amounted for the last fiscal year ending on the 30th of June, 1858, to more than four millions and a half of dollars; whilst it is estimated that for the present fiscal year they will amount to \$6,290,000.—These sums are exclusive of the annual appropriation of \$700,020 for "compensation for the mail service performed for the two houses of Congress and the other departments and officers of the government in the transportation of free matter."

The cause of these large deficits is mainly attributable to the increased expense of transporting the mails. In 1852 the sum paid for this service was but a fraction above four millions and a quarter. Since that year, it has annually increased until in 1858 it has reached more than eight millions and a quarter; and for the service of 1859, it is estimated that it will amount to more than ten millions of dollars.

The receipts of the Post Office Department can be made to approach or equal its expenditure, only by means of the legislation of Congress. In applying any remedy, care should be taken that the people shall not be deprived of the advantages, which they are fairly entitled to enjoy from the Post Office Department. The principal remedies recommended to the consideration of Congress by the Post Master General, are to restore the former rate of postage upon single letters to five cents; to substitute for the franking privilege the delivery to those now entitled to enjoy it, of postage stamps for their correspondence, and to direct the department, in making contracts for the transportation of the mail, to confine itself to the payment of the sum necessary for this single purpose, without requiring it to be transported in post coaches or carriages of any particular description. Under the present system, the expense to the government is greatly increased by requiring that the mail shall be carried in such vehicles as will accommodate passengers. This will be done without pay from the department, over old roads where the travel will remunerate the contractors.

These recommendations deserve the grave considerations of Congress. I would again call your attention to the construction of a Pacific railroad. Time and reflection have but served to confirm me in the truth and justice of the observations which I made, on this subject, in my last annual message, to which I beg leave respectfully to refer.

It is freely admitted that it would be inexpedient for this government to exercise the power of constructing the Pacific railroad by its own immediate agents. Such a policy would increase the patronage of the executive to a dangerous extent, and introduce a system of jobbing and corruption, which no vigilance on the part of federal officials could either prevent or detect. This can only be done by the keen eye, and the active and careful supervision of individual and private interest.

The construction of the road, ought, therefore, to be committed to companies incorporated by the States, or other agencies whose pecuniary interests would be directly involved. Congress might then assist them in the work by grants of land or of money, or both, under such circumstances and restrictions as would secure the transportation of troops and munitions of war free from any charge, and that of the United States at a fair and reasonable price.

The progress of events since the commencement of your last session has shown how soon difficulties disappear before a firm and determined resolution. At that time such a road was deemed by wise and patriotic men to be a visionary project. The great distance to be overcome, and the intervening mountains and deserts in the way, were obstacles which, in the opinion of many could not be surmounted. Now after the lapse of but a single year, these obstacles, it has been discovered, are far less formidable than they were supposed to be; and mail stages, with passengers, now pass and re-pass regularly twice in each week, by a common wagon road between San Francisco and St. Louis and Memphis, in less than twenty-five days. The service has been as regularly performed as it was in former years between New York and this city.

Whilst disclaiming all authority to appropriate money for the construction of this road except that derived from the war making power of the Constitution, there are important collateral considerations urging us to undertake the work as speedily as possible. The first and most momentous of these is, that such a road would be a powerful bond of union between the States east and west of