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exercise of the same spirit of forbearance which is inculcated by you (Mr. Marcy) on the authorities and citizens of the United States. Thus matters remained upon the faith of this arrangement until the month of July last, when General Harney paid a visit to the island He found upon it twenty five American residents, with their families, and also an establishment of the Hudson's Bay Company, for the purpose of raising sheep. A short time before his arrival, one of these residents had shot an animal belonging to the company whilst trespassing upon his premises, for which, however, he offered to pay twelve its value, but that was refused. Soon after, the chief factor of the company, Mr. Dallas, son-in-law of Gov. Douglass, came to the island in the British sloop-of-war Satellite, and threatened to take this American, Mr. Cutler, by force to Victoria, to answer for the trespass he had committed. The American seized his rifle and told Mr. Dallas if any such attempt was made he would kill him on the spot. The affair then ended.

Under these circumstances, the American settlement presented a petition to the General, through the United States Inspector of Customs, Mr. Hubbs, to place a force on the island to protect them from the Indians as well as the oppressive interference of the authorities of the Hudson's Bay Company, at Victoria, with their rights as American citizens The General immediately responded to this petition, and ordered Capt. Geo. Pickett, 9th infantry, to establish his company at Bellevue, or San Juan Island, on some suitable position near the harbor, at the south-eastern extremity. This order was promptly obeyed; a military post was established at the place designated. The force was afterwards increased, so that by the last return the whole number of troops then on the island amounted to 691 men. Whilst I do not deem it proper, on the present occasion, to make any comments upon the credibility which ought to be attached to the statements of the British colonial authorities, contesting the accuracy of the information on which the gallant General acted, it was due to him that I should thus present his own reasons for issuing the order to Capt. Pickett. From these it is clear his object was to prevent the British authorities on Vancouver's Island from exercising jurisdiction over American residents on the Island of San Juan, as well as to protect them against the incursions of the Indians. Much excitement prevailed for some time throughout that region, and serious danger of a collision between the parties was apprehended. The British have a large naval force in the vicinity, and it is but an act of simple justice to the Admiral of that station to state that he wisely and discreetly forbore to commit any hostile act, but determined to refer the whole affair to his government, and await their instruction.

This aspect of the matter, in my opinion, demanded serious attention. It would have been a great calamity for both nations had they been precipitated into acts of hostility, not on the question of title to the island, but merely concerning what should be its condition during the intervening period while the two governments might be employed in settling the question to which of them it belongs For this reason Lt. General Scott was dispatched on the 17th of September last to Washington Territory, to take immediate command of the United States forces on the Pacific coast, should he deem this necessary. The main object of his mission was to carry out the spirit of the precautionary arrangement between the late Secretary of State and the British Minister, and thus to preserve the peace and prevent a collision between the British and American authorities, pending the negotiations between the two governments Entertaining no doubt of the validity of our title, I need scarcely add that, in any event, American citizens were to be placed on a footing at least as favorable as that of the British subjects, it being understood that Capt. Pickett's company should remain on the island. It is proper to observe, that considering the distance from the scene of action, and in ignorance of what might have transpired on the spot before the General's arrival, it was necessary to leave much to his discretion, and I am happy to state the event has proven that this discretion could not have been entrusted to more competent hands. General Scott has recently returned from his mission, having successfully accomplished its object, and there is no longer any good reason to apprehend a collision between the forces of the two countries during the pendency of the existing negotiations.

MEXICO.

I regret to inform you that there has been no improvement in the affairs of Mexico since my last annual message, and I am again obliged to ask the earnest attention of Congress to the unhappy condition of that republic. The constitutional Congress of Mexico, which adjourned on the 17th of January, 1857, adopted a constitution and provided for a popular election. This took place in the following July, 1857, and General Comonfort was chosen President almost without opposition. At the same election a new Congress was chosen, whose first session commenced on the 16th of September, 1857. By the constitution of 1857, the Presidential term was to begin on the first of December, 1857, and continue four years. In the mean time Gen. Comonfort appeared before the assembled Congress in the City of Mexico, took the oath to support the new constitution, and was duly inaugurated as President. Within a month afterwards he had been driven from the Capitol, and a military rebellion had assigned the supreme power of the Republic to Zuloago. The constitution provided that in the absence of the President his office should devolve upon the Chief Justice of the Supreme Court, and Gen. Comonfort having left the country, this functionary, Gen. Juarez, proceeded to form, at Guanajuato, a constitutional government. Before this was officially known, however, at the Capitol, the government of Zulogo had been recognized by the entire diplomatic corps, including the Minister of the United States as the *de facto* government of Mexico. The constitutional President, nevertheless, maintained his position with firmness, and was soon established with his Cabinet at Vera Cruz. Meanwhile the government of Zuloago was earnestly resisted in many parts of the Republic, and even in the Capitol, a portion of the army having pronounced against it, its functions were declared terminated, and an assembly of citizens was invited for the choice of a new President; this assembly elected General Miramon, but that officer repudiated the plan under which he was chosen, and Zuloago was then restored to his previous position. He assumed it, however, only to withdraw from it, and Miramon having become, by his appointment, President substitute, continues with that title at the head of the insurgent party.

In my last annual message I communicated to Congress the circumstances under which the late Minister of the United States suspended his official relations with the Central Government, and withdrew from the country. It was impossible to maintain friendly intercourse with a government like that at the capital, under whose usurped authority wrongs were constantly committed, but never redressed. Had this been an established government, with its power extending, by the consent of the people, over the whole of Mexico, a resort to hostilities against it would have been quite justifiable, and indeed necessary. But the country was a prey to civil war, and it was hoped that the success of the Constitutional President might lead to a condition of things less injurious to the United States. This success became so probable that, in January last, I employed a reliable agent to visit Mexico and report to me the actual condition and prospects of the contending parties. In consequence of his report, and from information which reached me from other sources, favorable to the prospects of a constitutional cause, I felt justified in appointing a new Minister to Mexico, who might embrace the earliest suitable opportunity of restoring our diplomatic relations with that republic. For this purpose a distinguished citizen of Maryland was selected, who proceeded on his mission on the 8th of March last, with discretionary authority to recognize the government of President Juarez, if, on his arrival in Mexico, he should find it entitled to such recognition, according to the established practice of the United States. On the 7th of April following, Mr. McLain presented his credentials to President Juarez, having no hesitation in pronouncing the government of Juarez to be the only existing government of the republic. He was cordially received by the authorities at Vera Cruz, and they have ever since manifested the most friendly disposition towards the United States. Unhappily, however, the Constitutional Government has not been able to establish its power over the whole republic. It is supported by a large majority of the people and the States, but there are important parts of the country where it can enforce no obedience. General Miramon maintains himself at the capital, and in some of the distant provinces there are military governors who pay little respect to the decrees of either government. In the meantime the excesses which always attend upon civil war, and especially in Mexico, are constantly recurring; outrages of the worst description are committed both upon persons and property. There is scarcely any form of injury which has not been suffered by our citizens in Mexico during the last few years. We have been nominally at peace with that Republic, but so far as the interests of our commerce, and of our citizens who have visited the country as merchants, shipmasters or in other capacities, are concerned, we might as well have been at war. Life has been insecure, property unprotected, and trade impossible, except at a risk of loss which prudent men cannot be expected to incur. Important contracts, involving large expenditures entered into by the central government, have been set at defiance by the local governments. Peaceful American residents, occupying their rightful possessions, have been suddenly expelled the country in defiance of treaties and by the mere force of arbitrary power. Even the course of justice has not been safe from control, and a recent decree of Miramon permits the intervention of government in all suits where either party is a foreigner. Vessels of the United States have been seized without law, and a consular officer, who protested against such seizure, has been fined and imprisoned for disrespect to the authorities. Military contributions have been levied, in violation of every principle of right, and the American who resisted the lawless demand has had his property forcibly taken away, and has been himself banished. From a conflict of authority in different parts of the country, tariff duties, which have been paid in one place, have been exacted over again in another place. Large numbers of our citizens have been arrested and imprisoned without any form of examination or any opportunity for a hearing, and, even when released, have only obtained their liberty after much suffering and injury, and without any hope of redress The wholesale massacre of Crabbe and his associates, without trial, in Sonora, as well as the seizure and murder of four sick Americans, who had taken shelter in the house of an American, upon the soil of the United States, was communicated to Congress at its last session. Murders of a still more atrocious character have been committed in the very heart of Mexico, under the authority of Miramon's government, during the present year. Some of these were only worthy of a barbarous age, and if they had not been clearly proven, would have seemed impossible in a country which claims to be civilized. Of this description was the brutal massacre in April last, by order of Gen. Marquez, of three American physicians, who were seized in the hospital at Tacubaya, while attending upon the sick and dying of both parties, and without trial, as without crime, were hurried away to a speedy execution. Little less shocking was the recent fate of Ormond Chase, who was shot in Tepic, on the 7th of August, by order of the same Mexican General, not only without a trial, but without any conjecture by his friends of the cause of his arrest. He is represented as a young man of good character and intelligence, who had made numerous friends in Tepic, by the courage and humanity which he had displayed on several trying occasions, and his death was unexpected as it was shocking to the whole community. Other outrages might be enumerated, but these are sufficient to illustrate the wretched state of the country, and the unprotected condition of the persons and property of our citizens in Mexico.

In all these cases our ministers have been constant and faithful in their demands for redress, but both they and this government, which they have successively represented, have been wholly powerless to make their demands effective. Their testimony in this respect, and in reference to the only remedy which, in their judgment, would meet the exigency, has been both uniform and emphatic. "Nothing but a manifestation of the power of the government of the United States," wrote our late Minister, in 1857, "and of its purpose to punish these wrongs will avail. I assure you that the universal belief here is, that there is nothing to be apprehended from the government of the United States, and that local Mexican officials can commit these outrages upon American citizens with absolute impunity."

"I hope the President," wrote our present Minister in August last, "will feel authorized to ask from Congress the power to enter Mexico with the military forces of the United States, at the call of the constitutional authorities, in order to protect the citizens and treaty rights of the United States. Unless such a power is conferred upon him, neither the one or the other will be respected in the existing state of anarchy and disorder, and the outrages already perpetrated will never be chastised, and as I assured you in my No. 23, all these evils must increase until every vestige of order and government disappears from the country."

I have been reluctantly led to the same opinion, and in justice to my countrymen, who have suffered wrongs from Mexico, and who may still suffer them, I feel bound to announce this conclusion to Congress.

The case presented, however, is not merely a case of individual claims, although our just claims against Mexico have reached a very large amount, nor is it merely the case of protection to the lives and property of the few Americans who may still remain to Mexico, although the life and property of every American citizen ought to be sacredly protected in every quarter of the world, but it is a question which relates, to the future, as well as to the present and the past, and which involves, indirectly at least, the whole subject of our duty in Mexico as a neighboring State. The exercise of the power of the United States in that country to redress the wrongs and protect the rights of our own citizens, is none the less to be desired, because efficient and necessary aid may thus be rendered at the same time to restore peace and order to Mexico itself. In the accomplishment of this result, the people of the United States must necessarily feel a deep and earnest interest. Mexico ought to be a rich, and prosperous, and powerful republic. She possesses an extensive territory, a fertile soil, and an incalculable store of mineral wealth. She occupies an important position between the gulf and the ocean, for transit and for commerce. Is it possible that such a country as this can be given up to anarchy and ruin, without an effort from any quarter for its safety. Will the commercial nations of the world, which have so many interests connected with it, remain wholly indifferent to such a result? Can the United States especially, which ought to share more largely in its commercial intercourse, allow their immediate neighbor thus to destroy itself and injure them? Yet without support from some quarter it is impossible to perceive how Mexico can resume her position among nations, and enter upon a career which promises any good results. The aid which she requires, and which the interests of all commercial countries require that she should have, it belongs to this government to render, not only by virtue of our neighborhood to Mexico, along whose territory we have a continuous frontier of nearly a thousand miles, but by virtue, also, of our established policy, which is inconsistent with the intervention of any European power in the domestic concerns of that republic.

MILITARY FORCE RECOMMENDED.

The wrongs which we have suffered from Mexico are before the world, and must deeply impress every American citizen A government which is either unable or unwilling to redress such wrongs, is derelict to its highest duties. The difficulty consists in selecting and enforcing the remedy. We may in vain apply to the constitutional government at Vera Cruz, although it is well disposed to do us justice, for adequate redress. Whilst its authority is acknowledged in all the important ports and throughout the sea coasts of the Republic, its power does not extend to the City of Mexico and the States in its vicinity, where nearly all the recent outrages have been committed on American citizens. We must penetrate into the interior before we can reach the offenders, and this can only be done by passing through the territory in the occupation of the constitutional government. The most acceptable and least difficult mode of accomplishing the object, will be to act in concert with that government. Their consent and their aid might, I believe, be obtained; but if not, our obligation to protect our own citizens in their just rights, secured by treaty, would not be less imperative. For these reasons, I recommend to Congress to pass a law, authorizing the President, under such conditions as they may deem expedient, to employ a sufficient military force to enter Mexico for the purpose of obtaining indemnity for the past, and security for the future. I purposely refrain from any suggestion as to whether this force shall consist of regular troops or volunteers, or both. This question may be most appropriately left to the decision of Congress. I would merely observe, that should volunteers be selected, such a force could be easily raised in this country, among those who sympathise with the sufferings of our unfortunate fellow citizens in Mexico, and with the unhappy condition of that Republic. Such an accession to the forces of the constitutional government would enable it soon to reach the City of Mexico, and extend its power over the whole Republic. In that event, there is no reason to doubt that the just claims of our citizens would be satisfied, and adequate redress obtained for the injuries inflicted upon them.—The constitutional government have ever evinced a strong desire to do us justice, and this might be secured in advance, by a preliminary treaty.

It may be said that these measures will, at least indirectly, be inconsistent with our wise and settled policy not to interfere in the domestic concerns of foreign nations, but does not the present case fairly constitute an exception? An adjoining Republic in a state of anarchy and confusion, from which she has proved wholly unable to extricate herself; she is entirely destitute of her power to maintain peace upon her borders, or to prevent the incursions of banditti into our Territory. In her fate, her fortune, and the power to establish and maintain a settled Government, we have a far deeper interest, socially, commercially, and politically than any other nation. She is now a wreck upon the ocean, drifting about as she is impelled by different factions. As a good neighbor, shall we not extend to her a helping hand to save her? If we do not, it would not be surprising should some other nation undertake the task, and thus force us to interfere at last under circumstances of increased difficulty for the maintenance of our established policy.

SONORA AND CHIHUAHUA.

I repeat the recommendation contained in my last annual Message, that authority may be given to the President to establish one or more temporary military posts across the Mexican line in Sonora and Chihuahua, where these may be necessary to protect the lives and property of American and Mexican citizens against the incursions and depredations of the Indians, as well as of lawless rovers in that remote region. The establishment of one such post, at a point called Arispe, in Sonora, in a country now almost depopulated by the hostile inroads of the Indians from our side of the line, would, it is believed, have prevented much injury and many cruelties during the past season. A state of lawlessness and violence prevails on that distant frontier. Life and property are there wholly insecure. The population of Arizonia, now numbering more than ten thousand souls, are practically destitute of government, of laws, or of any regular administration of justice. Murder, rapine, and other crimes are committed with impunity. I, therefore, again call the attention of Congress to the necessity for establishing a Territorial Government over Arizonia.

NICARAGUA.

The treaty with Nicaragua, of the 16th February, 1857, to which I referred in my last annual Message, failed to receive the ratification of the Government of that Republic, for reasons I need not enumerate. A similar treaty has since been concluded between the parties, bearing date 16th March, 1859, which has already been ratified by the Nicaraguan Congress. This will be immediately submitted to the Senate for their ratification; its provisions cannot, I think, fail to be acceptable to the people of both countries. Our claims against the Governments of Costa Rica and Nicaragua remain unredressed, although they are pressed in an earnest manner, and not without hopes of success. I deem it to be my duty once more earnestly to recommend to Congress the passage of a law authorizing the President to employ the naval force at his command for the purpose of protecting the lives and property of American citizens passing in transito across the Panama, Nicaraguan, and Tehuantepec routes against sudden and lawless outbreaks and depredations. I shall not repeat the argument employed in former messages in support of this measure, suffice it to say that the lives of many of our people, and the security of vast amounts of treasure passing and re-passing over one or more of these routes, between the Atlantic and Pacific, may be deeply involved in the action of Congress on this subject.

PROTECTION TO AMERICAN VESSELS.

I would also again recommend to Congress that authority be given to the President, to employ the naval force to protect American merchant vessels, their crews and cargoes, against violent and lawless seizure and confiscation in the ports of Mexico and the Spanish American States, when these countries may be in a distu bed and revolutionary condition. The mere knowledge that such an authority had been conferred, as I have already stated, would of itself, in a great degree, prevent the evil. Neither would this require any additional appropriation for the naval service. The chief objection urged against the grant of this authority is, that Congress, by conferring it, would violate the Constitution; that it would be a transfer of the war making, or, strictly speaking, the war declaring power, to the Executive. If this were well founded, it would, of course, be conclusive. A very brief examination, however, will place this objection at rest. Congress possesses the sole and exclusive power, under the Constitution, to declare war. They alone can raise and support armies and provide and maintain a navy. But after Congress shall have declared war, and provided the force necessary to carry it on, the President, as Commander-in-chief of the army and navy, can alone employ this force in making war against the enemy. This is the plain language, and history proves that it was the well known intention of the framers of the Constitution.

It will not be denied that the general power to declare war is without limitation, and embraces within itself not only what writers on the Law of Nations term a public or perfect war, but also an imperfect war, and in short every species of hostility, however confined or limited. Without the authority of Congress, the President cannot fire a hostile gun, in any case, except to repel the attacks of an enemy. It will not be doubted, that under this power, Congress could, if they thought proper, authorize the President to employ the force at his command, to seize a vessel belonging to an American citizen, which has been illegally employed and captured in a foreign port, and restore to its owner, but can Congress only act after the fact—after the mischief has been done? Have they not power to confer upon the President the authority in advance to furnish instant redress, should such a case afterwards occur? Must they wait until the mischief has been done, and can then apply the remedy, only when it is too late? To confer this authority, to meet future cases under circumstances strictly specific, is as clearly within the war-declaring power as such an authority conferred upon the President by act of Congress after the deed has been done. In the progress of a great nation, many exigencies must arise, imperitively requiring that Congress should authorize the President to act promptly on certain conditions which may not afterward arise. Our history has already presented a number of such cases. I shall refer only to the latest.

A CASE IN POINT.

Under the resolution of June 2d, 1858, for the adjustment of difficulties with the Republic of Paraguay, the President is authorized to adopt such measures and use such force as in his judgment may be necessary and advisable in the event of a refusal of just satisfaction by the Government of Paraguay. Just satisfaction for what? For the attack on the United States steamer *Water Witch*, and other matters referred to in the annual Message of the President. Here the power is expressly granted, upon the condition that the Government of Paraguay shall refuse to render this just satisfaction. In this and other similar cases, Congress have conferred upon the President power in advance to employ the army and navy upon the happening of contingent future events, and this most certainly is embraced within the power to declare war. Now, if this conditional and contingent power could be constitutionally conferred upon the President in the case of Paraguay, why may it not be conferred for the purpose of protecting the lives and property of American citizens, in the event that they may be violently and unlawfully attacked in passing over the transit routes to and from California, or assailed by the seizure of their vessels in a foreign port? To deny this power is to render the navy, in a great degree, useless, for the protection of the lives and property of American citizens in countries where neither protection nor redress can be otherwise obtained.

THE POST OFFICE.

The Thirty Fifth Congress terminated on the third day of March, 1859, without having passed the act making appropriations for the service of the Post Office Department during the fiscal year ending 30th June, 1860. This act also contained an appropriation to supply deficiencies in the revenue of the Post Office Department for the year ending the 30th June, 1859. I believe that this is the first instance since the origin of the Federal Government, now more than seventy years ago, when any Congress went out of existence without having passed all the general appropriation bills necessary to carry on the Government until the regular period of the meeting of a new Congress. This event imposed on the Executive a grave responsibility. It presented a choice of evils. Had this omission of duty occurred at the first session of the last Congress, the remedy would have been plain. I might then have instantly recalled them to complete their work, and this without expense to the Government. But on the fourth of March last, there were fifteen of the thirty-three States which had not elected any representatives to the present Congress. Had Congress been called together immediately, these States would have been virtually disfranchised. If an intermediate period had been selected, several of the States would have been compelled to hold extra sessions of their Legislature, and at a great inconvenience and expense to provide for elections at an earlier day than that previously fixed by law. In the regular course, ten of these States would not elect until after the beginning of August, and five of these ten not until October and November. On the other hand, when I came to examine carefully the condition of the Post Office Department, I did not meet as many or as great difficulties as I had apprehended. Had the bill which failed, been confined to appropriations for the fiscal year ending on the 30th June next, there would have been no reason of pressing importance for the call of an extra session. Nothing would become due on contracts, those with railroad companies only excepted, for carrying the mail for the first quarter of the present fiscal year, commencing on the 1st of July, until 1st December, less than one week before the meeting of the present Congress. The reason is, that the mail contractors, for this, the current year, did not complete their first quarter's service until the 30th of September last, and, by the terms of their contracts, sixty days more are allowed for the settlement of their accounts, before the Department could be called upon for payment. The great difficulty and the great hardship consisted in the failure to provide for the payment of the deficiency in the fiscal year ending the 30th June, 1859. The Department had entered into contracts, in obedience to existing laws, for the service of that fiscal year, and the contractors were fairly entitled to their compensation as it became due. The deficiency, as stated in the bill, amounted to $3,885,728; but after a careful settlement of all these accounts, it has been ascertained that it amounts to $4,296,000. With the scanty means at his command, the Postmaster General has managed to pay that portion of this deficiency which occurred in the first two quarters of the past fiscal year, ending on the 31st December last.

In the meantime the contractors themselves, under these trying circumstances, have behaved in a manner worthy of all commendation. They had one resource in the midst of their embarrassments. After the amount due to each of them had been ascertained and finally settled according to law, this became a specific debt of record against the United States, which enabled them to borrow money on this unquestionable security. Still they were obliged to pay interest in consequence of the default of Congress, and on every principle of justice ought to receive interest from the Government. This interest should commence from the date when a warrant would have issued for the payment of the principal had an appropriation been made for this purpose. Calculated up to the 1st of December, it will not exceed $96,660, a sum not to be taken into account when contrasted with the great difficulties and embarrassments of a public and private character, both with the people and the States which would have resulted from convening and holding a special session of Congress.

SERIOUS REFLECTIONS.

For these reasons, I recommend the passage of an Act as early a day as may be practicable to provide for the payment of the amount, with interest, due to these last mentioned contractors, as well as to make the necessary appropriations for the services of the Post Office Department for the current fiscal year. The failure to pass the Post Office bill, necessarily gives birth to serious reflection. Congress, by refusing to pass the general appropriation bills necessary to carry on the Government, may not only arrest its action, but might destroy its existence. The Army, the Navy, the Judiciary, in short, every Department of the Government can no longer perform their functions if Congress refuse the money necessary for their support. If this failure should teach the country the necessity of electing a full Congress in sufficient time to enable the President to convene them in any emergency, even immediately after the old Congress has expired, it will have been productive of great good. In a time of sudden and alarming danger, foreign or domestic, which all nations must expect to encounter in their progress, the very salvation of our institutions may be staked upon the assembling of Congress without delay. If, under such circumstances, the President should find himself in the condition in which he was placed at the close of the last Congress, with nearly half the States of the Union destitute of representatives, the consequence might be disastrous. I therefore recommend to Congress to carry into effect the provisions of the Constitution on this subject, and to pass a law appointing some day previous to the 4th of March in each year of odd number, for the election of representatives throughout all the States. They have already appointed a day for the election of electors for President and Vice President, and this measure has been approved by the country.

PACIFIC RAILROAD.

I would again express a most decided opinion in favor of the construction of a Pacific Railroad, for the reasons stated in my two last annual messages. When I reflect upon what would be the defenceless condition of our States and Territories West of the Rocky Mountains, in case of a war with a naval power sufficiently strong to interrupt all intercourse with them by the route across the Isthmus, I am still more convinced than ever of the vast importance of this Railroad. I have never doubted the constitutional competency of Congress to provide for its construction, but this is exclusively under the war making power; besides, the Constitution expressly requires, as an imperative duty, that the United States shall protect each of the States against invasion. I am at a loss to conceive how this protection can be afforded to California and Oregon against such a naval power by any other means. I repeat the opinion contained in my last annual Message, that it would be inexpedient for the Government to undertake this great work by agents of its own appointment, and under its direct and exclusive control. This would increase the patronage of the Executive to a dangerous extent, and would foster a system of jobbing and corruption which no vigilance on the part of Federal Officers could prevent.

The construction of this road ought, therefore to be entrusted to incorporated companies, or other agencies, who would exercise that active and vigilant supervision over it which can be inspired alone by a sense of corporate and individual interest. I venture to assert that the additional cost of transporting troops, munitions of war, and necessary supplies for the army, across the vast intervening plains to our possessions on the Pacific coast, would be greater in such a war than the whole amount required to construct the road. And yet this resort would, after all, be inadequate for their defence and protection. We have yet scarcely recovered from the habits of extravagant expenditure produced by our overflowing treasury during several years prior to the commencement of my administration. The financial reverses which we have since experienced, ought to teach us all to scrutinize our expenditures with the greatest vigilance, and to reduce them to the lowest possible point. The Executive Departments of the Government have devoted themselves to the accomplishment of this object with considerable success, as will appear from their different reports and estimates. To these I invite the scrutiny of Congress, for the purpose of reducing them still lower, if this be practicable, consistent with the great public interests of the country. In aid of the policy of retrenchment, I pledge myself to examine closely the bills appropriating lands or money, so that if any of these should inadvertantly pass both Houses, as must sometimes be the case, I may afford them an opportunity for reconsideration; at the same time, we ought never to forget that true public economy consists, not in withholding the means necessary to accomplish important national objects confided to us by the Constitution, but in taking care that the money appropriated, for these purposes shall be faithfully and frugally expended.

MORE REVENUE NEEDED.

It will appear from the report of the Secretary of the Treasury, that it is extremely doubtful, to say the least, whether we shall be able to pass through the present and the next fiscal year without providing additional revenue. This can only be accomplished by strictly confining the appropriation within the estimates of the different Departments, without making an allowance for any additional expenditures, which Congress may think proper in their discretion to authorize, and without providing for the redemption of any portion of the $20,000,000 of treasury notes which have been already issued. In the event of a deficiency, which I consider probable, this ought never to be supplied by a resort to additional loans.

It would be a ruinous practice, in the days of peace and prosperity to go on increasing the national debt to meet the ordinary expenses of the Government. This policy would cripple our resources and impair our credit, in case the existence of war should render it necessary to borrow money.

INCREASE OF DUTIES.

Should such a deficiency occur as I apprehend, I would recommend that the necessary revenue be raised by an increase of our present duties on imports. I need not repeat the opinions expressed in my last annual Message as to the best mode and manner of accomplishing the object, and shall now merely observe that these have since undergone no change.

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 June 30th, 1859, including the loan authorized by the act of 14th June, 1858, and the issues of Treasury notes authorized by existing laws, were $81,692,471.01, which sum, with the balance of $6,398,316.10 remaining in the Treasury at the commencement of that fiscal year, made an aggregate for the service of the year of $88,090,777.11.

FINANCES.

The public expenditure, during the fiscal year ending 30th June, 1859, amounted to $88,751,511.57. Of this sum, $17,405,285.11 were applied to the payment of interest on the public debt, and the redemption of the issues of Treasury notes. The expenditures for all other branches of the public service during that fiscal year were, therefore, $66,346,226 16. The balance remaining in the Treasury July 1st, 1859, being the commencement of the present fiscal year, was $4 339,275.54. The receipts into the Treasury during the first quarter of the present fiscal year, commencing July 1st, 1859, were $20,618,868.85; of this amount, $8,821,300 was received on account of the loan and issue of Treasury notes; the amount of $16,797,565.85 having been received during the quarter from the ordinary sources of public revenue. The estimated receipts for the remaining three quarters of the present fiscal year, to the 30th June, 1860, are $50 426,400.

Of this amount, it is estimated that $5,756,400 will be received for Treasury notes, which may be re issued under the fifth section of the act of the 3d of March last, and $1,170,000 on account of the loan authorized by the Act of June 14th, 1858, making $6,926,400 from these extraordinary sources, and $43,500,000 from the ordinary sources of the public revenue, making an aggregate, with the balance in the Treasury, on the 1st of July, 1859, of $75,884,541.89, for the estimated means of the present fiscal year, ending June 30th, 1860. The expenditures during the first quarter of the present fiscal year, were $20,007,174 78; $4,664,366 76 of this sum were applied to the payment of interest on the public debt and the redemption of the issues of Treasury notes, and the remainder, being $15,342,808, were applied to the ordinary expenditures during the quarter. The estimated expenditures during the remaining three quarters, to June 30, 1860, are $40,995,553.23; of which sum $2,886,621.84 are estimated for the interest on the public debt. The ascertained and estimated expenditure for the fiscal year ending 30th June, 1860, on account of public debt, are accordingly $7,550,988,10, and for the ordinary expenditures of the Government, $58,451,744 80, making an aggregate of $61,002,732 90; leaving an estimated balance in the Treasury on the 30th June, 1860, of $14,881,808 40. The estimated receipts during the next fiscal year, ending the 30th June, 1861, are $66,225,000, which, with the balance estimated, as before stated, as remaining in the Treasury on the 30th June, 1860, will make an aggregate for the service of the next fiscal year, of $80,606,808.40.

The estimated expenditures during the next fiscal year, ending 30th June, 1861, are $66,714,928.79. Of this amount, $3,882,661.34 will be required to pay the interest on the public debt, leaving the sum of $63,328,307.45 for the estimated ordinary expenses in the fiscal year ending 30th June, 1861. Upon these estimates, a balance will be left in the Treasury, on the 30th June, 1861, of $13,891,879.60.

But this balance, as well as that estimated to remain in the Treasury on the 1st July, 1860, will be reduced, by such appropriations as shall be made by law to carry into effect certain Indian treaties during the present fiscal year, asked for by the Secretary of the Interior, to the amount of $530,350, and upon the estimates of the Postmaster General, for the service of his Department the last fiscal year, ending 30th June 1859, amounting to $4,296,009, together with the further estimate of that officer for the service of the present fiscal year, ending 30th June, 1860, being $5,526,324, making an aggregate of $10,361,683. Should these appropriations be made, as requested by the proper Departments, the balance in the Treasury, on the 30th June, 1861, will not, it is estimated, exceed $3,530,196.61.

DEPARTMENTS.

I transmit the reports of the Secretaries of the Navy, of the Interior, and of the Postmaster General. They each contain valuable information and important recommendations, well worthy of the serious consideration of Congress. It will appear from the Report of the Secretary of War, that the army expenditures have been materially reduced, by a system of rigid economy, which in his opinion, offers every guarantee that the reduction will be permanent. The estimates of the Department for the next year have been reduced nearly two millions of dollars below the estimates for the present fiscal year, and half a million of dollars below the amount granted for this year at the last session of Congress. The expenditures of the Post Office Department during the past fiscal year, ending on the 30th of June, 1859, exclusive of payments for mail service specially provided for by Congress, out of the general Treasury, amounts to $14,944,493 38, and its receipts to $7,968,484.07, showing a deficiency to be supplied from the Treasury of $6,996,009.26, against $6,285,677.15 for the year ending 30th June, 1858. The increased cost of transportation, growing out of the expansion of the service required by Congress, explains this rapid augmentation of the expenditure. It is gratifying, however, to observe an increase of receipts for the year ending on the 30th June, 1859, equal to $481,691 21, compared with those in the year ending on the 30th June, 1858.

It is estimated that the deficiency for the current fiscal year will be $6,988,424.04, but that for the year ending 30th June, 1861, it will not exceed $1,342,463 90, should Congress adopt the measures of reform proposed and urged by the Postmaster General. Since the month of March, retrenchments have been made in the expenditures, amounting to $1,826,471 annually, which, however, did not take effect until after the commencement of the present fiscal year. The period seems to have arrived for determining the question, whether this Department shall become a permanent and ever-increasing charge upon the Treasury, or shall be permitted to resume the self-sustaining policy which has so long controlled its administration. The course of legislation recommended by the Postmaster General, for the relief of the Department from its present embarrassments, and for restoring it to its original independence, is deserving of your early and earnest consideration.

In conclusion, I would again commend to the just liberality of Congress the local interests of the District of Columbia. Surely the city bearing the name of Washington, and destined, I trust, for ages to be the Capital of our united, free, and prosperous Confederacy, has strong claims on our favorable regard.

JAMES BUCHANAN.

Almanac for 1860.

	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday		Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday		Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
JAN.	1	2	3	4	5	6	7	JULY	1	2	3	4	5	6	7		8	9	10	11	12	13	14
	8	9	10	11	12	13	14		8	9	10	11	12	13	14		15	16	17	18	19	20	21
	15	16	17	18	19	20	21		15	16	17	18	19	20	21		22	23	24	25	26	27	28
	22	23	24	25	26	27	28		22	23	24	25	26	27	28		29	30	31				
	29	30	31						29	30	31												
FEB.				1	2	3	4	AUG.				1	2	3	4		5	6	7	8	9	10	11
	5	6	7	8	9	10	11		5	6	7	8	9	10	11		12	13	14	15	16	17	18
	12	13	14	15	16	17	18		12	13	14	15	16	17	18		19	20	21	22	23	24	25
	19	20	21	22	23	24	25		19	20	21	22	23	24	25		26	27	28	29	30	31	
	26	27	28	29					26	27	28	29	30	31									
MARCH				1	2	3	4	SEPT.							1		2	3	4	5	6	7	8
	5	6	7	8	9	10	11		9	10	11	12	13	14	15		16	17	18	19	20	21	22
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	19	20	21	22	23	24	25																
	26	27	28	29	30	31																	
APRIL	1	2	3	4	5	6	7	OCT.		1	2	3	4	5	6		7	8	9	10	11	12	13
	8	9	10	11	12	13	14		14	15	16	17	18	19	20		21	22	23	24	25	26	27
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	22	23	24	25	26	27	28																
	29	30																					
MAY			1	2	3	4	5	NOV.							1		2	3	4	5	6	7	8
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	20	21	22	23	24	25	26																
	27	28	29	30	31																		
JUNE					1	2		DEC.															
	3	4	5	6	7	8	9		2	3	4	5	6	7	8		9	10	11	12	13	14	15
	10	11	12	13	14	15	16		9	10	11	12	13	14	15		16	17	18	19	20	21	22
	17	18	19	20	21	22	23		16	17	18	19	20	21	22		23	24	25	26	27	28	29
	24	25	26	27	28	29	30		23	24	25	26	27	28	29