

ingly waged. It would require a large army to be kept constantly in the field, stationed at posts and garrisons along such a line, to protect and defend it. The enemy, relieved from the pressure of our arms on his coast and in the rugged parts of the interior, would direct his attention to this line, and, selecting an isolated post for attack, would concentrate his forces upon it. This would be a condition of affairs which the Mexicans, pursuing their favorite system of guerrilla warfare, would probably prefer to any other. Were we to assume a defensive attitude on such a line, all the advantages of such a state of war would be on the side of the enemy. We could levy no contributions upon him, or in any other way make him feel the pressure of the war, but must remain inactive and await his approach, being in constant uncertainty as to what point on the line, or at what time, he might make an assault. He may assemble and organize an overwhelming force in the interior, on his own side of the line, and, concealing his purpose, make a sudden assault upon some one of our posts so distant from any other as to prevent the possibility of timely succor or reinforcement; and in this way our gallant army would be exposed to the danger of being cut off in detail; or, if, by their unequalled bravery and prowess everywhere exhibited during this war, they should repulse the enemy, their numbers stationed at any one post may be too small to pursue him. If the enemy be repulsed in one attack, he would have nothing to do but to retreat to his own side of the line, and, being in no fear of a pursuing army, may reinforce himself at leisure, for another attack on the same or some other post. He may, too, cross the line between our posts, make rapid incursions into the country which we hold, murder the inhabitants, commit depredations on them, and then retreat to the interior before a sufficient force can be concentrated to pursue him. Such would probably be the harassing character of a defensive war on our part. If our forces, when attacked, or threatened with attack, be permitted to cross the line, drive back the enemy, and conquer him, this would be a gain to invade the enemy's country, after having lost all the advantages of the conquests we have already made by having voluntarily abandoned them. To hold such a line successfully and in security, it is far from being certain that it would not require as large an army as would be necessary to hold all the conquests we have already made, and to continue the prosecution of the war in the heart of the enemy's country. It is also far from being certain that the expenses of the war would be diminished by such a policy.

I am persuaded that the best means of vindicating the national honor and interest, and of bringing the war to an honorable close, will be to prosecute it with increased energy and power in the vital parts of the enemy's country. In my annual message to Congress of December last, I declared that "the war has not been waged with a view to conquest; but having been commenced by Mexico, it has been carried into the enemy's country, and will be vigorously prosecuted there, with a view to obtain an honorable peace and thereby secure ample indemnity for the expenses of the war, as well as to our much-injured citizens, who hold large pecuniary demands against Mexico." Such, in my judgment, continues to be our true policy—indeed, the only policy which will probably secure a permanent peace. It has never been contemplated by me, as an object of the war, to make a permanent conquest of the republic of Mexico, or to annihilate her separate existence as an independent nation. On the contrary, it has ever been my desire that she should maintain her nationality, and, under a good government adapted to her condition, be a free, independent, and prosperous republic. The United States were the first among the nations to recognize her independence, and have always desired to be on terms of amity and good neighborhood with her. This she would not suffer. By her own conduct we have been compelled to engage in the present war. In its prosecution, we seek not her overthrow as a nation; but, in vindicating our national honor, we seek to obtain redress for the wrongs she has done us, and indemnity for our just demands against her. We demand an honorable peace; and that peace must bring with it indemnity for the past, and security for the future.—Herberto Mexico has refused all accommodation by which such a peace could be obtained.

Whilst our armies have advanced from victory to victory, from the commencement of the war, it has always been with the olive-branch of peace in their hands; and it has been in the power of Mexico, at every step, to arrest hostilities by accepting it. One great obstacle to the attainment of peace has, undoubtedly, arisen from the fact that Mexico has been so long held in subjection by one faction or military usurper after another, and such has been the condition of insecurity in which their successive governments have been placed, that each has been deterred from making peace, lest, for this very cause, a rival faction might expel it from power. Such was the fate of President Herrera's administration in 1845, for being disposed even to listen to the overtures of the United States to prevent the war, as is fully confirmed by an official correspondence which took place in the month of August last, between him and his government, a copy of which is herewith communicated.—For this cause alone the revolution which displaced him from power was set on foot by General Paredes. Such may be the condition of insecurity of the present government.

There can be no doubt that the peaceable and well-disposed inhabitants of Mexico are convinced that it is the true interest of their country to conclude an honorable

peace with the United States; but the apprehension of becoming the victims of some military faction or usurper, may have prevented them from manifesting their feelings by any public act. The removal of any such apprehension would probably cause them to speak their sentiments freely, and to adopt the measures necessary for the restoration of peace.—With a people distracted and divided by contending factions, and a government subject to constant changes, by successive revolutions, the continued success of our arms may fail to secure a satisfactory peace. In such event, it may become proper for our commanding general in the field to give encouragement and assurance of protection to the friends of peace in Mexico in the establishment and maintenance of a free republican government of their own choice, able and willing to conclude a peace which would be just to them, and secure to us the indemnity we demand. This may become the only mode of obtaining such a peace. Should such be the result, the war which Mexico has forced upon us would thus be converted into an enduring blessing to herself. After finding her torn and distracted by factions, and ruled by military usurpers, we should then leave her with a republican government in the enjoyment of real independence, and domestic peace and prosperity, performing all her relative duties in the great family of nations, and promoting her own happiness by wise laws and their faithful execution.

If, after affording this encouragement and protection, and after all the persevering and sincere efforts we have made, from the moment Mexico commenced the war, and prior to that time, to adjust our differences with her, we shall ultimately fail, then we shall have exhausted all honorable means in pursuit of peace, and must continue to occupy her country with our troops, taking the full measure of indemnity into our own hands, and must enforce the terms which our honor demands. To act otherwise, in the existing state of things in Mexico, and to withdraw our army without a peace, would not only leave all the wrongs of which we complain unredressed, but would be the signal for new and fierce civil dissensions and new revolutions—all alike hostile to peaceful relations with the United States. Besides, there is danger, if our troops were withdrawn before a peace was concluded, that the Mexican people, wearied with successive revolutions, and deprived of protection for their persons and property, might at length be inclined to yield to foreign influences, and to cast themselves into the arms of some European monarch for protection from the anarchy and suffering which would ensue. This, for our own safety, and in pursuance of our established policy, we should be compelled to resist. We could never consent that Mexico should be thus converted into a monarchy governed by a foreign prince.

Mexico is our near neighbor, and her boundaries are coterminous with our own, through the whole extent across the North American continent, from ocean to ocean. Both politically and commercially, we have the deepest interest in her regeneration and prosperity. Indeed, it is impossible that, with any just regard to our own safety, we can ever become indifferent to her fate. It may be that the Mexican government and people have misconstrued or misunderstood our forbearance, and our objects, in desiring to conclude an amicable adjustment of the existing differences between the two countries. They may have supposed that we would submit to terms degrading to the nation; or they may have drawn false inferences from the supposed division of opinion in the United States on the subject of the war, and may have calculated to gain much by protracting it; and, indeed, that we might ultimately abandon it altogether, without insisting on any indemnity, territorial or otherwise. Whatever may be the false impressions under which they have acted, the adoption and prosecution of the energetic policy proposed must soon undeceive them.

In the future prosecution of the war, the enemy must be made to feel its pressure more than they have heretofore done.—At its commencement, it was deemed proper to conduct in a spirit of forbearance and liberality. With this end in view, early measures were adopted to conciliate, as far as a state of war would permit, the mass of the Mexican population; to convince them that the war was waged not against the peaceful inhabitants of Mexico, but against their faithless government, which had commenced hostilities; to remove from their minds the false impressions which their designing and interested rulers had artfully attempted to make, that the war on our part was one of conquest; that it was a war against their religion and their churches, which were to be desecrated and overthrown; and that their rights of person and private property would be violated. To remove these false impressions, our commanders in the field were directed scrupulously to respect their religion, their churches, and their church property, which were in no manner to be violated; they were directed also to respect the rights of persons and property of all who should not take up arms against us.

Assurances to this effect were given to the Mexican people by Major General Taylor, in a proclamation issued in pursuance of instructions from the Secretary of War, in the month of June, 1846, and again by Major General Scott, who acted upon his own convictions of propriety of issuing it in a proclamation of the eleventh of May, 1847. In this spirit of liberality and conciliation, and with a view to prevent the body of the Mexican population from taking up arms against us, the war was conducted on our part.—Evacuations and other supplies furnished to our army by Mexican citizens were paid for at fair and liberal prices agreed upon by the parties. After the lapse of a few months, it became apparent that

these assurances, and this mild treatment, had failed to produce the desired effect upon the Mexican population. While the war had been conducted on our part according to the most humane and liberal principles observed by civilized nations, it was waged in a far different spirit on the part of Mexico. Not appreciating our forbearance, the Mexican people generally became hostile to the United States, and availed themselves of every opportunity to commit the most savage excesses upon our troops. Large numbers of the population took up arms, and engaged in guerrilla warfare, robbed and murdered in the most cruel manner individual soldiers, or small parties, whom accident or other causes had separated from the main body of our army; bands of guerrillas and robbers infested the roads, harassed our trains, and, whenever it was in their power, cut off our supplies.

The Mexicans having thus shown themselves to be wholly incapable of appreciating our forbearance and liberality, it was deemed proper to change the manner of conducting the war, by making them feel its pressure according to the usage observed under similar circumstances by all other civilized nations.

Accordingly, as early as the twenty-second of September, 1846, instructions were given by the Secretary of War to Major General Taylor, to "draw supplies for our army 'from the enemy without paying for them, and to require contributions for their support.' " If in that way he was satisfied he could "get abundant supplies for his forces." In directing the execution of these instructions, much was necessarily left to the discretion of the commanding officer, who was best acquainted with the circumstances by which he was surrounded, the wants of the army, and the practicability of enforcing the measure.

Gen. Taylor, on the twenty-sixth of October, 1846, replied from Monterey, that "it would have been impossible hitherto, and is so now, to sustain the army to any extent by forced contributions of money or supplies." For the reasons assigned by him, he did not adopt the policy of his instructions, but declared his readiness to do so, should the army, in its future operations, reach a portion of the country which may be made to supply the troops with advantage." He continued to pay for the articles of supply which were drawn from the enemy's country.

Similar instructions were issued to Major General Scott on the third of April, 1847, who replied, from Jalapa, on the twentieth of May, 1847, that, if it be expedient that "the army is to support itself by forced contributions levied upon the country, we may ruin and exasperate the inhabitants, and starve ourselves." The same discretion was given to him that had been to Gen. Taylor in this respect. Gen. Scott, for the same reasons assigned by him, also continued to pay for the articles of supply for the army which were drawn from the enemy.

After the army had reached the heart of the most wealthy portion of Mexico, it was supposed that the obstacles, which had before that time prevented it, would not be such as to render impracticable the levy of forced contributions for its support; and on the first of September, and again on the sixth of October, 1847, the order was repeated in despatches addressed by the Secretary of War to Gen. Scott, and his attention was again called to the importance of making the enemy bear the burdens of the war by requiring them to furnish the means of supporting our army; and he was directed to adopt this policy, unless, by doing so, there was danger of depriving the army of the necessary supplies. Copies of these despatches were forwarded to General Taylor for his government.

On the thirty-first of March last, I caused an order to be issued to our military and naval commanders, to levy and collect a military contribution upon all vessels and merchandise which might enter any of the ports of Mexico in our military occupation, and to apply such contributions towards defraying the expenses of the war. By virtue of the right of conquest and the laws of war, the conqueror, consulting his own safety or convenience, may either exclude foreign commerce altogether from all such ports, or permit it upon such terms and conditions as he may prescribe. Before the principal ports of Mexico were blockaded by our navy, the revenue derived from impost duties, under the laws of Mexico, was paid into the Mexican treasury. After these ports had fallen into our military possession, the blockade was raised, and commerce with them permitted upon prescribed terms and conditions.—They were opened to the trade of all nations upon the payment of duties more moderate in their amount than those which had been previously levied by Mexico; and the revenue, which was formerly paid into the Mexican treasury, was directed to be collected by our military and naval officers, and applied to the use of our army and navy. Care was taken that the officers, soldiers, and sailors of our army and navy should be exempted from the operations of the order; and as the merchandise imported upon which the order operated must be consumed by Mexican citizens, the contributions exacted were, in effect, the seizure of the public revenues of Mexico, and the application of them to our own use. In directing this measure, the object was to compel the enemy to contribute, as far as practicable, towards the expenses of the war.

For the amount of contributions which have been levied in this form, I refer you to the accompanying reports of the Secretary of War and of the Secretary of the Navy, by which it appears that a sum exceeding half a million of dollars has been collected. This amount would undoubtedly have been much larger but for the difficulty of keeping open communication between the coast and the interior, so as to enable the owners of the merchandise imported, to

transport and send it to the harbors of the country. It is constantly expected that this difficulty will, to a great extent, be soon removed by our increased commerce, which have been sent to the field. Measures have recently been adopted by which the internal as well as external revenues of Mexico, in all places in our military occupation, will be seized and appropriated to the use of our army and navy. The policy of levying upon the enemy contributions in every form, consistently with the laws of nations which it may be practicable for our military commanders to adopt, should, in my judgment, be rigidly enforced, and orders in this effect have accordingly been given. By such a policy, at the same time that our own treasury will be relieved from its heavy drain, the Mexican people will be made to feel the burdens of the war, and consulting their own interests, may be induced the more readily to require their rulers to accede to a just peace.

After the adjournment of the last session of Congress, events transpired in the prosecution of the war which, in my judgment, required a greater number of troops in the field than had been anticipated. The strength of the army was accordingly increased by "accepting" the services of all the volunteer forces authorized by the act of the thirteenth of May, 1846, without getting a construction on that act, the correctness of which was seriously questioned. The volunteer forces now in the field, with those which had been "accepted" to "serve for twelve months," and were discharged at the end of their term of service, exhaust the fifty thousand men authorized by that act. Had it been clear that a proper construction of the act warranted it, the services of an additional number would have been called for and accepted; but doubts existing upon this point, the power was not exercised. It is deemed important that Congress should, at an early period of their session, confer the authority to raise an additional regular force to serve during the war with Mexico, and to be discharged upon the conclusion and ratification of a treaty of peace. I invite the attention of Congress to the views presented by the Secretary of War in his report upon this subject. I recommend, also, that authority be given by law to call for and accept the services of an additional number of volunteers, to be exercised at such time, and to such extent as the emergencies of the service may require.

In prosecuting the war with Mexico, whilst the utmost care has been taken to avoid every just cause of complaint on the part of neutral nations, and none has been given, liberal privileges have been granted to their commerce in the ports of the enemy in our military occupation. The difficulty with the Brazilian Government, which at one time threatened to interrupt the friendly relations between the two countries will, I trust, be speedily adjusted. I have received information that an envoy extraordinary and minister plenipotentiary to the United States will shortly be appointed by his Imperial Majesty; and it is hoped that he will come instructed and prepared to adjust all remaining differences between the two governments in a manner acceptable and honorable to both. In the meantime I have every reason to believe that nothing will occur to interrupt our amicable relations with Brazil. It has been my constant effort to maintain and cultivate the most intimate relations of friendship with all the independent powers of South America, and this policy has been attended with the happiest results. It is true, that the settlement and payment of many just claims of American citizens against these nations, have been long delayed. The peculiar position in which they have been placed, and the desire on the part of my predecessors, as well as myself, to grant them the utmost indulgence, have hitherto prevented these claims from being urged in a manner demanded by strict justice. The time has arrived when they ought to be finally adjusted and liquidated, and efforts are now making for that purpose. It is proper to inform you that the Government of Peru has, in good faith, paid the first two instalments of the indemnity of \$30,000 each, and the greater portion of the interest due thereon, in execution of the convention between that Government and the United States, the ratifications of which were exchanged at Lima on the 21st of October, 1846. The Attorney General of the United States, early in August last, completed the adjudication of the claims under the convention, and made his report thereon, in pursuance of the act of 8th of August, 1846. The sums to which the claimants are respectively entitled, will be paid on demand at the Treasury. I invite the early attention of Congress to the present condition of our citizens in China. Under the treaty with that power, American citizens are withdrawn from the jurisdiction, whether civil or criminal, of the Chinese Government, and placed under that of our public functionaries in that country. By these alone can our citizens be tried and punished for the commission of any crime. By these alone can questions be decided between them and improving the rights of persons and property; and by these alone can contracts be enforced, into which they may have entered with the citizens or subjects of foreign powers. The merchant vessels of the U. States, lying in the waters of the five ports of China, open to foreign commerce, are under the exclusive jurisdiction of officers of their own government, until Congress shall establish competent tribunals to try and punish crimes, and to exercise jurisdiction in civil cases in China. American citizens there are subject to no law whatever.—Crimes may be committed with impunity, and debts may be contracted without any means to enforce their payment. Inconveniences have already resulted from the omission of Congress to legislate upon the

subject, and all groups are apprehended. The British authorities in China have already complained that this government has not provided for the punishment of crimes, or the enforcement of contracts against American citizens in that country, whilst their government has established tribunals by which an American citizen can recover debts due from British subjects.

Accustomed as the Chinese are to summary justice, they could not be made to comprehend why criminals who are citizens of the United States should escape with impunity, in violation of treaty obligations, whilst the punishment of a Chinese, who had committed any crime against an American citizen, would be rigorously exacted. Indeed, the consequences might be fatal to American citizens in China, should a flagrant crime be committed by any one of them upon a Chinese, and should trial and punishment not follow according to the requisitions of the treaty. This might disturb, if not destroy, our friendly relations with that empire, and cause an interruption of our valuable commerce.

Our treaties with the Sublime Porte, Tripoli, Tunis, Morocco, and Muscat, also require the legislation of Congress to carry them into execution, though the necessity for immediate action may not be so urgent as in regard to China. The Secretary of State has submitted an estimate to defray the expense of opening diplomatic relations with the papal States. The interesting political events now in progress in these States, as well as a just regard to our commercial interests, have, in my opinion, rendered such a measure highly expedient.

Estimates have also been submitted for the outfits and salaries of charge d'affaires to the republics of Bolivia, Guatemala, and Ecuador. The manifest importance of cultivating the most friendly relations with all the independent States upon this Continent has induced me to recommend appropriations necessary for the maintenance of these missions. I recommend to Congress that an appropriation be made, to be paid to the Spanish government for the purpose of distribution among the claimants in "the Amistad case." I entertain the conviction that this is due to Spain under the treaty of the twentieth of October, 1795, and moreover, that, from the earnest manner in which the claim continues to be urged, so long as it shall remain unsettled, it will be a source of irritation and discord between the two countries, which may prove highly prejudicial to the interests of the United States. Good policy, no less than a faithful compliance with our treaty obligations, requires that the inconsiderable appropriation demanded should be made.

A detailed statement of the condition of the finances will be presented in the annual report of the Secretary of the Treasury. The imports for the last fiscal year, ending on the thirtieth of June, 1847, were of the value of one hundred and forty six million five hundred and forty five thousand six hundred and thirty eight dollars; of which the amount exported was eight million eleven thousand one hundred and fifty eight dollars, leaving one hundred and thirty eight million four hundred and eighty thousand four hundred and eighty dollars in the country for domestic use. The value of the exports for the same period was one hundred and fifty eight million six hundred and forty eight thousand six hundred and twenty two dollars; of which one hundred and fifty million six hundred and thirty seven thousand four hundred and sixty four dollars consisted of domestic productions, and eight million eleven thousand one hundred and fifty eight dollars of foreign articles. The receipts into the treasury for the same period amounted to twenty six million three hundred and forty six thousand seven hundred and ninety dollars and thirty seven cents, of which there was derived from customs twenty three million seven hundred and forty seven thousand eight hundred and sixty four dollars and sixty six cents; from sales of public lands, two million four hundred and ninety eight thousand three hundred and thirty five dollars and twenty cents; and from incidental and miscellaneous sources, one hundred thousand five hundred and seventy dollars and fifty cents. The last fiscal year during which this amount was received embraced five months under the operation of the Tariff Act of 1842, and seven months during which the Tariff Act of 1846 was in force. During the five months under the Act of 1842, the amount received from customs was seven million eight hundred and forty two thousand three hundred and six dollars and ninety cents, and during the seven months under the Act of 1846 the amount received was fifteen million nine hundred and fifty thousand five hundred and fifty seven dollars and seventy six cents. The net revenue from customs during the year ending on the first of December, 1846, being the last year under the operation of the tariff act of 1842, was twenty two million nine hundred and seventy one thousand four hundred and thirty three dollars and ten cents; and the net revenue from customs during the year ending on the first of December, 1847, being the first year under the operation of the tariff act of 1846, was about thirty one million five hundred thousand dollars, being an increase of revenue for the first year under the tariff act of 1846, of more than eight million five hundred thousand dollars over that of the last year under the tariff of 1842. The expenditures during the fiscal year ending on the thirtieth of June last, were fifty nine million four hundred and fifty one thousand one hundred and seventy seven dollars and sixty five cents; of which three million five hundred and twenty thousand and eighty two dollars and thirty seven cents was an account of payment of principal and interest of the public debt, including Treasury notes redeemed and not funded. The expenditures, exclusive of payment of public debt, were fifty five

million, nine hundred and twenty thousand, nine hundred and twenty five dollars and eighty cents. It is estimated that the receipts into the treasury for the fiscal year ending on the thirtieth of June, 1848, including the balance in the treasury on the first of July last, will amount to forty two million eight hundred and eighty six thousand five hundred and forty five dollars and eighty cents, of which thirty one million, it is estimated, will be derived from customs; three million five hundred thousand from the sale of the public lands; four hundred thousand from incidental sources; including sales, six million two hundred and eighty thousand two hundred and ninety four dollars and fifty five cents from loans authorized by law, which, together with the balance in the treasury on the first of July last, make the sum estimated.

The expenditure for the same period, if peace with Mexico shall not be concluded, and the army shall be increased as is proposed, will amount including the necessary payments on account of the necessary interest of the public debt and Treasury notes, to fifty eight million six hundred and fifteen thousand six hundred and sixty six dollars and seven cents. On the first of the present month, the amount of the public debt actually incurred, including Treasury notes, was forty five million six hundred and fifty nine thousand six hundred and fifty nine dollars and forty cents. The public debt due on the 31st of March, 1845, including Treasury notes, was seventeen million seven hundred and eighty eight thousand seven hundred and ninety nine dollars and sixty two cents; and consequently the addition made to the public debt since that time is twenty seven million eight hundred and seventy thousand eight hundred and fifty nine dollars and seventy eight cents. Of the loan of twenty three millions authorized by the act of the twenty eighth of January, 1847, the sum of five millions was paid out to the public creditors, or exchanged at par for specie; the remaining eighteen millions was offered for specie to the highest bidder not below par, by an advertisement issued by the Secretary of the Treasury, and published from the 15th of February until the 10th of April, 1847, when it was awarded to the several highest bidders, at premiums varying from one eighth of one per cent. to two per cent. above par. The premium has been paid into the treasury, and the sums awarded deposited in specie in the treasury, as fast as it was required by the wants of the government.

To meet the expenditures for the remainder of the present and for the next fiscal year, ending on the 30th of June, 1849, a further loan, in aid of the ordinary revenues of the government will be necessary. Retaining a sufficient surplus in the Treasury, the loan required for the remainder of the present fiscal year will be about eighteen million five hundred thousand dollars. If the duty on tea and coffee be imposed, and the graduation of the price of the public lands shall be made at an early period of your session, as recommended, the loan for the present fiscal year may be reduced to seventeen millions of dollars. The loan may be further reduced by whatever amount of expenditures can be saved by military contributions collected in Mexico. The most vigorous measures for the augmentation of these contributions have been directed, and a very considerable sum is expected from that source. Its amount cannot, however, be calculated with any certainty. It is recommended that the loan to be made be authorized upon the same terms, and for the same time, as that which was authorized under the provisions of the act of the 28th of January, 1847.

Should the war with Mexico be continued until the 30th of June, 1849, it is estimated that a further loan of twenty million five hundred thousand dollars will be required for the fiscal year ending on that day, in case no duty be imposed on tea and coffee, and the public lands be not reduced and graduated in price, and no military contributions shall be collected in Mexico. If the duty on tea and coffee be imposed, and the lands be reduced and graduated in price, as proposed, the loan may be reduced to seventeen millions of dollars, and will be subject to be still further reduced by the amount of the military contributions which may be collected in Mexico. It is not proposed, however, at present, to ask Congress for authority to negotiate this loan for the next fiscal year, as it is hoped that the loan asked for the remainder of the present fiscal year, aided by military contributions which may be collected in Mexico, may be sufficient. Contrary to my expectation, there should be a necessity for it, the fact will be communicated to Congress in time for their action during the present session. In no event will a sum exceeding six million of dollars of this amount be needed before the meeting of the session of Congress in December, 1848.

The act of the thirtieth of July, 1846, "reducing the duties on imports," has been in force since the first day of December last, and I am gratified to state, that all the beneficial effects which were anticipated from its operation have been fully realized. The public revenue derived from customs during the year ending on the first of December, 1847, exceeds by more than eight million of dollars the amount received in the preceding year under the operation of the act of 1842, which was suspended and repealed by it. Its effects are visible in the great and almost unexampled prosperity which prevails in every branch of business. While the repeal of the prohibitory and restrictive duties of the act of 1842, and the substitution in their place of reasonable revenue rates levied on articles, imported according to their actual value, has increased the revenue and augmented our foreign trade, all the great interests of the country have been advanced and promoted.

The net revenue from customs during the year ending on the first of December, 1846, being the last year under the operation of the tariff act of 1842, was twenty two million nine hundred and seventy one thousand four hundred and thirty three dollars and ten cents; and the net revenue from customs during the year ending on the first of December, 1847, being the first year under the operation of the tariff act of 1846, was about thirty one million five hundred thousand dollars, being an increase of revenue for the first year under the tariff act of 1846, of more than eight million five hundred thousand dollars over that of the last year under the tariff of 1842. The expenditures during the fiscal year ending on the thirtieth of June last, were fifty nine million four hundred and fifty one thousand one hundred and seventy seven dollars and sixty five cents; of which three million five hundred and twenty thousand and eighty two dollars and thirty seven cents was an account of payment of principal and interest of the public debt, including Treasury notes redeemed and not funded. The expenditures, exclusive of payment of public debt, were fifty five

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