OBSERVER. FAYETTEVILLE.

THURSDAY EVENING, DECEMBER 10, 1857.

CONGRESS.

At noon on Monday, 49 Senators appeared i their seats. Vice President Breekinridge being absent, Mr. Fitzpatrick of Alabama was elected President pro tem.

The Senate held a short executive session, confirming the nomination of Geo. W. Bowman, Esq., Editor of the Bedford (Penn.) Gazette, as Superintendent of Public Printing in place of A. G. Seaman, removed.

In the House of Representatives 221 members took seats. After being sworn, the Hon. Jas. L. Orr was elected Speaker, by 31 majority over Mr. Grow of Penn, the Black Republican candidate. The result was received with much applause. Mr. Orr returned thanks in a brief speech.

Hon. James C. Allen, of Illinois, was then elected clerk; M. W. Cluskey, Esq., of Geo., Postmaster; A. J. Glossbrenner, of Pennsylvania, States, according to returns dated nearest to Jan-Sergeant-at-Arms; and H. B. Hackney, of Vir- uary, 1857, the aggregate amount of actual specie ginia, Doorkeeper.

On Tuesday the President's message was read, Thus it appears that these banks in the aggregate as follows:

President's Message.

Fellow-citizen's of the Senate

and House of Representatives. In obedience to the command of the constitution, it has now becomme my duty "to give to wonderful that they should have so long continued Congress information of the State of the Union. and recommend to their consideration such measures" as I judge to be "necessary and expedient." But first, and above all, our thanks are due to Almighty God for the numerous benefits which He standing that four hundred millions of gold from has bestowed upon this people; and our united California have flowed in upon us within the last prayers ought to ascend to Him that he would eight years, and the tide still continues to flow. continue to bless our great republic in time to come as He has blessed it in time past. Since the ad. credits, that the banks now hold a considerably journment of the last Congress our constituents less amount of specie, either in proportion to their have enjoyed an unusual degree of health. The capital or to their circulation and deposites comearth has yielded her fruits abundantly, and has bined, than they did before the discovery of gold bountifally rewarded the toil of the husbandman. in California. Whilst in the year 1848 their Our great staples have commanded high prices, specie in proportion to their capital was more largely partaken of the general prosperity. We aix dollars and thirty-three cents of their capital. bave possessed all the elements of material wealth In the year 1848 the specie was equal within a in rich abundance, and yet, notwithstanding all very small fraction to one dollar in five of their these advantages, our country, in its monetary in- circulation and deposites; in 1857 it is not equal upon the whole, in a satisfactory condition. terests, is at the present moment in a deplorable to one dollar in seven and a half of their circulacondition. In the midst of unsurpassed plenty in tion and deposites. all the elements of national wealth, we find our From this statement it is easy to account for manufactures suspended, our public works retard- our financial history for the last forty years. It ded, and thousands of useful laborers thrown out the business of the country, followed by ruinous who has been cordially received. cal year are very large in amount.

Under these circumstances a loan may be re- crisis arrives, as arrive it must, the banks can ex- Great Britain. deeply to sympathize, though it may be without the power to extend relief. Clayton and Bulwer treaty, has been the most It is this paper system of extravagant expan- unfortunate of all; because the two governments

respect, it was deemed advisable, anterior to the [act of Parliament of 1844, which wisely separated because its duty as a regulator of the currency the issue of notes from the banking department. for the Bank of England always to keep on hand gold and silver equal to one third of its combined ate interest of its stockholders. If we expect one agent to restrain or control another, their interests circulation and deposits. If this proportion was must, at least in some degree, be antagonistic. no more than sufficient to secure the convertibili-But the directors of a bank of the U.S. would ty of its notes, with the whole of Great Britain, feel the same interest and the same inclination and to some extent the continent of Europe, as a with the directors of the State banks to expand field for its circulation, rendering it almost imthe currency, to accommodate their favorites and possible that a sudden and immediate run to a friends with loans, and to declare large dividends. dangerous amount should be made upon it, the Such has been our experience in regard to the last same proportion would certainly be insufficient

under our banking system. Each of our fourteen Bank. After all, we must mainly rely upon the patrihundred banks has but a limited circumference for its circulation, and in the couse of a very few otism and wisdom of the States for the prevention days the depositors and note-holders might demand and redress of the evil. If they will afford us a from such a bank a sufficient amount in specie to real specie basis for our paper circulation by in compel it to suspend, even although it had coin creasing the denomination of bank notes, first to in its vaults equal to one-third of its immediate 20, and afterwards to \$50; if they will require liabilities. And yet I am not aware, with the that the banks shall at all times keep on hand at exception of the banks of Louisiana, that any least one dollar of gold and silver for every three State bank throughout the Union has been re- dollars of their circulation and deposites; and if quired by its charter to keep this or any other they will provide by a self-executing enactment, proportion of gold and silver compared with the which nothing can arrest, that the moment they mount of its combined circulation and deposits. suspend they shall go into liquidation, I believe that such provisions, with a weekly publication by What has been the consequence? In a recent re-

port made by the Treasury Department on the each bank of a statement of its condition, would by mutually engage to recognize and respect the condition of the banks throughout the different go far to secure us against future suspensions of specie payments.

Congress in my opinion possess the power to pass a uniform bankrupt law applicable to all bankin their vaults is \$58,349,838, of their circulation ng institutions throughout the U.S., and I strong \$254,778,822, and of their deposits \$230,371,352. ly recommend its exercise. This would make the irreversible organic law of each bank's existhave considerably less than one dollar in seven ence, that a suspension of specie payments shall of gold and silver compared with their circulation produce its civil death. The instinct of self-preand deposits. It was palpable, therefore, that the servation would then compel it to perform its du very first pressure must drive them to suspension, and deprive the people of a convertible currency ties in such a manner as to escape the penalty and preserve its life. with all its disastrous consequences. It is truly

The existence of banks and the circulation of bank paper are so identified with the habits of our to preserve their credit, when a demand for the people, that they cannot at this day be suddenly payment of one-seventh of their immediate liabilities would have driven them into insolvency. bolished without much immediate injury to the country. If we could confine them to their appro And this is the condition of the banks, notwithpriate sphere, and prevent them from administer ing to the spirit of wild and reckless speculation by extravagant loans and issues, they might be Indeed, such has been the extravagance of bank ntinued with advantage to the public.

But this I say, after long and much reflection: if experience shall prove it to be impossible to enjoy the facilities which well regulated banks might afford, without at the same time suffering the ca lamities which the excesses of the banks have hitherto inflicted upon the country, it would then b and, until within a brief period, our manufactur- than equal to one dollar for four and a half, in far the lesser evil to deprive them altogether of ing, minerel, and mechanical occupations have 1857 it does not amount to one dollar for every the power to issue a paper currency, and confine them to the functions of banks of deposite and discount.

Our relations with foreign governments are The diplomatic dificulties which existed between

the government of the United States and that of Great Britain at the adjournment of the last congress have been happily terminated by the aped, our private enterprises of different kinds aban- has been a history of extravagant expansions in pointment of a British minister to this country,

of employment and reduced to want. The re- contractions. At successive intervals the best | Whilst it is greatly to the interest, as I am con venue of the government, which is chiefly derived and most enterprising men have been tempted to vinced, it is the sincere desire, of the governments from duties on imports from abroad, has been their ruin by excessive bank loans of mere paper and people of the two countries to be on terms of greatly reduced, whilst the appropriations made credit, exciting them to extravagant importations intimate friendship with each other, it has been our by Congress at its last session for the current fis- of foreign googs, wild speculations, and ruinous misfortune almost always to have had some irritaand demoralizing stock gambling. When the ting, if not dangerous, outstanding question with

quired before the close of your present session; but tend no relief to the people. In a vain struggle Since the origin of the government we have this, although deeply to be regretted, would prove to redeem their liabilities in specie, they are comto be only a slight misfortune when compared with pelled to contract their loans and their issues; and power, and afterwards in discussing their true inthe suffering and distress prevailing among the at last, in the hour of distress, when their assist- tent and meaning. In this respect, the Conven-people. With this the government cannot fail ance is most needed, they and their debtors to- tion of April 19, 1850, commonly called the most friendly relations with each other, have un-Clayton and Bulwer treaty, has been the most

It is our duty to inquire what has produced sion, raising the nominal price of every article far place directly opposite and contradictory construcsuch unfortunate results, and whether their re- beyond its real value, when compared with the tions upon its first and most important article currence can be prevented? In all former revul- cost of similar articles in countries whose circu- Whilst, in the United States, we believe that this sions the blame might have been fairly attributed lation is wisely regulated, which has prevented us treaty would place both powers upon an exact probably ere this have been adjusted to the satisto a variety of co-operating causes; but not so from competing in our own markets with foreign equality by the stipulation that neither will ever upon the present occasion. It is apparent that manufacturers, has produced extravagant import- "occupy, or fortify, or colonize, or assume or ex- sing the meaning of the Clayton and Bulwer treaour existing misfortunes have proceeded solely ations, and has counteracted the effect of the large ercise any dominion" over any part of Central from our extravagant and vicious system of paper incidental protection afforded to our domestic America, it is contended by the British govern- purpose, and the task would have been the more

But a Bank of the U. S. would not, if it could, duras, and gave to their inhabitants a seperate Spanish gov't, he is met with the objection that expedition against Nicaragua, the Section and the appropriation rerestrain the issues and loans of the State banks, government of their own, with legislative, evecu- Congress have never made the appropriation recommended by President Polk in his annual mestive and judicial officers, elected by themselvesmust often be in direct conflict with the immedi- It deprived the government of Honduras of the sage of December, 1847, "to be paid to the Spataxing power in every form, and evenpted the nish gov't for the purpose of distribution among the claimants in the Amistad case." A similar people of the islands from the performance of milirecommendation was made by my immediate pretary duty except for their own exclusive defence. It also prohibited that republic from crecting forti- decessor, in his message of Dec., 1853; and entirely concurring with both in the opinion that this fications upon them for their protection thus leavindemnity is justly due under the treaty with ing them open to invasion from any quarter; and, Spain of Oct. 27, 1795, I earnestly recommend Spain of Oct. 27, 1795, I earnestly recommendation and its character. They have prevented by finally, it provided "that slavery shall not at any ime hereafter be permitted to exist therein." Had Honduras ratified this convention, she

A treaty of friendship and commerce was con- Central America, which could not feil would have ratified the establishment of a State eluded at Constantinople on the 13th, December substantially independent within her own limits, 56, between the United States and Persia, the and a State at all times subject to British influence and control. Moreover, had the United States ratiratifications of which were exchanged at Constantinople on the 13th June, 1857, and the treaty fied the treaty with Great Britain in its original form, we should have been bound "to recognize was proclaimed by the President on the 18th and respect in all future time" these stipulations to August, 1857. This treaty, it is believed, will

the prejudice of Honduras. Being in direct oppo- prove beneficial to American commerce. The sition to the spirit and meaning of the Clayton and Shah has manifested an earnest disposition to cultivate friendly relations with our country, and two thousand dollars. Bulwer treaty as understood in the United States, has expressed a strong wish that we should be

the Senate rejected the entire clause, and substiturepresented at Teheran by a minister plenipotented in its stead a simple recognition of the sovereign right of Honduras to these islands in the following tiary: and I recommend that an appropriation be anguage:-"The two contracting parties do heremade for this purpose. Recent occurrences in China have been un-

difficult to anticipate what will be the result.

We cannot fail to feel a deep interest in all

Our difficulties with New Granada, which a

favorable to a revision of the treaty with that emislands of Rnatan, Bonaco, Utila, Barbaretta, Helena and Morat, situate in the Bay of Honduras. pire of the 3d July, 1844, with a view to the security and extension of our commerce. The 24th

and off the coast of the republic of Honduras, as under the sovereignty and as part of the said republic of Honduras.

Great Britain rejected this amendment assigning as the only reason, that the ratification of the convention of the 27th August, 1756, between her and by means of suitable persons appointed to conduct Honduras, had not been "exchanged owing to the such negotiations." These twelve years expired hesitation of that government." Had this been on the 3d July, 1856, but long before that period done, it is stated that "her Majesty's government would have had little difficulty in agreeing to it was ascertained that important changes in the the modification proposed by the Senate which then | treaty were necessary; and several fruitless at-

stance of the exchange of the ratifications of the our commissioner, in conjunction with the minis-British convention with Honduras prior in point of time to the ratification of our treaty with Great ed by the occurrence of hostilities in the Canton Britain would, "in effect," have had "the same ignification as the original wording," and thus have nullified the amendment of the Senate, may well be doubted. It is perhaps, fortunate that the

question has never risen. The British government, immediately after reecting the treaty as amended, proposed to enter into a new treaty with the United States, similar in all respects to the treaty which they had just refused to ratify, if the United States would consent to add to the Senate's clear and unqualified recognition of the sovereignty of Honduras over

the Bay Islands the following conditional stipulation:-Whenever and so soon as the republic of effect changes in the existing treaty favorable to ally. Under these circumstances, I am consug Honduras shall have concluded and ratified a treaty with Great Britain, by which Great Britain the place of his destination in July last, in the and as calling for satisfaction from the Paraguna shall have ceded, and the republic of Honduras war steamer Minnesota. Special ministers to shall have accepted the said islands, subject to China have also been appointed by the governthe provisions and conditions contained in such ments of Great Britain and France. treaty.

Whilst our minister has been instructed to occupy a neutral position in reference to the exist-This proposition was, of course, rejected. After ing hostilities at Canton, he will cordially cothe Senate had refused to recognize the British convention with Honduras of the 27th August, 1853. operate with the British and French ministers in with full knowledge of its contents, it was imall peaceful measures to secure by treaty stipulapossible for me, necessarily ignorant of "the protions, those just concessions to commerce which the nations of the world have a right to expect, visions and conditions" which might be contained in a future convention between the same parties and which China cannot long be permitted to

withhold. From assurances received, I entertain to sanction them in advance. no doubt that the three ministers will act in har-The fact is that when two nations like Great monious concert to obtain similar commercial Britain and the U. S., mutually desirous, as they treaties for each of the doweps they represent. most friendly relations with each other, have unfortunately concluded a treaty which they underthat concerns the welfare of the independent republics of our own continent, as well as of the stand in senses directly opposite, the wisest course s to abrogate such a treaty by mutual consent, and empire of Brazil. o commence anew. Had this been done prompt-

ly, all difficulties in Central America would most short time since, bore so threatening an aspect, are, it is to be hoped, in a fair train of settlement in a manner just and honorable to both parties. faction of both parties. The time spent in discusty would have been devoted to this praiseworthy

State issued instructions to the marshals an triot attorneys, which were directed by the taries of War and the Navy to the approx army and navy officers, requiring them to army and havy other best exertions in the into effect the provisions of the act of [8] withstanding these precautions, the expedition escaped from our shores. Such enter do no possible good to the country, but have do no possible good injury both on its inte emigration from the U. States to the State

highly beneficial to all parties concern pecuniary point of view alone, our citizens sustained have losses from the seizure of of the transit route by the San Juan between wo oceans.

The leader of the recent expedition was the The leader of the was discharged on the ed at New Orleans, but was discharged on the bail for his appearance in the insufficient

I commend the whole subject to the serios. tention of Congress, believing that our days our interest, as well as our national character our interest, as well adopt such measures an be effectual in restraining our citizeus from an mitting such outrages.

I regret to inform you that the President Paraguay has refused to ratify the treaty between article of this treaty stipulated for a revision of it, the United States and that State as amended in case experience should prove this to be requisite; the Senate, the signature of which was mention in case experience should prove this to be required in the message of my predecessor to Contract "in which case the two governments will, at the in the message of my predecessor to Contract expiration of twelve years from the date of said the opening of its session in Dec. 1853 expiration of twelve years from the date of ane, reasons assigned for this refusal will appearing. correspondence herewith submitted.

It being desirable to ascertain the fitness of river Lr Plata and its tributaries for navigation steam, the U. S. steamer Water Witch was se thither for that purpose in 1853. This enterprewould have had in effect the same signification tempts were made by the commissioner of the U. was successfully carried on until Feb., 1855, we as the original wording." Whether this would States to effect these changes. Another effert whilst in the peaceful prosecution of her work have been the effect; whether the mere circum- was about to be made for the same purpose by up the Parana river, the steamer work up the Parana river, the steamer was fired by a Paraguayan fort. The was returned; ha the Water Witch was of small force, had bet ter of England and France, but this was suspendsigned for offensive operations, she retired is the conflict. The pretext upon which the attac river between Great Britain and the Chinese Eupire. These hostilities have necessarily interrupted was made was a decree of the President of Pr the trade of all nations with Canton, which is now guay of Oct., 1854, prohibiting foreign vesselsed in a state of blackade, and have occasioned a war from navigating the rivers of that State serious loss of life and property. Meanwhile the Prraguay, however, was the owner of but a insurrection within the Empire against the ex- bank of the river of that name, the other being isting imperial dynasty still continues, and it is ing to Corrientes, a State of the Argentine (a federation, the right of its government to ene Under these circumstances, I have deemed it that such a decree would be obeyed cannot be advisable to appoint a distinguished citizen of knowledged. But the Water Witch was not, be Pennsylvania envoy extraordinary and minister perly speaking, a vessel-of-war. She was a set plenipotentiary to proceed to China, and to avail steamer engaged in a scientific enterprise inter himself of any opportunities which may offer to ed for the advantage of commercial States gase American commerce. He left the U. States for ed to consider the attack upon her as unjustime government. Citizens of the U. S., also, who were established

usiness in Paraguay, have had their property mine and taken from them, and have otherwise been treas by the authorities in an insulting and arbitrary muner, which requires redress. A demand for these purposes will be made in sim

but conciliatory spirit. This will the more probable be granted if the Executive have authority to use offer means in the event of a refusal. This is according recommended.

It is unnecessary to state in detail the alarming cmdition of the Territory of Kansas at the time of my auguration. The opposing parties then stood in bi tile array against each other, and any accident min have relighted the flame of civil war. Besides at the critical moment, Kansas was left without a government by the resignation of Governor Geary. On the 19th of Feb'y previous, the territorial legi

lature had passed a law providing for the electric delegates on the third Monday of June to a convention to meet on the first Monday of Sept'r, for the purper of framing a constitution preparatory to admission is to the Union. This law was in the main fair and jun and it is to be regretted that all the qualified elector had not registered themselves and voted under its prvisions.

At the time of the election for delegates, an enter The Isthmus of Central America, including that of Panama, is the great highway between the At- sive organization existed in the Territory, whose and lantic and Pacige, over which a large portion of ed object it was, if need be, to put down the law: currency and bank credits, exciting the people to wild speculations must continue to recur at successive intervals so long as the amount of the successive intervals so long as the successive intervals so long as the successive intervals so long and the successive intervals so long and the successive intervals so long as the successive i The act of the territorial legislature had omitt provide for submitting to the people the constitut which might be framed by the convention; and in a excited state of public feeling throughout Kansas apprehension extensively prevailed that a design a isted to force upon them a constitution in relation slavery against their will. In this emergency it be came my duty, as it was my unquestionable right hur ing in view the union of all good citizens in support the territorial laws, to express an opinion on the true construction of the provisions concerning slavers () tained in the organic act of Congress of the 30th May 1854. Congress declared it to be "the true intent at meaning of this act not to legislate slavery into any Territory or State, nor to exclude it therefrom, but le leave the people thereof perfectly free to form and me gulate their domestic institutions in their own ""). Under it Kansas, "when admitted as a State," was a "be received into the Union, with or without slater, as their constitution may prescribe at the time of the dmission." Did Congress mean by this language that the dele gates elected to frame a constitution should have as thority finally to decide the question of slavery, or du they intend by leaving it to the people that the people f Kansas themselves should decide this question by direct vote? On this subject, I confess I had never entertained a serious doubt, and, therefore, in my structions to Gov. Walker on the 28th March last merely said that when "a constitution shall be submit ted to the people of the Territory, they must be pr tected in the exercise of their right of voting for (against that instrument, and the fair expression of the popular will must not be interrupted by fraud or no ence." In expressing this opinion, it was far from 10 tion to interfere with the decision of the people of Kan sas either for or against slavery. From this I have always carefully abstained. Intrusted with the duty my only desire was that the people of Kahsos should furnish to Congress the evidence required by the of It is one of the first and highest duties of any ganic act, whether for or against slavery; and in this manner smooth their passage into the Union. emerging from the condition of territorial dependent into that of a sovereign State, it was their duty, in my majority, on the direct question whether this imports domestic institution should or should not continue exist. Indeed, this was the only possible mode m which their will could be authentically ascertained The election of delegates to a convention must per cessarily take place in separate districts. From this cause it may readily happen, as has often been the case, that a majority of the people of a State or Ter-ritory are on one side of a question, whilst a majority of the representatives from the several district into which it is divided may be upon the other side. This arises from the several district into the several district into arises from the fact that in some districts delegated may be elected by small majorities, whilst in other those of difficult those of different sentiments may receive majorities sufficiently great not only to overcome the votes give for the former, but to leave a large majority of whole people in direct opposition to a majority of the delegates. Besides delegates. Besides, our history proves that influence

as set, whe tain its wise American p on this su they public would cheen decision o restriction ly united u ty, which Had it the would be a of the organ thereafter slavery from will for that their constit ight of the braska and hirly-expression and wheneve it, to form the be admitted quality with The conv met on the together by ture, whose Congress in A large pr hink prope lection for c ing been fai of their righ the convent This conv for Kansas But little on the subj provisions lar-and, between th cice of the tion of a to Union as a requiring t be subject ple of the CCCBSions. Kansas Wo founded, as Instruction onstitution and unque In the K ment, as an een inser Ha terms t to an elec mestic inst clear by as to legislate exclude it t perfectly fu constructio stitutions" reference to slave and a of a politic tion then h been any se or the cour mestic insti The conv finally dete mit the qu hat forty-th their sign A large establishing similar in fo other territo ever, provid . Jtate gove explicitly re have a cons clares that, convention into the Uni to decide thi i.ahabitants catitled to ve ballots cast a tution with s

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gov't endowed with the sovereign attribute of coin- the lesson which they have taught. coin out of the country, and filling up the chan- aid in alleviating the sufferings of the people oc- the U. S. was, that when our gov't consented to racter as to invite the most extensive exchanges present gold and silver.

are the consequence.

Federal Constitution, which has now prevailed too shall be limited to the lowest practicable sum. long to be changed, this important and delicate exclusively by a regard to the present interest of their stockholders. Exercising the sovereign pow. crisis in our monetary affairs. er of providing a paper currency, instead of coin, touchstone, the only efficient regulator of a paper in such a manner as to prevent the ruinous excurrency-the only one which can guard the pub- pansions and contractions in our currency which lic against over-issues and bank suspensions. As afflicted the country throughout the existence of a collateral and eventual security it is doubtless the late Bank, or secure us against future suspenwise, and in all cases ought to be required, that sions. In 1825 an effort was made by the Bank banks shall hold an amount of U. States or State of England to curtail the issues of the country securities equal to their notes in circulation, and banks under the most favorable circumstances pledged for their redemption. This, however, The paper currency had been expanded to a ruin furnishes no adequate security against over issues. ous extent, and the Bank put forth all its power On the contrary, it may be pervented to inflate to contract it in order to reduce the prices and the currency. Indeed, it is possible by this means restore the equilibrium of the Foreign exchanges. to convert all the debts of the U.S. and State It accordingly commenced a system of curtailment Governments into bank notes, without reference of its loans and issues, in the vain hope that the to the specie required to redeem them. However joint stock and private Banks of the kingdom valuable these securities may be in themselves, would be compelled to follow its example. It they cannot be converted into gold and silver at found, however, that as it contracted they expandthe moment of pressure, as our experience teaches, the depreciation of bank notes. In England, which is to a considerable extent a paper-money

own countr otton, iron and woollen pancy at the date of the treaty; in fact, that the across the Isthmus. shall be left to the discretion of fourteen hundred clusive possession of the home market, but would United States of the right of Great Britain, either nevertheless not refuse to contribute to any reason-

The framers of the Constitution, when they nancial condition, we may yet indulge in bright ragua, together with the adjacent Bay Islands, for this purpose have been recently made by the gave to Congress the power "to coin money and hopes for the future. No other nation has ever except the comparatively small portion of this be- British gov't in a friendly spirit, which I cordialto regulate the value thereof," and prohibited the existed which could have endured such violent tween the Sarstoom and Cape Honduras. Ac- ly reciprocate; but whether this renewed effort will States from coining money, emitting bills of credit, expansions and contractions of paper credits with- cording to their construction, the treaty does no result in success I am not yet prepared to express or making anything but gold and silver coin a out lasting injury; yet the buoyancy of youth, the more than simply prohibit them from extending an opinion. A brief period will determine. tender in payment of debts, supposed they had energies of our population, and the spirits which their possessions in Central America beyond the protected the people against the evils of an exces- never quail before difficulties, will enable us soon present limits. It is not too much to assert, that still continue to exist. The French gov't have in sive and irredeemable paper currency. They are to recover from our present financial embarrass- if in the U.S. the treaty had been considered sus- several recent instances which need not be enumnot responsible for the existing anomaly that a ment, it may even occasion us speedily to forget ceptible of such a construction, it never would erated, evinced a spirit of good will and kindness ing money and regulating the value thereof, should In the meantime, it is the duty of the govern- President, nor would it have received the appro- It is, notwithstanding, much to be regretted that have no power to prevent others from driving this ment, by all proper means within its power, to bation of the Senate. The universal conviction in two nations whose productions are of such a cha-

nels of circulation with paper which does not re- casioned by the suspension of the banks, and to violate this traditional and time-honored policy, and freeest commercial intercourse, should conti-It is one of the highest and most responsible Unfortunately, in either aspect of the case, it can to occupy or acquire territory in the Central A- trade against each other. Our commercial treaty duties of government to insure to the people a do but little. Thanks to the independent treas- merican portion of our own continent, the consid- with France is in this respect an exception from sound circulating medium, the amount of which ury, the government has not suspended payment, eration for this sacrifice was that Great Britain our treaties with all other commercial nations. It skill to the wants of internal trade and foreign ex. banks in 1837. It will continue to discharge its same position with ourselves. Whilst we have no changes. If this be either greatly above or greatly liabilities to the people in gold ond silver. Its right to doubt the sinceerity of the British gov't below the proper standard, the marketable value disbursements in coin will pass into circulation, in their construction of the treaty, it is at the same of every man's property is increased or diminished and materially assist in restoring a sound curren- time my deliberate conviction that this construcin the same proportion, and injustice to individu- cy. From its high credit, should we be compel- tion is in opposition both to its letter and its spirit als as well as incalculable evils to the community, led to make a temporary loan, it can be effected Under the late administration negotiations were on advantageous terms. This, however, shall, if instituted between the two gov'ts for the purpose Unfortunately, under the construction of the possible, be avoided; but, if not, then the amount if possible, of removing these difficulties; and a treaty having this laudable object in view, was I have, therefore, determined that whilst no signed at London on the 17th Oct'r, 1856, and duty had been dissevered from the coining power, useful government works already in progress shall was submitted by the President to the Senate on and virtually transferred to more than fourteen be suspended, new works, not already commenced, the following 10th of Dec. Whether this treaty, hundred State banks, acting independently of each will be postponed; if this can be done without in- either in its original or amended form, would have other, and regulating their paper issues almost jury to the country. Those necessary for its de- accomplished the object intended without giving fence shall proceed as though there had been no birth to new and embarrassing complications be-

tween the two gov'ts, may perhaps be well ques-The federal government cannot do much to pro- tioned. Certain it is, however, it was rendered for the country, the first duty which these banks vide against a recurrence of existing evils. Even much less objectionable by the different amendowe to the public is to keep in their vaults a suffi- if unsuamountable constitutional objections did ments made to it by the Senate. The treaty as cient amount of gold and silver to insure the con- not exist against the creation of a National Bank, amended, was ratified by me on the 12th of March, vertibility of their notes into coin at all times and this would furnish no adequate preventive secu- 1857, and was transmitted to London for ratificaunder all circumstances. No bank ought ever to rity. The history of the last Bank of the U.S. tion by the British Gov't. That Gov't expressed be chartered without such restrictions on its busi- abundantly proves the truth of this assertion. its willingness to concur in all the amendments as to secure this result. All other restrictions Such a Bank could not if it would, regulate the made by the Senate with the single exception of are comparatively vain. This is the only true issue and credits of fourteen hundred States Banks the clause relating to Ruatan and the other islands in the Bay of Honduras. The article in the original treaty, as submitted to the Senate, after reciting that these islands and their inhabitants "having been by a convention bearing date the 27th day of August, 1856, between her Britannic Majesty and the Republic of Honduras, constituted and declared a free territory, under the sov-ereignty of the said Republic of Honduras," stithe said free territory as a part of the Republic of Honduras."

Upon an examination of this convention beto be regretted. Our present Minister at Madrid pose of preventing the carrying on of any such tween Great Britain and Honduras of the 27th of August, 1856, it was found that, whilst declaring send out a new Minister to Spain, with special in- jurisdiction of the U. States," and the collectors Should she be admitted into the Union, with a course the Bar Islands to be the state of the U. States, and the collectors and the collectors and the state of the U. States, and the collectors and the state of the U. States, and the collectors and the state of the U. States, and the collectors and the state of the U. States, and the collectors and the state of the U. States, and the collectors and the state of the U. States, and the collectors and the state of the U. States, and the collectors are state of the U. States, and the collectors are state of the U. States, and the collectors are state of the U. States, and the collectors are state of the U. States, and the collectors are state of the U. States, and the collectors are state of the U. States, and the collectors are state of the U. States, and the collectors are state of the U. States, and the collectors are state of the U. States, and the collectors are state of the U. States, and the collectors are state of the U. States, and the collectors are state of the U. States, and the collectors are state of the U. States, are state of the U. the moment of pressure, as our experience teaches, in sufficient time to prevent bank suspensions and the depreciation of harb model and subority, "whatever reduction of the paper circulation was effect. prived that republic of rights without which its speedily and amicably adjusted, if this be possible. she is about to take part in such lawless enterprises. agitation during the brief period required to make the main adjusted of t sovereignty over them could scarcely be said to In the meantime, whenever our Minister urges country, though vastly behind our own in this than made up by the issues of the country banks." exist. It divided them from the remainder of Hon- the just claims of our citizens on the notice of the tempt would be made to get up another unlawful jority.

security of all the communications across the isrency and bank loans and discount of the country fabrics-would not only have acquired almost ex- treaty is a virtual recognition on the part of the Whilst entertaining these sentiments, I shall thmus. It is our duty, therefore, to take care that they shall not be interrupted either by invairresponsible banking institutions, which from the have created for themselves a foreign market as owner or protector, to the whole extensive coast able adjustment of the Central American questions sions from our own country or by wars between the independent States of Central America. Under of Central America, sweeping round from the Rio which is not practically inconsistent with the Aof their stockholders rather than the public welfare. Deplorable, however, as may be our present fi- Hondo the port and harbor of San Juan de Nica- merican interpretation of the treaty. Overtures our treaty with New Grenada of the 12th December, 1846, we are bound to guaranty the neutrality of the isthmus of Panama, through which the Panama railroad passes, "as well as the rights of sovereignty and property which New Grenada has and possesses over the said Territory." This ob-With France our ancient relations of friendship ligation is founded upon equivalents granted by the treaty to the government and people of the U. States. Under these circumstances, I recommend to

have been negotiated under the authority of the towards our country which I heartily reciprocate. Congress the passage of an ast authorizing the President, in case of necessity, to employ the land and naval forces of the United States to carry into effect this guarantee of neutrality and protec tion. I also recommend similar legislation for provide against a recurrence of the same calamity. and to stipulate with a foreign government never nue to enforce ancient and obsolete restrictions of the security of any other route across the isthmus in which we may acquire an interest by treaty. With the independent republics on this continent it is both our duty and our interest to cultiought to be adapted with the ntmost wisdom and as it was compelled to do by the failure of the should, in this respect at least, be placed in the jealously levies discriminating duties both on ton- vate the most friendly relation. We can never nage and on articles, the growth, produce, or ma- feel indifferent to their fate, and must always renufacture of the one country, when arriving in joice in their prosperity. Unfortunately, both vessels belonging to the other. for them and for us, our example and advice have More than 40 years ago, on the 3d March, 1815, lost much of their influence in consequence of the

Congress passed an act offering to all nations to lawless expeditions which have been fitted out admit their vessels laden with their national pro- egainst some of them within the limits of our ductions into the ports of the U. S. upon the same country. Nothing is better calculated to retard terms with our own vessels, provided they would our steady material progress, or impair our charac- of taking "care that the laws be faithfully executed reciprocate to us similar advantages. This act ter as a nation, than the toleration of such enterconfined the reciprocity to the productions of the prises in violation of the law of nation.

the proposed arrangement with the U. S. The act independent State, in its relations with the memof May 24, 1828, removed this restriction, and of- bers of the great family of nations, to restrain its fered a similar reciprocity to all such vessels with- people from acts of hostile aggression against their opinion, to make known their will by the votes of the out reference to the origin of their cargoes. Upon citizens or subjects. The most eminent writers these principles, our commercial treaties and ar- on public law do not hesitate to denounce such rangements have been founded except with France; bostile acts as robbery and murder.

Weak and feeble States, like those of Central America, may not feel themselves able to assert ever been, on the most friendly footing. The pre- and vindicate their rights. The case would be sent Emperor, as well as his predecessiors, have ne- far different if expedition were set on foot within ver failed, when the occasion offered, to manifest our own territories to make private war against a their good will to our country; and their friendship powerful nation. If such expeditions were fitted has always been highly appreciated by the gov't out from abroad against any portion of our own

plunder our people, and usurp our government, Spain, our relations are as peaceful as we could we should call any power on earth to the strictest

Ever since the administration of Gen. Washington; acts of Congress have been in force to may be brought to bear on the representative and punish severely the crime of setting on foot a ciently powerful to induce him to disregard the will of Besides, the outrage committed on our flag by the Spanish war-frigate Ferrolana on the high seas, off the coast of Cuba, in March, 1855, by firing into pulated that "the two contradicting parties do the coast of Cuba, in March, 1855, by firing into hereby mutually engage to recognize and respect the U. S. mail steamer El Dorado, and detaining neutrality act of April 20th, 1818, is but little of slavery in Kansas, except by leaving it to a direct to a dir in all future time the independence and rights of and searching her, remains unacknowledged and more than a collection of pre-existing laws. Under vote. How wise, then, was it for Congress to pass unredressed. The general tone and temper of the this act the President is empowered to employ the over all subordinate and intermediate agencies, and Spanish gov't towards that of the U. S. are much to be regretted. Our present Minister at Madrid pose of presenting the carrying the ca

has asked to be recalled; and it is my purpose to expedition or enterprise from the territories and tice! This may be illustrated by the case of Kansas two gov'ts, and with a determination to have them any vessel in port when there is reason to believe effect than to continue and to exasperate the existing When it was first rendered probable that an at- constitution conform to the irresistible will of the mar

respective foreign nations who might enter into

and let us hope this exception may not long exist. Our relations with Russia remain, as they have

and people of the United States. With all other European gov'ts, except that of desire. I regret to say that no progress whatever account for not preventing such enormities. has been made, since the adjournment of Congress,

towards the settlement of any of the numerous claims of our citizens against the Spanish gov't.

country, to burn down our cities, murder and