J. L. Wolf

The North Carolina Whig.

"Be true to God, to your Country, and to your Duty."

VOLUME 8. CHARLOTTE, N. C., DECEMBER 14, 1854. NUMBER 44.

HOLTON & WILLIAMSON,
EDITORS.

T. J. HOLTON, PROPRIETOR.

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PRESIDENT'S MESSAGE.

Fellow-Citizens of the Senate and of the House of Representatives:

The past has been an eventful year, and will be hereafter referred to as a marked epoch in the history of the world. While we have been happily preserved from the calamities of war, our domestic prosperity has not been entirely uninterrupted. The crops, in portions of the country, have been nearly cut off. Disease has prevailed to a greater extent than usual, and the sacrifice of human life, through casualties by sea and land, is without a parallel. But the pestilence has swept by, and restored salubrity invites the absent to their homes, and the return of business to its ordinary channels. If the earth has rewarded the labor of the husbandman less bountifully than in preceding seasons, it has left him with abundance for domestic wants, and a large surplus for exportation. In the present, therefore, as in the past, we find ample grounds for reverent thankfulness to the God of Grace and Providence, for His protecting care and merciful dealings with us as a people.

Although our attention has been arrested by painful interest in passing events, yet our country feels no more than the slight vibrations of the convulsions which have rent Europe. As individuals, we cannot express sympathy with human suffering, nor regret for the causes which produce it. As a nation, we are reminded, that whatever interrupts the peace, or checks the prosperity, of any part of Christendom, tends more or less to involve our own. The condition of states is not unlike that of individuals. They are mutually dependant upon each other. Amicable relations between them, and reciprocal good will, are essential for the promotion of whatever is desirable in their moral, social and political condition. Hence it has been my earnest endeavor to maintain peace and friendly intercourse with all nations.

The wise theory of this government, so early adopted and steadily pursued, of avoiding all entangling alliances, has hitherto exempted it from many complications, in which it would otherwise have become involved. Notwithstanding this, our clearly-defined and well-sustained course of action, and our geographical position so remote from Europe, increasing disposition has been manifested by some of its governments to supervise, and, in certain respects, to direct our foreign policy. In plans for adjusting the balance of power between themselves, they have assumed to take us into account, and would constrain us to conform our conduct to their views. One or another of the powers of Europe has, from time to time, undertaken to enforce arbitrary regulations, contrary in many respects to established international law. That law, the United States have, in their foreign intercourse, uniformly respected and observed, and they cannot recognise any such interpolations therein, as the temporary interests of others may suggest. They do not admit that the sovereigns of one continent, or of a particular community of States, can legislate for all others.

Leaving the transatlantic nations to adjust their political sytem in the way they may think best for their common welfare, the independent powers of this continent may well assert the right to be exempt from all annoying interference on their part. Systematic abstinence from intimate political connexion with distant foreign nations, does not conflict with giving the widest range to our foreign commerce. This distinction, so clearly marked in history, seems to have been overlooked or disregarded by some leading foreign States. Our refusal to be brought within, and subjected to their peculiar system, has, I fear, created a jealous distrust of our conduct, and induced, on their part, occasional acts of disturbing effect upon our foreign relations. Our present attitude and past course give assurances, which should not be questioned, that our purposes are not aggressive, nor threatening to the safety and welfare of other nations. Our military establishment, in time of peace, is adapted to maintain exterior defences, and to preserve order among the aboriginal tribes within the limits of the Union. Our naval force is intended only for the protection of our citizens abroad, and of our commerce diffused, as it is, over all the globe. The government of the United States, being essentially pacific in policy, stands prepared to repel invasion by the voluntary service of a patriotic people, and provides no permanent means of foreign aggression. These considerations should allay all apprehension, that we are disposed to encroach on the rights or endanger the security of other States.

Some European powers have regarded, with disquieting concern, the territorial expansion of the United States. This rapid growth has resulted from the legitimate exercise of sovereign rights, belonging alike to all nations, and by many liberally exercised. Under such circumstances it could hardly have been expected that those among them, which have, within a comparatively recent period, subdued and absorbed ancient kingdoms, planted their standards on every continent, and now possess, or claim the control of, the islands of every ocean as their appropriate domain, would look with unfriendly sentiments upon the acquisitions of this country, in every instance, honorably obtained, or would feel themselves justified in imputing our advancement to a spirit of aggression or to a passion for polical predominance.

Our foreign commerce has reached a magnitude and extent nearly equal to that of the first maritime power of the earth, and exceeding that of any other. Over this great interest, in which not only our merchants, but all classes of citizens, at least indirectly, are concerned, it is the duty of the executive and legislative branches of the government to exercise a careful supervision, and adopt proper measures for its protection. The policy which I have had in view in regard to this interest embraces its future as well as its present security.

Long experience has shown that, in general, when the principal powers of Europe are engaged in war, the rights of neutral nations are endangered. This consideration led, in the progress of the war of our independence, to the formation of the celebrated confederacy of armed neutrality, a primary object of which was, to assert the doctrine, that free ships make free goods, except in articles contraband of war; a doctrine which, from the very commencement of our national being, has been a cherished idea of the statesmen of this country. At one period or another, every maritime power has, by some solemn treaty stipulation, recognised that principle; and it might have been hoped that it would come to be universally received and respected as a rule of international law. But the refusal of one power prevented this, and in the next great war which ensued, that of the French revolution, it failed to be respected among the belligerant States of Europe. Notwithstanding this, the principle is generally admitted to be a sound and salutary one; so much so, that, at the commencement of the existing war in Europe, Great Britain and France announced their purpose to observe it for the present; not, however, as a recognised international right, but as a mere concession for the time being. The co-operation, however, of these two powerful maratime nations in the interest of neutral rights, appeared to me to afford an occasion, inviting and justifying, on the part of the United States, a renewed effort to make the doctrine in question a principle of international law, by means of special conventions between the several powers of Europe and America. Accordingly, a proposition, embracing not only the rule that free ships make free goods, except contraband articles, but also the less contested one, that neutral property, other than contraband, though on board enemy's ships, shall be exempt from confiscation, has been submitted by this government to those of Europe and America.

Russia acted promptly in this matter, and a convention was concluded between that country and the United States, providing for the observance of the principles announced, not only as between themselves, but also as between them and all other nations which shall enter into like stipulations. None of the other powers have as yet taken final action on the subject. I am not aware, however, that any objection to the proposed stipulations has been made; but, on the contrary, they are acknowledged to be essential to the security of neutral commerce; and the only apparent obstacle to their general adoption is in the possibility that it may be encumbered by inadmissible conditions.

The King of the Two Sicilies has expressed to our minister at Naples his readiness to concur in our proposition relative to neutral rights, and to enter into a convention on that subject.

The King of Prussia entirely approves of the project of a treaty to the same effect, submitted to him, but proposes an additional article providing for the renunciation of privateering. Such an article, for most obvious reasons, is much desired by nations having naval establishments, large in proportion to their foreign commerce. If it were adopted as an international rule, the commerce of a nation having comparatively a small naval force, would be very much at the mercy of its enemy, in case of war with a power of decided naval superiority. The bare statement of the condition in which the United States would be placed, after having surrendered the right to resort to privateers, in the event of war with a belligerent of naval supremacy, will show that this government could never listen to such a proposition. The navy of the first maritime power in Europe is at least ten times as large as that of the United States. The foreign commerce of the two countries is nearly equal, and about equally exposed to hostile depredations. In war between that power and the United States, without resort on our part to our mercantile marine, the means of our enemy to inflict injury upon our commerce would be tenfold greater than ours to retaliate. We could not extricate our country from this unequal condition, with such an enemy, unless we at once departed from our present peaceful policy, and became a great naval power. Nor would this country be better situated, in war with one of the secondary naval powers. Though the naval disparity would be less, the greater extent, and more exposed condition of our widespread commerce, would give any of them a like advantage over us.

The proposition to enter into engagements to forego resort to privateers, in case this country should be forced into war with a great naval power, is not entitled to more favorable consideration than would be a proposition, to agree not to accept the services of volunteers for operations on land. When the honor or the rights of our country require it to assume a hostile attitude, it confidently relies upon the patriotism of its citizens, not ordinarily devoted to the military profession, to augment the army and the navy, so as to make them fully adequate to the emergency which calls them into action.—The proposal to surrender the right to employ privateers is professedly founded upon the principle, that private property of unoffending non-combatants, though enemies, should be exempt from the ravages of war; but the proposed surrender goes but little way in carrying out that principle, which equally requires that such private property should not be seized or molested by national ships of war. Should the leading powers of Europe concur in proposing, as a rule of international law, to exempt private property, upon the ocean, from seizure by public armed cruisers, as well as by privateers, the United States will readily meet them upon that broad ground.

Since the adjournment of Congress, the ratifications of the treaty between the United States and Great Britain, relative to coast fisheries, and to reciprocal trade with the British North American provinces, have been exchanged, and some of its anticipated advantages are already enjoyed by us, although its full execution was to abide certain acts of legislation not yet fully performed. So soon as it was ratified, Great Britain opened to our commerce the free navigation of the river St. Lawrence, and to our fishermen unmolested access to the shores and bays, from which they had been previously excluded, on the coasts of her North American provinces; in return for which, she asked for the introduction, free of duty, into the ports of the United States, of the fish caught on the same coast by British fishermen. This being the compensation, stipulated in the treaty, for privileges of the highest importance and value to the United States, which were thus voluntarily yielded before it became effective, the request seemed to me to be a reasonable one; but it could not be acceded to, from want of authority to suspend our laws imposing duties upon all foreign fish. In the meantime, the Treasury Department issued a regulation, for ascertaining the duties paid or secured by bonds on fish caught on the coasts of the British provinces, and brought to our markets by British subjects, after the fishing-grounds had been made fully accessible to the citizens of the United States. I recommend to your favorable consideration a proposition, which will be submitted to you, for authority to refund the duties and cancel the bonds thus received. The provinces of Canada and New Brunswick have also anticipated the full operation of the treaty, by legislative arrangements, respectively, to admit, free of duty, the products of the United States mentioned in the free list of the treaty; and an arrangement, similar to that regarding British fish, has been made for duties now chargeable on the products of those provinces enumerated in the same free list, and introduced therefrom into the United States; a proposition for refunding which will, in my judgment, be in like manner entitled to your favorable consideration.

There is difference of opinion between the United States and Great Britain, as to the boundary line of the Territory of Washington adjoining the British possessions on the Pacific, which has already led to difficulties on the part of the citizens and local authorities of the two governments. I recommend that provision be made for a commission, to be joined by one on the part of her Britannic Majesty, for the purpose of running and establishing the line in controversy. Certain stipulations of the third and fourth articles of the treaty concluded by the United States and Great Britain in 1846, regarding possessory rights of the Hudson's Bay Company, and property of the Puget's Sound Agricultural Company, have given rise to serious disputes, and it is important to all concerned, that summary means of settling them amicably should be devised. I have reason to believe that an arrangement can be made on just terms, for the extinguishment of the rights in question, embracing, also, the right of the Hudson's Bay Company to the navigation of the river Columbia; and I therefore suggest to your consideration, the expediency of making a contingent appropriation for the purpose.

France was the early and efficient ally of the United States in their struggle for independence. From that time, to the present, with occasional slight interruptions, cordial relations of friendship have existed between the government and people of the two countries. The kindly sentiments, cherished alike by both nations, have led to extensive social and commercial intercourse, which I trust, will not be interrupted or checked by any casual event of an apparently unsatisfactory character. The French consul at San Francisco was, not long since, brought into the United States district court at that place, by compulsory process, as a witness in favor of another foreign consul, in violation, as the French government conceives, of his privileges under our consular convention with France. There being nothing in the transaction which could imply any disrespect to France or its consul, such explanation has been made, as I hope will be satisfactory. Subsequently, misunderstanding arose on the subject of the French government having, as it appeared, abruptly excluded the American minister to Spain from passing through France on his way from London to Madrid. But that government has unequivocally disavowed any design to deny the right of transit to the minister of the United States; and, after explanations to this effect, he has resumed his journey, and actually returned through France to Spain. I herewith lay before Congress the correspondence on this subject between our envoy at Paris, and the minister of foreign relations on the French government.

The position of our affairs with Spain remains as at the close of your last session. Internal agitation, assuming very nearly the character of political revolution, has recently convulsed that country. The late ministers were violently expelled from power, and men, of very different views in relation to its internal affairs, have succeeded. Since this change, there has been no opportunity to resume, and press on, negotiations for the adjustment of serious questions of difficulty between the Spanish government and the United States. There is reason to believe that our minister will find the present government more favorably inclined than the preceding to comply with our just demands, and to make suitable arrangements for restoring harmony, and preserving peace, between the two countries.

Negotiations are pending with Denmark to discontinue the practice of levying tolls on our vessels and their cargoes passing through the Sound. I do not doubt that we can claim exemption therefrom, as a matter of right. It is admitted on all hands, that this exaction is sanctioned, not by the general principles of the law of nations, but only by special conventions, which most of the commercial nations have entered into with Denmark. The fifth article of our treaty of 1826, with Denmark, provides that there shall not be paid, on the vessels of the United States and their cargoes when passing through the Sound, higher duties than those of the most favored nations. This may be regarded as an implied agreement to submit to the tolls during the continuance of the treaty, and, consequently, may embarrass the question of our right to be released therefrom. There are also other provisions in the treaty which ought to be modified. It was to remain in force for ten years, and until one year after either party should give notice to the other of intention to terminate it. I deem it expedient that the contemplated notice should be given to the government of Denmark.

The naval expedition, despatched about two years since for the purpose of establishing relations with the empire of Japan, has been ably and skilfully conducted to a successful termination by the officer to whom it was entrusted. A treaty, opening certain of the ports of that populous country, has been negotiated; and in order to give full effect thereto, it only remains to exchange ratifications, and adopt requisite commercial regulations.

The treaty lately concluded between the United States and Mexico settled some of our most embarrassing difficulties with that country, but numerous claims upon it for wrongs and injuries to our citizens remained unadjusted, and many new cases have been recently added to the former list of grievances. Our legation has been earnest in its endeavors to obtain, from the Mexican government, a favorable consideration of these claims, but hitherto without success. This failure is, probably, in some measure, to be ascribed to the disturbed condition of that country. It has been my anxious desire to maintain friendly relations with the Mexican Republic, and to cause its rights and territories to be respected, not only by our citizens, but by foreigners, who have resorted to the United States for the purpose of organizing hostile expeditions against some of the States of that Republic. The defenceless condition, in which its frontiers have been left, has stimulated lawless adventurers to embark in these enterprises, and greatly increased the difficulty of enforcing our obligations of neutrality. Regarding it as my solemn duty to fulfil, efficiently, these obligations, not only towards Mexico, but other foreign nations, I have exerted all the powers with which I am invested to defeat such criminal proceedings, and bring to punishment those who, by taking a part therein, violated our laws. The energy and activity of our civil and military authorities have frustrated the designs of those who meditated expeditions of this character, except in two instances. One of these, composed of foreigners, was at first countenanced and aided by the Mexican government itself, it having been deceived as to their real object. The other, small in number, eluded the vigilance of the magistrates at San Francisco, and succeeded in reaching the Mexican territories; but the effective measures taken by this government compelled the abandonment of the undertaking.

The commission to establish the new line between the United States and Mexico, according to the provisions of the treaty of the 30th of December last, has been organized, and the work is already commenced.

Our treaties with the Argentine Confederation and with the Republics of Uruguay, and Paraguay, secure to us the free navigation of the river La Plata, and some of its larger tributaries; but the same success has not attended our endeavors to open the Amazon. The reasons in favor of the free use of that river, I had occasion to present fully, in a former message; and, considering the cordial relations which have long existed between this government and Brazil, it may be expected that pending negotiations will, eventually, reach a favorable result.

Convenient means of transit, between the several parts of a country, are not only desirable for the objects of commercial and personal communication, but essential to its existence under one government. Separated as are the Atlantic and Pacific coasts of the United States by the whole breadth of the continent, still the inhabitants of each are closely bound together by community of origin and institutions, and by strong attachment to the Union. Hence the constant and increasing intercourse, and vast interchange of commercial productions, between these remote divisions of the Republic. At the present time, the most practicable and only commodious routes for communication between them are by the way of the Isthmus of Central America. It is the duty of the government to secure these avenues against all danger of interruption.

In relation to Central America, perplexing questions existed between the United States and Great Britain at the time of the cession of California. These, as well as questions which subsequently arose concerning inter-oceanic communication across the Isthmus, were, as it was supposed, adjusted by the treaty of April 19, 1850: but, unfortunately, they have been re-opened by serious misunderstanding as to the import of some of its provisions, a re-adjustment of which is now under consideration. Our minister at London has made strenuous efforts to accomplish this desirable object, but has not yet found it possible to bring the negotations to a termination.

As incidental to these questions, I deem it proper to notice an occurrence which happened in Central America, near the close of the last session of Congress. So soon as the necessity was perceived of establishing inter-oceanic communications across the Isthmus, a company was organized, under authority of the State of Nicaragua, but composed for the most part, of citizens of the United States, for the purpose of opening such a transit way, by the river San Juan and Lake Nicaragua, which soon became an eligible and much used route in the transportation of our citizens and their property between the Atlantic and Pacific. Meanwhile, and in anticipation of the completion and importance of this transit way, a number of adventurers had taken possession of the old Spanish port at the mouth of the river San Juan, in open defiance of the State or States of Central America, which upon their becoming independent, had rightfully succeeded to the local sovereignty and jurisdiction of Spain. These adventurers undertook to change the name of the place from San Juan del Norte to Greytown, and, though at first pretending to act as the subjects of the fictitious sovereign of the Mosquito Indians, they subsequently repudiated the control of any power whatever, assumed to adopt a distinct political organization, and declared themselves an independent sovereign State. If, at some time a faint hope was entertained that they might become a stable and respectable community, that hope soon vanished. They proceeded to assert unfounded claims to civil jurisdiction over Punta Arenas, a position on the opposite side of the river San Juan, which was in possession, under a title wholly independent of them, of citizens of the United States, interested in the Nicaragua Transit Company, and which was indispensably necessary to the prosperous operation of that route across the Isthmus. The company resisted their groundless claims; whereupon they proceeded to destroy some of its buildings, and attempted violently to dispossess it.

At a later period they organized a strong force for the purpose of demolishing the establishment at Punta Arenas, but this mischievous design was defeated by the interposition of one of our ships of war, at that time in the harbor of San Juan. Subsequently to this, in May last, a body of men from Greytown crossed over to Punta Arenas, arrogating authority to arrest, on the charge of murder, a captain of one of the steamboats of the Transit Company. Being well aware that the claim to exercise jurisdiction there would be resisted then, as it had been on previous occasions, they went prepared to assert it by force of arms. Our minister to Central America happened to be present on that occasion. Believing that the captain of the steamboat was innocent, for he witnessed the transaction on which the charge was founded, and believing, also, that the intruding party, having no jurisdiction over the place where they proposed to make the arrest, would encounter desperate resistance if they persisted in their purpose, he interposed, effectually, to prevent violence and bloodshed. The American minister afterwards visited Greytown, and whilst he was there, a mob, including certain of the so called public functionaries of the place surrounded the house in which he was, avowing that they had come to arrest him, by order of some person exercising the chief authority. While parleying with them he was wounded by a missile from the crowd. A boat, despatched from the American steamer "Northern Light," to release him from the perilous situation in which he was understood to be, was fired into by the town guard, and compelled to return. These incidents, together with the known character of the population of Greytown, and their excited state, induced just apprehensions that the lives and property of our citizens at Punta Arenas would be in imminent danger after the departure of the steamer, with her passengers, for New York, unless a guard was left for their protection. For this purpose, and in order to ensure the safety of passengers and property passing over the route, a temporary force was organized, at considerable expense to the United States, for which provision was made at the last session of Congress.

This pretended community—a heterogeneous assemblage, gathered from various countries, and composed for the most part of blacks and persons of mixed blood—had previously given other indications of mischievous and dangerous propensities. Early in the same month, property was clandestinely abstracted from the depot of the Transit Company and taken to Greytown. The plunderers obtained shelter there, and their pursuers were driven back by its people, who not only protected the wrongdoers and shared the plunder, but treated with rudeness and violence those who sought to recover their property.

Such, in substance, are the facts submitted to my consideration, and proved by trustworthy evidence. I could not doubt that the case demanded the interposition of this Government. Justice required that reparation should be made for so many and such gross wrongs, and that a course of insolence and plunder, tending directly to the insecurity of the lives of numerous travelers, and of the rich treasure belonging to our citizens, passing over this transit way, should be peremptorily arrested. Whatever it might be in other respects, the community in question, in power to do mischief, was not despicable. It was well provided with ordnance, small arms and ammunition, and might easily seize on the unarmed boats, freighted with millions of property, which passed almost daily within its reach. It did not profess to belong to any regular government, and had, in fact, no recognized dependance on or connexion with any one to which the United States or their injured citizens might apply for redress, or which could be held responsible in any way for the outrages committed. Not standing before the world in the attitude of an organized political society, being neither competent to exercise the rights nor to discharge the obligations of a government, it was in fact a marauding establishment, too dangerous to be disregarded, and too guilty to pass unpunished, and yet incapable of being treated in any other way than as a piratical resort of outlaws, or a camp of savages, depredating on emigrant trains or caravans and the frontier settlements of civilized States.

Seasonable notice was given to the people of Greytown that this Government required them to repair the injuries they had done to our citizens, and to make suitable apology for the insult of our Minister, and that a ship-of-war would be despatched thither to enforce compliance with these demands.—But the notice passed unheeded. Thereupon a commander of the navy, in charge of the sloop-of-war "Cyane," was ordered to repeat the demands, and to insist upon a compliance therewith. Finding that neither the populace, nor those assuming to have authority over them, manifested any disposition to make the required reparation, or even to offer excuse for their conduct, he warned them, by a public proclamation, that if they did not give satisfaction within a time specified he would bombard the town. By this procedure he afforded them opportunity to provide for their personal safety. To those also who desired to avoid loss of property in the punishment about to be inflicted on the offending town, he furnished the means of removing their effects by the boats of his own ship, and of a steamer which he procured and tendered to them for that purpose. At length, perceiving no disposition on the part of the town to comply with his requisitions, he appealed to the commander of her Britannic Majesty's schooner "Burmuda," who was seen to have intercourse, and apparently much influence, with the leaders among them, to interpose and persuade them to take some course calculated to save the necessity of resorting to the extreme measure indicated in his proclamation; but that officer, instead of acceding to the request, did nothing more than to protest against the contemplated bombardment. No steps of any sort were taken by the people to give the satisfaction required. No individuals, if any there were, who regarded themselves as not responsible for the misconduct of the community, adopted any means to separate themselves from the fate of the guilty. The several charges on which the demands for redress were founded had been publicly known to all for some time, and were again announced to them. They did not deny any of these charges; they offered no explanation—nothing in extenuation of their conduct; but contumaciously refused to hold any intercourse with the commander of the "Cyane." By their obstinate silence they seemed rather desirous to provoke chastisement than to escape it. There is ample reason to believe that this conduct of wanton defiance on their part is imputable chiefly to the delusive idea that the American Government would be deterred from punishing them through fear of displeasing a formidable foreign Power, which they presumed to think looked with complacency upon their aggressive and insulting deportment towards the United States. The "Cyane" at length fired upon the town. Before much injury had been done, the fire was twice suspended, in order to afford opportunity for an arrangement, but this was declined. Most of the buildings of the place, of little value generally, were, in the sequel, destroyed, but, owing to the considerate precaution taken by our naval commander, there was no destruction of life.

When the "Cyane" was ordered to Central America, it was confidently hoped and expected that no occasion would arise for "a resort to violence and destruction of property and loss of life." Instructions to that effect were given to her commander; and no extreme act would have been requisite had not the people themselves, by their extraordinary conduct in the affair, frustrated all the possible mild measures for obtaining satisfaction. A withdrawal from the place, the object of the visit entirely defeated, would, under the circumstances in which the commander of the Cyane found himself, have been absolute abandonment of all claim of our citizens for indemnification, and submissive acquiescence in national dignity. It would have encouraged in these men a spirit of insolence and rapine most dangerous to the lives and property of our citizens at Punta Arenas, and probably emboldened them to grasp at the treasures and valuable merchandise continually passing over the Nicaragua route. It certainly would have been most satisfactory to me if the objects of the Cyane's mission could have been consummated without any act of public force; but the arrogant contumacy of the offenders rendered it impossible to avoid the alternative, either to break up their establishment, or to leave them impressed with the idea that they might persevere with impunity in a career of insolence and plunder.

This transaction has been the subject of complaint on the part of some foreign powers, and has been characterized with more of harshness than of justice. If comparisons were to be instituted, it would not be difficult to present repeated instances in the history of States, standing in the very front of modern civilization, where communities, far less offending and more defenceless than Greytown, have been chastised with much greater severity, and where not cities only have been laid in ruins, but human life has been recklessly sacrificed, and the blood of the innocent was made profusely to mingle with that of the guilty.

Passing from foreign to domestic affairs, your attention is naturally directed to the financial condition of the country, always a subject of general interest. For complete and exact information regarding the finances, and the various branches of the public service connected therewith, I refer you to the report of the Secretary of the Treasury; from which it will appear that the amount of revenue during the last fiscal year, from all sources, was seventy-three millions five hundred and forty-nine thousand seven hundred and five dollars; and that the public expenditures for the same period, exclusive of payments on account of the public debt, amounted to fifty-one millions eighteen thousand two hundred and forty-nine dollars. During the same period, the payments made in redemption of the public debt, including interest and premium, amounted to twenty-four millions three hundred and thirty-six thousand three hundred and eighty dollars. To the sum total of the receipts of that year is to be added a balance remaining in the Treasury at the commencement thereof, amounting to twenty-one millions nine hundred and forty-two thousand eight hundred and ninety-two dollars; and at the close of the same year, a corresponding balance amounting to twenty millions one hundred and thirty-seven thousand nine hundred and sixty-seven dollars of receipts above expenditures, also remained in the Treasury. Although in the opinion of the Secretary, the receipts of the current fiscal year are not likely to equal in amount those of the last, yet they will undoubtedly exceed the amount of expenditures by at least fifteen millions of dollars. I shall, therefore, continue to direct that the surplus revenue be applied, so far as can be judiciously and economically done, to the reduction of the public debt, the amount of which, at the commencement of the last fiscal year, was sixty-seven millions three hundred and forty thousand six hundred and twenty-eight dollars; of which there had been paid on the twentieth of November, 1854, the sum of twenty-two millions three hundred and sixty-five thousand one hundred and seventy-two dollars; leaving a balance of outstanding public debt of only forty-four millions nine hundred and fifty-six dollars, redeemable at different periods within fourteen years. There are also remnants of other government stocks, most of which are already due, and on which the interest has ceased, but which have not yet been presented for payment, amounting to two hundred and thirty-three thousand one hundred and seventy-nine dollars.—This statement exhibits the fact, that the annual income of the Government greatly exceeds the amount of its public debt, which latter remains unpaid, only because the time has not matured, and it cannot be discharged at once, except at the option of public creditors, who prefer to retain the securities of the United States; and the other fact, not less striking, that the annual revenue from all sources exceeds, by many millions of dollars, the amount needed for a prudent and economical administration of the Government.

The estimates presented to Congress from the different Executive Departments, at the last session, amounted to thirty-eight million four hundred and six thousand five hundred and eighty-one dollars; and the appropriations made, to the sum of fifty-eight million one hundred and sixteen thousand nine hundred and fifty-eight dollars. Of this excess of appropriations over estimates, however, more than twenty millions was applicable to extraordinary objects, having no reference to the usual annual expenditures. Among these objects, was embraced ten millions to meet the third article of the treaty between the United States and Mexico; so that in fact, for objects of ordinary expenditure the appropriations were limited to considerably less than forty millions of dollars. I therefore, renew my recommendation for a reduction of the duties on imports. The report of the Secretary of the Treasury presents a series of tables, showing the operation of the revenue system for several successive years, and as the general principle of reduction of duties with a view to revenue and not protection may now be regarded as the settled policy of the country, I trust that little difficulty will be encountered in settling the details of a measure to that effect.

In connexion with this subject, I recommend a change in the laws, which recent experience has shown to be essential to the protection of the government. There is no express provision of law, requiring the records and papers of a public character, of the several officers of the government, to be left in their offices for the use of their successors, nor any provision declaring it felony on their part to make false entries in the books, or return false accounts. In the absence of such express provision by law, the outgoing officers, in many instances, have claimed and exercised the right to take into their own possession, important books and papers, on the ground that these were their private property; and have placed them beyond the reach of the government. Conduct of this character, brought in several instances to the notice of the present Secretary of the Treasury, naturally awakened his suspicion, and resulted in the disclosure that at four ports, namely, Oswego, Toledo, Sandusky and Milwaukie, the treasury had, by false entries, been defrauded, within the four years next preceding March, 1853, of the sum of one hundred and ninety eight thousand dollars. The great difficulty with which the detection of these frauds has been attended, in consequence of the abstraction of books and papers by the retiring officers, and the facility with which similar frauds in the public service may be perpetrated, render the necessity of new legal enactments, in the respects above referred to, quite obvious. For other material modifications of the revenue laws, which seem to me desirable, I refer you to the report of the Secretary of the Treasury. That report, and the tables which accompany it, furnish ample proofs of the solid foundation on which the financial security of the country rests, and of the salutary influence of the independent treasury system upon commerce and all monetary operations.

The experience of the last year furnishes additional reasons, I regret to say, of a painful character, for the recommendation heretofore made, to provide for increasing the military force employed in the territory inhabited by the Indians. The settlers on the frontier have suffered much from the incursions of predatory bands, and large parties of emigrants to our Pacific possessions have been massacred with impunity. The recurrence of such scenes can only be prevented by teaching these wild tribes the power of, and their responsibility to, the United States. From the garrisons of our frontier posts, it is only possible to detach troops in small bodies; and though these have on all occasions displayed a gallantry and a stern devotion to duty, which on a larger field would have commanded universal admiration, they have usually suffered severely in these conflicts with superior numbers, and have sometimes been entirely sacrificed. All the disposable force of the army is already employed on this service, and is known to be wholly inadequate to the protection which should be afforded. The public mind of the country has been recently shocked by savage atrocities committed upon defenceless emigrants and border settlements, and hardly less by the unnecessary destruction of valuable lives, where inadequate detachments of troops have undertaken to furnish the needed aid. Without increase of the military force, the scenes will be repeated, it is to be feared, on a larger scale, and with more disastrous consequences. Congress, I am sure, will perceive that the plainest duties and responsibilities of government are involved in this question, and I doubt not that prompt action may be confidently an-

Concluded on the 4th page.