This state of affairs was brought to a crisis in May last, by the promulgation of a decree levying a contribution pro rota upon all the capital the republic, between certain specified amounts, whether held by Mexicans or foreigners. Mr. Forsyth, regarding this decree in the light of a "forced loan," formally protested against its ap plication to his countrymen, and advised them not to pay the contribution, but to suffer it to be for-cibly exacted. Acting upon this advice, an American citizen refused to pay the contribution and his property was seized by armed men to satisfy the amount. Not content with this, the government proceeded still further, and issued a decree banishing him from the country. Our min-ister immediately notified them that if the decree should be carried into execution be would feel it his duty to adopt "the most decided measures that belong to the powers and obligations of the representative office." Notwithstanding this warning, the banishment was enforced, and Mr. Forsyth promptly announced to the government the sus pension of the political relations of his legation with them, until the pleasure of his own govern-ment should be ascertained.

ment should be ascertained.

This government did not regard the contribution imposed by the decree of the 15th May last to be in strictness a "forced loan," and as such prohibited by the 10th article of the treaty of 1826 between great Britain and Mexico, to the benefits of which American citizens are entitled by treaty; yet the imposition of the contribu-tion up in foreigners was considered an unjust and oppressive measure. Besides, internal factions in other parts of the republic were at the same time levying similar exactions upon the property of our citizens, and interrupting their commerce.— There had been an entire failure on the part of which our citizens had endured, notwithstandi his persevering efforts. And from the temper manifested by the Mexican government, he had repeatedly assured us that no favorable change could be expected, until the the United States should "give striking evidence of their will and power to protect their citizens," and that "severe chastening is the only earthly remedy for our grievances." From this statement of fancts, it would have been werse than idle to direct Mr. Forsyth to retrace his steps and resume diplomations with that government; and it was, therefore, deemed proper to sanction his with-drawal of the legation from the city of Mexico.

On the other hand, should the constitu party prevail, and their authority be established over the republic, there is reason to hope that they will be animated by a less unfriendly spirit, and may grant that redress to American citizens which justice requires, so far as they may possess the means. But for this expectation, I should at once recommend to Congress to grant the neent portion of the remote and unsettled territory of Mexico, to be held in pledge until our injuries shall be redressed and our just demands be satisfied. We have already exhausted every

means of preventing actual war.
But there is another view of our relations with Mexico, arising from the unhappy condition of such an act, for the protection of the Panama and affairs along our southwestern frontier, which dewhere there are but few white inhabitants, I hands of hostile and predatory Indians roam pro-miscuously over the Mexican States of Chihuahus and Sonors, and our adjoining territories.— The local governments of these States are perfeetly helpless, and are kept in a state of constant alarm by the Indians. They have not the power, if they possessed the will, even to restrain lawless Mexicans from passing the border and committing depredations on our remote settlers. A state of anarchy and violence prevails throughout that distant trontier. The laws are a dead letter, and life and property are wholly insecure. For this reason the settlement of the chain of inhabitants should extend all along its southern border. sufficient for their own protection and that of the United States mail passing to and from California. Well founded apprehensions are now entertained that the Indians, and wandering Mexicans equally lawless, may break up the important stage and postal communication recently estab-lished between our Atlantic and Pacific posses-sions. This passes very near to the Mexican boundary, throughout the whole length of Arizo-na. I can imagine no possible remedy for these evils, and no mode of restoring law or order on that remote and unsettled frontier, but for the Government of the United States to assume a temporary protectorate over the Northern portions of Chihuahua and Sonora, and to establish military posts within the same; and this I carnestly recommend to Congress. This protection may be withdrawn as soon as local governments shall be es-

I do not doubt that this measure will be viewed

population of that territory, numbering, as is alledged, more than ten thousand souls, are practically without a government, without laws, and without any regular administration of justice. ally without a government, without laws, and without any regular administration of justice.—
Murder and other crimes are committed with impunity. This state of things calls loudly for redress, and I therefore recent my recommendation. for the establishment of a territorial Government

cial nations. It is over these transits that a large proportion of the trade and travel between the European and Asiatic continent, is destined to pass.

To the United States these routes are of incalcula de importance as a means of communication between the Atlantic and Pacific possessions.— The latter now extend throughout the seventeen degrees of latitude on the Pacific coast, embracing the important State of California and the flour-ishing Territories of Oregon and Washington.— All commercial nations, therefore, have a deep and be pretended that these States would have the right to arrest or retard its navigation, to the injury of other nations. The transit by land over this narrow isthmus occupies nearly the same posi-tion. It is a highway in which they themselves sions for that purpose. This treaty was transmithave little interest, when compared with the vast interest of the rest of the world. Whilst their ment of New Granada, but with certain amendrights of savereignty ought to be respected, it is ments. It was not, however, returned to this the duty of other nations to require that this imcits until after the close of the last session of the ments. It was not, however, extract to this city until after the close of the last session of the duty of other nations to require that this important passage shall not be interrupted by the civil war, and revolutionary outbreaks which have so frequently occurred in that region. The stake of formatic than the companies claiming to hold conficient extraction. The stake of the mercy of rival companies claiming to hold conficient extraction companies claiming to hold conficient extraction. The stake with Nicaraugus. The companies claiming to hold conficient extraction from the way, were such past of the United States expect no more than this, and they will not be statisfied with less. They would not, if they could, during could, during could, during could, during the could, during could, during the could define the control of the country, whether with assenger as upon out etizates and the recommendation of the country and eighty nine-cents (\$7,914, or correctly which will be innerated by seed that body for their advice and consent; and should report that the control of the control of the country which will be increased by seed that the doty for their advice and consent; and should report the control of the control and receive a fair compensation from the companies and individuals who may travel the route; tion of either of these taxes as an act in violation ment of appropriations made by law." but they insist that it shall never hereafter be of the treaty between the two countries, and as No statesman would advise that we should go purpose, and the route must not be closed pending the controversy. This is our whole policy, and it cannot fail to be acceptible to other nations

All these difficulties might be avoided, if, con-sistently with the good faith of Nicaraugus, the

guan Government on passengers and freight, -In August, 1852, the Accessory Transit Cor pany made its first inter-oceanic trip over the Ni-araguan route, and continued in successful oper-

ariguan route, and continued in successful operation, with great advantage to the public, until the 18th February, 1856, when it was closed, and the grant of this company, as well as its charter, were summarily and arbitrarily revoked by the Government of President Rivas. Previous to this date, however, in 1854, serious disputes concerning the settlement of their accounts had aris-en between the Company and the Government, threatening the interruption of the routes at any moment. These the United States in vain eneavored to compose. It would be useless to parrate the various proceedings which took place be-tween the parties up till the time when the tran-sit was discontinued. Suffice it to say, that since February, 1856, it has remained closed, greatly to the prejudice of citizens of the United States. Since that time the competition has ceased be-tween the rival routes of Panama and Nicaragua; and, in consequence thereof, an unjust and un-reasonable amount has been exacted from our

citizens for their passage to and from California.

A treaty was signed on the 16th day of November, 1857, by the Secretary of State and Minister of Nicaragua, under the stipulations of which the use and protection of the transit route would have een secured, not only to the United States, but equally to all other nations. How and on what retexts this treaty has failed to receive the ratifiation of the Nicaraguan Government, will appear by the papers herewith communicated from the State department. The principal objection seems to have been to the provision anthorizing the United States to employ force to keep the route open, in case Nicaragua should fail to perform her duty in this respect. From the feebleness of that republic, its frequent changes of government, and its constant internal dissension this had become a most important stipulation, and one essentially necessary not only for the security of the route, but for the safety of American citizens passing and repassing to and from our Pa-cific possessions. Were such a stipulation em-braced in a treaty between the United States and Nicaragua, the knowledge of this fact would of itself most probably prevent hostile parties from committing aggressions on the route, and render our actual interference for its protection unneces-

The executive government of this country, its intercourse with foreign nations, is limited to the employment of diplomacy alone. When this fails, it can proceed no further. It cannot legitresort to heatilities against the government still holding possession of the capital. Should they succeed in subduing the constitutional forces, all reasonable hope will then have expired of a peaceful settlement of our difficulties. their passage. It is true, that on a sudden emer-gency of this character, the President would direct any armed force in the vicinity to march to their relief; but in doing this he would act upon his own responsibility.

Under these circumstances I earnestly recom

mend to Congress the passage of an act authorizing the President, under such restrictions as they may deem proper, to employ the land and naval forces of the United States in preventing the transit from being obstructed and closed by lawless violence, and in protecting the lives and property of American citizens traveling thereupon, requiring at the same time that these forces shall be withdrawn the moment the danger shall milder means of obtaining justice. In such a case have passed away. Without such a provision, this remedy of reprisals is recognised by the law our citizens will be constantly exposed to inter-of nations, not only as just in itself, but as a

A similar necessity exists for the passage

the one to the other sea may not be interrupted or embarrassed in any future time while this treaty

In regard to the Tehauntepec route, which has been recently opened under the most favorable suspices, our treaty with Mexico of the 30th De-States a right of transit over it for their persons and merchandize, and stipulates that neither government shall "interpose any obstacle" thereto.—
It also that the "right to transport across the isthmus, in closed bags, the mails of the United States not intended for described as a second states and intended for distribution along the line of the communication also, the effects of the United States Government and its citizens which may be intended for transit, and not for distribution on the isthmus, free

and Mexico, in addition to the considerations applicable to the Nicaragua route, seem to require legislation for the purpose of carrying them into effect.

The injuries which have been inflicted upon our citizens in Costa Rica and Nicaragua during the last two or three years have received the prompt Chihuahua and Sonors, and to establish military posts within the same; and this I carnestly recommend to Congress. This protection may be withdrawn as soon as local governments shall be established in those Mexican States capable of performing their duties to the United States, restraining the lawless, and preserving peace along the border.

The dead doubt that this measure will be righted and along the border. attention of this Government. Some of these I do not doubt that this measure will be viewed in a friendly spirit by the governments and people of Chihuahua and Sonora, as it will prove that immediate investigation and requally effectual for the protection of their citizens on that remote and lawiess frontier, as for citizens on that remote and lawiess frontier, as for citizens on the countries, some of which were the country.

I do not doubt that this measure will be viewed gress by my product of the Government of Costant and was also presented to the Government of Costant an er outrages in these countries, some of which were hardly less aggravated in their character than the your attention to the condition of Arizona. The population of that territory, numbering, as is alledged, more than ten thousand souls, are practicing to the population of that territory, numbering, as is alledged, more than ten thousand souls, are practicing to the condition of dress, and I therefore repeat my recommendation instructed, therefore, to lose no time in expressing to those Governments the deep regret with which the President had witnessed this inatten-The political condition of the narrow isthmus of Central America through which transit routes pass, between the Atlantic and Pacific oceans, justment: Unless this demand shall be complied with at an early day, it will only remain for this Government to adopt such other measures as may peaceful means trom the Government of Nica-ragua and Costa Rica. While it has shown, and will continue to show, the most sincere regard for the rights and honor of these Republics, it cannot permit this regard to be met by an utter neglect, on their part, of what is due to the Government and citizens of the United States.

Against New Granada we have long-standing causes of complaint, arising out of the unsatisfied claims of our citizens upon that republic; and to these have been more recently added the outrages committed upon our citizens at Panama, in April,

transported over the Panama Railroad. The of Treasury notes; and this proving inadequate, Government of New Granada has been informed that the United States would consider the collection of \$20,000,000, "to be applied to the paytory manner. A negotiation for that purpose has already been commenced. No effort has recently been made to collect these taxes, nor is any anticipated under present circumstances.

nutual exchanges. A large quantity of American our is consumed in Brazil; whilst more than reble the amount in value of Brazillian Coffee is consumed in the United States. Whilst this is the case, a heavy duty has been levied, until very recently, upon the importation of American flour nto Brazil. I am gratified, however, to be able to inform you that in September last, this has been reduced from \$1.32 to about forty nine cents per barrel, and the duties on other articles of our proluction have been diminished in nearly the same roportion.

I regret to state that the Government of Braril still continues to levy an export duty of about eleven per cent. on coffee, notwithstanding this article is admitted free from duty in the United States. This is a heavy charge upon the consumers of coffee in our country, as we purchase half of the entire surplus crop of that article raised in Brazil. Our Minister, under instrucions, will reiterate his efforts to have this export duty removed; and it is hoped that the enlight-ened Government of the Emperor will adopt this wise, just, and equal policy. In that event, there is good reason to believe that the commerce between the two countries will greatly inrease, much to the advantage of both.

The claims of our citizens against the Govern-nent of Brazil are not, in the aggregate, of very large amount; but some of these rest upon plain pr nciples of justice, and their settlement ought not to be longer delayed. A renewed and ear-nest, and I trust a successful, effort will be made by our Minister to procure their final adjust-

On the 2d of June last, Congress passed a joint resolution authorizing the President "to adopt such measures and use such force as, in his judgment, may be necessary and advisable" "for the surpose of adjusting the differences between the nited States and the Republic of Paraguay, n connection with the attack on the United States steamer Water Witch, and with other measures referred to" in his annual message.-And on the 12th of July following, they made an appropriation to defray the expenses and compensation of a commissioner to that Republic, should the President deem it proper to make such an appointment.

In compliance with these enactments, I have speciated a commissioner, who has proceeded to Paraguay, with full powers and instructions to settle these differences in an amicable and peaceful manner, if this be practicable. His experience and discretion justify the hope that he may prove successful in convincing the Paraguayan Govern-ment that it is due both to honor and justice, that they should voluntarily and promptly make atonement for the wrongs which they have com-mitted against the United States, and indemnify our injured citizens whom they have forcibly despoiled of their property.

Should our commissioner prove unsuccessful after a sincere and earnest effort, to accomplish the object of his mission, then no alternative will remain but the employment of force to obtain "just satisfaction" from Paraguay. In view of this contingency, the Secretary of the Navy, under my direction, has fitted out and dispatched a naval force, to rendezvous near Buenos Avres, which, it is believed, will prove sufficient for the occasion. It is my earnest desire, however, that it may not be found necessary to resort to the last alternative.

When Congress met in December last, the Universal distress prevailed among the commercial, manufacturing, and mechanical classes.— This revulsion was felt the more severely in the United States because similar causes had produced the like deplorable effects throughout the commercial nations of Europe. All were experiencing sad reverses at the same moment. Our manufactures everywhere suffered severely, not because of the recent reduction in the tariff of duties on imports, but cent reduction in the tariff of duties on imports, but because there was no demand at any price for their productions. The people were obliged to restrict themselves, in their purchases, to articles of prime necessity. In the general prostration of business, the iron manufactures in different States probably suffered more than any other class, and much destitution was the inevitable consequence among the great number of workmen who had been employed in this useful branch of our industry. There could be no supply where there was no demand. To present an example, there could be no demand for railroad iron after our magnificent system of railroads, extending its benefits to every portion of the Union, had been brought to a dead pause. The same conse-quences have resulted from similar causes to many other branches of useful manufactures. It is self-evident that where there is no ability to purchase manufactured articles, these cannot be old, and, consequently, must cease to be produc-

No Government, and especially a Governmen of such limited powers as that of the United States, could have prevented the late revulsion .-The whole commercial world seemed for years to have been rushing to this catastrophe. The same ruinous consequences would have followed in the United States, whether the duties upon foreign imports had remained as they were under the ta-riff of 1846, or had been raised to a much higher

in our past history, must continue to return at intervals so long as our present unbounded system of bank credits shall prevail. They will, however, probably be the less severe in future; because it is not to be expected, at least for many years to come, that the commercial nations of Europe, with whose interests our own are so materially involved, will expose themselves to similar calamities. But this subject was treated so much at large in my last annual message, that I shall not now pursue it further. Still, I respectpassage of a uniform bankrupt law, applicable to banking institutions. This is all the power over the subject which, I believe, the Federal Government possesses. Such a law would mitigate, though it might not prevent, the evit. The instinct of self-preservation might produce a whole-some restraint upon their banking business, if they knew in advance that a suspension of specie payments would inevitably produce their civil

But the effects of the revulsion are now slowly But the effects of the revulsion are now slowly but surely passing away. The energy and enterprise of our citizens, with our unbounded resources, will, within the period of another year, restore a state of wholesome industry and trade. Capital has again accumulated in our large cities. The rate of interest is there very low. Confidence is gradually reviving; and as soon as it is discovered that this capital can be profitably employed in commercial and manufacturing enterprises, and in the construction of railroads and proses, and in the construction of railroads and other works of public and private improvement, prosperity will again smile throughout the land. It is in vain, however, to disguise the fact from ourselves, that a speculative inflation of our cur-

closed by an arbitrary decree of that government. such would be resisted by the United States. At on increasing the national debt to meet the ordi-If disputes arise between it and those with whom they may have entered into contracts, these must be adjusted by some fair tribunal provided for the the same time, we are prepared to discuss these nary expenses of the Government. This would be adjusted by some fair tribunal provided for the with a sincere desire to adjust them in a satisfactory of the contracts, and with a sincere desire to adjust them in a satisfactory of the contracts and the rest and the rest are the contracts. first year, and this would be greatly impaired by having contracted a large debt in time of peace. It is our true policy to increase our revenue so as to equal our expenditures. It would be ruinous use of this transit could be thrown open to gen-eral competition; providing, at the same time, for the payment of a reasonable rate to the Micara-ricultural nature, are such as to invite extensive of the manufacturing interests, and give a fresh mpulse to our reviving business. To this, surely o person will object.

ng duties under a strictly revenue tariff, I have long entertained and often expressed the opinion, that sound policy requires this should be done by specific duties, in cases to which these can be properly applied. They are well adapted to commodities which are usually sold by weight or by measure, and which, from their nature, are of equal or nearly equal value. Such, for example, are articles of iron of different classes, raw sugar, and foreign wines and spirits.

In my deliberate judgment, specific duties are

the best, if not the only means of securing the revenue against false and fradulent invoices; and such has been the practice adopted for this purpose by other commercial nations. Besides, spe-cific duties would afford to the American manuacturer the incidental advantages to which he fairly entitled under a revenue tariff. The preent system is a sliding scale to his disadvantage Under it, when prices are high and business prosperous, the duties rise in amount when he least requires their aid. On the contrary, when prices fall, and he is struggling against adversity, the duties, are diminished in the same proportion,

greatly to his injury.

Neither would there be danger that a higher rate of duty than that intended by Congress could be levied in the form of specific duties. It would be easy to ascertain the average value of any imported article for a series of years; and, astead of subjecting it to an ad valorem duty at a certain rate per centum, to subtitute in its place

an equivalent specific duty.

By such an arrangement the consumer would not be injured. It is true, he might have to pay a little more duty on a given article in one year but if so, he would pay a little less in another and in a series of years these would counterbal-lance each other, and amount to the same thing, so far as his interest is concerned. This inconvenience would be trifling when contrasted with the additional security thus afforded against frauds upon the revenue, in which every consumer is directly interested.

I have thrown out these suggestions as the fruit of my own observation, to which Congress, in their better judgment, will give such weight as they may justly deserve.

The report of the Secretary of the Tressury will expiain in detail the operations of that De-parment of the Government. The receipts into the Treasury from all sources during the fiscal year ending the 30th of June, 1858, including the Treasury notes authorized by the act of December 23, 1857, were seventy million two hundred and seventy-three thousand eight hundred and sixty-nine dollars and fifty-nine cents, (\$70,273,-869 59,) which amount, with the balance of seventeen million seven hundred and ten thouand one hundred and fourteen dollars and twentyseven cents (\$17,710,114 27) remaining in the Treasury at the commencement of the year, made an aggregate for the service of the year of eighty-seven million nine hundred and eighty-three housand nine hundred and eighty-three dollars and eighty-six cents, (\$87,983,983 86.)

The public expenditures during the fiscal year ending June 30, 1858, amounted to eighty-one million five hundred and eighty-five thousand six hundred and sixty seven dollars and seventy-six cents, (\$81,585,667 76,) of which nine million business of the country had just been crushed by one of those periodical revulsions which are the inevitable consequence of our unsound and extravagant system of bank credits and inflated currency. With all the elements of national wealth in abundance, our manufactures were suspended, our useful public and private enterprises | mencement of the present fiscal year, six million were arrested, and thousands of laborers were de- three hundred and ninety-eight thousand three present condition of the con-

398,316 10.) The receipts into the Treasury during the first quarter of the present fiscal year, commencing the 1st July, 1858, including one half of the loan of \$20,000,000, with the premium upon it, authorized by the act of 14th June, 1858, were twenty-five million two hundred and thirty thou-sand eight hundred and seventy-nine dollars and forty-six cents, (\$25,230,879 46;) and the estimated receipts for the remaining three quarters to the 30th June, 1859, from ordinary sourcess are thirty-eight million five hundred thousand dollars, (\$38,500,000,) making, with the balance hundred and twenty-nine thousand one hundred and ninety-five dollars and fifty-six cents, (\$70,-129,195 56.)

The expenditures during the first quarter of the present fiscal year, were twenty-one million seven hundred and eight thousand one hundred and ninety-eight dollars and fifty-one cents (\$21,-708,198 51;) of which one million ten thousand and one hundred and forty-two dollars and thirtyseven cents (\$1,010,142 37) were applied to the payment of the public debt and the redemption of Treasury notes and the interest thereon. The estimated expenditures, during the remaining three quarters to 30th June, 1859, are fifty-two million three hundred and fifty-seven thousand six-hun-dred and ninety-eight dollars and forty-eight cents, (\$52,357,698 48,) making an aggregate of seventy-four million sixty-five thousand eight hundred and ninety-six dollars and ninety-nine cents, (\$74,065,896 99,) being an excess of expenditures beyond the estimated receipts in the Treas-ury from ordinary sources, during the fiscal year to the 30th June, 1859, of three million nine hunto the 30th June, 1859, of three million nine hundred and thirty six thousand seven hundred and one dollars and forty three cents, (\$3,936,701 43.) Extraordinary means are placed by law within the command of the Secretary of the Treasury, by the reissue of Treasury notes redeemed, and by negotiating the balance of the loan authorized by the set of 14th June 1858. by the act of 14th June, 1858, to the extent of eleven million dollars; which, if realized during the present fiscal year, will leave a balance in

The estimated receipts during the next fiscal year ending 30th June, 1860, are sixty-two million dollars, (\$62,000,000,) which, with the above estimated balance of seven million sixty-three thousand two hundred and ninety-eight dollars and fifty seven cents, (\$7,063, 298 57,) make an and fifty seven cents, (\$7,063, 298 57,) make an aggregate for the services of the next fiscal year of but served to confirm me in the truth and justice of sixty-nine million sixty-three thousand two of the observations which I made on this subject hundred and ninety-eight dollars and fifty-seven-cents, (\$69,063,298 57.) The estimated expend-itures during the next fiscal year ending the 30th June, 1860, are seventy three million one hundred and to irty nine thousand one hundred and forty-seven dollars and forty six cents, (\$73,139,147 46,) which leave a deficit of estimated means, compared with the estimated expenditures for that year, commencing on the 1st July, 1859, of four million and seventy-five thousand eight hundred and forty-eight dollars and eighty-nine cents, (\$4,075,848 89.)

(\$4,075,848 89.)

In addition to this sum, the Postmaster General will require from the Treasury for the service of the Post Office Department, three million eight hundred and thirty-eight thousand seven hundred and twenty-eight dollars, (\$3,838,728,) as explained in the report of the Secretary of the Treasury, which will increase the estimated deficit on the 30th June, 1860, to seven million nine hundred and fourteen thousand five hundred and dred and fourteen thousand five hundred and seventy-six dollars and eighty nine-cents, (\$7,914,-

sum of \$10,000,000 has been negotiated of the loan authorized by the act of 14th June, 1858; making the present outstanding public debt, exclusive of Treasury notes, \$35,155,977 66. There was on the 1st July, 1858, of Treasury notes issued by authority of the act of December 23, 1857, unredeemed, the sum of \$19,754,800—making the samount of actual indebtedness at that date, \$54,-910,777 66. To all this will be added \$10,000,000 and during the present fiscal year—this being the reduring the present fiscal year—this being the re-maining half of the loan of \$20,000,000 not yet.

The rapid increase of the public debt, and the necessity which exists for a modification of the tariff, to meet even the ordinary expenses of the Government, ought to admonish us all, in our respective spheres of duty, to the practice of rigid

economy. The objects of expenditure should be limited in number, as far as this may be practicable, and the appropriations necessary to the them into effect ought to be disbursed under the strictest accountability. Enlightened economy does not consist in the refusal to appropriate does not consist in the refusal to appropriate cable, and the appropriations necessary to carry money for constitutional purposes, esse the defense, progress and prosperity of the Re-public, but in taking care that none of this money shall be wasted by mismangement, in its applica-tion to the objects designated by law.

Comparisons between the annual expenditure

at the present time, and what it was ten or twen-

ty years ago, are altogether fallacious. The rapid

ncrease of our country in extent and population, renders a corresponding increase of expenditure, to some extent, unavoidable. This is constantly creating new objects of expenditure, and augmenting the amount required for the old. The true questions, then, are, have these object been unnecessarily multiplied? or, has the amount expended upon any or all of them been larger than comports with due economy? In accordance with these principles, the heads of the different Executive Departments of the Government have been instructed to reduce their estimates for the next fiscal year to the lowest stan-dard consistent with the efficiency of the service; and this duty they have performed in a spirit of just economy. The estimates of the Treasury, War, Navy, and Interior Departments, have each been in some degree reduced; and unless a sudden and unforeseen emergency should arise it is not anticipated that a deficiency will exist in either within the present or the next fiscal year .-The Post Office Department is placed in a pecu cular position, different from the other Departments; and to this I shall hereafter refer.

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

I transmit herewith the reports made to me by the Secretaries of War, of the Navy, of the Interior, and of the Postmaster General. They

each contain valuable information and important recommendations, to which I invite the attention

In my last annual message, I took occasion to recommend the immediate construction of ten small steamers, of light draught, for the purpose of increasing the efficiency of the navy. Congress responded to the recommendation, by authorizing the construction of eight of them. The progress which has been made in executing this authority, stated in the report of the Secretary of the Navy. I concur with him in the opinion, that a greater number of this class of vessels is necessary, for the purpose of protecting in a more efficient manner the persons and property of American citizens on the high seas, and in foreign countries, as well as in guarding more effectually our own coasts. I accordingly recommend the passage of an act for this

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

The post Office Department occupies a position

very different from that of the other departments. For many years it was the policy of the government to render this a self-sustaining department; and if this cannot now be accomplished, in the

The Postmaster General is placed in a most embarrassing position by the existing laws. He is obliged so carry these into effect. He has no other alternative. He finds, however, that this cannot be done without heavy demands upon the Treasury over and above what is received for postage; and these have been progressively in-creasing from year to year until they amounted for the last fiscal year ending on the 30th of June, 1858, to mere than four million and a half of dollars; whilst it is estimated that for the present fiscal year they will amount to \$6,290,000. These \$700,000 for "compensation of the mail service performed for the two Houses of Congress and the other Departments and officers of the Government in the transportation of free matter."

The cause of these large deficits is mainly attributable to the increased expense of transporting the mails. In 1852, the sum paid for this service was but a fraction above four millons and a quarter. Since that year it has annually increased until, in 1853, it has reached more than eight millions and a quarter; and for the service of 1859, it estimated that it will amount to more than ten million dollars.

The receipts of the Post Office Department can The receipts of the Post Office Department can be made to approach or to equal its expenditure, only by means of the legislation of Congress. In applying any remedy, care should be taken that the people shall not be deprived of the advantages which they are fairly entitled to enjoy from the Post Office Department. The principal remedies recommended to the consideration of Congress by the Postmester General are to restore the former the Postmaster General, are to restore the former rate of postage upon single letters to five cents; to substitute for the franking privilege the delivery to those now entitled to enjoy it, of post office stamps for their correspondence, and to direct the Department, in making contracts for transportation of the mail, to confine itself to the payment of the sum necessary for this single payment of the sum necessary for this single payment. payment of the sum necessary for this single purpose, without requiring it to be transported in post coaches or carriages of any particular dethe present fiscal year, will leave a balance in the Treasury, on the 1st day of July, 1859, of seven million sixty-three thousand two hundred and ninety-eight dollars and fifty-seven cents, (\$7,063,298 57.)

The estimated receipts during the part fiscal roads where the travel will remunerate the contractors.

These recommendations deserve the grave consideration of Congress.

I would again call your attention to the construc-

It is freely admitted that it would be inexpedient for this Government to exercise the power of constructing the Pacific railroad by its own immediate agents. Such a policy would increase the patronage of the Executive to a dangerous extent, patronage of the Executive to a dangerous extent, and introduce a system of jobbing and corruption which no vigilance on the part of Federal officials could either prevent or detect. This can only be done by the keen eye and active and careful supervision of individual and private interest. The construction of this road ought, therefore, to be committed to companies incorporated by the States, or other agencies, whose pecuniary interests would be directly involved. Congress might then assist them in the work by grants of land or of money, or both, under such conditions and restrictions as would secure the transportation of strictions as would secure the transportation of troops and munitions of war free from any charge, and that of the United States mail at a fair and

commencement of the present fiscal year, was \$25,155,977 66.

During the first quarter of the present year, the sum of \$10,000,000 has been negotiated of the loan authorized by the act of 14th June, 1858;

The public debt on the 1st of July, 1858, the larry performed as it was, in former years, between New York and this city.

Whilst disclaiming all authority to appropriate money for the construction of this road, except that derived from the war-making power of the Constitution, there are important collateral con-

But again, in a commercial point of view I consider this the great question of the day. With the cestern front of our Republic stretching along

the Atlantic, and its western front along the Pacific, if all the parts should be united by a safe, easy, and rapid intercommunication, we must necessarily command a very large proportion, of the trade both of Europe and Asia Our recent treaties with China and Japan will open these rich and populous empires to our commerce, and the and populous empires to our commerce, and the history of the world proves that the nation which history of the world proves that the nation which has gained possession of the trade with eastern Asia has always become wealthy and powerful.— The peculiar geographical position of California and our Pacific possessions invites American cap-ital and enterprise into this fruitful field. To reap the rich harvest, however, it is an indispensable prerequisite that we shall first have a railroad to convey and circulate its products throughout every portion of the Union. Besides, such a railroad through our temperate latitude, which would not be impeded by the frosts and snows of winter, nor by the tropical heats of summer, would attract to itself much of the travel and the trade of all nations passing between Rurope and

Cuba, with more than three hundred African negroes on board. The prize, under the com-mand of Lieutenant Bradford, of the United States Navy, arrived at Charleston on the 27th August, when the negroes, three hundred and six in number, were delivered into the custody of the United States marshal for the district of South Carolina. They were first placed in Castle Pinck-ney, and afterwads in Fort Sumter, for safe-keep-ing, and were detained there until the 19th of Sep-tember, when the survivors, two hundred and seventy-one in number, were delivered on board the United States steamer Niagara, to be trans-ported to the coast of Africa, under the charge of he agent of the United States, pursuant to the provisions of the act of the 3d March, 1819, "in addition to the acts prohibiting the slave trade." Under the second section of this act the President is "authorized to make such regulation and arrangements as he may deem expedient, for the safe-keeping, support, and the removal beyond the limits of the United States, of all such negroes, mulattoes, or persons or color"captured by vessel of the United States, as may be delivered to the marshal of the district into which they are brought: "and to appoint a proper person or persons residing upon the coast of Africa, as agent or agents for receiving the negroes, mulattoes, or persons of color, delivered from on board vessels seized in the prosecution of the slave trade by commanders of the United States armed A doubt immediately arose as to the true con-

struction of this act. It is quite clear from its terms that the Presedent was authorized to pro vide "for the safe-keeping, support, and removal" of these negroes up till the time of their delivery to the agent on the coast of Africa; but no expres provision was made for their protection and sup-port after they had reached the place of their des-tination. Still, an agent was to be appointed to receive them in Africa; and it could not have been supposed that Congress intended he should deser them at the moment they were received, and turn them loose on that inhospitable coast to perish for want of food, or to become again the victims of the slave trade. Had this been the intention of Congress, the employment of an agent to receive them, who is required to reside on the coast, was unnecessary, and they might have been landed by our vessels anywhere in Africa, and left ex-possed to the sufferings and the fate which would ertainly await them. Mr. Monroe, in his special message of 17th

December, 1819, at the first session after the act was passed, announced to Congress what, in his opinion, was its true construction. He believed t to be his duty under it to follow these unfortunates into Affrica, and make provision for them there, until they shey should be able to provide for themselves. In communicating this interpretation of the act to Congress, he stated that some doubt had been entertained as to its true intent and meaning, and he submitted the question to them, so that they might, "should it be deemed advisable, amend the same before further pro-ceedings are had under it." Nothing was done by Congress to explain the act, and Mr. Monroe proceeded to carry it into execution according to his own interpretation. This, then, became the practical construction. When the Africans from on poard the Echo were delivered to the marshall at Charlestion, it became my duty to consider what disposition ought to be made of them under the law. For many reasons, it was expedient to remove them from that locality as speedily as possible. Although the conduct of the authurities and citizens of Charleston, in giving countenance to the execution of the law, was just what might have been expected from their high character yet a prolonged continuance of three hundred Africans in the immediate vicinity of that city, could not have failed to become a source of inconvenience and anxiety to its inhabitants,— Where to send them, was the question. There was no portion of the coast of Africa to which they could be removed, with any regard to hu-

manity, except to Liberia.

Under these circumstances, an agreement was entered into with the Colonization Society, on the 7th of September last, a copy of which is here-with transmitted, under which the society en-gaged, for the consideration of \$45,000, to receive these Africans in Liberia from the agent of the these Africans in Liberia from the agent of the United States, and furnish them, during the period of one year thereafter, with comfortable shelter, clothing, provisions, and medical attendance, causing the children to receive schooling, and all, whether children or adults, to be instructed in the arts of civilized life suitable to their coned in the arts of civilized life suitable to their condition. This aggregate of \$45,000 was based upon an allowance of \$150 for each individual; and as there has been considerable mortality among them, and may be more before they reach Africa, the society have agreed, in an equitable spirit, to make such a deduction from the amount as, under the circumstances, may appear just and reasonable. This cannot be fixed until we shall ascertain the actual number which may become a charge to the

It was also distinctly agreed that under no circumstances shall this Government be called upon for any additional expenses.

The agents of the society manifested a lauda

ble desire to conform to the wishes of the Government, throughout the transaction. They assured me that, after a careful calculation, they would be me that, after a careful calculation, they would be required to expend the sum of \$150 on each individual in complying with the agreement, and they would have nothing left to romunerate them for their care, trouble, and responsibility. At all all events, I could make no better arrangement, and there was no other alternative. During the period when the Government itself, through its own agents, undertook the task of providing for captured negroes in Africa, the cost per head was

There having been no outstanding appropriation applicable to this purpose, I could not advance any money on the agreement. I therefore recommend that an appropration may be made of the amount necessary to carry it into ef-Other captures of a similar character may, an

probably will, be made by our naval forces; and I earnestly recommend, that Congress may amend the second section of the act of March 3, 1819,

iabilities.

The public debt on the 1st of July, 1858, the larly performed as it was, in former years, betice of Congress has proved to be a wholesome reform. It exerted a beneficial influence on the transaction of legislative business, and elicited the general approbation of the country. It enabled or less. present session.

JAMES BUCHANAN. WASHINGTON CITY, Documber 6, 1858.

THE BOOK AND PLANO FORTE BU JAMES E. ROUTH, (of that firm,) and JOS. V. NASH, (son of E. P. Nash), Under the firm and style of E: P. NASH & CO. With all the advantages enjoyed by the house he The same attention will be given to the selection and sale of Piano Fortes, which are offered upon our safe

"ON TRIAL." MR. RICHARD RICHES. Who has had charge of the Piano Department for the last four years, will continue with us. Persons indebted to the business of E. P. Nash will make payment to E. P. NASH & CO. Corner of Bank and Sycamore streets, Petersburg, Va. On the 21st of August last, Lieutenant J. N. Maffit, of the United states brig Dolphin, captured the slaver Echo, (formerly the Putnam, of New Orleans,) near Kay Verde, on the coast of ALFRED M. WADDELL. ATTORNEY AT LAW. Wilmington, N. C. Prompt attention given to Co'lections

HAVENS IS TAKING DAILY THOSE beautiful Melainotypes for 50 cts., put up in a sice case, which are superior to the Ambrotype.

He is also taking Photographs as large as life, on canvass, colored in oil from Daguerreotypes or from Call and look at specimens at his Gallery HAVENS & ANDREW NEW JEWELRY! CHAS. H. THOMPSON HAS JUST RETURN.
ED from New York, with a splendid assortment of NEW AND FASHIONABLE JEWELRY

NOTICE.

Embracing all the latest styles, and including a fine SILVER GOODS, &c., &c. He solicits a call from his friends. Watches and Jewelry neatly repaired on the short t notice. CHAS. H. THOMPSON.

TOTICE .- WILL BE SOLD ON THE premises, on the 5th day of January next, the House and Lot, in Raleigh, late the property of Mrs. Mary D. Hollister, near the Raleigh and Gaston Depot. The sale will be on a credit of 12 months, the purhaser giving bond with approved security for the pur-hase money. ALBERT JOHNSON, Ex-. Standard copy

THE COPARTNERSHIP HERETO. fore existing under the name and style of Pullen & Belvin, is this day, the 16th November, dissolved per agreement.
Those indebted to the firm by open account please settle the same with Mr. C. E. Bel'in. The Notes, Judgments. &c., are in the hands of J. D. Pul.

len, who is authorized to collect the same.

MR. E. C. BELVIN, having purchased the interest of Mr. J. D. PULLEN in the Goods, Wares, etc., late the property of Pullen & Belvin, and having recently returned from the Northern Markets, where he purchased a large and new addition of Hardware, which he is daily receiving—most respectfully invites those wanting such Goods, and particularly the patronizers of the old firm—to an examination of his Goods, which will, having been bought cheap, be sold cheap.

Belsigh Dag \$ 1858 cheap. Raleigh, Dec. 3, 1858. BANK OF THE STATE OF NORTH

DIVIDEND OF FIVE PER CENT. HAS THIS A day been declared on the Capital Stock of this Bank, out of the profits for the last six months—payable at the principal Bank, on the 1st Monday in

J. M. LOVEJOY'S ACADEMY. THE THIRTY-SEVENTH SESSION Board and Tuition per session, For particulars, address the Principal,

DR. DANIEL DUPRE, BALRIGH, N. C.

Residence and Office at Mrs. DuPre's Board ing House, Fayetteville street, opposite Bank of Cap Fear. oet 20—3m

THE CHICKERING & SONS 34 PRIZE The subscriber, agent for the above justly celebra ted Pianos, informs the public respectfully that he resides in Wilmington, N. C. Persons desirous of purchasing the piano, by ad-dressing him, will be sent pamphlets containing Four-teen different styles with marked prices.

Pianos tuned and repaired.

All orders promptly attended to by addressing
T. A. E. BOHNSTEDT. EA & PERRINS' CELEBRATED

A WORCESTERSHIRE SAUCE.

PRONOUNCED Medical Gentleman at Madras, to his bro-CONNOISSEURS. her at Worcester, May, 1851: "Tell LEA & PER-Only Good Sauce is highly esteemed in India, and is, in my opinion, the most pal-atable as well as the EVERY VARIETY

OF DISH. that is made.' EXTENSIVE FRAUDS. The only medal awarded by the Jury of the New York Exhibition for Foreign Sauces, was obtained by LEA & PERRINS for their WORCESTERSHIRE SAUCE. The world-wide fame of which having led to numerous Forgeries, purchasers are requested to see that the names of Lea & Perrins are upon the Wrapper, Label, Stopper and Bottle.

Lea & Perrins will proceed against any one infringing, either by manufacturing or vending Spurious Sauce, and have instructed their correspondents in various parts of the world to their correspondents in various parts of the world to their correspondents. rious parts of the world to advise them of any infringements. Sole Wholesale Agents for the United States.

JOHN DUNCAN & SONS,

A stock always in store. Also, orders received direct shipment from England. aug 14—178ce HENRY V. NIEMEYER, PORTSMOUTH, VA., COMMISSION MERCHANT.

AND DEALER IN Provisions, Lime, Coal, Salt and Naval Stores.

COAL, LIME, PLASTER, CEMENT, Guano, Clover, Timothy, Rye, and Oats for seed 2500 Tons Anthracite, English and Virginia Grate, Stove, Foundry and Smith's Coal; 1200 Casks Lime and Plaster;

300 Casks Lime and Pinster;
300 Casks Hydraulic Cement;
10000 Bushels Seed Oats, Rye, Clover and Timothy;
300 Tons Bird Island and Stearn's patent Guano;
Coarse, ground, fine, family packages Salt,
For sale at cash prices by
Portsmouth, Va—nov 3 H. V. NIEMEYER.

QUITY SALE .-- IN THE MATTER Petition for the sale of Land. Pursuant to a decree of the Court of Equity for Or-

August to a decree of the Court of Equity for Orange county, made at September term, 1858, I will sell at Gunter's store, on Wednesday the 29th day of December next, that valuable tract of land known as as the Zack. Herndon tract, adjoining the lands of Exekiel George, Samuel Green and others, and containing 176 acres, more or less.

Also, one other tract, known as the old David George tract, adjoining the lands of Exekiel George, Samuel Green, and others, containing 35 acres, more or less.

Also, that valuable tract of land in Wake county, adjoining the lands of William Lynn, William Bye, and others, containing 496 acres, more or less.

Also, one other tract in Wake county, adjoining the lands of Obediah Page, J. J. Trice, and others, containing 176 acres, more or less.

Six month's credit will ce given; bond and good security required. Title retained until the purchase money is paid.

Sale at 12 o'clock.

THOMAS WERR C. A.M. E. Also, that valuable tract of land in Wake county, ad-

THOMAS WEBB, C. & M. E. Mercapher 27, 1866. (Pr. adv. 84.50) td