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PRESIDENT'S MESSAGE.

CONCLUDED.

The annual report of the Secretary of the Treasury will exhibit a detailed statement of the condition of the finances. The reports of the fiscal year ending on the thirtieth of June last were of the value of one hundred and twenty-one million six hundred and ninety-one thousand nine hundred and seven dollars; of which the amount exported was eleven million three hundred and forty-six thousand six hundred and twenty-three dollars; leaving the amount retained in the country for domestic consumption one hundred and ten million one hundred and forty-five thousand one hundred and seventy-four dollars. The value of the exports for the same period was one hundred and thirty million four hundred and eighty-eight thousand five hundred and sixteen dollars; of which one hundred and two million one hundred and forty-one thousand eight hundred and ninety-three dollars consisted of domestic productions, and eleven million three hundred and forty-six thousand six hundred and twenty-three dollars of foreign articles.

The receipts into the treasury for the same year were twenty-nine million four hundred and ninety-nine thousand two hundred and forty-seven dollars and six cents; of which there was derived from customs twenty-six million seven hundred and twenty-two thousand six hundred and sixty-seven dollars and eight cents, from sales of public lands two million six hundred and ninety-four thousand four hundred and fifty-two dollars and forty eight cents, and from incidental and miscellaneous sources ninety-two thousand one hundred and twenty-six dollars and seventy-one cents. The expenditures for the same period were twenty-eight million thirty-one thousand one hundred and fourteen dollars and twenty cents, and the balance in the treasury on the first day of July last was nine million one hundred and twenty-six thousand four hundred and thirty-nine dollars and eight cents.

The amount of the public debt, including treasury notes, on the first of the present month was twenty-four million two hundred and fifty-six thousand four hundred and ninety-four dollars and sixty cents; of which the sum of seventeen million seven hundred and eighty-eight thousand seven hundred and ninety-nine dollars and seventy-two cents was outstanding on the fourth of March, 1845, leaving the amount incurred since that time six million four hundred and sixty-seven thousand six hundred and ninety-four dollars and ninety-eight cents.

In order to prosecute the war with Mexico with vigor and energy, as the best means of bringing it to a speedy and honorable termination, a further loan will be necessary, to meet the expenditures for the present and the next fiscal years. If the war should be continued until the thirtieth of June, 1848—being the end of the next fiscal year—it is estimated that an additional loan of twenty-three millions of dollars will be required. This estimate is made upon the assumption that it will be necessary to retain constantly in the treasury four millions of dollars, to guard against contingencies. If such surplus were not required to be retained, then a loan of nineteen millions of dollars would be sufficient. If, however, Congress should at the present session, impose a revenue duty on the principal articles now embraced in the free list, it is estimated that an additional annual revenue of about two millions and a half, amounting, it is estimated on the thirtieth of June, 1848, to four millions of dollars, would be derived from that source; and the loan required would be reduced by that amount. It is estimated, also, that should Congress graduate and reduce the price of such of the public lands as have been long in the market, the additional revenue derived from that source would be annually, for several years to come, between half a million and a million of dollars; and the loan required may be reduced by that amount also.

Should these measures be adopted, the loan required would not probably exceed eighteen or nineteen millions of dollars, leaving in the treasury a constant surplus of four millions of dollars. The loan proposed, it is estimated, will be sufficient to cover the necessary expenditures, both for the war and for all other purposes, up to the thirtieth of June, 1848; and an amount of this loan, not exceeding one-half, may be required during the present fiscal year, and the greater part of the remainder during the first half of the fiscal year succeeding.

In order that timely notice may be given, and proper measures taken to effect the loan, or such portion of it as may be required, it is important that the authority of the Congress to make it be given at an early period of your present session.—It is suggested that the loan should be contracted for a period of twenty years, with authority to purchase the stock and pay it off at an early period, at its market value, out of any surplus which may at any time be in the treasury applicable to that purpose. After the establishment of peace with Mexico, it is supposed that a considerable surplus will exist, and that the debt may be extinguished in a much shorter period than that for which it may be contracted. The period of twenty years is contracted, in preference to a shorter period, is suggested, because all experience, both at home and abroad, has shown that loans are effected upon much better terms upon long time, than when they are repayable at short dates.

Necessary as this measure is, to sustain the honor and the interests of the country engaged in a foreign war, it is not doubted but that Congress will promptly authorize it.

THE CAROLINA WATCHMAN.

BRUNER & JAMES, Editors & Proprietors.

"KEEP A CHECK UPON ALL YOUR IS SAFE."



RULES. DO THIS, AND LIBERTY. Genl. Harrison.

NEW SERIES, NUMBER 35, OF VOLUME III.

SALISBURY, N. C., FRIDAY, DECEMBER 25, 1846.

The balance in the treasury on the first of July last exceeded nine millions of dollars, notwithstanding considerable expenditures had been made for the war during the months of May and June preceding. But for the war, the whole public debt could have been extinguished within a short period and it was a part of my settled policy to do so, and thus relieve the people from its burden, and place the government in a position which would enable it to reduce the public expenditures to that economical standard which is most consistent with the general welfare, and the pure and wholesome progress of our institutions.

Among our just causes of complaint against Mexico, arising out of her refusal to treat for peace as well before as since the war so unjustly commenced on her part, are the extraordinary expenditures in which we have been involved. Justice to our own people will make it proper that Mexico should be held responsible for these expenditures.

Economy in the public expenditures is at all times a high duty which all public functionaries of the government owe to the people. This duty becomes the more imperative in a period of war, when large and extraordinary expenditures become unavoidable. During the existence of the war with Mexico all our resources should be husbanded, and no appropriations made except such as are absolutely necessary for its vigorous prosecution and the due administration of the government. Objects of appropriation, which in peace may be deemed useful or proper, but which are not indispensable for the public service, may, when the country is engaged in a foreign war, be well postponed to a future period. By the observance of this policy at your present session, large amounts may be saved to the treasury, and be applied to objects of pressing and urgent necessity, and thus the creation of a corresponding amount of public debt may be avoided.

It is not meant to recommend that the ordinary and necessary appropriations for the support of government should be withheld, but it is well known that at every session of Congress appropriations are proposed for numerous objects which may or may not be made, without materially affecting the public interests; and these it is recommended should not be granted.

The act passed at your last session "reducing the duties on imports," not having gone into operation until the first of the present month has not been time for its practical effect upon the revenue and the business of the country, be developed. It is not doubted, however, that the just policy which it adopts will add largely to our foreign trade, and promote the general prosperity. Although it cannot be certainly foreseen what amount of revenue it will yield, it is estimated that it will exceed that produced by the act of 1842, which it superseded. The leading principles established by it are, to levy the taxes with a view to raise revenue, and to impose them upon the articles imported according to their actual value.

The act of 1842, by the excessive rates of duty which it imposed on many articles, either totally excluded them from importation, or greatly reduced the amount imported, and thus diminished instead of producing revenue. By its taxes were imposed not for the legitimate purpose of raising revenue, but to afford advantages to favored classes, at the expense of a large majority of their fellow citizens.—Those employed in agriculture, mechanical pursuits, commerce, and navigation, were compelled to contribute from their substance to swell the profits and overgrown wealth of the comparatively few who had invested their capital in manufactures. The taxes were not levied in proportion to the value of the articles upon which they were imposed; but, widely departing from this just rule, and lighter taxes were, in many cases, levied upon articles of luxury and high price, and the heavier taxes on those of necessity and low price, consumed by the great mass of the people. It was a system, the inevitable effect of which was to relieve favored classes and the wealthy few from contributing their just proportion for the support of government, and to lay the burden on the labor of the many, engaged in other pursuits than manufactures.

A system so unequal and unjust has been superseded by the existing law, which imposed duties not for the benefit or injury of classes or pursuits, but distributed, and, as far as practicable, equalizes the public burdens among all classes and occupations. The favored classes who under the unequal and unjust system which has been repealed, have heretofore realized large profits, and many of them amassed large fortunes, at the expense of the many who have been made tributary to them, will have no reason to complain if they shall be required to bear their just proportion of the taxes necessary for the support of government so far from it, it will be perceived, by an examination of the existing law, that discriminations in the rates of duty imposed, within the revenue principle, have been retained in their favor. The incidental aid against foreign competition which they still enjoy gives them an advantage which no other pursuits possess; but of this no others will complain, because the duties levied are necessary for revenue. These revenue

duties, including freights and charges which the importer must pay before he can come in competition with the home manufacturer in our markets, amount, on nearly all our leading branches of manufacture, to more than one-third of the value of the imported article, and in some cases to almost one-half its value. With such advantages, it is not doubted that our domestic manufacturers will continue to prosper, realizing in well conducted establishments even greater profits than can be derived from any other regular business. Indeed, so far from requiring the protection of even incidental revenue duties, our manufacturers in several leading branches are extending their business, giving evidence of great ingenuity and skill, and of their ability to compete, with increased prospect of success for the open market of the world. Domestic manufactures, to the value of several millions of dollars, which cannot find a market at home, are annually exported to foreign countries. With such rates of duty as those established by the existing law, the system will probably be permanent; and capitalists, who have made or shall hereafter make, their investments in manufactures, will know upon what to rely. The country will be satisfied with these rates, because the advantages which the manufacturers still enjoy result necessarily from the collection of revenue for the support of government. High protective duties, from their unjust operation upon the masses of the people, cannot fail to give rise to extensive dissatisfaction and complaint, and to constant efforts to change or repeal them, rendering all investments in manufactures uncertain and precarious. Lower and more permanent rates of duty, at the same time that they will yield to the manufacturer fair and remunerating profits, will secure him against the danger of frequent changes in the system, which cannot fail to ruinously affect his interests.

Simultaneously with the relaxation of the restrictive policy by the United States Great Britain, from whose example we derived the system, has relaxed hers. She has modified her corn laws, and reduced many other duties to moderate revenue rates. After ages of experience, the statesmen of that country have been constrained by a public opinion having its deep foundation in the sufferings and wants of impoverished millions, to abandon a system the effect of which was to build up immense fortunes in the hands of the few, and to reduce the laboring millions to pauperism and misery. Nearly in the same ratio that labor was depressed, capital was increased and concentrated by the British protective policy.

The evils of the system in Great Britain were at length rendered intolerable, and it has been abandoned, but not without a severe struggle on the part of the protected and favored classes to retain the unjust advantages which they have so long enjoyed. It was to be expected that a similar struggle would be made by the same classes in the U. States, whenever an attempt was made to modify or abolish the same unjust system here. The protective policy had been in operation in the U. States for much shorter period, and its pernicious effects were not, therefore so clearly perceived and felt. Enough, however, was known of these effects to induce its repeal.

It would be strange if, in the face of the example of Great Britain, our principal foreign customer, and of the evils of a system rendered manifest in that country by long and painful experience, and in the face of the immense advantages which under a more liberal commercial policy, we are already deriving, and must continue to derive, by supplying her starving population with food, the U. States should restore a policy which she has been compelled to abandon, and thus diminish her ability to purchase from us the food and other articles which she so much needs, and we so much desire to sell.

By the simultaneous abandonment of the protective policy by Great Britain and the U. States, new and important markets have already been opened for our agricultural and other products; commerce and navigation have received a new impulse; labor and trade have been released from the artificial trammels which have so long fettered them; and to a great extent reciprocity in the exchange of commodities, has been introduced at the same time by both countries, and greatly for the benefit of both. Great Britain has been forced, by the pressure of circumstances at home, to abandon a policy which has been upheld for ages, and to open her markets for our immense surplus of breadstuffs; and it is confidently believed that other Powers of Europe will ultimately see the wisdom, if they be not compelled by the pauperism and sufferings of their crowded population, to pursue a similar policy.

Our farmers are more deeply interested in maintaining the just and liberal policy of the existing law than any other class of our citizens. They constitute a large majority of our population; and it is well known that when they prosper, all other pursuits prosper also. They have heretofore not only received none of the bounties or favors of government, but, by the unequal operations of the protective policy, have been made, by the burdens of taxation which it imposed, to contribute

to the bounties which have enriched others.

When a foreign as well as a home market is opened to them, they must receive, as they are now receiving, increased prices for their products. They will find a readier sale, and at better prices, for their wheat, flour, rice, Indian corn, beef, pork, lard, butter, cheese, and other articles, which they produce. The home market alone is inadequate to enable them to dispose of the immense surplus of food and other articles which they are capable of producing, even at the most reduced prices, for the manifest reason that they cannot be consumed in the country. The United States can, from their immense surplus, supply not only the home demand, but the deficiencies of food required by the whole world.

That the reduced production of some of the chief articles of food in Great Britain, and other parts of Europe, may have contributed to increase the demand for our breadstuffs and provisions, is not doubted; but that the great and efficient cause of this increased demand, and of increased prices, consists in the removal of artificial restrictions heretofore imposed, is deemed to be equally certain. That our exports of food, already increased and increasing beyond former example, under the more liberal policy which has been adopted, will be still vastly enlarged, unless they be checked or prevented by a restoration of the protective policy, cannot be doubted. That our commercial and navigating interests will be enlarged in a corresponding ratio with the increase of our trade, is equally certain; while our manufacturing interests will be the favored interests of the country and receive the incidental protection afforded them by revenue duties; and more than this they cannot justly demand. In my annual message of December last, a tariff of revenue duties based upon the principles of the existing law was recommended; and I have seen no reason to change the opinions then expressed. In view of the probable beneficial effects of that law, I recommend that the policy established by it be maintained. It has but just commenced to operate; and to abandon or modify it without giving it a fair trial, would be inexpedient and unwise. Should defects in any of its details be ascertained by actual experience to exist, these may be hereafter corrected; but until such defects shall become manifest the act should be fairly tested.

It is submitted for your consideration whether it may not be proper, as a war measure, to impose revenue duties on some of the articles now embraced in the free list. Should it be deemed proper to impose such duties, with a view to raise revenue to meet the expenses of the war with Mexico, or to avoid to that extent the creation of a public debt, they may be repealed when the emergency which gave rise to them shall cease to exist, and constitute no part of the permanent policy of the country.

The act of the sixth of August last, "to provide for the better organization of the treasury, and for the collection, safe keeping, transfer, and disbursement of the public revenue," has been carried into execution as rapidly as the delay necessarily arising out of the appointment of new officers, taking and approving their bonds, and preparing and securing proper money, would permit. It is not proposed to depart in any respect from the principles or policy on which this great measure is founded. There are, however, defects in the details of the measure, developed by its practical operation, which are fully set forth in the report of the Secretary of the Treasury, to which the attention of Congress is invited. These defects would impair to some extent the successful operation of the law at all times, but are especially embarrassing when the country is engaged in a war, when the expenditures are greatly increased, when loans are to be effected, and the disbursements are to be made at points many hundred miles distant, in some cases, from any depository, and a large portion of them in a foreign country. The modifications suggested in the report of the Secretary of the Treasury are recommended to your favorable consideration.

In connexion with this subject, I invite your attention to the importance of establishing a branch of the mint of the United States at New York. Two-thirds of the revenue derived from customs being collected at that point, the demand for specie to pay the duties will be large; and a branch mint, where foreign coin and bullion could be immediately converted into American coin, would greatly facilitate the transaction of the public business, enlarge the circulation of gold and silver, and be at the same time, a safe depository of the public money.

The importance of graduating and reducing the price of such of the public lands as have been long offered in the market, at the minimum rate authorized by existing laws, and remain unsold, induces me again to recommend the subject to your favorable consideration. Many millions of acres of these lands have been offered in the market for more than thirty years, and larger quantities for more than ten or twenty years; and being of an inferior quality, they must remain unsaleable for an indefinite period, unless the price at which they may be purchased shall be reduced. To place a price

upon them above their real value is not only to prevent their sale, and thereby deprive the Treasury of any income from that source, but is unjust to the States in which they lie, because it retards their growth and increase of population, and because they have no power to levy a tax upon them as upon other lands within their limits, held by other proprietors than the United States, for the support of their local governments.

The beneficial effects of the graduation principle have been realized by some of the States owning the lands within their limits, in which it has been adopted.—They have been demonstrated also by the United States acting as the trustee of the Chickasaw tribe of Indians in the sale of their lands lying within the States of Mississippi and Alabama. The Chickasaw lands, which would not command in the market the minimum price established by the laws of the United States for the sale of their lands, were in pursuance of the treaty of 1834 with that tribe, subsequently offered for sale at graduated and reduced rates for limited periods. The result was, that large quantities of these lands were purchased, which would otherwise have remained unsold. The lands were disposed of at their real value, and many persons of limited means were enabled to purchase small tracts, upon which they have settled with their families.—That similar results would be produced by the adoption of the graduation policy by the United States, in all the States in which they are the owners of large bodies of lands which have been long in the market, cannot be doubted. It cannot be a sound policy to withhold large quantities of the public lands from the use and occupation of our citizens, by fixing upon them prices which experience has shown they will not command. On the contrary, it is a wise policy to afford facilities to our citizens to become the owners at low and moderate rates, of freeholds of their own, instead of being the tenants and dependants of others. If it be apprehended that these lands, if reduced in price, would be secured in large quantities by speculators and capitalists, the sales may be restricted, in limited quantities, to actual settlers or persons purchasing for purposes of cultivation.

In my last annual message I submitted for the consideration of Congress the present system of managing the mineral lands of the United States, and recommended that they should be brought into market and sold, upon such terms and under such restrictions as Congress might prescribe. By the act of the eleventh of July last, "the reserved lead mines and contiguous lands in the States of Illinois and Arkansas, and Territories of Wisconsin and Iowa," were authorized to be sold. The Act is confined, in its operation, to "lead mines and contiguous lands."

A large portion of the public lands containing copper and other ores is represented to be very valuable, and I recommend that provision be made authorizing the sale of these lands, upon such terms and conditions as their supposed value may, in the judgment of Congress, be deemed advisable, having due regard to the interests of such of our citizens as may be located upon them.

It will be important, during your present session, to establish a territorial government and to extend the jurisdiction and laws of the United States over the territory of Oregon. Our laws regulating trade and intercourse with the Indian tribes east of the Rocky mountains should be extended to the Pacific ocean; and for the purpose of executing them and preserving friendly relations with the Indian tribes within our limits, an additional number of Indian agencies will be required, and should be authorized by law. The establishment of custom-houses, and post offices and post roads, and provision for the transportation of the mail on such routes as the public convenience will suggest, require legislative authority. It will be proper also, to establish a surveyor general's office in that territory, and to make the necessary provision for surveying the public lands, and bringing them into market. As our citizens who now reside in the distant region have been subjected to many hardships, privations and sacrifices in their emigration and by their improvements, have enhanced the value of the public lands in the neighborhood of their settlements, it is recommended that liberal grants be made to them of such portions of these lands as they may occupy, and that similar grant or rights of pre-emption be made to all who may emigrate thither within a limited period to be prescribed by law.

The report of the Secretary of War contains detailed information relative to the several branches of the public service connected with that department. The operations of the army have been of a satisfactory and highly gratifying character. I recommend to your early and favorable consideration the measures proposed by the Secretary of War for speedy filling up the rank and file of the regular army, for its greater efficiency in the field, and for raising an additional force to serve during the war with Mexico. Embarrassment is likely to arise from want of legal provisions authorising compensation to be made to the agents employed in the several States and Territories to pay the revolutionary and other

pensioners the amounts allowed them by law. Your attention is invited to the recommendations of the Secretary of War on this subject. These agents incur heavy responsibilities and perform important duties, and no reason exists why they should not be placed on the same footing, as to compensation, with other disbursing officers.

Our relations with the various Indian tribes continue to be of a pacific character. The unhappy dissensions which have existed among the Cherokees for many years past have been healed. Since our last annual message important treaties have been negotiated with some of the tribes, by which the Indian title to large tracts of valuable land, within the limits of the States and Territories, has been extinguished, and arrangements made for removing them to the country west of Mississippi. Between three and four thousand, of different tribes, have been removed to the country provided for them by treaty stipulations, and arrangements have been made for others to follow.

In our intercourse with the several tribes particular attention has been given to an important subject of education. The number of schools established among them has been increased, and additional measures provided, not only for teaching them the rudiments of education, but of instructing them in agriculture and mechanic arts.

I refer you to the report of the Secretary of the Navy for a satisfactory view of the operations of the department under your charge during the past year. It is gratifying to perceive, that while the cooperation with Mexico has rendered it necessary to employ an unusual number of our army vessels on her coasts, the protection to our commerce in other quarters of the world has not proved insufficient. Means will be spared to give efficiency to the naval service in the prosecution of the war; and I am happy to know that our officers and men anxiously desire to vote themselves to the service of the country in any enterprise, however difficult or execution.

I recommend to your favorable consideration the proposition to add to each of our foreign squadrons an efficient sea steamer, and a specially demanding attention, the establishment at Pensacola of the necessary means of refitting and refitting the vessels of the navy employed in the gulf of Mexico.

There are other suggestions in the report, which deserve, and I doubt not, will receive your consideration.

The progress and condition of the mail service for the past year are fully presented in the report of the Postmaster General. The revenue for the year ending on the thirtieth of June last amounted to three million four hundred and eighty-seven thousand one hundred and ninety-nine dollars, which is eight hundred and thirty-four thousand two hundred and forty-five cents less than that of the preceding year. The payments for that department during the same time amounted to four million eight hundred and thirty-nine thousand and seven hundred and twenty-two cents. Of this sum five hundred and ninety-seven thousand and ninety-seven dollars and eighty cents have been drawn from the treasury. The disbursements for the year were two hundred and thirty-six thousand four hundred and thirty-three dollars seventy-seven cents less than those of the preceding year. While the disbursements have been thus diminished, the mail facilities have been enlarged by new mail routes of four hundred and seventy-nine miles, an increase of transportation of one million one hundred and sixty-four thousand one hundred and forty-five miles, and the establishment of four hundred and eighteen new Post Offices. Contractors, Postmasters, and others, engaged in this branch of the service, have performed their duties with energy and faithfulness, deserving commendation. For many important details connected with the operations of the establishment, you are referred to the report of the Postmaster General; and his suggestions for improving its revenues are recommended to your favorable consideration. I repeat the expression in my last annual message, the business of this department should be regulated that the revenues derived therefrom should be made to equal the expenditures; and it is believed that this may be done by modifications of the present laws, as suggested in the report of the Postmaster General, without changing the present rates of postage.

With full reliance upon the wisdom and patriotism of your deliberations, it will be my duty, as it will be my anxious desire, to cooperate with you in every constitutional effort to promote the welfare and maintain the honor of our common country.

JAMES K. POLK. WASHINGTON, Dec. 8, 1846.

INTERESTING FROM THE PACIFIC—*Captain of a Mexican Brig of War.*—The St. Louis Republican says: A letter written on one of the vessels belonging to the blockading squadron in the Pacific, of the 9th September, Mazatlan, says,

"A few days since, Lieut. Radford, in command of sixty men in the boats of the United States ship Warren, passed within gunshot of a two containing 5 or 6000 inhabitants and a garrison of 800 soldiers, boarded a Mexican armed brig in day light, and brought her out of the harbor—thus making a prize of the enemy in the face of the foe. So unexpected was the attack and it was executed with so much rapidity and audacity, that before the troops recovered from their surprise, the gallant officer was under the guns of the Warren, and was about to be recaptured. She is a beautiful brig—the Malek-Adhel, the Mexicans call her—and will be of much service, as she is remarkable as a fine sailer."

The New York Courier says that the officers of our gallant little Navy attached to the U. S. Squadron, have, with that magnanimity which is characteristic of their profession, determined to present all the prize money now due them to the widow of Lieut. Charles W. Morris, the officer who fell at the attack on Tabasco.

At the recent Municipal election in Savannah, the Whig ticket succeeded by an overwhelming majority of 147 votes.