THE UNION.

THE PRESIDENT'S MESSAGE.

Fellow-citizens of the Senate and House of Representatives:

Sixty years have elapsed since the establishment of this government, and the Congress of the United States again assembles to legislate for an empire of freemen. The predictions of evil prophets, who formerly pretended to foretell the downfall of our institutions, are now remembered only to be derided, and the United States of America at this moment present to the world the most stable and permanent government on earth.

Such is the result of the labors of those who have gone before us. Upon Congress will eminently depend the future maintenance of our system of free government, and the transmission of it unimpaired to posterity.

We are at peace with all the nations of the world, and seek to maintain our cherished relations of amity with them. During the past year we have been blessed by a kind Providence, with an abundance of the fruits of the earth; and although the destroying angel, for a time, visited extensive portions of our territory with the ravages of a dreadful pestilence, yet the Almighty has at length deigned to stay his hand, and to restore the inestimable blessing of general health to a people who have acknowledged his power, deprecated his wrath, and implored his merciful protection.

While enjoying the benefits of amicable intercourse with foreign nations, we have not been insensible to the distractions and wars which have prevailed in other quarters of the world. It is a proper theme of thanksgiving to Him who rules the destinies of nations, that we have been able to maintain, amidst all these contests, an independent and neutral position towards all belligerent powers.

Our relations with Great Britain are of the most friendly character. In consequence of the recent alteration of the British navigation acts, British vessels, from British and other foreign ports, will, (under our existing laws,) after the first day of January next, be admitted to entry in our ports, with cargoes of the growth, manufacture, or production of any part of the world, on the same terms, as to duties, imposts, and charges, as vessels of the United States with their cargoes; and our vessels will be admitted to the same advantages in British ports, entering therein on the same terms as British vessels. Should no order in council disturb this legislative arrangement, the late act of the British Parliament, by which Great Britain is brought within the terms proposed by the act of Congress of the 1st of March, 1817, it is hoped, will be productive of benefit to both countries.

A slight interruption of diplomatic intercourse, which occurred between this government and France, I am happy to say, has been terminated, and our minister there has been received. It is, therefore, unnecessary to refer now to the circumstances which led to that interruption. I need not express to you the sincere satisfaction with which we shall welcome the arrival of another envoy extraordinary and minister plenipotentiary from a sister republic, to which we have so long been, and still remain, bound by the strongest ties of amity.

Shortly after I had entered upon the discharge of the executive duties, I was apprized that a war-steamer belonging to the German empire was being fitted out in the harbor of New York, with the aid of some of our naval officers, rendered under the permission of the late Secretary of the Navy. This permission was granted during an armistice between that empire and the kingdom of Denmark, which had been engaged in the Schleswig-Holstein war. Apprehensive that this act of intervention, on our part, might be viewed as a violation of our neutral obligations, incurred by the treaty with Denmark, and of the provisions of the act of Congress of the 20th of April, 1818, I directed that no further aid should be rendered by any agent or officer of the navy; and I instructed the Secretary of State to apprize the minister of the German empire accredited to this government of my determination to execute the law of the United States, and to maintain the faith of treaties. This correspondence, communicated to the German minister between the Department of State and the minister of the German empire is herewith laid before you. The execution of the law and the observance of the treaty were deemed by me to be due to the honor of the country, as well as to the sacred obligations of the constitution. I shall not fail to pursue the same course, should a similar case arise, with any other nation. Having avowed the opinion, on taking the oath of office, that, in disputes between conflicting foreign governments, it is our interest, not less than our duty, to remain strictly neutral, I shall not abandon it. You will perceive, from the correspondence submitted to you, in connexion with this subject, that the course adopted in this case has been generally properly regarded by the belligerent powers interested in the matter.

Although a minister of the United States to the German empire was appointed by my predecessor in August, 1848, and has for a long time been in attendance at Frankfort-on-the-Main, and although a minister appointed to represent that empire was received and accredited here, yet no official intercourse has taken place between them. A faithful observance of the treaty, and a sincere respect for her rights, cannot fail to secure the lasting confidence and friendship of that republic. The message of my predecessor to the House of Representatives, of the 8th of February last, communicating, in compliance with a resolution of that body, a copy of a paper called a Protocol, signed at Warsaw on the 30th of May, 1848, by the commissioners of the United States and the Minister of Foreign Affairs of the Mexican government, having been a subject of correspondence between the Department of State and the envoy extraordinary and minister plenipotentiary of that republic accredited to this government, a transcript of that correspondence is herewith submitted.

The commissioner on the part of the United States for marking the boundary between the two republics, though delayed in reaching San Diego by unforeseen obstacles, arrived at that place within a short period after the time required by the treaty, and was there joined by the commissioner on the part of Mexico. They entered upon their duties; and, at the date of the latest intelligence from their quarters, some progress had been made in the survey. The expenses incident to the organization of the commission, and to its conveyance to the point where its operations were to begin, have so much reduced the fund appropriated by Congress, that a further sum, to cover the charges of the commissioner and his associates, during the next year, will be necessary. The great length of frontier along which the boundary extends, the nature of the adjacent territory, and the difficulty of obtaining supplies, except at or near the extreme of the line, render it also indispensable that a liberal provision should be made to meet the contingent charges during the fiscal year ending on the 30th of June, 1851. I accordingly recommend this subject to your consideration.

In the adjustment of the claims of American citizens on Mexico, provided for by the late treaty, the employment of counsel on the part of the government may become important, for the purpose of assisting the commissioners in protecting the interests of the United States. I recommend this subject to the early and favorable consideration of Congress.

Complaints have been made in regard to the inefficiency of the means provided by the government of New Granada for transporting the United States mail across the isthmus of Panama, pursuant to our postal convention with that republic, of the 5th of March, 1844. Representatives at Bogota have been directed to make such representations to the government of New Granada as will, it is hoped, lead to a prompt removal of this cause of complaint.

The sanguinary civil war with which the republic of Venezuela has for some time past been ravaged, has been brought to a close. In its progress the rights of some of our citizens, resident or trading there, have been violated. The restoration of order will afford to the Venezuelan government an opportunity to duly consider and redress these grievances, and others of long standing, which our representatives at Caracas have hitherto ineffectually urged upon the attention of that government.

The extension of the coast of the United States on the Pacific, and the unexampled rapidity with which the inhabitants of California especially are increasing in numbers, have imparted new consequence to our relations with the other countries of those territories. Better upon that ocean. It is probable that the intercourse between those countries and our possessions in that quarter, particularly with the republic of Chili, will become extensive and mutually advantageous in proportion as California and Oregon shall increase in wealth. It is desirable, therefore, that this government should do everything in its power to foster and strengthen its relations with those States, and that the spirit of amity between us should be mutual and cordial.

I recommend the observance of the same course towards all other American States. The United States stand as the great American power, to which, as their natural ally and friend, they will always be disposed first to look for mediation and assistance, in the event of any collision between them and any European nation. As such, we may often kindly mediate in their behalf, without entangling ourselves in foreign wars or unnecessary controversies. Whenever the faith of our treaties with any of them shall require our interference, we must necessarily interpose.

A convention has been negotiated with Brazil, providing for the satisfaction of American claims on that government, and it will be submitted to the Senate. Since the last session of Congress, we have received an envoy extraordinary and minister plenipotentiary from that empire, and our relations with it are founded upon the most amicable understanding.

Your attention is earnestly invited to an amendment of our existing laws relating to the African slave trade, with a view to the effectual suppression of that barbarous traffic. It is not to be denied that this trade is still, in part, carried on by means of vessels built in the United States, and owned or navigated by some of our citizens. The correspondence between the Department of State and the minister and consul of the United States at Rio de Janeiro, which has from time to time been laid before Congress, represents that it is a customary device to evade the penalties of our laws by means of sea-letters. Vessels sold in Brazil, when provided with such papers by the consul, instead of returning to the United States for a new register, proceed at once to the coast of Africa, for the purpose of obtaining cargoes of slaves. Much additional information, of the same character, has recently been transmitted to the Department of State. It has not been considered the policy of our laws to subject an American citizen, who, in a foreign country, purchases a vessel built in the United States, to the inconvenience of sending her home for a new register, before permitting her to proceed on a voyage. Any alteration of the laws which might have a tendency to impede the free transfer of property in vessels between our citizens, or the free navigation of those vessels between different parts of the world, when employed in lawful commerce, should be well and cautiously considered; but I trust that your wisdom will devise a method by which our general policy, in this respect, may be preserved, and at the same time the abuse of our flag, by means of sea-letters, in the manner indicated, may be prevented.

Having ascertained that there is no prospect of the reunion of the five States of Central America, which formerly composed the republic of that name, we have separately negotiated with some of them treaties of amity and commerce, which will be laid before the Senate.

A contract having been concluded with the State of Nicaragua, by a company composed of American citizens, for the purpose of constructing a ship canal through the territory of that State, to connect the Atlantic and Pacific oceans, I have directed the negotiation of a treaty with Nicaragua, pledging both governments to protect those who shall engage in and perfect the work. All other nations are invited by the State of Nicaragua to enter into the same treaty stipulations with her; and the benefit to be derived by each from such an arrangement will be the protection of this great inter-oceanic communication against any power which might seek to obstruct it, or to monopolize its advantages. All States entering into such a treaty will enjoy the right of passage through the canal, on payment of the same tolls.

The work, if constructed under these guaranties, will become a bond of peace, instead of a subject of contention and strife between the nations of the earth. Should the great maritime States of Europe concur in this arrangement, (and we have no reason to suppose that a proposition so fair and honorable will be opposed by any,) the energies of their people and ours will co-operate in promoting the success of the enterprise. I do not recommend any appropriation from the national treasury for this purpose, nor do I believe that such an appropriation is necessary. Private enterprise, if properly protected, will complete the work, should it prove feasible. The parties who have procured the charter from Nicaragua for its construction desire no assistance from this government beyond its protection; and they profess that, having examined the proposed line of communication, they will be ready to commence the undertaking whenever they can obtain the requisite security. Should this prove to appear to be reason, on examining the whole evidence, to entertain a serious doubt of the practicability of constructing such a canal, that doubt could be speedily solved by an actual exploration of the route.

Should such a work be constructed, under the common protection of all nations, for equal benefits to all, it would be neither just nor expedient that any great maritime State should command the communication. The territory through which the canal may be opened ought to be freed from the claims of any foreign power. No such power should occupy a position that would enable it hereafter to exercise an exclusive control over the commerce of the world, or to obstruct a highway which ought to be dedicated to the common uses of mankind.

The routes across the isthmus, at Tehuantepec and Panama, are also worthy of our serious consideration. They did not fail to engage the attention of my predecessor. The negotiator of the treaty of Guadalupe Hidalgo was instructed to offer a very large sum of money for the right of transit across the isthmus of Tehuantepec. The Mexican government did not accede to the proposition for the purchase of the right of way, probably because it had already contracted with private individuals for the construction of a passage from the isthmus at that place. I do not think it expedient to renew the proposition to purchase, for money, a right which ought to be equally secured to all nations, on payment of a reasonable toll to the owners of the improvement, who would, doubtless, be well contented with that compensation and the guaranties of the maritime States of the world, in separate treaties negotiated with Mexico, binding her and them to protect those who should construct the work. The United States would do more to secure the completion of the communication through the territory of Mexico than any other reasonable consideration that could be offered; and as Mexico herself would be the greatest gainer by the opening of this communication between the Gulf of Mexico and the Pacific ocean, I trust that she would not hesitate to yield her aid, in the manner proposed, to accomplish an improvement so important to her own best interests.

We have reason to hope that the proposed railroad across the isthmus at Panama will be successfully constructed, under the protection of the late treaty with New Granada, ratified and exchanged by the parties on the 10th day of June, 1848, which guaranties the perfect neutrality of the isthmus, and the rights of sovereignty and property of New Granada over that territory, "with a view that the free transit from ocean to ocean may not be interrupted or embarrassed" during the existence of the treaty. It is our policy to encourage every practicable route across the isthmus, which connects North America with South America, and which may not been considered by Congress as properly belonging to the mail service.

It is submitted to the wisdom of Congress whether a further reduction of postage should not now be made, more particularly on the letter correspondence. This should be relieved from the unjust burden of transporting and delivering the franked matter of Congress, for which public service provision should be made from the treasury. A large reduction may safely be made, reducing all single-letter postage to the uniform rate of five cents, regardless of distance, without thereby imposing any greater tax on the treasury than would constitute a very moderate compensation for this public service; and I therefore respectfully recommend such a reduction. Notwithstanding the franking privilege exercised by members of Congress, it seems probable that no demand on the treasury would result from the proposed reduction of postage. Whether any further diminution should now be made, or the result of the reduction to five cents, which I have recommended, should be first tested, is submitted to your decision.

Since the commencement of the last session of Congress, a postal treaty with Great Britain has been received and ratified, and such regulations have been formed by the Post Office Departments of the two countries, in pursuance of that treaty, as to carry its provisions into full operation. The attempt to extend this same arrangement through England to France has not been equally successful; but the project has not been abandoned.

For a particular statement of the condition of the Post Office Department, and other matters connected with that branch of the public service, I refer you to the report of the Postmaster General.

By the act of 3d March, 1849, a board was constituted to make arrangements for taking the seventh census, composed of the Secretary of State, the Attorney General, and the Postmaster General; and it was made the duty of this board, among other things, to cause to be printed such forms and schedules as might be necessary for the full enumeration of the inhabitants of the United States; and also proper forms and schedules for collecting, in statistical tables, under proper heads, such information as to mines, agriculture, commerce, manufactures, education, and other topics, as would exhibit a full view of the population, wealth, education, and resources of the country." The duties enjoined upon the census board thus established having been performed, it now rests with Congress to enact a law for carrying into effect the provision of the constitution which requires an actual enumeration of the people of the United States within the ensuing year.

Among the duties assigned by the constitution to the general government is one of local and limited application, but not on that account the less obligatory—I allude to the trust committed to Congress, as the exclusive legislator and sole guardian of the interests of the District of Columbia. I beg to commend these interests to your kind attention. As the national metropolis, the city of Washington should be made to exhibit a creditable specimen of art, under the auspices of him whose immortal name it bears, its claims to the fostering care of Congress present themselves with additional strength. Whatever can contribute to its prosperity must enlist the feelings of its constitutional guardians, and command their favorable consideration.

Our government is one of limited powers; and its successful administration eminently depends on the confinement of each of its coordinate branches within its own appropriate sphere. The first section of the constitution ordains that "all legislative powers therein granted shall be vested in a Congress of the United States, which shall consist of a Senate and House of Representatives." The Executive has authority to recommend (not to dictate) measures to Congress. Having performed that duty, the executive department of the government cannot rightfully control the decision of Congress on any subject of legislation, until that decision shall have been presented for executive approval. Veto is a term well understood in our political creed, as it is defined in the constitution, in the clause conferring the qualified veto, will never be exercised by me, except in the cases contemplated by the fathers of the republic. I view it as an extreme measure, to be resorted to only in extraordinary cases—as where it may become necessary to defend the Executive against the encroachments of the legislative power, or to prevent hasty and inconsiderate or unconstitutional legislation. By cautiously confining this remedy within the sphere prescribed to it in the cotemporaneous expositions of the framers of the constitution, the will of the people, legitimately expressed on all subjects of legislation, through their constitutional organs—their senators and representatives of the United States, will have its full effect. As indispensable to the preservation of our system of self-government, the independence of the representatives of the States and the people is guaranteed by the constitution; and they owe no responsibility to any human power but their constituents. By holding the representative responsible only to the people, and exempting him from all other influences, we elevate the character of the constituent and quicken his sense of responsibility to his country. It is under these circumstances only that the elector can feel that, in the choice of the law-maker, he is himself truly a component part of the sovereign power of the nation. With equal care the framers of the constitution built the executive and judicial departments. Our government can only be preserved in its purity by the suppression and entire elimination of every claim or tendency of one co-ordinate branch to encroachment upon another. With the strict observance of this rule and the other injunctions of the constitution—with a reciprocal manifestation of that respect and love for the union of the States which our fathers cherished and enjoined upon their children—and with the aid of that overruling Providence which has so long and so kindly guarded our liberties and institutions, we may reasonably expect to transmit them, with their innumerable blessings, to the remotest posterity.

But attachment to the Union of the States should be habitually fostered in every American breast. For more than half a century, during which kingdoms and empires have fallen, this Union has stood unshaken. The patriots who formed it have long since descended to the grave; yet still it remains, the proudest monument to their memory, and the object of affection and admiration with every one worthy to bear the American name. In my judgment, its dissolution would be the greatest of calamities, and to avert that should be the study of every American. Upon its preservation must depend our own happiness and that of countless generations to come. Whatever dangers may threaten it, I shall stand by it and maintain it in its integrity, to the full extent of the obligations imposed and the power conferred upon me by the constitution.

Z. TAYLOR.

WASHINGTON, December 4th, 1849.

Odd Fellows' Hall, 7th Street, Washington.
OPEN EVERY EVENING FOR A SHORT SEASON.
(Handsomely fitted up with raised platform and brilliantly lighted with gas.)
Bayne's celebrated series of Gigantic Panoramas, entitled
A VOYAGE TO EUROPE,
Embracing magnificent views of Boston, its harbor, Halifax, the Atlantic, Liverpool, London, from the Thames, (passing under the bridges,) and ending with a magnificent view of the THAMES TUNNEL, brilliantly illuminated, and both banks of the beautiful RIVER RHINE—with views in Boston, Philadelphia, and Baltimore by upwards of 250,000 persons.
An exhibition every Wednesday and Saturday afternoon at four o'clock.
Admission, 25 cents. Children under twelve years, 15 cents.
Doors open at 6½ o'clock; to commence moving at 7½.
Dec. 19—1md*

LOST, a small Morocco Wallet, containing twenty or thirty dollars in bills, and some papers that are valuable only to the owner. Any person finding it will be handsomely rewarded by leaving it with J. THOMAS, at the Irving House.
The loser will pay the money for the papers, which are of no use to any one but the owner. Dec 25—2t*

Report of the Secretary of the Treasury.

TREASURY DEPARTMENT, December, 1849.

The Secretary of the Treasury reports:

RECEIPTS AND EXPENDITURES.

The receipts and expenditures for the fiscal year ending 30th June, 1849, were:

Receipts from customs	$28,346,738 82
" " public lands	1,688,959 55
" " miscellaneous sources	1,638,649 13
" " avails of treasury notes and loans in specie	17,755,750 00
" " do. funded	10,833,000 00
	$59,663,097 50
Add balance in the treasury July 1, 1848	153,534 60
	59,816,632 10
The expenditures for the same fiscal year were in cash	$46,798,667 82
Treasury notes, funded	10,833,000 00
	57,631,667 82
Leaving a balance in the treasury July 1, 1849	2,184,964 28

as appears in detail by accompanying statement A.

ESTIMATES.

The estimated receipts and expenditures for the fiscal year ending 30th June, 1850, are:

Receipts from customs—1st quarter, by actual returns	$11,643,726 54
Receipts from customs—2d, 3d, and 4th quarters, as estimated	19,856,271 46
	$31,500,000 00
Receipts from public lands	1,700,000 00
" " miscellaneous sources	1,200,000 00
	$34,400,000 00
Receipts from avails of loans in specie	$399,050 00
Receipts from do. in treasury notes, funded	839,450 00
	1,238,500 00
Total receipts	$35,638,500 00
Add balance in the treasury July 1, 1849	2,184,964 28
Total means, as estimated	$37,823,464 28

EXPENDITURES, VIZ:

The actual expenditures for the first quarter ending 30th September, 1849, were	$8,904,829 96
As appears in detail by accompanying statement B.	
The estimated expenditures during the other three quarters, from 1st October, 1849, to 30th June, 1850, are:	
Civil list, foreign intercourse and miscellaneous	10,330,116 62
Expenses of collecting revenue from customs	1,925,000 00
Expenses of collecting revenue from lands	113,850 00
Army proper, &c.	8,245,039 80
Fortifications, ordnance, arming militia, &c.	1,097,420 93
Internal improvements, &c.	77,072 39
Indian department	859,953 73
Pensions	682,630 77
Naval establishment	6,814,783 43
Interest on public debt and treasury notes	3,700,878 40
	43,651,585 94
Deficit 1st July, 1850	$5,828,121 66
The estimated receipts and expenditures for the fiscal year commencing July 1, 1850, and ending June 30, 1851, are:	
Receipts from customs	$33,000,000 00
" " public lands	2,150,000 00
" " miscellaneous sources	300,000 00
Total estimated receipts	$34,450,000 00
The expenditures during the same period, as estimated by the several departments of State, Treasury, War, Navy, Interior, and Postmaster General, are	$41,007,092 73
The balances of former appropriations which will be required to be expended this year	$5,656,530 34
Permanent and indefinite appropriations	5,843,410 94
Specific appropriations asked for this year	33,697,152 15
	$44,997,092 73
This sum is composed of the following particulars:	
Civil list, foreign intercourse and miscellaneous	$11,088,784 04
Expenses of collecting revenue from customs	2,750,000 00
Expenses of collecting revenue from lands	170,825 00
Army proper, &c.	8,396,314 34
Fortifications, ordnance, arming militia, &c.	2,615,446 00
Internal improvements	1,247,303 38
Indian department	1,912,710 53
Pensions	1,727,010 00
Naval establishment	11,253,129 64
Interest on treasury notes and public debt	3,746,260 34
Purchase of stock of the loan of 28th January, 1847	491,896 97
	$44,997,092 73
Deficit July 1, 1851	$10,547,092 73
Do. July 1, 1850	5,828,121 66
Total deficit, 1850 and 1851	$16,375,214 39

Prior to the first of July last, the expenses of collecting the revenue from customs were paid out of the accruing revenue at the several ports, and only the balance came into the treasury: of course the receipts at the treasury, actual and estimated, were of the net revenue after deducting all expenses.

By the act of 3d March last, the system was changed from and after 1st July, 1849; and, accordingly, the receipts, actual and estimated, from that date, are of the gross revenue, and estimates are submitted of the expenses of collection.

The alteration thus made in the law must prove to be salutary, as the attention of Congress will be annually drawn to the expenditures under this head, and they will be enabled to limit them in a spirit of economy as severe as the exigencies of the public service will admit.

Notwithstanding the great increase of the business of the country, the act of 17th June, 1844, has prevented any addition to the number of inspectors, gugers, weighers, measurers, or markers, (in any district then established,) since its passage, except ten inspectors at New Orleans, per act 3d March, 1845; and the consequence is, that at all the large ports the number of inspectors is insufficient for the discharge of the duties of those offices, and the prevention of breaches or evasions of the revenue laws.

These duties have been greatly increased by the establishment of the warehousing system, and the difficulties thereby enhanced without any provision for increasing the number of officers to meet the emergencies of the new service. In addition to the temporary "aids to the revenue" appointed by some of the collectors under authority of the act of 1799, I have been compelled to resort to the part the emergency thus occasioned by authorizing, at the ports of New York, Boston, New Orleans, Philadelphia, Baltimore, and Bristol, R. I., the employment of thirty-two additional clerks to act as storekeepers, and relieve from attendance upon the warehouses that number of inspectors from other ports where they might attend to their appropriate duties, and have declined assenting to requests for similar authority from other ports only because the necessity did not appear to be of so urgent a character as to make it impossible to await the action of Congress on this subject.

The establishment of new collection districts in Texas and California, and the probable necessity for making more still of course make an addition to the expenses heretofore incurred, as well as to the revenue to be received.

The preventive service is amalgamated by our system with the service of collection. There are now one hundred and ten collection districts in the United States. Of this number, eighteen are maintained at the public expense, not having collected any revenue during the past year. There are thirty-six at which the revenue collected is not sufficient to meet the annual expenses, and but fifty-six at which the gross revenue exceeds the expenses.

Under these circumstances, I submit the estimates, herewith presented, (marked C,) of the expenses of collecting the revenue from customs on the present scale of service, submitting to the wisdom of Congress the question of reducing that scale, and the mode of such reduction. I annex to the report copies of letters (marked T) received from collectors of the customs on the subject. In my judgment, no reduction is practicable, consistently with the security of the revenue; on the contrary, I have no doubt that the force should be increased.

I deem it proper to invite the early attention of Congress to the appropriation required for the second half of the current fiscal year, for which a separate estimate is submitted, (C,) as required by the 3d section of the act of 3d March last. The entire revenue from customs being paid into the treasury, and remittances made to each collector for all the expenses of collection, very great embarrassment would result if the necessary appropriations were delayed.

Under the provisions of the 6th section of the act of 3d March last, I present herewith a "statement of the amount of money expended at each custom-house in the United States during the fiscal year ending the 30th June last, and also the number of persons employed, and the occupation and salary of each person, at each of the said custom-houses during the period aforesaid," (marked D.)

It will be seen, by the statement referred to, that full complements of officers for twenty-four revenue vessels were charged upon the revenue. The number of officers has been reduced to sixteen of each grade.

PUBLIC DEBT.

Annexed will be found table marked E, in compliance with the 2d section of the act of the 28th of January, 1847, containing the information required thereby respecting the issue, redemption, purchase, and resale of treasury notes.

Also, marked F, is a similar section of the act of 10th August, 1846, a statement is appended (marked EE) showing the amount of treasury notes paid within the preceding year under the provisions of that act.

Statement F shows the payments into the treasury on account of the loan of 1848.

The public debt amounted, on the 1st of October, 1848, agreeably to table O, annexed to the last report of my predecessor, to the sum of $65,778,450 41. Since that time, $1,073,756 70 of the debt has been redeemed and extinguished by the purchase of stocks, &c. Of the amount thus redeemed and extinguished there were—on account of the debt of the cities of the District of Columbia, assumed by the act of 15th May, 1848, $1,000 of principal, $4,500 of interest, and unfunded debt, $5,029 58; of treasury notes purchased at par and received in payment for lands and customs, $2,150; of military bounty scrip, $233,075; of the stock of 1840, $80,700; of the stock of 1843, $136,000; of the stock of 1848, $260,000; of the stock of 1847, $392,500; which last was paid for out of the land fund, and purchased by the agent, Mr. Corcoran, collector of New York, with the aid (kindly afforded) of C. W. Lawrence, esq., the late collector of that port, whose resignation had, at that time, just taken effect, and who had acquired some experience in similar operations, from having been employed in them by the government in the previous year. See statement of the operations of the Sinking Fund, marked G.

The public debt now amounts to the sum of $64,704,693 71, which will be redeemable as follows:

Parts of the old funded and unfunded debt on presentation	$122,735 10
Debts of the District cities, assumed by Congress, $65,000 payable annually	960,000 00
Five per cent. stock, per act of August, 1846, redeemable 9th August, 1851	303,573 92
Five per cent. loan of 3d March, 1842, redeemable 1st July, 1853	6,468,931 35
Six per cent. loan of 22d July, 1846, redeemable 15th November, 1856	4,990,149 45
Six per cent. loan of 15th April, 1849, redeemable 31st December, 1862	8,198,686 03
Six per cent. loan of 28th January, 1847, redeemable 1st January, 1868	27,818,350 55
Do. do. overland, and advices have not been received	149,898 00
Six per cent. loan of 31st March, 1848, redeemable 1st July, 1868	15,746,000 00
Treasury notes issued prior to 1846, payable on presentation; if converted into stock, under the act of January, 1847, will be redeemable 1st July, 1868	144,139 31
	$64,704,693 71

WAYS AND MEANS.

It will be observed that there is estimated a deficit on the 1st July next of $5,828,121 66, and on the 1st July, 1851, of $10,547,092 73; making, in the whole, an estimated deficit of $16,375,214 39, to be provided for, arising from the expenses of the war and treaty with Mexico.

In order to aid in forming an estimate of the expenses occasioned by the war with Mexico, I have directed a statement to be prepared, which is hereto annexed, (marked H,) showing the excess of the expenses of the army proper for three years from 1st April, 1846, to 1st October, 1849, over those for the three years immediately preceding; and the excess of the army proper for two years and a half years from 1st April, 1846, to 1st October, 1848, over those for the two and a half years immediately preceding.

The excess of army expenditures thus ascertained was	$58,853,292 41
And the excess of navy expenditures	4,751,897 90
Making together the sum of	$63,605,190 31

The increase of debt by the loans and treasury notes authorized by the acts of July 22, 1846, 28th January, 1847, and March 31, 1848, was | $9,000,000 00

The difference between these sums, viz | $54,605,190 31

was of course paid out of the revenue (including balance on 1st April, 1846, and $263,061 39 premiums on loans) towards the extraordinary military and naval expenses of the war.

In addition to these expenses, (without taking into the calculation sundry smaller items,) the number of military land warrants issuable under the act of 11th February, 1847, and the act of August 10, 1848, is to be taken into consideration. Under those acts, 65,171 warrants for 160 acres each, and 5,219 for 40 acres each, have already been issued. Claims to the amount of 9,000 have been suspended or rejected, and it is estimated that the number of claims yet to be presented will amount to 17,000. (See statement marked I, hereto annexed.)

The whole amount of warrants issuable under the act above mentioned may, therefore, be estimated as equal to 90,000, of 160 acres each; which, at $200 each, will amount to $18,000,000. Of course, until these warrants shall be exhausted, a large proportion of the revenue from sales of public lands must be thereby diverted.

My predecessor estimated the revenue from public lands for the fiscal year, to be received at the treasury, at $3,500,000.

The actual receipts at the treasury from that source in the year ending 30th June, 1848, were $3,328,042 56.

During the calendar years 1847 and 1848, and three quarters of 1849, there were located for patents on military bounty land warrants 5,025,400 acres, amounting, at $1 25 per acre, to the sum of $6,281,750, viz:

In 1847, 239,880 acres	$299,850 00
In 1848, 2,988,960 acres	3,861,200 00
Three quarters of 1849, 2,496,560 acres	3,120,700 00
5,025,400	$6,281,750 00

See statement marked J.

The receipts at the treasury from sales of public lands during the last fiscal year were $1,688,959 55.

It is not probable that additional sales would have been made to the full extent of the number of acres located under the military bounty land warrants, but it should in safety be considered that the revenue may be taken at $4,000,000, of which a part is absorbed by the land warrants; a part, say $1,657,950, (that being the amount paid and payable during the present fiscal year,) is applied to the payment of interest on the loan and treasury notes, under the act of January 28, 1847; and the remainder is pledged to the extinguishment of the debt created under that act. I estimate $2,000,000 per annum of the revenue from lands as diverted by the land warrants and the extinguishment of debt.

During the last fiscal year there were paid, under stipulations in the treaty with Mexico, sums amounting in all to $7,629,108.

Public debt to the amount of $700,500 of (including treasury notes received for customs and lands) was also paid off or purchased out of the general funds of the treasury and extinguished, besides $382,500 of the stock and treasury notes issued under the act of 1847, purchased out of the land fund and cancelled. See statement marked K. Of these sums $299,175 was new debt contracted since the commencement of the war.

The balance in the treasury on the 1st July, 1849, was $2,184,964 28.

The aggregate of these sums, viz:

Balance in the treasury on 1st July, 1849	$2,184,964 28
Payments under the treaty	7,629,108 00
Payments out of general fund on account of debt	790,558 39
Land fund diverted	2,000,000 00
Amounts to	$12,604,638 67

and would have made a balance in the treasury to that amount on the 1st July, 1849, had none of them been applied to the extraordinary purposes herein designated.

During the current fiscal year there will be required, in May next, for the payment of an instalment to Mexico, $3,540,000, and the land revenue, estimated as diverted, will be $2,000,000—making together $5,540,000, which, added to the aforesaid sum of $12,604,638 67, would make $18,144,638 67, from which deducting the estimated deficit for the 1st July, 1850, of $5,828,121 66, and the estimated balance in the treasury on that day of $12,316,517 01. Adding to that balance the instalment to Mexico, due in 1851, $3,360,000, and the revenue from lands diverted, $2,000,000, would make an aggregate of $17,676,517 01, from which deducting the estimated deficit on the 1st of July, 1851, $10,547,092 73, would leave a balance of the estimated balance in the treasury, on that day, of $7,129,424 28.

I have gone into this detail for the purpose of showing that the resources of the country are ample; that the estimated deficit will have arisen from the extraordinary expenses of the war and treaty with Mexico, and that the justly fair public credit of the United States is not endangered by the fact that, in this position of affairs, a new loan will be required.

Under these circumstances, I propose that authority be given to raise such sum, not exceeding $16,500,000, as may be found necessary, from time to time, by the issue of stock or treasury notes, on such terms as may be deemed most advantageous to the country, and repayment, as the President in his discretion shall, previous to their being issued, think fit to order.

Authority has already been given by the act of March 3d, 1849, to issue stock for the $3,250,000, appropriated to carry into effect the 15th article of the treaty with Mexico.

Authority for the payment out of the revenue of the instalment which will be due to Mexico in the fiscal year ending 30th June, 1852, to secure the raising of a fund for the gradual extinguishment of our heavy public debt, and to place the revenue on a sure basis of sufficiency for all the expenditures of the government, it will be necessary for Congress to authorize the raising of the loan, and the most available means to that end are to be found in raising the duties on imports. That an economy as rigid as may be found compatible with the necessities of the country will regulate the appropriations, under existing circumstances, cannot be doubted.

In proposing some alterations in the existing tariff, with a view as well to increase the revenue as the encouragement of industry, I think it right to present distinctly the views entertained on the latter subject, in the hope that a course may be adopted by the wisdom and patriotism of Congress which may tend to harmonize discordant feelings and promote the general prosperity.

I entertain no doubt of the rightful power of Congress to regulate commerce and levy imposts and duties, with the purpose of encouraging our own industry. In selecting for adoption one of two proposed regulations of commerce, it would appear to be clearly the right of Congress to choose that one which would, in its opinion, be most salutary to the country; and in like manner, in laying imposts and duties, it should be expected that the endeavor would be to suit the interests of the whole people, not as little but as much as possible.

It is not a question of assuming a power not expressly granted by the constitution, on the ground that it may tend to the attainment of a general end therein expressed. Here the power to regulate commerce and the power to levy and collect imposts and duties, are vested by the constitution in the Congress; and whatever they ought or ought not to be exercised with a view to the general good.

It seems to me that to exercise these or any other powers with any other view, would be a misuse of power and subversive of the legitimate end of government.

Of the various powers written in the constitution to lay taxes, duties, or imposts at the lowest rate that will yield the largest revenue.

If it were true that a duty laid on a given article with a view to encourage our own productions is unlawful, because it may operate, by discouraging importation, as a partial prohibition, the proposition would be equally true of every duty laid with the same view, if it were above or below the maximum revenue rate. But so, under the power to regulate commerce, it is competent for Congress to enact a direct and total prohibition of the importation of any article, it can be no objection to an act levying duties, that it may operate in partially preventing importation. Whether it be wise or just so to levy duties, is a separate question. What I maintain is, that such a power is not prohibition of it in the constitution. The proposition is maintained, as universally true, that the express grant of a power to Congress gives to that body the right of exercising that power in such manner as in its opinion may be most conducive to the advantage of the country.

As instances of the exercise of the power of regulating commerce, may be mentioned the prohibition of importations, except at designated ports; the prohibition of the coasting trade to all foreign vessels, and to all American vessels, not licensed and enrolled; the prohibition of certain trade to foreign vessels under the navigation act of 1817; the prohibition of certain trade to American vessels, under the navigation act; and of all trade by the embargo act; the drawback on the re-exportation of foreign goods; finally, the prohibition of the introduction of adulterated drugs into the country by the act of 26th June, 1848.

Under the power to levy taxes, duties, and imposts, I refer to the discriminating tonnage duties on foreign vessels, the discriminating duties on sugar, the preamble to the first law imposing duties passed under the Constitution, and the enactments of most of the subsequent ones.

These enactments show that at most or all periods of our history the views which I have expressed appear to have been sustained and acted on.

II. All legislation designed to favor a particular class to the prejudice of others, or to injure a particular class for the benefit of others, is manifestly unwise and unjust. Nothing can be more destructive of the true interests of the country than such legislation, except the refusal of really salutary legislation, under an erroneous impression that it might favor one class to the prejudice of others, while in fact the denial of it injures all classes, and benefits nobody.

III. As every producer in one branch of useful industry is also a consumer of the products of others, and as his ability to consume depends upon the profits of his product, it follows that to give prosperity to one branch of industry is to increase that of the rest. Within each branch of industry there will be individual rivalry, but among the several branches of useful industry there must always exist an unbroken harmony of interest.

No country can attain a due strength or prosperity that does not, by its industry, so apply its own productions, as nearly as possible, to the point necessary to fit them for ultimate consumption. To export its raw material and re-import the articles manufactured from it, or to neglect its own raw materials and import the articles manufactured from that of another country, is to pretermit the means which nature has provided for its advancement.

For instance, we exported, during the fiscal year ending 30th June, 1849, raw cotton to the value of about sixty-six millions of dollars. If that cotton had been spun and woven at home, (supposing its value to be increased fourfold by manufacture,) it would have produced a value of about one hundred and ninety-eight millions—a result that would have greatly increased the effect of this increased production on the prosperity of the country!

This question would not be completely answered by merely pronouncing the added value of one hundred and ninety-eight millions of dollars to be a large profit to the manufacturer, any more than the question of the effect of the production of wheat would be answered by defining the cost of seed-wheat from the value of the crop, and pronouncing the remainder to be a large profit to the farmer.

The manufacture of cotton cloth is begun with the planting of the cotton; it is carried to a certain point by the planter, and then taken up and perfected by the spinner and weaver. The planter and manufacturer are engaged in different branches of industry, but in the same—the one commences the process which the other completes. Cotton seed, of insignificant value, being by regular stages of labor developed and brought to the form of cotton