Weekly Sentinel.

"Let us cling to the Constitution as the mariner clings to the last plank when the night and the tempest close around him."

SATURDAY MORNING, JULY 7, 1855.

Blackwood's Magazine on Lord Palmerston.

Blackwood's Magazine doubts whether Lord PALMERSTON is "the right man in the right place." PALMERSTON the favorite of February, is PALMERSTON the mistrusted of May.

In the first place, he showed little discretion in the selection of his cabinet. His coadjutors were taken from habitual office holders, men who have been monopolizing government appointments for years. This systematic monopoly of office has long given intense disgust to rising men of talent who have adopted the liberal policy, and PALMERSTON by committing this mistake has brought upon himself the active animosity of the administrative reformers. His personal deportment in the House of Commons has given offence. He is neither fair nor temperate, and his affectation of *non-chalance* is out of place.

His appointment of Lord JOHN RUSSEL, as the representative of Great Britain at the Vienna conferences, has done him harm. Lord JOHN was not qualified for the post. Diplomacy is a favorite weapon with Russia, and she fights with it better than with the sword. Her object in protracting negotiations, was to prevent the cordial union of France and England with Austria; and that end she has attained. She has conceded the free navigation of the Danube, and renounced her protectorate over the Principalities. By this means she has secured the federal vote of Germany. The public entertain an apprehension that the present Ministry are disposed to terminate the war on terms which are neither honorable nor satisfactory; and there is nothing in Lord PALMERSTON'S history to show that he has firmness enough to resist such a tendency. He has been a member of almost every administration for the last fifty years, and has never shown any intelligible policy. He was at one time the arbiter of the destinies of Poland, but he refused to interfere when he might have saved her from being crushed. He also declined to move when Austria absorbed the little State of Cracow, the last remnant of Polish nationality. He is ready enough to sympathise with revolutionary movements, but never attempts to assist the unfortunate insurgents, whom, by his encouragement, he has stimulated to resistance. The old Protestants went about their work with the sword in one hand and the Bible in the other. Lord PALMERSTON omits the sword, and, we fear, the Bible also.

He has humiliated England by enlisting foreign recruits. On this subject, BLACKWOOD uses the following earnest language:

Money is not political strength. We are exhibiting ourselves to the world as hucksters; unable or unwilling to take the field ourselves, but ready to buy the services of others. We are proclaiming that Britain is unable to furnish an army of her own, but that she is ready to give money to those who will fight for her. Is that the proper position for a great country like this? Is that in accordance with our traditions and our fame?—Is that calculated to maintain our credit, or to make us respected by other nations?

Lord PALMERSTON is responsible for not training the militia, from which source there might have been an addition of forty thousand men to the effective force.

The article concludes as follows;

We believe that a noble and gallant nation, composed of a union of three kingdoms, each of which has its separate history and renown, is at this moment in danger of being degraded in the eye of Europe—ye, of the whole world; because, from fortuitous circumstances and from unfortunate combinations, it is governed by a body of men who have neither patriotism as their principle, nor sagacity enough to adopt the course most consonant with the feelings of the people. Away with them at once, and forever! There is no fanatical spirit in favor of war, for war's sake, among the people of this country; but there is a very resolute determination that, when war has once been undertaken, the sword shall not be sheathed until the purpose for which it was drawn is secured. The country is ready to do its part—the obstacle lies with the Government. It is for the country, we say again, to look to it. If these men are allowed to continue in power, and to abuse their opportunities as they hitherto have done, the sooner that we abandon our vaunted position, as a first rate European state, the better. It is for the people to decide. Let them speak out now, or never.

Ripping out a Plank.

The Richmond *Enquirer* gives a list of a few of the Northern papers which repudiate the platform:

With scarcely an exception, the Whig and Know Nothing press of Pennsylvania oppose the 12th article of the Know Nothing platform, which was manufactured for the Southern market.

The Philadelphia *Sun*, *News*, *Bulletin*, and *Inquirer*, the Pittsburg *Dispatch*, *Commercial*, *Journal* and *Times*, Bucks county *Intelligencer*, Lebanon *Boy of '76*, Norristown *Herald*, Easton *Whig*, Gettysburg *Star*, Lancaster *Whig*, West Chester *Record*, York *Republican*, Juniatti *Sentinel*, Bellefonte *Whig*, Carbondale *Transcript*, Honesdale *Democrat*, Harrisburg *Herald*, Erie *Gazette*, Lancaster *Citizen*, Indiana *Register*, Clearspring *Raftsman*, Meadville *Journal*, Indiana *True American*, Washington *Reporter*, Washington *Commonwealth*, Carlisle *Herald*, the Perry *Freeman*, and Butler *American*, all come out flat-footed against the platform and its slavery plank. The following from the Butler *American*, will give our readers an idea of the manner in which the platform is received by the Know Nothings of Pennsylvania:

"We have heard but one expression among all parties in relation to the adoption of the platform in the Convention at Philadelphia, and that of contempt. The race of beslavered dough faces has yet representatives, and let them stand or *lie* as monuments of shame, to be pointed at by the finger of ineffable disgust. Thank Heaven, we can point to a goodly array of free States, and to the representatives from this section, standing upon their integrity yet, not content again to bow the knee of Baal, and lick the hand so used to smite. Only one State has descended, in her representatives, to the slough, and the voices of tens of thousands of her citizens unite in derision and disgust at such baseness. New York will never endorse her Mallory, were he to shriek his contempt of freedom till he were as hoarse as a ballad singer.

"The attempt to choke off the slavery question failed ignominiously, as it ought.—Honorable men of the South scoffed at the idea of asking the North to endorse the delegation of the Missouri Compromise line, and denounced it as an outrage; while the poor tools of New York met only with unmeasured contempt from those whom they had striven to serve, as well as from the friends of liberty and Northern rights. The issue is now fairly made. Milk and water will no longer do."

With a mass of such evidence as this daily before them, the reckless Know Nothing press have the hardihood to call the resolves adopted by a portion of the late Philadelphia Convention the *National* platform of their party. The mass of Know Nothings repudiate and spit upon this platform.

☞The Anderson *Standard* says.—

We have had two prosecutions in town for violating the new liquor law. In both cases the accused were found guilty and fined $20 and costs for prosecution. The defendants, we understand, talk of appealing their cases to a higher court.

For the State Sentinel.

Abolitionism—No more Slave States.

Abolitionists, who are the principal political disturbers of the country, contend that no more slave territory shall be acquired, and that "no more Slave States shall be added to the Union"—that the Fugitive Slave Law shall be repealed, and that the International Slave Trade shall be interdicted, &c.

Every intelligent and reflecting man, who has become acquainted with the doctrines taught by Abolitionists, must feel and know that such doctrines are diametrically opposed to the Constitution of the United States, and to the spirit of the laws and institutions, we, as a people and a nation, live under.

If Abolitionism is right, the Constitution and laws we live under, are wrong. The success therefore, of Abolitionism, must be the overthrow of the Constitution, and of our present form of government. The more intelligent and consistent Abolitionists admit the fact, and they have come out boldly and as honorable revolutionists, and admit and contend that the Constitution is the great prop and bulwark of slavery; that it is a "league with the Devil," and say, "down with it." Such independent and bold men deserve far more praise than the sneak, the hypocrite, or the fool, who embraces doctrines without seeing or reflecting where they will lead him, or if seeing has not the honesty or independence to openly avow them.

At the time of the adoption of the Constitution of the United States—slave States were thought worthy of being admitted into the Union—indeed, nearly all these were Slave States—and the Yankees, having at that time a fondness for the dollars and cents, and still have, desired a clause inserted into the Constitution for their special benefit, giving them twenty years, to engage in and carry on the Slave Trade. But in latter days the decendants of their pious sires, having no more pecuniary interest in Slaves—now contend that no State whose Constitution recognizes Slavery, shall be admitted in the Union? Why not admit such State? Is there any thing in the Constitution to prevent such States being admitted? Certainly not. Why then the exclusion? Is it because the people of one State, in their own estimation, are better than those of another State? Yes, that is the reason. The Abolitionists of the Free States have become very pious of late—a great deal better than their fathers—they are a great deal better than their Southern brethren, who, as well as themselves, assisted with their blood, in gaining the liberties we enjoy. The Constitution gives and guaranties to every citizen of the United States equal rights. What right then have the people of one section, to say to those of another section, in substance, we are better than you? "We will take from you your property, or pass laws to make it worthless—we will surround you, as it were, with what we call a wall of freedom and make you our prisoners." "Yes, we will thus keep you beseiged and imprisoned, as it were, until we force you to starvation, or until we make you free your Slaves." "All these things we expect to do and accomplish, by admitting into the Union no more Slave States, and in passing an act of Congress prohibiting the selling or removing of Slaves from one Slave State in and to that of another Slave State." Such in brief is the substance of the doctrines advocated by Abolitionists. Now, does any sane man believe that the people of one half of this Union will submit tamely and quietly to such inequality and insults? No, never.

If it is right to refuse a State admission, because its Constitution sanctioned Slavery, would it not be right to turn out of the Union all the Slave States? The truth is, if Abolitionism is not checked, and is allowed to get the ascendancy, it will either drive the South to secession, or the North, being abolition, will secede from the South. If such a result could only be brought about, no doubt the Abolitionists would be perfectly delighted. Soon, however, in case of a dissolution of the Union, the North and the South would be at war—the people would be of course heavily taxed to support such wars—Railroads, school houses, churches &c., would cease to be built—the South would not let the Yankees have cotton to keep their factories going, nor would they buy shoes, hats, clothes, agricultural implements, or any of the thousand things they are now in the habit of buying of the North. In the end the North *might* whip and conquer the South and set all the Slaves free, after which event the negroes of the South would naturally fly to the embrace of their friends and brethren of the North, when a general jubilee and intermingling of the races would take place, and the millenium, perhaps, would come, or peradventure it would not, for the free slaves might forget to work, and become, in many cases a tax on the whites; or perhaps, they, having never before been paid any wages for their labor, save food and clothing, they might work at very reduced prices, which would of course *put down poor white labor in the free States*. After all these things should have taken place, yet would the black be a slave—not a slave under the law but a slave to custom and the laws that govern society. The name of the rose would be changed, yet it would "smell not the sweeter." A mere change of the condition of the slave is not what should be desired; but it should be the *bettering of the condition of the poor slave;* that is what every good man should have at heart. How is that to be accomplished, is the great question involved in the whole subject? Is there any mental and physical difference between the two races, which produces a natural instinct of dislike and unfitness for each-other's society on terms of equality? If there is, then the best advice we can give the blacks, is to advise them to separate from the whites, who, if from no other cause, being in the majority, must ever be the masters or rulers of the blacks. If such is the case let every philanthropist then go in for colonization, which will be to the blacks freedom in deed and in truth.

It is strange that Abolitionists should oppose emancipation, and also say so little of the wrongs inflicted by the whites on the free blacks of the free States. It would seem, from their silence and oversight of the wrongs done to the blacks at home, that all their pretended philanthropy consisted in nothing more nor less than their *envy* and *hatred* to *Slaveholders*. If such is the case, the quicker they cease establishing underground Railroads and in establishing abolition presses, for the sole purpose of abusing and calumniating Slaveholders, the better it will be for the country, for there is no good sense in stirring up the passions of men to commit wicked deeds, and in preventing them being good neighbors.

If the Constitution and our present form of government were destroyed, and all the slaves set free, and the abolitionists were allowed to make and fashion new laws and customs to suit themselves, in all probability they would make no improvement on our present Constitution and system of government, but all the laws they would make would be as imperfect as themselves—that clouds would again arise—and at most the world would have to wag along as usual.

The foregoing remarks have not been penned or prompted with unkind feelings towards the abolitionists. The writer respects the feelings and acts of all sincere men, but he believes men can be blinded, and do much evil while trying to do good. He believes Abolitionists and their counterparts, the secessionists of the South, need watching.

Neither party has as yet done any good, and by accident they may never do any harm; both sides are trying to throw dust in the people's eyes, by making each party believe that the other is encroaching and trespassing on the other's rights. What more rights do the people want than they now enjoy?

Slavery is as it were, a sore on the body of Uncle Sam, and if it cannot be cured without endangering by the treatment, the life of the old gentleman, then it will be best to let the disease take its course. Abolitionits and Secessionists, are nothing more than a heroic sect of quacks, and if suffered to practice on the old man, would soon have him in his grave. What is truth and what is error, with Abolitionits, are not debatable questions. What they believe, they know, and what they know is truth. UNION.

Foreign News.

The foreign news is important. It is painful to know that so many gallant men from France and England have been sacrificed to the folly and arrogance of their respective governments; but we feel great satisfaction at the defeat of the allies. We wish them to be soundly thrashed by Russia and driven in ignominy from the Crimea. They have refused fair and honorable terms of peace, and have been for some time prosecuting a war of aggression to humiliate Russia. We are happy to observe a great change in the tone of many of our exchanges in reference to this subject.

We regret that the success of the Russians was not more decisive; it was only enough to wound the pride of the allies, without abating their arrogance, and may stimulate them to renewed exertions, in order to wipe out the disgrace. The blow which brings peace must be a crushing blow.

Perhaps the death of LOUIS NAPOLEON might have the effect of securing peace. It would certainly derange things in France, so as to paralyse the efforts of that power, and England could do nothing alone by land.—Heretofore the life of the Emperor has been regarded as a guaranty of European repose. Perhaps his death would be better.

Rather Ridiculous.

A writer in the *Citizen* indulges in some very alarming rhetoric on what he calls "the threatened doom of England." He infers that the words of a speech recently made by Prince ALBERT, foretell the intention of a royalist *coup d' etat* in that country. Ireland has certainly suffered great injustice from the English government, and her sons have good right to complain; but their exaggeration often degenerates into absurdity. The idea of a grand conspiracy among the aristocracy to overthrow the constitution of the realm, is worthy of the fertile fancy of an Irishman.

The truth is the corruptions of England spring from the accumulation of wealth in a few hands; and the possession of wealth brings a love of aristocracy. The grandfather of Sir ROBERT PEEL was a poor weaver; yet who more aristocratic than the PEELS. So in a thousand other cases. England is a free country so far as laws can make her free.—The masses of her people are slaves because they are poor. So long as the aristocracy retain their wealth, they have power enough without attempting fundamental changes in the form of government.

Harper's Magazine on the War.

An interesting article in the July number of HARPER, contains some suggestions worthy of note. The writer considers Lord RAGLAN the soundest head in the allied armies, and states that he was for taking to the fleet without delay, the moment it was found the place could not be carried by assault; and the battle of Inkerman confirmed his desire to embark.

The writer is of opinion that the bulk of injury has fallen on Russia. She has been driven from the Principalities, her fleets swept from the Black Sea, her foreign trade narrowed down to a feeble stream which trickles expensively through Prussia, the Baltic is closed, her timber merchants ruined, and a hostile army on her soil.

These statements are, no doubt, true. But the writer should have added that Russia, like the United States, can live within herself. Her vast extent and agricultural resources, make her independent of other nations, and the loss of trade and commerce is merely an inconvenience.

The loss inflicted on the allies has been insignificant. Their trade has not been disturbed, nor their dominions molested. The Universal Exhibition goes on in Paris, and the Bank of England has twice reduced the rate of interest.

The allies have spent men and money, but both can be spared, and, in the opinion of the writer, the war can be maintained for half a dozen years, at an expenditure of forty thousand men and forty million dollars per annum.

In reference to the Vienna Conference, the allies have placed themselves in the wrong. Russia conceded every thing except that her fleet in the Black Sea should be limited to a given number of vessels. This concession no independent nation could make without dishonor. Apply the case to the United States, and every American will feel that Russia was right in rejecting such humiliation.

The operations in the Crimea, whatever may be the result, can hardly attain any leading importance; but much depends on the course of Germany. There are many reasons why Austria and Prussia will, if driven from neutrality, adhere to Russia as the least perilous alternative. They dare not awaken the elements of German Democracy, which would be done by a war against the Czar.

And so the complex game goes on.

Business Prospects.

There is no good reason to anticipate any derangement in the business affairs of the country. The crops generally are abundant, which will remove all fear of scarcity and diminish prices. Notwithstanding the difficulties of the last year, the country has come out swimmingly: farmers lost half their crops, but they showed no signs of diminished prosperity; and even the merchants, with broken banks and want of money around them, have proceeded onward as if they were acting on a cash basis. MIKE WALSH, speaking of Democracy, once said, "Elastic Democracy is hell-proof." The spirit of the remark is applicable to the business affairs of our country. We are beyond the reach of permanent disaster, such is the inherent strength and resources of the people.

If the war in Europe is brought to a close, capital from all quarters will flow to the United States for investment; and if it goes on, our exports of every kind will be increased and we shall have a larger European market.

☞President PIERCE made an off-hand Fourth of July speech at Cape May, which the reporters describe as "very felicitously expressed and enthusiastically received."

☞If you would avoid danger, beware of the beauty of a woman, and the heels of a mule; but against an abolition parson, be on your guard at all points.

Weekly State Sentinel.

MONDAY MORNING, JULY 9, 1855.

Gov. Wright's Visit to Washington.

We present, our readers this morning, the decision of the Secretary, of the Treasury, upon the subject of the Three Per Cent. Fund due the State, together with the briefs and argument of the Governor. We are glad that the Governor has asked the opinion of the President upon this question. In this way we will doubtless obtain the opinion of the Attorney General of the United States.

The question is an important one to the people of the State, and we agree with the Secretary of the Treasury, that the argument of Governor WRIGHT is able, and with all due respect, not very easy to answer satisfactorily.

We learn from Gov. WRIGHT, that, in relation to the public arms, he has had forwarded to the Quarter Master General at this place, who is now receiving them, four six pound bronze cannon, mounted complete; two hundred Rifles with appropriate accoutrements; two hundred setts of Cavalry accoutrements, and five hundred and forty Muskets with accoutrements. The arms are in the very best order, and will be distributed by the Quarter Master General in connection with those now on hand, and formerly sent to the counties, so as to equalize the same to the different counties according to population.

We are also advised by the Governor, that the final returns having been made to the Land Office, of the selections and sales of Swamp Lands in the State, the general Land Office has settled the principle upon the whole of the questions between the General Government and the State, and so soon as the Department can finish the comparisons and make the corrections, the State will receive the amount due her for moneys received by the Government, and Scrip to enter land in lieu of Military warrants for lands sold. The amount of money coming to the State, will be about thirty thousand dollars, and Scrip to enter lands, about ten thousand acres.

WASHINGTON CITY,
June 14th, 1855.

HON. JOHN WILSON, *Commissioner General Land Office:*

SIR:—I desire you would make out and furnish me a statement of the three per cent. fund due the State of Indiana, up to the present time, omitting the application that has been made by the Treasury Department of the same to the payment of interest due the General Government as the holders of Indiana bonds for certain tribes of Indians.

The object of this exhibit of said fund is to present to the proper Department, the question of the propriety of withholding said funds, believing the State of Indiana to be a mere trustee for the people of the State, the counties in Indiana having the control of said fund by their Boards of Commissioners, the State acting only in a fiduciary character, and by virtue of the act of Congress of 1816, said fund being at the disposal of the Legislature for the purpose aforesaid. I cannot believe, in view of the solemn pledge by which the State accepted the trust for the people of the State, that the same can be withheld by the Government, for any act of bad faith upon the part of the State of Indiana. You will oblige me by furnishing at your earliest convenience, a statement in detail of said fund, that I may present the question to the financial Department of the Government for examination and decision.

Respectfully Yours,
JOS. A. WRIGHT.

WASHINGTON CITY,
June 14th, 1855.

HON. JAMES GUTHRIE, *Secretary of the Treasury.*

SIR:—The undersigned in pursuance of a joint resolution passed at the last session of the General Assembly, approved March 5th, 1855, found upon pages 259 and 260 of the laws of the State of Indiana, passed at the thirty-eighth session of the General Assembly, upon the subject of the three per cent. fund, now due the State, would respectfully submit the following points for the consideration of your department:

1st. That by the terms of the act of Congress which admitted the State of Indiana into the Union, it is solemnly provided, that this fund is reserved for making roads, &c., under the direction of the Legislature thereof.

2d. The Legislation of the State, herewith referred to, commencing in 1818 up to 1852, the last law now in force, has in pursuance of the compact, set apart and appropriated said fund to the building of bridges and improvement of highways by and through the Commissioners of the several counties of the State.

3d. We regard the State as a trustee, fully authorized to direct the manner that this fund shall be applied to wit: the local improvement of highways, &c.

4th. This being a case in which the State is a mere trustee. If she has violated the trust reposed in her, in any way, (which I do not admit) the people of the several counties, being the *cestui que* trust, are not to be affected by the act of the State, but have the right to follow their property into whosever hands it may be found, and if changed in its character, to take the substituted property, [3 HOWARD *vs.* PRATT, 10 HOWARD, page 218.]

5th. The principle involved in this case, has been decided by the Supreme Court of the United States, in the case of PAUP, TWIGGS & PRYOR *vs.* DREW, Governor of Arkansas.

The Court say in that case, in substance, that the lands sold did not belong to the State of Arkansas, but were held by the State in trust to be appropriated solely for a seminary of learning. The money of course secured to be paid by the purchaser, *partook of the same character.*

6th. No court or officer will sanction the violation of a trust; neither will one or more bad acts of faith upon the part of the State of Indiana, authorize the Government to do another act in violation of faith.

7th. No act of a trustee should prejudice the *cestui que* trust. [1st Johnson, 510.]

8th. No trustee is authorized to make profit out of trust funds. [2nd Story's Equity, page 325.] This fund is not yet obtained; the same is not as yet paid over in the manner required by the very terms by which the State came into the Union, and by which she surrendered the most important of all rights, that of taxation of her domain.

9th. She now applies through her duly authorized agent, for the payment of this fund, and refers to a letter addressed by the undersigned, to the Secretary of the Interior, of the date of Nov. 10th, 1853, for some of the reasons why this payment should not longer be delayed.

10th. The very moment that Indiana accepted the proffered offer of the General Government, and thereby induced the imigrant to purchase the lands, this fund became a *vested right*, and no subsequent act of the State authorities, by the issue of bonds or indebtedness of any kind, could deprive the people of the several counties from the same.

11th. No set-off is allowed by the rules of any civilized community, in any case of the principal against the trustee, in a suit by the *cestui que trust.* [N. Y. Chancery Rep., 312, and 4 Barnwell and Adolphus, 745.]

12th. No subsequent legislation on the part of the General Government, or the State authorities of Indiana, can defeat this vested grant. It will, however, be always understood that the State has done no act in the remotest degree that looks to the deprivation of the people of the State, from the blessings of this grant.

13th. The presumption is, that a State or individual will faithfully carry out any trust placed in their hands; and certainly such will be the view taken of a trust, placed in the hands of a sovereign State, that cannot be reached by judicial process. No cause of complaint, however, is alleged any where against the State of Indiana, in not faithfully carrying out this trust. The only charge is, that in some *other matter, wholly different, between other parties*, and *under very peculiar circumstances*, she has not kept faithfully up to her contracts. The same might be said of almost every government; but one wrong will not justify another.

JOSEPH A. WRIGHT.

EXECUTIVE DEPARTMENT, INDIANA,
Indianapolis, November 10, 1853.

SIR:—You will recollect our conversation in July last, on the subject of the outstanding bonds held by the General Government against the State of Indiana, the principal amounting to $210,000; and also the views I expressed concerning the withholding by the General Government from the State, of the amount due her from the three per cent. fund, so called.—That amount on the 31st day of January, 1853, was $101,060 75, and is withheld by the General Government as an offset for the non-payment of interest on the bonds of the State.

I am desirous you should call the attention of Congress to these subjects. And as that body is soon to meet, and you are about preparing the annual communication of your Department, I desire to state some facts and views which I trust you will press upon the consideration of the Government.

Sometime in 1837 or 1838, the General Government became the purchaser of the bonds which she now holds against the State of Indiana. She purchased them, not directly of the State, or its Agent, but in the market, and has heretofore no claim to be considered in any more favorable light than that of an ordinary purchaser or speculator.

Though the bonds were originally sold by the Agent in violation of the law upon which their issue was based, and were, therefore, by legal and equitable presumption, held by the first, and all subsequent purchasers with a knowledge of the fraudulent issue and sale; and although the State was thereby subjected to great loss, and an enormous increase of a debt for which she never received an equivalent—still it is with pride that the citizens of Indiana reflect that they have never seized upon a seemingly just occasion therefrom to forswear the claims thus fraudulently held against her. She has never refused payment of principal or interest to the extent of her ability. An infant State loaded down by these unjust transactions with a crushing debt, which could not be met save at the sacrifice of that food, clothing and shelter which the merciless law always allows the debtor, she suspended for a season the payment of her liabilities; but only to resume them so soon as she could make an equitable arrangement with her creditors—an arrangement fairly promising ultimately to liquidate her liabilities for principal and interest to all who availed themselves of it. Like an honest debtor she surrendered her internal improvements. She divested herself of a munificent grant of public lands from the general Government, and for the balance of her indebtedness issued new and legal bonds wherewith to redeem those that were old and illegal. She did all that she could—nearly all of her creditors attested the sincerity and honesty of her efforts, and in the exercise of the ordinary principles of commercial sagacity and forbearance, entered into the new arrangement. The General Government has not yet elected so to do, preferring still to hold her original bonds, and to exact the interest, at least, in her own way.

These remarks indicate the essential circumstances of our indebtedness to the General Government, and of the relations of the parties thereto. You will allow me now to speak of the indebtedness of the General Government to the State of Indiana.

By the terms of admission into the Union of the States, the people of Indiana became entitled, through the State Government as their Trustee, to what is familiarly known as the three per cent. fund, being a per centage on the net proceeds of land sales within her borders, to be distributed to the people of the various counties of the State, for the purpose of constructing highways and bridges. This arrangement then became an article in the fundamental compact between the General Government and the new State. The General Government reserved no more right to annul it, than to remand the State to its original condition of a territory. And the State or the people thereof, reserved no more right to pervert the funds thus granted from their stipulated purpose, than to withdraw themselves from the federal compact.

This concession to the people of the various counties, of moneys derived from land sales was not made in the light of a gratuity to a new State, but from an original sense of justice, and of interest—of *justice* because as a large land holder within the State, it became her *duty* to share with the lesser and poorer landholders the burden of these improvements so mutually indispensable: of *interest* because the establishment of highways and bridges opened and enhanced the value of the General Government.

These considerations were of themselves enough to induce the General Government to stipulate the payment of a small per centage on the net proceeds of land sales. But it inserted still another provision into the compact, more exclusively to her own benefit, to-wit: that all lands sold by the United States within the limits of the State, should be for the space of five years, exempted from taxation. This became an inducement to purchasers, tending to increase the competition, enhance the value, and expedite the sale of the public lands. So that in addition to the claims of *justice*, that she should share the burdens of her neighbor landholders, and in addition to the fully compensating benefit accruing to her from the construction of highways and bridges, it may be truly said that she has received a *second* full remuneration for all the per centage she stipulated to pay, in the provision of the compact exempting her lands from taxation.

Indiana has fulfilled her part of the compact. She has continued to exempt the lands from taxation, until now the great body of these lands are sold, though for year after year, she has failed to receive her stipulated per centage. The poor settler, unaided by the covenanted help of the General Government, the proffer of which in part attracted him to the wilderness, has pushed on his improvements alone, and has taken upon his weary shoulders not only the burdens incident to a frontier life, but the burdens also properly belonging to the owners of the national domain around him, and out of his own sufferings, and sinews, and poverty, has added wealth to the General Government, by every highway he has constructed, and by every rude bridge, which his homly implements and skill have reared. Thus it is that her people have been ever mindful of and faithful to the indefeasible obligations of their compact. And they cannot but ask, emboldened in the view of the fourfold equivalent they have rendered in the premises, why the General Government should continue to withhold the small per centage of land sales she has solemnly stipulated to pay—not as an ordinary stipulation between individuals—but as a *condition precedent* to the very *creation* and *co-ordinate* with the very *existence of the State.*

They cannot but ask whether they in turn, suffering under some imagined or real wrong of the General Government touching a foreign matter, would be justified in retaliating by appropriating the moneys received from the three per cent. fund to some other end than that to which they are pledged. And yet they are slow to see any more virute in like action on the part of the General Government than on their own part, and they find it hard to believe that the General Government will persist in a course on the one part, which the people of Indiana could never for one moment think of adopting on the other.

We are well aware, that the action of the General Government in withholding the three per cent. fund, amounting on the 31st day of January, 1852, to $101,060 75 was adopted, as an offset for the non-payment of interest by the State of Indiana, on her bonds, which had fallen into the possession of the Federal Treasury.

But in regard to this matter we respectfully submit,

1. That if the State has been guilty of an alleged act of bad faith in one transaction, it is a very doubtful justification, either in law or morals, for the United States to violate her good faith in another and distinct case.

2. That even if such offset is ever allowable, it is at least fitting that regard should be had to the analogy of cases.

In the transactions alluded to, no such regard is seemingly had.

The relation of creditor or holder of State bonds, is one voluntarily assumed by the General Government, in assuming which, by purchase from second or third hands, she stands only on a par with other like purchasers or speculators, and cannot be *justly* recognized by the State in any other light, or be made the recipient of peculiar favor. The General Government became a party to an ordinary commercial transaction, subject to commercial contingencies, and simple commercial rules. Whereas the relation of indebtedness of the General Government to the States is one subsisting between *original parties*—a matter of *deliberate compact*—a compact proscribed by the one party, as the very creative *condition of the other.* In its *form, circumstances*, and *essence*, it possesses more of *legal solemnity and obligation*, and one with regard to which, no violation of faith is alleged against the State.

And again, in the former case, there are no correlative duties and obligations, they being simply and solely upon the side of the debtor to the creditor, while in the latter there are important correlative duties, and the refusal of the one party to fulfill, absolves the other. A view upon which, we have stated before, the State has honorably and meritoriously refused to act.

3. But independent of the preceding points, we submit that it is an act of *power*, merely to punish for alleged bad faith, without giving the accused *party a hearing.* We assert that the State has done all she could do—that she has never sought nor proposed to repudiate her bonds, even though she might not be without pretext for so doing—that, finding herself on the verge of bankruptcy, she offered to her creditors the best arrangement she could make, which the United States in still refusing to accept, acts contrary to that sense of commercial fairness and sagacity which has governed the vast majority of her co creditors.

Allow me now, sir, to call your attention to some supplementary considerations of importance to the full understanding of the equity of our case.

From a statement furnished me by the Commissioner of the Land Office, I learn that the amount of cash realized by the General Government from the proceeds of the sales of public lands in the State of Indiana, to the 31st of Dec. 1845, was.....$18,734,619 92
From 31st of Dec., 1845, to 31st Dec., 1852, ... 1,717,933 00

$20,452,552 92

A considerable portion of these lands were sold to early settlers at $2 per acre, and in very many instances from as high as $5 to even $10 per acre. At our land sales, twenty, thirty, and forty years ago, there were no combinations on the day of sale, a practice which, in the more Western States, has contributed to a large reduction of the net proceeds realized by the General Government from the sales of their lands. On the other hand, our people frequently paid two-fold the government price for their homes, purchasing honestly at public sales; in full competition with speculators. This cannot be said of any other State admitted into the Union since 1816; and hence it follows that the net proceeds realized by the Government, have been materially enhanced by the orderly and honest behavior of our citizens—those hardy pioneers who felled the forests, opened the highways, and studded the bosom of this great State with the centers of civilization and culture, which now adorn it. They have dealt liberally and faithfully with the General Government, and demeaned themselves quietly and peaceably.

But for this, her simple duty, in which she claims to be behind none of her sister States, she has never demanded or received a reward. The General Government has made liberal grants of lands to Illinois, Missouri, Iowa, Wisconsin, and other States, for the purpose of constructing their great systems of railways. To Indiana she has made none, though her central position among the North-Western States, render her lines of railways of vital importance on either hand. Alone, she has struggled on until she has as many or more miles of railway completed, or in progress, as any State in the Union, every mile of which has enhanced the value of the public domain within her borders, and expediated its sale until not over 200,000 acres remain unsold.

We are not unmindful, that the General Government aided the State, by a grant of lands to construct the Wabash and Erie Canal—a work of immense magnitude—being 463 miles in length, and in its present completion uniting the waters of the lake with the waters of the great valley of the Mississippi. The prosecution and completion of this work has added to the wealth of the United States, enhancing the value and increasing the sales of their lands. And as a further remuneration for said grant it is, "Provided that the said canal when completed, shall be and forever remain a public highway, for the use of the Government of the United States, free from any toll or other charge whatever, for any property of the United States, or persons in their service, passing through the same."

We submit, however, that the State never received for the building of this canal, the amount of lands contemplated by the grant. By the construction given to the law by the Commissioner of the Land Office, she received only the *pro rata* of lands for the measurement of the direct route of the canal. No computation was made for the increased length occasioned by the sinuosities of alignments incident to all such works, or for the expense of reservoirs, feeders, &c. If a computation of these items were fairly made, the State would still be found entitled to a quantity of lands not less than 500,000 acres. And it is pertinent here to re-state, that even the gift she did receive, was in due time brought forth, in the days of her embarrasment and adversity (as the Roman matrons surrendered their jewels to the State) and honorably given to her creditors, rather than the least imputation should rest upon her good faith.

In view of what has been above suggested, we respectfully submit, that Congress should pay to the State the amount due her by solemn compact of the three per cent. fund, so called; that the obligation viewed by itself, is uninfringed and in full force. And further, that the excess of equivalent rendered to the General Government by the honest demeanor of her citizens in the purchase of the public lands without combinations, and consequently at advanced prices; by the stipulated exemption from taxation of all lands sold; by the faithful construction of highways and bridges; and the super-added and unaided construction of her railways, fairly entitle her to the generous treatment of the Government with reference to the bonds of the State which she holds. And when in addition to these considerations it is remembered that a very large balance is due the State, as above suggested, under a generous and equitable construction of the Act granting lands to her canal, we respectfully submit, that the bonds referred to, should be surrendered without further equivalent.

I have the honor to be,
Most respectfully yours, &c.
JOSEPH A. WRIGHT.

Hon. ROBERT MCCLELLAND, Secretary of the Interior, Washington city.

TREASURY DEPARTMENT,
June 20, 1855.

SIR:—I have examined the claim presented by you, under the joint resolution of the Legislature of the State of Indiana, approved March 5, 1855, for the payment of $106,861,-79 to the State of Indiana, being so much of the 5 per cent. fund, arising out of the sales of the Public Lands in that State, under the provision of the 6th section of the Act of Congress, approved April 19, 1816, for the admission of Indiana into the Union, and which, under the joint resolution of Congress, approved March 3, 1845, has been retained and carried into the treasury in payment of interest on Indiana State bonds, held by the United States in trust, for the Chickasaw Indians, and have fully considered your able and ingenious argument upon the question, the heads of which you furnished in writing.

I have not arrived at the conclusion that the 5 per cent. fund on the amount of the sale of the public lands in the State of Indiana is strictly or even quasi trust funds. In my opinion there is a part of the act of the 19th April, 1816, for the admission of Indiana into the Union, in the nature of a pact or agreement, created on the part of the United States by said act, and the acceptance of the terms thereof by Indiana. By this pact or agreement, three-fifths (3-5) of the net proceeds of the sales of public lands in the State of Indiana, after a certain day, were to be applied by the Legislature of Indiana to the construction of roads and canals in the State, and two-fifths (2-5) by Congress to the construction of a road or roads leading to said State. This pact or agreement appears to have been complied with by Congress paying over to the State of Indiana, all she claimed under it, until the passage of the joint resolution of Congress, under date of March 3, 1845. since which the $106,861 79, now in question, has accrued, and which, under the joint resolution of Congress, has been retained and carried into the treasury and applied to the payment of the interest on certain Indiana State bonds, held by the United States, against which Indiana protests and contends it must be paid over in order that the Legislature may apply it to roads and canals in accordance with the stipulations of the act of April 19, 1816.

If it were a pact or agreement between individuals or between independent nations, compliance might be withheld for sufficient cause, and the obligation of the United States to Indiana, in this case, cannot be more obligatory than would be a similar pact or agreement between individuals, or between independent nations. In this case the United States holds certain bonds of the State of Indiana in trust for the Chickasaw Indians, interest accruing semi-annually, and which interest fails to be paid, and, in consequence thereof, Congress passed the joint resolution of March 3, 1845, and withholds the 5 per cent. arising under said pact or agreement and applies it towards the interest on her bonds held by the United States.

It seems to the undersigned that the obligation of Indiana, under her broad seal, to pay the interest on said bonds, is just as binding as the obligation of the United States to pay the 5 per cent. fund. Between individuals and independents nations, this would not be deemed a wrong but simply a remedy for a right withheld; but with a desire the better to comprehend the real merits of this question, and ascertain for what purpose Indiana issued those bonds, the documents, presented by you, were referred to the first Comptroller of the treasury, a copy of whose report accompanies this—You will see that he reports the proceeds of these bonds were advanced by the State of Indiana, and applied to the construction of a railroad from Cincinnati to Indianapolis, the Capitol of the State, and for the proceeds so advanced, the State of Indiana took certain bonds and mortgages from the Railroad Company, which she may still hold, and the interest of which she is or may be receiving. If this is really so, then the principal of these bonds was applied to the construction of a road within the State of Indiana, the benefits of which the people of the State are enjoying, and the application of the 5 per cent. fund to the payment of interest on these bonds is substantially in accordance with the principles of the pact or agreement, and constitutes an additional justification of the joint resolution of Congress.

I have been led to this view of the case in order that your Legislature may see that Congress did not pass the joint resolution without just cause. The joint resolution was carried out by my predecessors, and has been carried out by the undersigned. The United States, a party to this pact or agreement, has, by solemn resolution, directed her officials to withhold the fund and apply it to interest which Indiana fails to pay. I deem that resolution binding on the secretary of the treasury, who cannot apply a dollar that is in the United States' Treasury without the warrant of an appropriation by Act of Congress, and I must consider it my duty to continue to obey said resolution until Congress directs the 5 per cent. to be paid over to the State of Indiana. In other words, the power to comply with that pact or agreement is with the United States by appropriate laws, and not with the Secretary of the Treasury.

I have the honor to be,
Very respectfully,
JAMES GUTHRIE,
Secretary of the Treasury.

His Excellency, JOSEPH A. WRIGHT, Governor of Indiana.

TREASURY DEPARTMENT,
Comptroller's Office, June 19, 1855.

Hon. JAMES GUTHRIE, *Secretary of the Treasury:*

SIR:—I return the papers handed to me yesterday, in the matter of the application of his Excellency, JOSEPH A. WRIGHT, Governor