INDIANA STATE SENTINEL.

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INDIANAPOLIS:

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NOW IS THE TIME TO SUBSCRIBE.

With the Farmers, the summer's work is done, the nights are growing long, and the tedious hours of the winter evenings cannot be better employed than in reading a GOOD NEWSPAPER—and only think—the Weekly State Sentinel for

ONE DOLLAR A YEAR.

Which period includes the Session of Congress, the State Legislature, and the Presidential and State Elections.

PRESIDENT'S MESSAGE.

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

I congratulate you and our common constituency upon the favorable auspices under which you meet, for your first session. Our country is at peace with all the world. The agitation which for a time threatened to disturb the fraternal relations which make us one people in fact, are subsiding, and a year of general prosperity and health has crowned the nation with unusual blessings. None can look back to the dangers which are past, or forward to the bright prospect before us, without feeling a thrill of gratification, at the same that he must be impressed with the obligations to a beneficent Providence, whose paternal care is so manifest in the happiness of this highly favored land.

Since the close of the last Congress, certain Cubans, and other foreigners, resident in the United States, who were more or less concerned in the previous invasion of Cuba, instead of being discouraged by its failure, have again abused the hospitality of this country, by making it the scene of the equipment of another military expedition against that possession of her Catholic Majesty, in which they were countenanced, aided, and joined, by citizens of the United States.

On receiving intelligence that such designs were entertained, I lost no time in issuing such instructions to the proper officers of the United States as seemed to be called for by the occasion. By the proclamation, a copy of which is herewith submitted, I, also, warned those who might be in danger of being inveigled into this scheme, of its unlawful character, and of the penalties which they would incur. For some time there was reason to hope that these measures had sufficed to prevent any such attempts.

The hope, however, proved to be delusive. Very early on the morning of the 31 of August, a steamer called the Pampero, departed from New Orleans for Cuba, having on board upwards of 400 armed men with evident intentions to make war upon the authorities of the Island. This expedition was set on foot in palpable violation of the laws of the United States.

Its leader was a Spaniard, and several of the chief officers, and some others engaged in it, were foreigners. The persons composing it, however, were worthy citizens of the United States. Before the expedition set out, and probably before it was organized, a slight insurrectionary movement, which appears to have been soon suppressed, had taken place in the eastern quarter of Cuba. The importance of this movement was, unfortunately, so much exaggerated in the accounts of it published in this country, that these adventurers seemed to have been led to believe that the Creole population of the Island not only desired to throw off the authority of the mother country, but had resolved upon that step, and had began a well concerted enterprize for effecting it. The persons engaged in the expedition were generally young and ill-informed.

The steamer in which they embarked left New Orleans stealthily and without a clearance. After touching at Key west, she proceeded to the coast of Cuba, and on the night between the 11th and 12th of August, landed the persons on board at Playtos, within about twenty leagues of Havana. The main body of them proceeded to and took possession of an inland village, six leagues distant, leaving others to follow in charge of the baggage. As soon as the means of transportation could be obtained, the latter, having taken up their line of march to connect themselves with the main body, and having proceeded about four leagues into the country, were attacked on the morning of the 13th by a body of Spanish troops and a bloody conflict ensued, after which they retreated to the place of disembarkation, where about fifty of them obtained boats and re-embarked therein. They were however intercepted among the Keys near the shore by a Spanish steamer cruising on the coast, captured, and carried to Havana, and, after being examined before a military court, were sentenced to be publicly executed, and the sentence was carried into effect on the 16th of August. On receiving information of what had occurred, Commodore Foxhall A. Parker was instructed to proceed in the steam frigate Saranac to Havana, and inquire into the charges against the persons executed, the circumstances under which they were taken, and whatsoever referred to their trial and sentence. Copies of the instructions of the Department of State to him, and of his letters to that Department are herewith submitted.

According to the record of examination, the prisoners all admitted the offences charged against them of being hostile invaders of the Island. At the time of their trial and execution, the main body of the invaders was still in the field and making war upon the Spanish authorities and Spanish subjects. After the lapse of some days, being overcome by the Spanish troops, they dispersed. On the 24th of August, Lopez, their leader, was captured and some days afterwards executed. Many of his followers were killed or died of hunger. The rest were made prisoners Of those none appear to have been tried or executed. Several of them were pardoned on application of their friends and others, and the rest, 160 in number, were sent to Spain. Of the final disposition made of these we have no official information. Such is the melancholy result of this illegal and ill-fated expedition. Thus, thoughtless young men have been induced, by false and fraudulent representations, to violate the laws of their country, through rash and unfounded expectations of assisting to accomplish political revolutions in other States, and have lost their lives in the undertaking. Too severe a judgment can hardly be passed by the indignant sense of the community upon those who, being better informed themselves, have led away the ardor of youth, and ill-directed love of political liberty.

The correspondence of this government and that of Spain relative to this transaction is herewith communicated. Although those offenders against the laws forfeited the protection of their country, yet the government may, so far as is consistent with its other obligations to other countries, and its fixed purposes to maintain and enforce the laws, entertain sympathy for their unoffending families and friends, as well as the feeling of compassion for themselves. Accordingly no proper effort has been spared, and none will be spared, to procure the release of such citizens of the United States engaged in this unlawful enterprize, as are now in confinement in Spain, but it is to be hoped that such interposition of the government of this country may not be considered as affording any ground of expectation that the government of the United States can hereafter feel itself under any obligation of duty to intercede for the liberation or pardon of such persons as are flagrant offenders against the laws of nations, and the law of the United States.

If we desire to retain our respectability among the nations of the earth, it behooves us to enforce steadily and sternly the neutrality acts passed by Congress, and to follow, as far as may be, the violation of those acts by condign punishment. But what gives a peculiar criminality to this invasion of Cuba, is that, under the lead of Spanish subjects, and with the aid of citizens of the United States, it had its origin with many in motives of cupidity. Money was advanced by individuals, probably in considerable amounts, to purchase Cuban bonds, as they have been called, issued by Lopez, sold, doubtless, at a very large discount, and for the payment of which the public lands and public property of Cuba, of whatever kind, the fiscal resources of the people and Government of that Island, from whatever source to be derived, were pledged, as well as the good faith of the Government expected to be established. All these means of payment, it is evident, were only to be obtained by a process of bloodshed, war, and revolution. None will deny that those who set on foot the military expeditions against foreign States, by means like these, are more culpable than the necessitous and ignorant, who were induced to go forth as the ostensible parties in the proceedings.

These originators of the invasion of Cuba seemed to have determined with coolness and system upon an undertaking which disgraced their country and violated its laws, and put to hazard the lives of ill-informed and deluded men. You will consider whether further legislation will be necessary to prevent further perpetration of such offences in future. No individual has a right to hazard the peace of the country or to violate its laws upon vague notions of altering or reforming governments in other states. This principle is not only reasonable itself, and in accordance with public law, but is engrafted in the code of other nations as well as our own. The government of the United States, at all times since its establishment, has abstained and sought to restrain the citizens of the country from entering into controversies between other powers, and to observe all the duties of neutrality.

At one period in the administration of Washington, several laws were passed for the purpose which were occasioned by the act of April, 1817, by which, amongst other things, it was declared "if any person shall, within the territory, or jurisdiction of the U. S. begin or set on foot, provide or prepare the means for any military expedition or enterprize to be carried on against the territory or dominion of any foreign prince or State, or of any country, district, or people with whom the United States are at peace, every person so offending shall be deemed guilty of a high misdemeanor, and shall be fined not exceeding $3000, and imprisoned not more than three years," and this law has been enforced, to the full extent of the power of the Government, from that day to this.

In proclaiming and adhering to the doctrines of neutrality and non-intervention, the United States have not followed the lead of other civilized nations. They have taken the lead themselves, and have been followed by others. This was admitted by one of the most eminent of modern British statesmen, who said in Parliament, while a minister of the Crown, that if he wished for a guide in a system of neutrality, he should take that laid down by America in the days of Washington and the Secretaryship of Jefferson, and we see, in fact, that the Act of Congress, of 1818, was followed the succeeding year by an Act of Parliament of England, substantially the same in its general provisions. Up to that time there had been no similar law in England, except certain highly penal statutes passed in the reign of George II, prohibiting English subjects from engaging in foreign service, the avowed object of which statutes was that foreign armies raised for the purpose of restoring the House of Stuart to the throne, should not be strengthened by recruits from England herself.

All must see that difficulties may arise in carrying the laws referred to into execution in a country now having three or four thousand miles of sea coast, with an infinite number of ports and harbors and small inlets from some of which unlawful expeditions may suddenly set forth without the knowledge of government against the possessions of foreign States.

Friendly relations with all, but entangling alliances with none, has long been a maxim with us. Our true mission is, not to propagate our opinions or to impose upon other governments by artifice or force, but to teach by example, or show by our success, moderation and justice, the blessings of self-government, and the advantages of free institutions. Let every people choose for itself, and make and alter its political institutions to suit its own condition and convenience. But while we avow and maintain this neutral policy ourselves, we are anxious to see the same forbearance on the part of other nations where forms of government are different from our own. The deep interest we feel in the spread of liberal principles and the establishment of free governments, and the sympathy with which we view every struggle against oppression, forbid that we should be indifferent to a cause in which the strong arm of a foreign power is invoked to stifle public sentiment, and repress the spirit of freedom in any country.

The governments of Great Britain and France have issued orders to their Naval commanders on the West India station to prevent by force, if necessary, the landing of adventurers from any nation on the island of Cuba, with hostile intent. The copy of a memorandum of a conversation on this subject between the *Charges des Affairs* of her Brittanic Majesty and the Acting Secretary of State, and of a subsequent interview and note of the former to the Department of State are herewith submitted together with a copy of a note of the acting Secretary of State to the Minister of the French Republic, and of the reply of the latter on the same subject. These papers will acquaint you with the ground of this interposition of the two leading Commercial powers of Europe, and with apprehensions which this government could not fail to entertain that such interposition, if carried into effect, might lead to abuses in derogation of the maratime rights of the United States. The maratime rights of the United States are grounded on a firm, secure, and well defined basis. They stand on the ground of National independence and public laws, and will be maintained in all their full and just extent.

The principle which this Government has heretofore solemnly announced, it still adheres to, and will maintain under all circumstances and at all hazards. That principle is, that every regularly documented merchant vessel, the crew who navigate it, and those on board of it, will find their protection in the flag which is over them. No American ship can be allowed to be visited or searched for the purpose of ascertaining the character of individuals on board, nor can there be allowed any watch by the vessels of any foreign nation over American vessels on the coast of the United States, or the seas adjacent thereto. It will be seen by the last communication of the British Charge d'Affaires to the United States, to the Department of State, that he is authorised to assure that every care will be taken in executing the preventive measures against the expeditions which the United States Government has denied as not being entitled to the protection of any Government. No interference shall take place with the lawful commerce of any nation. In addition to the correspondence on this subject, herewith submitted, official information has been received at the Department of State of assurances by the French Government, that in the orders given to the French naval forces, they were especially instructed, in any operations they might engage in, to respect the flag of the United States, whenever it might appear, and permit no act of hostility on any vessel or armament under its protection.

Ministers and Consuls of foreign nations are the means and agents of communication between the United States and these nations, and it is of the utmost importance that while residing in the countries they should feel a perfect security, so long as they faithfully discharge their respective duties, and are guilty of no violation of our laws. This is the admitted law of nations, and no country has a deeper interest in maintaining it than the United States.

Our commerce spreads over every sea and visits every clime, and our Ministers and Consuls are appointed to protect the interest of that commerce, as well as to guard the peace of the country, and maintain the honor of its flag. But how can they discharge these duties unless they be themselves protected? and if protected, it must be by the laws of the country in which they reside, and what is due our own public functionaries residing in foreign stations is exactly the measure of what is due to the functionaries of other governments residing here. As in wars the bearers of flags of truce are sacred, or else wars would be interminable, so in peace, Ambassadors, public Ministers, and Consuls, charged with friendly national intercourse, are objects of special respect and protection, each according to the right belonging to his rank and station. In view of these important principles, it is with deep mortification and regret I announce to you that during the excitement growing out of the execution in Havana, the office of Her Catholic Majesty's Consul at New Orleans was assailed by a mob, was destroyed, the Spanish flag found in the office carried off and torn in pieces, and he himself induced to flee for his personal safety, which he supposed to be in danger. On receiving intelligence of these events, I forthwith directed the attorney of the United States residing at New Orleans, to inquire into the facts and extent of the pecuniary loss sustained by the Consul, with the intention of laying them before you, that you might make provision for such indemnity as a just regard to the nation, and the respect which is due to a friendly power, might in your judgment, seem to require. A consultation on this subject between the Secretary of State and her Catholic Majesty's Plenipotentiary is herewith submittud.

The occurrence at New Orleans has led me to give my attention to the state of our own laws in regard to foreign Ambassadors, Ministers and Consuls. I think the legislation of the country is insufficient in not providing sufficiently, either for the protection or punishment of Consuls. I therefore recommend the consideration of the subject to Congress.

Your attention is again invited to the question of reciprocal trade between us and Canada, and other British Provinces near our frontiers. Overtures for a convention upon this subject have been received from her British Majesty's Plenipotentiary, but it seems to be, in many respects, preferable that the matter should be regulated by reciprocal legislation. Documents are laid before you, showing the terms which the British Government is willing to offer, and the measures which it may adopt, if some arrangements upon this subject cannot be made. From the accompanying copy of the note from the British Legation at Washington, the reply of the Department of State thereto, it will appear that her Brittanic Majesty's government is desirous that a part of the boundary line between Oregon and the British provinces should be authoritatively marked out, and that an intention was expressed to apply to Congress for an appropriation to defray the expense thereof, on the part of the United States. Your attention to this subject is accordingly invited, and a proper appropriation recommended.

A convention for the adjustment of claims of citizens of the U. S. against Portugal, has been concluded, and the ratifications have been exchanged. The first instalment of the amount to be paid by Portugal fell due on the 30th September last and has been paid. The President of the French Republic, according to the provisions of the Convention has been selected as arbiter in the case of the Gen. Armstrong, and has signified that he accepts the trust, and the high satisfaction he feels in acting as a common friend of two nations with which France is united by sentiments of sincere and lasting amity. The Turkish Government has expressed its thanks for the kind reception given to the Sultan's agent Amin Bey, on the occasion of his recent visit to the U. States.

On the 28th of February last, a despatch was addressed by the Secretary of State to Mr. Marsh, the American Minister at Constantinople, instructing him to ask of the Turkish Government permission for the Hungarians then imprisoned within the dominions of the Sublime Porte, to remove to this country. On the 3d March last, both Houses of Congress passed a resolution requesting the President to authorise the employment of a public vessel to convey to this country Louis Kossuth and his associates in captivity. The instruction above referred to was complied with, and the Turkish Government having released Gov. Kossuth and his companions from prison, on the 10th of September last, they embarked on board the United States steam frigate Mississippi, which was selected to carry into effect the resolution of Congress. Kossuth left the Mississippi at Gibraltar, for the purpose of making a visit to England, and may shortly be expected in New York. By communications to the Department of State, he has expressed his grateful acknowledgments for the interposition of this Government in behalf of himself and his associates. This country has been justly regarded as the safe asylum for those whom political events have exiled from their own homes in Europe, and it is recommended to Congress to consider in what manner Gov. Kossuth and his companions, brought hither by its authority, shall be received. It is understood, and hoped, that the differences which have for some time been pending between the French Republic and that of the Sandwich Islands, may be peaceably and durably adjusted, so as to secure the independence of the Islands.

Long before the events which have of late imparted so much importance to the the possession of the United States on the Pacific, we acknowledged the independence of the Hawaiian Government. This Government was first in taking that step, and several of the leading powers of Europe immediately followed. We were influenced in this measure by the existing prospective importance as a place of refuge and refreshment for our vessels engaged in the whale fishery, and by the consideration that they are in the course of the great trade carried on between the Western coast of North America and Eastern Asia. We were also influenced by a desire that those Islands should not pass under the control of any other maratime State, but should remain in an independent condition, and so be accessible and useful to the commerce of all nations. I need not say that the importance of these considerations has been greatly enhanced by the sudden and vast development which the interest of the United States has obtained in California and Oregon, and the policy heretofore adopted in relation to those Islands will be steadily pursued. It is gratifying not only to those who consider the commercial interests of nations, but also to all who favor progress, knowledge and diffusion of religion, to see a community emerge from a savage state and attain such a degree of civilization in those distant seas.

It is much to be deplored that the internal tranquility of the Mexican Republic should again be seriously disturbed; for since the peace between that government and the United States, it had enjoyed such comparative repose, that the most favorable anticipations for the future might, with a degree of confidence, have been indulged. These, have, however, been thwarted by the recent outbreak in the State of Taumalipas on the right bank of the Rio Bravo. Having received information that persons in the United States had taken part in the insurrection, and apprehending that their example might be followed by others, I caused orders to be issued for the purpose of preventing any hostile expeditions against Mexico; that being set on foot in violation of laws of the United States, I likewise issued a proclamation upon the subject, a copy of which is herewith laid before you. This appeared to be rendered imperative by the obligations of treaties and general duties of good neighborhood. In my last annual message, I informed Congress that citizens of the United States had undertaken the connection of the two oceans by means of a Railroad across the Isthmus of Tehuantepec, under a grant of the Mexican government, to a citizen of that government, and that this enterprise would probably be prosecuted with energy whenever Mexico would consent to such stipulations with the government of the United States as should impart a feeling of security to those who should invest their property in the enterprise.

A convention between the two governments for the accomplishment of that end has been ratified by this government, and only awaits the decision of Congress, and Executive of that Republic. Some unexpected difficulties and delays have arisen in the ratification of that convention by Mexico, but it is to be presumed that her decision will be governed by just and enlightened views, as well as of the general disposition of the object, as her own interest and obligations in negotiating upon this important subject. This government has had in view one and only one object. That object has been and is the construction or attainment of a passage from ocean to ocean, the shortest and best for travellers and merchandise equally open to all the world. It has sought to obtain no Territorial acquisition nor any advantages peculiar to itself, and it would see, with the greatest regret, that Mexico should oppose any obstacle to an enterprise which promises the greatest convenience to the whole commercial world, and the greatest advantages to Mexico herself.

Impressed with these sentiments and convictions, the government will continue to exert all proper efforts to bring about the necessary arrangement with the Republic of Mexico, for the speedy completion of the work.

For some months past the Republic of Nicaragua has been the scene of one of those civil convulsions from which the cause of free institutions and the general prosperity and social progress of the States of Central America have so often and so severely suffered. Until quiet shall have been restored, and a government apparently stable shall have been organized, no advance can prudently be made in disposing of the questions pending between the two countries.

I am happy to announce inter-oceanic communication from the mouth of the St. Johns to the Pacific has been so far accomplished as that passengers have actually traversed it, and merchandise has been transported over it, and when the canal shall have been completed, according to the original plan, the means of communication will be further improved. It is understood that a considerable part of the railroad across the Isthmus of Panama has been completed, and that the mail and passengers will in future be conveyed through whichever of the several routes between the two oceans which ultimately proves most eligible for travellers to and from the different States on the Atlantic and Gulf of Mexico, and our coast on the Pacific. There is little reason to doubt that all of them will be useful to the public, and will liberally reward that individual enterprise by which alone they have been or are expected to be carried into effect.

Peace has been concluded between the contending parties in the Island of St. Domingo, and, it is hoped, on a durable basis. Such is the extent of our commercial relations with that Island, that the United States cannot fail to feel a strong interest in its tranquility.

The office of Commissioner to China remains unfilled. Several persons have been appointed, and the place has been offered to others, all of whom have declined its acceptance, on the ground of the inadequacy of its compensation. The annual allowance by law is six thousand dollars, and there is no provision for any outfit. I earnestly recommend the consideration of the subject to Congress. Our commerce with China is highly important, and is daily becoming more and more so, in consequence of the increasing intercourse between our ports on the Pacific coast and Eastern Asia. China is understood to be a country in which living is very expensive, and I know of no reason why the American Commissioner sent hither should not be placed in regard to compensation on an equal footing with Ministers who represent this country at the Courts of Europe.

By reference to the Report of the Secretary of the Treasury, it will be seen that the aggregate receipts for the last fiscal year amounted to $52,312,975.87, which with the balance in the Treasury on the 1st of July, 1850, gave, as the available means for the year, the sum of $58,917,524.36.

The total expenditures for the same period were $48,005,878.68. The total imports for the year ending the 30th June, 1851, $215,725,995, of which there were in specie $1,967,901. The exports for the same period were $217,517,130, of which there were of domestic productions $178,546,556; foreign re-exported $8,738,695; specie $2,231,880. Since the 1st of December last, the payments in cash on account of the public debt, exclusive of interest, have amounted to $7,501,456.56, which, however, includes the sum of $3,242,400 paid under the 12th Article of the Treaty with Mexico, and the further sum of $2,591,213.45, being the amount of awards to American citizens under the late Treaty with Mexico, for which the issue of stock was authorized, but which was paid in cash from the Treasury. The public debt, on the 20th ult., exclusive of the stock authorized to be issued to Texas, by the act of the 9th of September, 1850, was $62,540,395.26. The receipts for the next fiscal year are estimated at $51,800,000. The balance in the Treasury which will probably be unappropriated on the 30th June next, will give as the probable available means of that year the sum of $62,878,743.09.

It has been deemed proper in view of the large expenditures consequent upon the acquisition of Territory from Mexico, that the estimates for the next fiscal year should be laid before Congress in such a manner as to distinguish the expenditures, so required, from the otherwise ordinary demands upon the Treasury. The total expenditures for the next fiscal year, are estimated at $42,892,299.12, of which there is required for the ordinary purposes of the Government, other than those consequent upon the acquisition of our new Territories, and deducting the payments on account of the public debt, the sum of $33,443,198,03, and for the purposes connected directly or indirectly with those Territories, and in the fulfillment of the obligations of Government, contracted in consequence of their acquisition, the sum of $9,549,101.11. The views of the Secretary of the Treasury, in reference to the expenditures required for these territories, should be met, by a corresponding action on the part of Congress, and appropriations made in accordance therewith. There will be an estimated unappropriated balance in the Treasury on the 30th of June, 1850, of $20,366,443.90, wherewith to meet that portion of the public debt to be due on the 1st of July following amounting to $6,237,934.35, as well as any appropriations which may be made beyond the estimate.

In thus referring to the estimated expenditures on account of our newly-acquired territories, I may express the hope that Congress will concur with me in the desire that a liberal course of policy may be pursued toward them, and that every obligation, expressed or implied, entered into in consequence of their acquisition, shall be fulfilled by the most liberal appropriations for that purpose. The value of our domestic exports for the last year, as compared with those of the previous year, exhibit an increase of $43,646,322. At first view, this condition of our trade with foreign nations, would seem to present the most flattering hopes for our future prosperity.

An examination of the details of our exports, however, will show that the increased value of our exports for the last fiscal year is to be found in the high price of cotton which prevailed during the first half of this year, which price has since declined about one-half. The value of our exports in breadstuffs, and provisions, which it was supposed, the incentive of a low tariff and large importations from abroad would have greatly augmented, has fallen from $63,901,921 in 1847 to $26,051,373 in 1850, to $27,968,653 n 1851, with a strong probability amounting almost to a certainty, to a further reduction in the current year. The aggregate value of rice exported during the last fiscal year as compared to the previous year, also exhibits a decrease amounting to $460,997 which with the decline in the value of exports in tobacco in the same period make the aggregate decrease in these two articles of $1,156,751. The policy which dictated the lower rate of duties on foreign merchandise, it was thought by those who prompted and established it, would tend to benefit the farming population of the country by increasing the demands, and raising the price of agricultural products in foreign markets. The foregoing facts, however, seem to show incontestibly that no such result has followed the adoption of this policy. On the contrary, notwithstanding the result of the restrictive corn laws of England the foreign demand for the products of the American farmer has steadily declined since the short crops, and consequent famine in a portion of Europe have been happily replaced by full crops and apparent abundance of food.

It will be seen by recurring to the commercial statistics for the past year, that the value of our domestic exports has been increased in the single item of raw cotton, by $40,000,000 over the value of that exported the year preceding. This is not due to any increased general demand for that article, but to the short crop of the preceding year, which created an increased demand and an augmented price for the crop of last year. Should the cotton crop now going forward to market be equal in quantity to that of the year preceding, and be sold at the present prices, then there will be a falling off of the value of our exports for the present fiscal year of at least $40,000,000 compared with the amounts exported for the year ending June, 1850.

The production of gold in California for the past year seems to promise a large supply of that metal from that quarter for some time to come. This large annual increase of the currency of the world, must be attended with its usual results. These have been already partly disclosed in the enhancement of prices, and a rising spirit of speculation and adventure, tending to over-trading, as well at home as abroad. Unless some salutary check shall be given to these tendencies, it is to be feared that importations of foreign goods beyond a healthy demand in this country, will lead to a sudden drain of the precious metals of the United States, bringing with it, as it has done in former times, the most disastrous consequences to the business interests and capital of the American people. The exports of specie, to liquidate our foreign debts, during the past fiscal year, have been $21,263,979, over the amount of specie imported. The exports of specie during the first quarter of the present fiscal year, have been $14,691,827. Should specie continue to be exported at this rate for the remaining three quarters of this year, it will drain from our metallic currency for the year ending 30th June, 1852, the enormous amount of $58,667,308.

In the present prosperous condition of the National Finances it will become the duty of Congress to consider the best mode of paying off the public debt. If the present and anticipated surplus in the Treasury should not be absorbed by appropriations of an extraordinary character, the surplus should be employed in such way and under such restrictions as Congress may enact in extinguishing the outstanding debts of the Nation. By reference to the act of Congress, approved Sept. 9, 1850, it will be seen that in consideration of certain concessions by the State of Texas, it is provided that the United States shall pay to the State of Texas the sum of $10,000,000, in a stock bearing 5 per cent. interest, and redeemable at the end of fourteen years, the interest payable half yearly at the Treasury of the United States. In the same section of the law it is proposed that no more than $5,000,000 of said stock shall be issued until the creditors of the said State holding bonds and other certificates of stock of Texas, for which duties on imports were specially pledged, shall first file at the Treasury of the United States, release of all claims against the United States for or on account of said bonds or certificates, in such form as shall be prescribed by the Secretary of the Treasury, and approved by the President of the United States.

The form of release thus provided for has been prescribed by the Secretary of the Treasury, and approved. It has been published in all the leading newspapers in the commercial cities of the United States, and all persons holding claims of the kind specified in the foregoing proviso, were required to file their releases in the form thus prescribed in the Treasury of the United States, on or before the first day of October, 1851. Although this publication has been continued from the 25th day of March, 1851, yet up to the first of October last, comparatively few releases have been filed by the creditors of Texas. The authorities of the State of Texas, at the request of the Secretary, have furnished a schedule of the public debt of that State, created prior to her admission into the Union, with a copy of the laws under which each claim was contracted. I have from the documents furnished by the State of Texas, determined the classes of claims which, in my judgment, fall within the provisions of the act of Congress of the 9th of September, 1850.

On being officially informed of the acceptance by Texas, of the propositions contained in the act referred to, I caused the stock to be prepared and the $5,000,000 which are to be issued unconditionally, bearing interest of 5 per cent. from the 1st day of June, 1851, have been for some time ready to be delivered to the State of Texas. The authorities of Texas up to the present time, have not authorized any one to receive this stock, and it remains in the Treasury Department, subject to the order of Texas. The release required by law, to be deposited in the Treasury, not having been filed there, the remaining $5,000,000 have not been issued. The last amount of the stock will be held from Texas until the conditions upon which it is to be delivered, shall be complied with, by the creditors of that State, unless Congress shall otherwise direct, by modification of the law.

In my last annual message, to which I respectfully refer, I stated briefly the reasons which induced me to recommend a modification of the present Tariff, by converting the ad valorum into a specific duty, wherever the article imported was of such a character as to admit it, and that such a discrimination should be made in favor of the industrial products of our country as to encourage home production, without excluding competition. The numerous frauds which continue to be practised upon the revenue by false invoices and undervaluations, constitute an unavoidable reason for adopting specific instead of ad valorum duties, in all cases where the nature of the commodity does not forbid. A striking illustration of these frauds will be exhibited in the report of the Secretary of the Treasury, showing the Custom-house valuations on all articles imported under a former law, subject to specific duties, when there was no inducements for undervaluations; and the Custom-house valuations of some articles which under the recent system of *ad valorum* duties, have been so greatly reduced as to leave no doubt of the existence of flagrant abuses under existing laws. This practical evasion of the present law, combined with the languishing condition of some of the great interests of the country, caused by over-importations, and consequent depressed prices, and with the failure in obtaining a foreign market for our increasing surplus of breadstuffs and provisions, has induced me again to recommend a modification of the existing tariff.

The report of the Secretary of the Interior which accompanies this communication will present a condensed statement of the operations of that important department of the government. It will be seen that the cash sales of the public lands exceed those of the preceding year, and that there is reason to anticipate a still further increase, notwithstanding the large donations which have been made to many of the States, and the liberal grants to individuals, as a reward for military services. This fact furnishes very gratifying evidence of the growing wealth and prosperity of our country. Measures have been adopted for commencing a survey of the public lands in California and Oregon. Surveying parties have been organized, and some progress has been made in establishing the principal base and meridian lines, but further legislation and further appropriations are necessary before further sub-divisions can be made and the general land system ex ended over those remote parts of our territory.

On the 3d of March last, an act was passed providing for the appointment of three commissioners to settle the private land claims in California. Three persons were immediately appointed, all of whom, however, declined accepting the office, in consequence of the inadequacy of the compensation. Others were promptly selected, who for the same reasons also declined, and it was not until late in the season that the services of suitable persons could be secured. A majority of the Commissioners convened in this city on the 10th of September last, when detailed instructions were given to them in regard to their duties. Their first meeting for the transaction of business will be held in San Francisco on the 8th of the present month. I have thought it proper to refer to these facts, not only to explain the causes of the delay in filling the Commission, but to call your attention to the propriety of increasing the compensation of the Commissioners. The office is one of great labor and responsibility, and the compensation should be such as to command men of a high order of talent and the most unquestionable integrity.

The proper disposal of the mineral lands of California is a subject surrounded with great difficulties. In my last annual message I recommended the survey and sale of them in small parcels under such restrictions as would effectually guard against monopoly and speculation. But upon further information and in deference to the opinions of persons familiar with the subject, I am inclined to change that recommendation and to advise that they be permitted to remain, as at present, a common field open to the enterprise and industry of our citizens until further experience shall have developed the best policy to be ultimately adopted in regard to them. It is safer to suffer the inconveniences that now exist for a short period than by premature legislation to fasten on the country a system founded in error which may place the whole subject beyond the future control of Congress. The Agricultural lands should, however, be surveyed and brought into market with as little delay as possible that the titles may become settled, and the inhabitants stimulated to make permanent improvements and enter on the ordinary pursuits of life.

To effect these objects, it is desirable that the necessary provision be made by law, for the establishment of Land offices in California and Oregon, and for the efficient prosecution of the surveys at an early day.

Some difficulties have occurred in organizing the territorial governments of New Mexico and Utah, and when more accurate information shall be obtained of the causes, a further communication will be made on that subject.

In my last communication to Congress I recommended the establishment of an Agricultural Bureau, and I take this occasion to invoke your favorable consideration of the subject.

Agriculture may justly be regarded as the great interest of our people. Four-fifths of our active population are employed in the cultivation of the soil, and the rapid expansion of our settlements over new territory is daily adding to the numbers engaged in that avocation. Justice and sound policy, therefore, alike require that the government should use all means authorized by the Constitution to promote the interests and welfare of that important class of our fellow-citizens, and yet it is a singular fact that whilst the manufacturing and comercial interests have engaged the attention during a larger portion of every session, and our statutes abound in provisions for their protection and encouragement, little has yet been done directly for the advancement of agriculture. It is time that this reproach to our legislation should be removed, and I sincerely hope that the present Congress will not close their labors without adopting efficient means to supply the omissions of those who have preceded them.

An Agricultural Bureau, charged with the duty of collecting and disseminating correct information as to the best modes of cultivating, and of the most effectual means of preserving and restoring the fertility of the soil, and of procuring and distributing seeds and plants, and other vegetable productions, with instructions in regard to the soil, climate, and treatment best adapted to their growth, could not fail to be, in the language of Washington, in his last annual message to Congress, a very cheap instrument of immense national benefit.

Regarding the act of Congress, approved 28th September, 1850, granting bounty lands to persons who had been engaged in military service of the country, as a great measure of national justice and munificence, an anxious desire has been felt by the officers entrusted with its immediate execution to give prompt effect to its provisions. All the means within their control were, therefore, brought into requisition to expedite adjudications of claims. I am gratified in being able to state that near 100,000 applications, have been considered, and about 70,000 warrants issued within the short space of nine months. If adequate provision be made by law to carry into effect the recommendations of the Department, it is confidently expected that before the close of the next fiscal year, all who are entitled to the benefits of the act will have received their warrants.

The Secretary of the Interior has suggested in his report various amendments of the laws relating to Pension and Bounty lands, for the purpose of more effectually guarding against abuses and frauds on the Government; to all of which I invite your particular attention.

The large accessions to our Indian population, consequent upon the acquisition of New Mexico and California, and the extension of our settlements in Utah and Oregon, have given increased interest and importance to our relations with the aboriginal race. No material change has taken place within the last year in the condition and prospects of the Indian tribes who reside in the Northwestern Territory and west of the Mississippi river.

We are at peace with all of these, and it will be a source of pleasure to you to learn that they are gradually advancing in civilization and the pursuits of social life. Along the Mexican frontier and in California and Oregon there have been occasional manifestations of unfriendly feeling and some depredations committed. I am satisfied however, that they resulted more from the destitute and starving condition of the Indians than from any settled hostility towards the Whites. As the settlements progress towards them, the game upon which they mainly rely for subsistance is driven off or destroyed, and the only alternative left for them is starvation or plunder. It becomes us to consider in view of this condition of things whether justice and humanity as well as enlightened economy, do not require that instead of seeking to punish them for offences which are the result of our own policy towards them, we should provide for their immediate wants, and encourage them to engage in agriculture and to rely on their labor, instead of the chase for the means of support. Various important treaties have been negociated with different tribes during the year, by which their title to large and valuable tracts of country has been extinguished, all of which will, at the proper time be submitted to the Senate for ratification.

The joint commission under the treaty of Guadalompe de Hidalgo has been engaged in running and marking the boundary line between the United States and Mexico. It was stated in the last annual report of the Secretary of the Interior, that the initial point of the Pacific and the point of the junction of the Gila with the Colorado had been determined. The intervening line, about 150 miles in length, has been run and marked by temporary monuments. Since that time a monument has been erected at the initial point, and permanent land marks of iron have been placed at suitable distances along the line. The initial point on the Rio Grande has, also, been fixed by the Commission, at latitude 32 deg. 22 min., and at the date of the last communication, the survey of the line had been made westward about 150 miles, to the neighborhood of the Copper mines. The Commission on one part, was at first organized on a scale which experience proved to be unwieldy, and attended with unnecessary expense. Orders have, therefore, been issued for the reduction of the number persons employed within the smallest limits consistent with the safety of those engaged in the survey, and the prompt and efficient execution of their important duties.

Returns have been received from all the officers engaged in taking the Census in the States and Territories, except California. The Superintendant employed to make the enumeration in that State, has not yet made his full report, from causes, he alleges, beyond his control. This failure is much to be regretted, as it prevented the Secretary of the Interior from making his decennial apportionment of Representatives among the States, as required by the act of May 23, 1850. It is hoped, however, that the returns will soon be received, and that no time will be lost in making the necessary apportionment, and in transmitting the certificates required by law. The Superintendent of the Seventh Census is diligently employed, under the direction of the Secretary of the Interior, in classifying and arranging, in systematic tables, the statistics derived from the returns of the Marshals, and it is believed that when the work shall have been completed, it will exhibit a more perfect view of the population, wealth, occupation and social condition of this great country, than has ever been presented to the world. The value of such a work, as the basis of enlightened legislation, can hardly be over-estimated. I earnestly hope that Congress will lose no time in making the appropriations necessary to complete this classification, and to publish the results in a style worthy of the subject, and of our national character.

The want of a uniform fee bill prescribing the compensation allowed District Attorneys and Marshals in civil and criminal cases, is the cause of much vexation, injustice, and complaint. I would recommend a thorough revision of the laws on the whole subject, and the adoption of a tariff of fees, which, as far as practicable, should be uniform, and prescribe a specific compensation for every service which these officers may be required to perform. This subject will be ably presented in the report of the Secretary of the Interior.

In my last annual message I gave briefly my reasons for believing that you possessed the constitutional power to improve the harbors of our great lakes and sea coast, and the navigation of our principal rivers, and recommend that appropriations should be made for completing such works as have already been commenced, and commencing such others as might seem to the wisdom of Congress to be of public and general importance.

Without repeating the reasons then urged, I deemed it my duty again to call your attention to this important subject. The works on many of the harbors were left in an unfinished state, and consequently exposed to the elements, which are fast destroying them. Great numbers of lives have been, and vast amounts of property are, annually lost for want of safe and convenient harbors on the Lakes. None but those who have been exposed to that dangerous navigation can fully appreciate the importance of this subject The whole North-west appeals to you for relief, and I trust their appeals will receive due consideration.

The same is, in a measure, true in regard to some of the harbors and inlets of the sea-coast. The unobstructed navigation of our large rivers is of equal importance. Our settlements are now extending to the sources of the great rivers which empty into and form a part of the Mississippi, and the value of the public lands in those regions would be greatly enhanced by freeing the navigation of those waters from obstructions. In view, therefore, of this great improvement, I deem it my duty to urge upon Congress to make such appropriations as they may deem necessary. The survey of the Delta of the Mississippi, with a view to the prevention of the overflows that have proved so disastrous to that region of country, have been nearly completed, and the reports thereof are now in course of preparation, and will shortly be laid before you.

The protection of the south-western frontier, and of the adjacent Mexican States against the Indian tribes within our borders, has claimed my earnest and constant attention. Congress having failed at the last session, to adopt my recommendation that an additional regiment of mounted men, specially adapted to that service, should be raised, all that remained to be done was to make the best use of the means at my disposal. Accordingly all the troops, adapted to that service, that could properly be spared from other quarters, have been concentrated on that frontier, and officers of high reputation selected to command them.

A new arrangement of the military posts has, also, been made, whereby the troops are brought nearer to the Mexican frontier, and to the tribes they are int