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President Davis' Message.

TO THE SENATE AND HOUSE OF REPRESENTATIVES OF THE CONFEDERATE STATES: The necessity of legislative action arising out of the important events that have marked the interval since your adjournment, and my desire to have the aid of your counsel on other matters of grave public interest, render your presence at this time more than ordinarily welcome. Indeed, but for serious obstacles to convoking you in extraordinary session, and the necessity for my own temporary absence from the seat of government, I would have invited you to an earlier meeting than that fixed at the date of your adjournment.

Grave reverses befell our arms soon after your departure from Richmond. Early in July, at strongholds at Vicksburg and Port Hudson, together with their entire garrisons, capitulated to the combined land and sea forces of the enemy. The important interior position of Jackson next fell into their temporary possession. Our unsuccessful assault on the post at Helena was followed, at a later period, by the invasion of Arkansas; and the retreat of our army from Little Rock gave to the enemy the control of the important valley on which it is situated.

The resolute spirit of the people soon rose superior to the temporary despondency naturally resulting from these reverses. The gallant troops, so ably commanded in the States beyond the Mississippi, inflicted repeated defeats on the invading armies in Louisiana and on the coast of Texas. Detachments of troops and active bodies of partisans, kept up so effective a war on the Mississippi river as practically to destroy its value as an avenue of commerce.

The determined and successful defense of Charleston against the joint land and naval operations of the enemy, afford an inspiring example of our ability to repel the attacks even of the iron-clad fleet on which they chiefly rely; while on the northern frontier our success was still more marked.

The able commander, who conducted the campaign in Virginia, determined to meet the threatened advance on Richmond, for which the enemy made long and costly preparations, by forcing their armies to cross the Potomac and fight in defense of their own capital and homes.—Transferring the battle-field to their own soil, he succeeded in compelling their rapid retreat from Virginia, and in the hard-fought battle of Gettysburg inflicted such severity of punishment as disabled them from early renewal of the campaign as originally projected. Unfortunately, the communications on which our general relied for receiving his supplies of munitions were interrupted by extraordinary floods, which so swelled the Potomac as to render impracticable the fords by which his advance had been made, and he was thus forced to a withdrawal, which was conducted with deliberation, after securing large trains of captured supplies, and with a constant but unaccepted tender of battle. On more than one occasion the enemy has since made demonstrations of a purpose to advance, invariably followed by a precipitate retreat to entrenched lines on the approach of our forces.

The effective check thus opposed to the advance of invaders at all points, was such as to afford hope of their early expulsion from portions of the territory previously occupied, and when the country was painfully surprised by the intelligence that the subject of General Chamberlain had surrendered that important and easily defensible pass without firing a shot, upon the summons of a force still believed to have been inadequate to its reduction, and when reinforcements were within supporting distance, and had been ordered to his aid. The entire garrison, including the commander, being still held prisoners by the enemy, I am unable to suggest any explanation of this disaster, which laid open eastern Tennessee and southwestern Virginia to hostile operations, and broke the line of communication between the seat of government and middle Tennessee. This success of the enemy was followed by an advance of Gen. Rosecrans into Georgia, and our army evacuated Chattanooga and availed itself of the opportunity thus afforded of winning on the field of Chickamauga one of the most brilliant and decisive victories of the war. This signal defeat of Gen. Rosecrans was followed by his retreat into Chattanooga, where his imperiled position had the immediate effect of relieving the pressure of the invasion at other points, forcing the concentration for his relief of large bodies of troops withdrawn from the armies in the Mississippi valley and in northern Virginia. The combined forces thus accumulated against us in Tennessee so greatly outnumbered our army as to encourage the enemy to attack. After a long and severe battle in which great carnage was inflicted on him, some of our troops inexplicably abandoned positions of great strength, and by a disorderly retreat, compelled the commander to withdraw the forces elsewhere successful, and finally to retire with his whole army to a position some twenty or thirty miles to the rear. It is believed that if the troops who yielded to the assault, had fought with the valor which they had displayed on previous occasions, and which was manifested in this battle on other parts of the line, the enemy would have been repulsed with very great slaughter, and our country would have escaped the misfortune and the army the mortification of the first defeat that has resulted from misconduct by the troops. In the meantime the army of Gen. Burnside was driven from its field position in east Tennessee and forced to retreat into its intrenchments at Knoxville, where for some weeks it was threatened with capture by the forces under General Longstreet. No information has reached me of the final result of the operations of our commander, though intelligence has arrived of his withdrawal from that place.

While, therefore, our success in driving the enemy from our soil has not equalled the expectations confidently entertained at the commencement of the campaign, his further progress has been checked. If we are forced to regret losses in Tennessee and Arkansas, we are not without ground for congratulation in Louisiana and Texas. On the sea coast he is exhorted by rain efforts to capture our ports, while on the northern frontier he has in turn felt the pressure and dreads the renewal of invasion. The indomitable courage and perseverance of the people in the defense of their homes have been nobly attested by the unanimity with which the legislatures of Virginia, North Carolina and Georgia have recently given expression to the popular sentiment; and like manifestations may be anticipated from all the States. Whatever obstacles may be displayed by the enemy in his desperate sacrifices of money, life and liberty in the hope of enslaving us, the experience of mankind has too conclusively shown the superior endurance of those who fight for home, liberty and independence, to permit any doubt of the result.

I regret to inform you that there has been no improvement in the state of our relations with foreign countries since my message in January last. On the contrary, there has been a still greater divergence in the conduct of European nations from that practical impartiality which alone deserves the name of neutrality, and their action, in some cases, has assumed a character positively unfriendly.

You have heretofore been informed that, by common understanding, the initiative in all action touching the contest on this continent has been left by foreign powers to the two great maritime nations of western Europe, and that the governments of these two nations had agreed to take no measures without previous concert. The

result of these arrangements has, therefore, placed it in the power of either France or England to obstruct at pleasure the recognition to which the Confederacy is justly entitled, or even to prolong the continuance of hostilities on this side of the Atlantic, if the policy of either could be promoted by the postponement of peace.—Each, too, thus became possessed of great influence in shaping the general exercise of neutral rights in Europe, as to render them subservient to the purpose of aiding one of the belligerents to the detriment of the other. I referred, at your last session, to some of the leading points in the course pursued by professed neutrals, which betrayed a partisan leaning to the side of our enemies, but events have since occurred which induce me to renew the subject in greater detail than was then deemed necessary. In calling to your attention the action of those governments, I shall refer to the documents appended to President Lincoln's messages and to their own correspondence, as disclosing the true nature of their policy, and the motives which guided it.—To this course no exception can be taken, inasmuch as our attention has been invited to those sources of information by their official publication.

In May, 1861, the government of her Britannic majesty informed our enemies that it had not "allowed any other than an intermediate position on the part of the Southern States," and assured them "that the sympathies of this country (Great Britain) were rather with the north than with the south."

On the 1st day of June, 1861, the British government interdicted the use of its ports to armed ships and privateers, both of the United States and the so-called Confederate States, with their prizes. The secretary of State of the United States fully appreciated the character and motive of this interdiction, when he observed to Lord Lyons, who communicated it, "that this measure, and that of the same character which had been adopted by France, would probably prove a death blow to southern privateering."

On the 12th of June, 1861, the United States minister in London informed her majesty's secretary for foreign affairs that the fact of having held interviews with the commissioners of the government had given "great satisfaction," and that a protraction of this relation would be viewed by the United States "as hostile in spirit, and to require some corresponding action accordingly." In response to this intimation, her majesty's secretary assured the minister that "he had no expectations of seeing them any more."

By proclamation, issued on the 10th and 27th April, 1861, president Lincoln proclaimed the blockade of the entire coast of the Confederacy, extending from the Potomac to the Rio Grande, embracing, according to the returns of the United States coast survey, a course of seven thousand five hundred and forty-nine statute miles, on which the number of rivers, bays, harbors, inlets, sounds and passes is one hundred and eighty-nine. The navy possessed by the United States for enforcing this blockade was stated in the reports communicated by president Lincoln to the congress of the United States to consist of 24 vessels of all classes in commission, of which half were in distant seas. The absurdity of the pretension of such a blockade, in the face of the authoritative declaration of the maritime rights of neutrals made at Paris in 1856, was so glaring that the attempt was regarded as an experiment on the forbearance of neutral powers, which they would promptly resist. This conclusion was justified by the fact that the governments of France and Great Britain determined that it was necessary for their interests to obtain from both belligerents "securities" concerning the proper treatment of neutrals. In the instructions which "confided the negotiation on this matter" to the British consul at Charleston, he was informed that "the most perfect accord on this question exists between her majesty's government and the government of the emperor of the French," and these instructions were accompanied by a copy of the dispatch of the British foreign office of the 17th May, 1861, stating that there was no difference of opinion between Great Britain and the United States as to the validity of the principles enunciated in the fourth article of the declaration of Paris in reference to blockades. Your predecessors of the provisional congress had, therefore, no difficulty in proclaiming, nor I in approving, the resolutions which abandoned in favor of Great Britain and France our right to capture enemy's property when covered by the flags of those powers. The "securities" desired by these governments were understood by us to be required from both belligerents. Neutrals were exposed on our part to the exercise of the belligerent right of capturing their vessels when conveying the property of our enemies. They were exposed on the part of the United States to interruption in their unquestioned right of trading with us by the declaration of the paper blockade above referred to. We had no reason to doubt the good faith of the proposal made to us, nor to suspect that we were to be the only parties bound by its acceptance. It is true, the instructions of the neutral powers informed their agents that it was "essential under present circumstances that they should act with great caution in order to avoid raising the question of the recognition of the new Confederation," and that the understanding on the subject did not rest for that reason the shape of a formal convention, but it was not deemed just by all to decline the arrangement on this ground, as little more than ninety days had elapsed since the arrival of our commissioners in Europe, and neutral nations were fairly entitled to a reasonable delay in acting on a subject of so much importance, and which, from their point of view, presented difficulties that we perhaps did not appreciate. Certain it is that the action of this government on the occasion was in faithful performance of its own engagements and such as to entitle it to expect on the part of those who sought in their own interests a mutual understanding, the most scrupulous adherence to their own promises. I feel constrained to inform you that in this expectation we have been disappointed, and that not only have the governments which entered into these arrangements yielded to the prohibition against commerce with us, which has been dictated by the United States in defiance of the law of nations, but that this concession of their neutral rights to our detriment has on more than one occasion been claimed in intercourse with our enemies, as an evidence of friendly feeling towards them. A few extracts from the correspondence of her majesty's chief secretary of State for foreign affairs will suffice to show marked encouragement to the United States to persevere in its paper blockade, and unmistakable intimations that her majesty's government would not contest its validity.

On the 21st of May, 1863, earl Russell pointed out to the United States minister in London, that "the blockade might not be made effective, considering the small number of harbors on the southern coast, even though the extent of 3000 miles were comprehended in terms of that blockade."

On the 14th of January, 1862, her majesty's minister in Washington communicated to his government that in extension of the barbarous attempt to destroy the port of Charleston by sinking a stone fleet in the harbor, Mr. Seward had explained "that the government of the United States had, last spring, with a navy very little prepared for so extensive an operation, undertaken to blockade upwards of 2000 miles of coast. The secretary of the navy had reported that he could stop up the 'large holes' by means of his ships, but that he could not stop up the 'small ones.' It had been found necessary, therefore,

to close some of the numerous small inlets by sinking vessels in the channel."

On the 6th of May, 1862, so far from claiming the right of British subjects as neutrals to trade with us as belligerents, and to disregard the blockade on the ground of this explicit confession by our enemy of his inability to render it effective, her majesty's secretary of State for foreign affairs claimed credit with the United States for friendly action in respecting it. His lordship stated that "the United States government, on the allegation of a rebellion pervading from nine to eleven States of the Union, have now, for more than twelve months, endeavored to maintain a blockade of three thousand miles of coast. This blockade kept up irregularly, but when enforced, enforced severely, has seriously injured the trade and manufactures of the United Kingdom. Thousands are now obliged to resort to the poor rates for subsistence, owing to this blockade. Yet her majesty's government have never sought to take advantage of the obvious impotence of this blockade, in order to declare it ineffective. They have, to the loss and detriment of the British nation, scrupulously observed the duties of Great Britain towards a friendly State."

Again, on the 22d September, 1862, the same noble earl asserted that the United States were "very far, indeed," from being in "a condition to ask other nations to assume that every port of the coasts of the so-called Confederate States is effectively blockaded."

When, in view of these facts, of the obligation of the British nation to adhere to the pledge made by their government at Paris, in 1856, and renewed to this Confederacy in 1861, and of these repeated and explicit avowals of the impotence, irregularity and inefficiency of the pretended blockade of our coast, I directed our commissioner at London to call upon the British government to redeem its promise and to withhold its moral aid and sanction from the flagrant violation of public law committed by our enemies, we were informed that her majesty's government could not regard the blockade of the southern ports as having been otherwise than "practically effective," in February, 1862, and that "the manner in which this blockade has been enforced, gives to neutrals a ground for asserting that the blockade has not been efficiently maintained. We were further informed, when we insisted that by the terms of our agreement no blockade was to be considered effective unless 'sufficiently real to prevent access to our coast,' that the declaration of Paris was in truth directed against blockades not sustained by any actual force, or sustained by an notoriously inadequate force, such as the occasional appearance of a man-of-war in the offing, or the like."

It was impossible that this mode of construing an agreement, so as to make its terms mean almost anything for the purpose, which they could be considered otherwise than as a justification of the refusal of the British government to remain bound by its agreement, or longer to respect these articles of the declaration of Paris which had been repeatedly denounced by British statesmen, and had been characterized by earl Russell as "very imprudent" and "most unsatisfactory."

If any doubt remained of the motives by which the British ministry have been actuated in their conduct, it would be completely dissipated by the distinct avowals and explanations contained in the published speech recently made by her majesty's secretary of State for foreign affairs, in connection with the remonstrance of this government against the countermeasures given to an ineffective blockade, the following language is used: "It is said we have, contrary to the declarations of Paris, contrary to international law, permitted the blockade of three thousand miles of American coast. It is quite true we did so, and the presumable cause of complaint is quite true, that although the blockade is kept up by a sufficient number of ships, yet these ships were sent into the United States navy in a hurry, and are ill-fitted for the purpose, and did not keep up so completely and effectively as was required, an effective blockade."

This unequivocal confession of violation, both of agreement with us and of international law, is defended on grounds the validity of which we submit with confidence to the candid judgment of mankind. These grounds are thus stated: "Still looking at the law of nations it was a blockade, we, as a great belligerent power in former times, should have acknowledged. We ourselves, had a blockade of upwards of 2000 miles, and it did seem to me that we were bound in justice to the Federal Republic to acknowledge that blockade. But there was another reason, which weighed with me. Our people were suffering severely for the want of material which was the main staff of their industry, and it was a question of self-interest whether we should not break the blockade. But, in my opinion, the men of England would have been forever infamous, if for the sake of their own interest, they had violated the law of nations, and made war in conjunction with these slaveholding States of America against the Federal States."

In the second of these reasons our rights are not involved; although I may be permitted to observe that the conduct of governments has not heretofore to my knowledge been guided by the principle that it is infamous to assent to their rights, whenever the violation of those rights creates severe suffering among their people, and injuriously affect great interests. But the intimation that relations with these States would be discreditable because they are slaveholding, would probably have been omitted if the official personage who has published it to the world had remembered that these States were, when colonies, made slaveholding by the direct exercise of the power of Great Britain, whose interests in the slave trade were then supposed to require that her colonies should be made slaveholding.

But the other ground stated is of a very grave character. It asserts that a violation of the law of nations by Great Britain in 1807, when that government declared a paper blockade of 2000 miles of coast, (a violation then defended by her courts and jurists on the sole ground that her action was retaliatory, affords a justification for a similar outrage on neutral rights by the United States in 1861, for which no palliation can be suggested; and that Great Britain "is bound in justice to the Federal States," to make return for the war waged against her by the United States in resistance of her illegal blockade in 1807, by an equivalent in the Federal illegal blockade in 1861. The most glaring feature in this statement is its admission of a just claim on the part of the United States to require of Great Britain during this war, a disregard of the recognized principles of modern public law and of her own compacts, whenever any questionable conduct of Great Britain, "in former times," can be cited as a precedent. It is not inconsistent with respect and admiration for the great people whose government have given us this warning, to suggest that their history, like that of mankind in general, offers exceptional instances of indefensible conduct "in former times," and we may well deny the morality of violating recent engagements through deference to the evil precedents of the past.

After referring in the manner just stated, to the course of the British government on the subject of the blockade, her majesty's foreign secretary takes care to leave no doubt of the further purpose of the British government to prevent our purchase of vessels in Great Britain, while supplying our enemies with rifles and other munitions of war, and states the intention to apply to parliament in the furtherance of this design. He gives to the United States the assurance that he will do in their favor not only "everything that

the law of nations requires, everything that the present foreign enlistment act requires," but that he will ask the sanction of parliament "to further measures that her majesty's ministers may still add." This language is so unmistakably an official exposition of the policy adopted by the British government in relation to our affairs, that the duty imposed upon me by the constitution, of giving you from time to time "information of the state of the Confederacy," would not have been performed if I had failed to place it distinctly before you.

I refer you for fuller details on this whole subject to the correspondence of the state department which accompanies this message. The facts which I have briefly narrated are, I trust, sufficient to enable you to appreciate the true nature of the neutrality professed in this war.—It is not in my power to apprise you to what extent the government of France shares the views so unreservedly avowed by that of Great Britain, no public correspondence of the French government on the subject of supplies has been received. No public protest nor opposition, however, has been made by his imperial majesty against the prohibition to trade with us imposed on French citizens by the paper blockade of the United States, although I have reason to believe that an unsuccessful attempt was made on his part to secure the assent of the British government to a course of action more consonant with the dictates of public law, and with the demands of justice towards us.

The partiality of her majesty's government in favor of our enemies has been further evinced in the marked difference of its conduct on the subject of the purchase of supplies by the two belligerents. This difference has been conspicuous since the very commencement of the war. As early as the first of May, 1861, the British minister in Washington was informed by the secretary of State of the United States that he had sent agents to England, and that others would go to France to purchase arms, and this fact was communicated to the British foreign office, which imposed no objection. Yet in October of the same year earl Russell entertained the complaint of the United States minister in London, that the Confederacy was importing contraband articles of war in violation of the laws of the authorities of the island denying the allegations, which report was enclosed to Mr. Adams, and received by him as satisfactory evidence to dissipate "the suspicion naturally thrown upon the authorities of Nassau by that unwarrantable act." So, too, when the Confederate government purchased in Great Britain, as a neutral country, (and with strict observance both of the law of nations and the municipal law of Great Britain), vessels which were subsequently armed and commissioned as vessels of war, after they had been removed from English waters, the British government, in violation of the laws of the United States, made an ineffectual attempt to seize one vessel, and did actually seize and detain another which touched at the island of Nassau, on her way to a Confederate port, and subjected her to an unfounded prosecution at the very time when cargoes of munitions of war were being openly shipped from British ports to New York to be used in warfare against us. Even now the public journals bring intelligence that the British government has ordered the seizure, in a British port, of two vessels, on the suspicion that they may have been fitted to this government, and that they may be found to be armed and equipped in our service, while British subjects are engaged in Ireland by tens of thousands to proceed to the U. S. for warfare against the Confederacy, in defiance of the law of nations and the express terms of the British statutes, and are transported in British ships, without an effort at concealment, to the ports of the United States, there to be armed with rifles imported from Great Britain, and to be employed against our people in a war for conquest. No royal prerogative is invoked, no executive interference is interposed against this flagrant breach of municipal and international law on the part of our enemies, while strained constructions are placed on existing statutes, new enactments proposed, and questionable expedients devised for precluding the possibility of purchase, by this government, of vessels that are useless for belligerent purposes, unless hereafter armed and equipped outside of the neutral jurisdiction of Great Britain.

For nearly three years this government has exercised unquestionable jurisdiction over many millions of willing and united people. It has met and defeated vast armies of invaders, who have in vain sought its subversion. Supported by the confidence and affection of its citizens, the Confederacy has lacked not a moment which distinguishes an independent nation, according to the principles of public law. Its legislative, executive and judicial departments, each in its sphere, having performed their appropriate functions with a regularity as undisturbed as in time of profound peace, and the whole energies of the people have been developed in the organization of vast armies, while their rights and liberties have rested secure under the protection of the courts of justice. This Confederacy is either independent, or it is a dependency of the United States, for no other earthly power claims the right to govern it. Without one historic fact on which the pretension can rest, without one line or word of treaty or covenant which can give color to it, the United States have asserted that the British government has chosen to concede that these sovereign States are dependencies of the government which is administered at Washington. Great Britain has accordingly entertained with this government the closest and most intimate relations, while refusing on its demand, ordinary amicable intercourse with us, and has, under the arrangements made with the other nations of Europe, not only denied our just claim of admission into the family of nations, but interposed a passive, though official bar, to the acknowledgment of our rights by other powers. So soon as it had become apparent, by the declarations of the British ministers, in the debates of the British parliament in July last, that her majesty's government was determined to persist indefinitely in a course of policy which, under professions of neutrality, had become subservient to the designs of our enemy, I felt it my duty to recall the commissioners formerly accredited to that court, and the correspondence on the subject is submitted to you.

It is due to you and to our country that this full statement should be made of the just grounds which exist for dissatisfaction with the conduct of the British government. I am well aware that we are unfortunately without adequate remedy for the injustice under which we have suffered at the hands of a powerful nation, at a juncture when our entire resources are absorbed in the defenses of our lives, liberties and independence, against an enemy possessed of greatly superior numbers and material resources. Claiming no favor, desiring no aid, conscious of our own ability to defend our own rights against the utmost efforts of an infuriate foe, we had thought it not extravagant to expect that assistance would be withheld from our enemies, and that the conduct of foreign nations would be marked by a genuine impartiality toward the belligerents. It is not supposed a professed neutrality would be so conducted as to justify the foreign secretary of the British nation, in explaining, in correspondence with our enemies, how the impartial observance of neutral obligations by her majesty's government has thus been exceedingly advantageous to the cause of the more powerful of the two contending parties. The British government may deem this a favorable occasion for establishing, by the temporary sacrifice of their neutral

rights, a precedent which shall justify the future exercise of those extreme belligerent pretensions that their naval power renders so formidable.—The opportunity for obtaining the tacit assent of European governments to a line of conduct which ignores the obligations of the declarations of Paris, and treat that instrument rather as a theoretical exposition of principles than a binding agreement, may be considered by the British ministry as justifying them in seeking a great advantage for their own country at the expense of ours. But we cannot permit without protest the assertion that international law or municipal law is "impartially neutral" conduct avowed to be "exceedingly advantageous" to one of the belligerents.

I have stated that we are without adequate remedy against the injustice under which we suffer. There are but two measures that seem applicable to the present condition of our relations with neutral powers. One is, to imitate the wrong of which we complain, to retaliate by the declaration of a paper blockade of the coast of the United States, and to capture all neutral vessels trading with their ports that our cruisers can intercept on the high seas. This measure I cannot recommend. It is true that, in so doing, we should but follow the precedents set by Great Britain and France in the Berlin and Milan decrees, and the British orders in council at the beginning of the present century. But it must be remembered that we, ourselves, protested against those very measures as signal violations of the law of nations, and declared the attempts to excuse them, on the ground of their being retaliatory, utterly insufficient. Those blockades are now quoted by writers on public law as a standing reproach on the good name of the nations who were betrayed by temporary expediency into wrong doing, and ought to be regarded rather as errors to be avoided than as examples to be followed.

The other measure is not open to this objection. The second article of the declaration of Paris, which provides "that the neutral flag covers enemy's goods, with the exception of contraband of war," was a new concession by belligerents in favor of neutrals, and not simply the enunciation of an acknowledged pre-existing rule, like the fourth article which referred to blockades. To this concession we found ourselves by the convention with Great Britain and France, which took the shape of the resolutions adopted by your predecessors on the 12th of August, 1856. The consideration tendered us for that concession has been withheld. We have, therefore, the undeniable right to refuse longer to be bound by a compact which the other refuses to fulfill. But we should not forget that war is but temporary, and that we desire that peace shall be permanent. The future policy of the Confederacy must ever be to uphold neutral rights to their full extent.

The principles of the declaration of Paris commend themselves to our judgment as more just, more humane, and more consonant with modern civilization than those belligerent pretensions which great naval powers have heretofore sought to introduce into the maritime code. To forego our undeniable rights to the exercise of those pretensions, is a policy higher, worthier of us and our cause, than to revoke our adhesion to principles that we approve. Let our hope for redress rest rather in a returning sense of justice which cannot fail to awaken a great people to the consciousness, that the war in which we are engaged ought rather to be made a reason for the improvement of our relations with the world, than for the perpetuation of which we make just complaint.

The events of the last year have produced important changes in the condition of our southern neighbor. The occupation of the capital of Mexico by the French army, and the establishment of a provisional government followed by a radical change in the constitution of the country, have excited lively interest. Although preferring our own government and institutions to those of other countries, we can have no disposition to contest the exercise by them of the same right of self government which we assert for ourselves. If the Mexican people prefer a monarchy to a republic, it is our plain duty cheerfully to acquiesce in their decision, and to evince a sincere and friendly interest in their prosperity. If, however, the Mexicans prefer maintaining their former institutions, we have no reason to apprehend any obstacle to the free exercise of their choice. The emperor of the French has solemnly disclaimed any purpose to impose on Mexico a form of government not acceptable to the nation; and the eminent personage to whom the throne has been tendered, declines its acceptance unless the offer be sanctioned by the suffrages of the people. In either event, therefore, we may confidently expect the continuance of those peaceful relations which have been maintained on the frontier, and even a large development of the commerce, already existing to the mutual advantage of the two countries.

It has been found necessary since your adjournment to take action on the subject of certain foreign consuls within the Confederacy.—The nature of this action and the reasons on which it was based are so fully exhibited in the correspondence of the State department, which is transmitted to you, that no additional comment is required.

In connection with this subject of our relations with foreign countries, it is deemed opportune to communicate my views in reference to the treaties made by the government of the United States at a date anterior to our separation, and which were consequently binding on us as well as on foreign powers when the separation took effect. It was partly with a view to entering into such arrangements as the change in our government had made necessary, that we felt it our duty to send commissioners abroad for the purpose of entering into the negotiations proper to fix the relative rights and obligations of the parties to those treaties. As this tender on our part has been declined, as foreign nations have refused us the benefit of the treaties to which we were parties, they certainly have ceased to be binding on us, and, in my opinion, our relations with European nations are, therefore, now controlled exclusively by the general ones of the law of nations. It is proper to add that these remarks are intended to apply solely to treaty obligations towards foreign governments, and have no reference to rights of individuals.

The state of public finances is such as to demand your earliest and most prompt attention. I need hardly say that a prompt and efficient remedy for the present condition of the currency is necessary to the successful performance of the functions of government. Fortunately, the resources of our country are so ample, and the spirit of the people so devoted to its cause, that they are ready to make the necessary contribution. Relief is thus entirely within our reach if we have the wisdom to legislate in such manner as to render available the means at our disposal. At the commencement of the war we were far from anticipating the magnitude and duration of the struggle in which we are engaged. The most sagacious foresight could not have predicted that the passions of the northern people would lead them blindly to the sacrifice of life, treasure and liberty, in so vain a hope as that of subjugating thirteen independent States, inhabited by many millions of people whose birthright of freedom is dearer to them than life. A long exemption from direct taxation by the general government had created an aversion to its raising revenue by any other means than by duties on imports, and it was supposed that these duties would be ample for current peace expenditures, while the means

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