

that both our national honor and the protection due to our citizens imperatively required that the two questions of boundary and indemnity should be treated together, as naturally and inseparably blended, and they ought to have seen that the course was best calculated to enable the United States to extend to the President, 1845, General Herrera resigned the presidency, and yielded up the government to General Paredes without a struggle. Thus a revolution was accomplished solely by the army commanded by Paredes, and the supreme power in Mexico passed into the hands of a military usurper, who was known to be bitterly hostile to the United States.

Although the prospect of a pacific adjustment with the new government was unpromising, from the known hostility of its head to the United States, yet determined that nothing should be left undone on our part to restore friendly relations between the two countries, our minister was instructed to present his credentials to the new government, and to be accredited by it in the diplomatic character in which it was commissioned. These instructions were executed by his note of the first of March, 1846, addressed to the Mexican Minister of Foreign Affairs, but his request was insolently refused by that minister in his answer of the twelfth of the same month. No alternative remained for our minister but to demand his passports and return to the United States.

Thus was the extraordinary spectacle presented to the civilized world, of a government, in violation of its own express agreement, having twice rejected a minister of peace, invested with full powers to adjust all the existing differences between the two countries in a manner just and honorable to both. I am not aware that modern history presents a parallel case, in which time of peace, and one nation has refused even to hear propositions from another for terminating existing difficulties between them. Scarcely a hope of adjusting our difficulties, even at a remote day, or of preserving peace with Mexico, could be cherished while Paredes remained at the head of the government. He had acquired the supreme power by a military revolution, and refused to receive any minister to wage war against the United States, and to reconquer Texas, which he claimed as a revolted province of Mexico. He had denounced as guilty of treason all those Mexicans who considered Texas as no longer constituting a part of the territory of Mexico, and who were friendly to the cause of peace. He had refused to receive any minister to negotiate with the United States, and to reconquer Texas, which he claimed as a revolted province of Mexico. He had denounced as guilty of treason all those Mexicans who considered Texas as no longer constituting a part of the territory of Mexico, and who were friendly to the cause of peace.

Under all these circumstances, it was believed that any revolution in Mexico, founded upon opposition to the ambitious projects of Paredes, would tend to promote the cause of peace as well as prevent any attempted European interference in the affairs of the North American continent—both objects of deep interest to the United States. It was therefore, if attempted, must have been resisted by the United States. My views upon that subject were fully communicated to Congress in my last annual message. In any event, it was certain that no change whatever in the government of Mexico which would deprive Paredes of power could be for the worse, so far as the United States were concerned, while it was highly probable that any change must be for the better. This was the state of affairs existing when Congress, on the thirteenth of May last, recognized the existence of the war which had been commenced by the government of Paredes, and it became an object of our policy to bring to a speedy termination the hostilities which were then in progress, and to restore to our country the honor and the restoration of an honorable peace, that Paredes should not retain power in Mexico.

Before that time there were symptoms of a revolution in Mexico, favored, as it was understood to be, by the more liberal party, and especially by those who were opposed to foreign interference and to the retention of Santa Anna in power. Santa Anna was then in exile in Havana, having been expelled from power and banished from his country by a revolution which occurred in December, 1844; but it was known that he had still a considerable party in his favor in Mexico. It was also equally well known that no vigilance which could be exerted by our squadron would in all probability, have prevented him from returning to the Gulf coast of Mexico, if he desired to return to his country. He had openly professed an entire change of policy; had expressed his regret that he had subverted the federal constitution of 1824, and avowed that he was now in favor of its restoration. He had publicly declared his hostility, in the strongest terms, to the establishment of a monarchy, and to European interference in the affairs of his country.

Information to this effect had been received, from sources believed to be reliable, at the date of the recognition of the existence of the war by Congress, and was afterwards fully confirmed by the receipt of the despatch of our consul in the city of Mexico, with the accompanying documents, which are herewith transmitted. It was reasonable to suppose that he must see the ruinous consequences to Mexico of a war with the United States, and that it would be his interest to favor peace.

It was under these circumstances and upon these considerations that it was deemed expedient not to obstruct his return to Mexico, should he attempt to do so. Our object was the restoration of peace, and with a view to that end it was deemed expedient to allow him to depart with his family, and to allow him to take part with Paredes, and aid him, by means of our blockade, in preventing the return of his rival to Mexico. On the contrary, it was believed that the intestine divisions which ordinary sagacity could not but anticipate as the fruit of Santa Anna's return to Mexico, and his contest with Paredes, might at length lead to a permanent and lasting peace, and to the restoration and preservation of peace with the United States. Paredes was a soldier by profession, and a monarchist in principle. He had but recently before been successful in a military revolution, by which he had obtained power. He was the sworn enemy of the United States, with which he had involved his country in the existing war. Santa Anna had been expelled from power by the United States, and he was in open hostility to Paredes, and publicly pledged against foreign intervention and the restoration of monarchy in Mexico. In view of these facts and circumstances it was, that, when orders were issued to the commander of our naval forces in the Gulf, on the fifteenth of May last, not to impede the departure of Santa Anna, it had been recognized by Congress, to place the coast of Mexico under blockade, he was directed not to obstruct the passage of Santa Anna to Mexico, should he attempt to return.

A revolution took place in Mexico in the early part of August following, by which the power of Paredes was overthrown, and he has since been banished from the country, and Santa Anna returned. It remains to be seen whether his return may not yet prove to be favorable to a pacific adjustment of the existing difficulties, it being manifestly his interest not to persevere in the prosecution of a war commenced by Paredes, to accomplish a purpose as absurd as the conquest of Texas to which he had Paredes remained in power, it is morally certain that any pacific adjustment would have been hopeless.

Upon the commencement of hostilities by Mexico against the United States, the indignation of the nation was at once kindled, Congress responded to the expectations of the country, and, by the act of the thirteenth of May last, recognized the fact that war existed, by the act of Mexico, between the United States and that republic, and granted the means necessary for its vigorous prosecution. Being involved in a war thus commenced by Mexico, and on the justice of which our part was very confidently appealed to the whole world, I resolved to prosecute it with the utmost vigor. Accordingly, the ports of Mexico on the Gulf and on the Pacific have been placed under blockade, and her territory invaded at several important points. The reports from the Departments of War and the Navy will inform you more in detail of the measures adopted in the emergency in which our country was placed, and of the gratifying results which have been accomplished.

The various columns of the army have performed their duty under great disadvantages, with the most distinguished skill and courage. The victories of Palo Alto and Resaca de la Palma, and Monterey, won against greatly superior numbers, and against the most advantageous positions on the part of the enemy, were brilliant in their execution, and entitle our brave officers and soldiers to the grateful thanks of their country. The nation deplores the loss of the brave officers and men who have gallantly fallen while vindicating and defending their country's rights and honor.

It is a subject of pride and satisfaction that our volunteer citizen soldiers, who so promptly responded to their country's call, with an experience of the discipline of a camp of only a few weeks, have borne their part in the hard-fought battle of Monterey with a constancy and courage equal to that of veteran soldiers, and in the most gallant manner. The privations of long marches through the enemy's country, and through a wilderness, have been borne without a murmur. By rapid movements the province of New Mexico, with Santa Fe, its capital, has been captured without bloodshed. The navy has co-operated with the army, and rendered important services, and in the capture of the California, the enemy had no force to meet them on their own element, and because of the defenses which nature has interposed in the difficulties of the navigation on the Mexican coast. Our squadron in the Pacific, with the co-operation of a gallant officer of the army, and a small force hastily collected in that distant country, have bravely defeated the forces of the California, and the American flag has been raised at every important point in that province.

I congratulate you on the success which has thus attended our military and naval operations. In less than seven months after Mexico commenced hostilities, at a time selected by herself, we have taken possession of many of the principal cities, destroyed her army, and captured her navy, and acquired military possession of the Mexican provinces of New Mexico, New Leon, Coahuila, Tamaulipas, and the California, a territory larger in extent than that embraced in the original thirteen States of the Union, inhabited by a considerable population, and much of it more fertile than any of the States of the Union, which we had to conquer, and to subvert her movements. By the blockade, the import and export trade of the enemy has been cut off. Well may the American people be proud of the energy and gallantry of our regular and volunteer officers and soldiers.

The events of these few months afford a gratifying proof that our country can, under any emergency, contend with the maintenance of her honor, and the defense of her rights, on an effective force, ready at all times voluntarily to relinquish the comforts of home for the perils and privations of the camp. And though such a force may be for the time expensive, it is in the end economical, as the ability to command it renders the necessity of employing a large standing army in time of peace, and proves that our people love their institutions, and are ever ready to defend and protect them.

Whilst the war was in a course of vigorous and successful prosecution, being still anxious to arrest its evils, and considering that, under the brilliant victories of our arms on the eighth and ninth of May last, the national honor could not be compromised by it, another overture was made to Mexico, by my direction, on the twenty-seventh of July last, to terminate hostilities by a peace just and honorable to both countries. On the thirtieth of August following, the Mexican government, in a friendly overture, referred to the decision of a Mexican Congress, to be assembled in the early part of the present month. I communicate to you, herewith, a copy of the letter of the Secretary of State proposing to re-open negotiations, and of the reply thereto of the Secretary of State.

The war will continue to be prosecuted with vigor, as the best means of securing peace. It is hoped that the decision of the Mexican Congress, to which our last overture has been referred, may result in a speedy and honorable peace. With our experience, however, of the unreasonable course of the Mexican government, it is deemed expedient to relax in the energy of our military operations until the result is made known. In this view, it is deemed important to hold military possession of all the provinces which have been taken, until a definitive treaty of peace shall have been concluded and ratified by the two countries.

The war has not been waged with a view to conquest; but having been commenced by Mexico, it has been carried into the enemy's country, and will be vigorously prosecuted there, with a view to obtain an honorable peace, and thereby secure ample indemnity for the expenses of the war, as well as to our much injured citizens, who hold large pecuniary demands against Mexico.

By the laws of nations a conquered territory is subject to be governed by the conqueror, during his military possession, until there is a treaty of peace, or he shall voluntarily withdraw from it. The old civil government being necessarily superseded, it is the right and duty of the conqueror to secure his conquest, and to provide for the maintenance of civil order and the rights of the inhabitants. This right has been exercised by our military and naval commanders, by the establishment of temporary governments in some of the conquered provinces in Mexico, assimilating them as far as practicable to the free institutions of our own country. In the provinces of New Mexico, and of the California, little if any further resistance is apprehended from the inhabitants to the notes of our governments, which have been issued in accordance with the laws of war, been established. It may be proper to provide for the security of these important conquests by making an adequate appropriation for the purpose of erecting fortifications and defraying the expenses necessarily incident to the maintenance of our possession and authority over them.

Near the close of your last session, for reasons communicated to Congress, I deemed it important, as a measure for securing a speedy peace, that the sum of twenty million dollars should be appropriated, and placed in the hands of the Executive, similar to that which had been made upon two former occasions, during the administration of President Jefferson.

On the twenty-sixth of February, 1803, an appropriation of two millions of dollars was made, and placed at the disposal of the President, for the purpose of procuring the Louisiana territory, and for the purchase of Louisiana from France, and it was intended to be applied as a part of the consideration which might be paid for that territory. On the thirteenth of February, 1806, the same sum was in like manner appropriated, with a view to the purchase of the Florida from Spain. These appropriations were made to facilitate negotia-

tions, and as a means to enable the President to accomplish the important objects in view. Though it did not become necessary for the President to use these appropriations, yet a state of things might have arisen in which it would have been highly important for him to do so, and the wisdom of making them cannot be doubted. It is believed that the measure would be commended at your last session, and with the approbation of decided majorities in both houses of Congress. Indeed, in different forms, a bill making an appropriation of two millions of dollars passed each House, and it is much to be regretted that it did not become a law. The reasons which induced me to recommend the measure at that time still exist, and I again submit the subject for your consideration, and suggest the importance of early action upon it. Should the appropriation be made, and be not needed, it will remain in the treasury; should it be deemed proper to apply it in whole or in part, it will be accounted for as other public expenditures.

Immediately after Congress had recognized the existence of the war with Mexico, my attention was directed to the danger that our waters might be fitted out in the ports of Cuba and Porto Rico to prey upon the commerce of the United States; and I invited the special attention of the Spanish government to the fourteenth article of our treaty with that Power of the twentieth of October, 1795, under which the citizens and subjects of either nation who shall take commissions or letters of marque to act as privateers against the other, shall be punished as pirates.

It affords me pleasure to inform you that I have received assurances from the Spanish government that this article of the treaty shall be faithfully observed on its part. Orders for this purpose were immediately transmitted from the government to the authorities of Cuba and Porto Rico to exert their utmost vigilance in preventing any attempts to fit out privateers on those islands against the United States. From the good faith of Spain I am fully satisfied that this treaty will be executed in its spirit as well as its letter; whilst the United States will, on their part, faithfully perform all the obligations which it imposes on them.

Information has been received by the Department of State that the Mexican government has sent to Havana blank commissions to privateers, and blank certificates of naturalization, signed by General Salas, the present head of the Mexican government. There is, also, reason to apprehend that similar documents have been transmitted to other parts of the world. Copies of these papers, in translation, are herewith transmitted to you. As the preliminaries required by the practice of civilized nations for commissioning privateers and regulating their conduct appear not to have been observed, and as these commissions are in blank, to be filled up with the names of citizens and subjects of all nations who may be willing to accept them, and whose proceedings can only be construed as an invitation to all the freebooters upon earth, who are willing to pay for the privilege, to cruise against American commerce. It will be for our courts of justice to decide whether, under such circumstances, these Mexican letters of marque and reprisal shall protect those who accept them, and who commit robberies upon the high seas under their authority, from the pains and penalties of piracy.

If the certificates of naturalization thus granted be intended by Mexico to shield Spanish subjects from the guilt and punishment of piracy, under our treaty with Spain, they will certainly prove unavailing. Such a subterfuge would be a solemn treaty violation, and would be a violation of the most sacred obligations of the government. I recommend that Congress should immediately provide by law for the trial and punishment as pirates of Spanish subjects who, escaping the vigilance of their government, shall be found guilty of privateering against the United States. I do not apprehend serious difficulties, and I am confident that we will be constantly on the alert to protect our commerce. Besides, in case prizes should be made of American vessels, the utmost vigilance will be exerted by our blockading squadron to prevent the captors from taking them into Mexican ports, and it is not apprehended that any nation will violate its neutrality by suffering such prizes to be condemned and sold within its jurisdiction.

I recommend that Congress should immediately provide by law for granting letters of marque and reprisal against vessels under the Mexican flag. It is true that there are but few, if any, commercial vessels of Mexico upon the high seas; and it is, therefore, not probable that many American privateers would be fitted out, in case a law should pass authorizing this mode of warfare. It is, notwithstanding, certain that such privateers may render good service to the commercial interests of the country by recapturing our merchant ships, should any be taken by armed vessels of the Mexican flag, and by capturing those vessels themselves. Every means within our power should be rendered available for the protection of our commerce.

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

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

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

In order to prosecute the war with Mexico with vigor and energy, as the best means of bringing it to a speedy and honorable termination, a further loan will be necessary, to meet the expenditures for the present and the next fiscal year. The amount of the loan to be contracted on the first of June, 1846—being terminated at the end of the next fiscal year—is estimated at an additional loan of twenty-three million of dollars will be required. This estimate is made upon the assumption that it will be necessary to retain constantly in the treasury four millions of dollars, to guard against contingencies. If such a loan were not required to be retained, and a loan of nineteen millions of dollars would be sufficient.

if, however, Congress should, at the present session, impose a revenue duty on the principal articles now embraced in the free list, it is estimated that an additional annual revenue of about two millions and a half, amounting, it is estimated, on the thirtieth of June, 1848, to four millions of dollars, would be derived from that source; and the loan required would be reduced to the amount of twenty million of dollars. It is estimated, also, that should Congress graduate and reduce the price of such of the public lands as have been long in the market, the additional revenue derived from that source would be annually, for several years to come, between half a million and a million of dollars; and the loan required may be reduced by that amount also. Should these measures be adopted, the loan required would not probably exceed eighteen or nineteen millions of dollars; leaving in the treasury a constant surplus of four millions of dollars. The loan proposed, it is estimated, will be sufficient to cover the necessary expenditures, both for the present and for the next fiscal year, up to the thirtieth of June, 1848, and to meet the liabilities of the United States, not exceeding one half, may be required during the present fiscal year, and the greater part of the remainder during the first half of the fiscal year succeeding.

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

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

Among the various public expenditures of July last exceeded nine millions of dollars, notwithstanding considerable expenditures had been made for the war during the months of May and June preceding. But for the war, the whole public debt could and would have been extinguished within a short period; and the government in a position which would enable it to reduce the public expenditures to that economical standard which is most consistent with the general welfare, and the pure and wholesome progress of our institutions.

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

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

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

The act passed at your last session "reducing the rate of import duties" not having gone into operation until the first of the present month, there has not been time for its full effect upon the revenue, and the business of the country, to be developed. It is not doubted, however, that the just policy which it adopts will add largely to our foreign trade, and promote the general prosperity. Although it cannot be certainly foreseen what amount of revenue it will yield, it is estimated that it will exceed that produced by the act of 1833, which it superseded. The leading principles established by it are, to levy the taxes with a view to raise revenue, and to impose them upon the articles imported according to their actual value.

The act of 1843, by the excessive rates of duty which it imposed on many articles, and the duties on the importation of agricultural or greatly reduced the amount imported, and thus diminished instead of producing revenue. By the taxes were imposed not for the legitimate purpose of raising revenue, but to afford advantages to favor classes, at the expense of a large majority of their fellow-citizens. Those classes, in agriculture, mechanics, pursuits, commerce, and navigation, were compelled to contribute from their substance to swell the profits and overgrown wealth of the comparatively few who had invested their capital in manufactures. The taxes were not levied in proportion to the value of the articles upon which they were imposed; but were levied upon articles of high value, and upon articles of high price, and the heavier taxes on those of necessity and low price, consumed by the great mass of the people. It was a system the inevitable effect of which was to relieve favored classes and the wealthy few from contributing their just proportion to the support of government, and to lay the burden of the labor of the many engaged in other pursuits than manufactures.

A system so unequal and unjust has been superseded by the existing law, which imposes duties not for the benefit or injury of classes or pursuits, but distributes, and, as far as practicable, equalizes the public burdens among all classes and occupations. The favored classes, who, under the former law, have herebefore realized large fortunes, and of the many who have been made tributary to them, will have no reason to complain if they shall be required to bear their just proportion of the taxes necessary for the support of government. So far from it, they will be benefited by an examination of the existing law, that discriminations in the rates of duty imposed, within the revenue principle, have been retained in their favor. The incidental aid against foreign competition which they still enjoy gives them an advantage which no other pursuits possess; and of this none other will complain, because the revenue duties, including freights and charges, which the importer must pay before he can come in competition with the home manufacturer in our markets, amount, on nearly all our leading branches of manufacture, to more than one-third of the value of the imported article, and some cases to a still larger amount. It is not doubted that our domestic manufacturers will continue to prosper, realizing in well conducted establish-

ments even greater profits than can be derived from any other regular business. Indeed, so far from requiring the protection of even incidental revenue duties, the manufacturers in several leading branches are extending their business, giving evidence of great industry and skill, and of their ability to compete, with increased prospect of success, for the open market of the world. Domestic manufactures, which cannot find a market at home, are annually exported to foreign countries. With such rates of duty as those established by the existing law, the system will probably be permanent; and capitalists, who have made, or shall hereafter make, their investments in manufactures, will know upon what to rely. The country will be satisfied with these rates, because the advantages which the manufacturers still enjoy result necessarily from the collection of revenue for the support of government. High protective duties, from their unjust operation upon the masses of the people, cannot fail to give rise to excessive dissatisfaction and complaint, and to create efforts to remove them, and to convert all in vestments in manufactures uncertain and precarious. Lower and more permanent rates of duty, at the same time that they will yield to the manufacturer fair and remunerating profits, will secure him against the danger of frequent changes in the system, which cannot fail to ruinously affect his interests.

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

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

It would be strange, if in the face of the example of Great Britain, our principle foreign customer, and of the evils of a system rendered imperative in that country by long and painful experience, and in the face of the immense advantages which, under a more liberal commercial policy, we are already deriving, and must continue to derive, by supplying her starving population with food, the United States should not continue a policy which she has been compelled to abandon, and thus diminish her ability to purchase from us the food and other articles which she so much needs, and we so much desire to sell. By the gradual abandonment of the protective policy by Great Britain and the United States, and the important markets have already been opened for our agricultural and other products; commerce and navigation have received a new impulse; labor and trade have been released from the artificial trammels which have so long fettered them; and to a great extent respectively, to the exchange of commodities, has been introduced at the same time by both countries, and greatly for the benefit of both. Great Britain has been forced, by the pressure of circumstances at home, to abandon a policy which has been upheld for ages, and to open her markets for our immediate commerce; and it is confidently believed that other Powers of Europe will ultimately see the wisdom, if they be not compelled by the pauperism and sufferings of their crowded population, to pursue a similar policy.

Our farmers are more deeply interested in maintaining the protection upon their products than any other class of our citizens. They constitute a large majority of our population; and it is well known that when they prosper, all other pursuits prosper also. They have heretofore only received none of the benefits or favors of government, but the unjust operation of the protective policy have been made, by the burdens of taxation which it imposed, to contribute to the benefits which have enriched others.

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

That the reduced production of some of the chief articles of food in Great Britain and other parts of Europe, may have contributed to increase the demand for breadstuffs and provisions, is not doubted; but that the great and efficient cause of his increased demand, and of increased prices, consists in the removal of artificial restrictions, has already been pointed out, and is equally certain. Our exports of food, already increased and increasing beyond former example, under the more liberal policy which has been adopted, will be still vastly enlarged, unless they be checked or prevented by a restoration of the protective policy, which would be a most serious and calamitous event. The interests which will be enlarged in a corresponding ratio with the increase of our trade is equally certain; while our manufacturing interests will be the favored interests of the country, and receive the incidental protection afforded them by the revenue duties; and more than this they cannot justly demand.

In my annual message of December last, a tariff of revenue duties based upon the principles of the existing law was recommended, and I have seen no reason to change the opinion then expressed. In view of the probable effects of that law, I recommend that the policy established by the Secretary of War in his annual message, to operate; and to abandon or modify it without giving it a fair trial, would be inexpedient and unwise. Should defects in any of its details be ascertained by actual experience to exist, these may be hereafter corrected; but until such defects shall be ascertained, the act should be fairly tested, before any modification of it should be made. It may be more proper, as a war measure, to reserve some of the articles now embraced in the free list. Should it be deemed proper to impose such duties, with a view to raise revenue to meet the expenses of the war with Mexico, or to that extent the creation of a public debt, they will be repaid when the duties levied are given to them; and should exist, and constitute no part of the permanent policy of the country.

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

In connection with this subject, I invite your attention to the importance of establishing a branch of

the mint of the United States at New York. Two-thirds of the revenue derived from customs being collected at that point, the demand for specie to pay the duties is the largest, and a branch mint, where foreign coin and bullion would be immediately converted into American coin, would greatly facilitate the transaction of the public business, enlarge the circulation of gold and silver, and be at the same time, a safe depository of the public moneys.

The importance of graduating and reducing the price of such of the public lands as have been long offered in the market, at the minimum rate authorized by existing laws, and remain unsold, induces me again to recommend the subject to your consideration. Many millions of acres of these lands have been offered in the market for more than thirty years, and large quantities for more than ten or twenty years; and being of an inferior quality, they must remain unsold for an indefinite period, unless the price be reduced. The country will be benefited by the sale of these lands, and the Treasury of our income from the source, but is unjust to the States in which they lie, because it retards their growth and increase of population, and because they have no power to sell them, when the price is upon their own terms, but is held by other proprietors than the United States, for the support of their local government.

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

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

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

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

The report of the Secretary of War contains a detailed information relative to the several branches of the public service connected with that department. The operations of the year have been of a satisfactory and highly gratifying character. I recommend to your early and favorable consideration the measures proposed by the Secretary of War for speedily filling up the rank and file of the regular army, for its greater efficiency in the field, and for raising an additional force to serve during the existing war with Mexico.

Embarrassment is likely to arise for want of legal provision authorizing compensation to be made to the agents employed in the several States and Territories to pay the revolutionary and other pensions the amounts allowed them by law. Your attention is invited to the recommendations of the United States on this subject. These agents incur heavy responsibilities and perform important duties, and no reason exists why they should not be placed on the same footing, as to compensation, with other disbursing officers.

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

In our intercourse with the several tribes particular attention has been given to the important subject of education. The number of schools established among them has been increased, and additional means provided, not only for teaching them the rudiments of education, but of instructing them in agriculture and other useful arts. The report of the Secretary of the Navy for the department under his charge during the past year. It is gratifying to perceive, that while the war with Mexico has rendered it necessary to employ an unusual number of our armed vessels on the coast, the protection due to our commerce, and the quarters of the world has not proved insufficient. No means will be spared to give efficiency to the naval service in the prosecution of the war; and I am happy to devote themselves to the service of their country in any enterprise, however arduous.

I recommend to your favorable consideration the proposition to add to each of our foreign squadrons an efficient sea steamer, and, as especially demanding attention, the establishment at Pensacola of the necessary means of repairing and equipping the vessels of the navy employed in the Gulf of Mexico.

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

The progress and condition of the mail service

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

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

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

**WILMINGTON JOURNAL.**  
Friday, December 11, 1846.

The reader can see for himself that the message occupies our columns to the exclusion of every thing else. We have only space left to ask the indulgence of our readers for the total absence of editorial news, advertisements and all. But what could we do? We suppose that the reader would rather have the message in full and want all else, than want the message and have the usual dish of news. We have no space to comment upon this able document, but do most earnestly recommend its careful perusal by all parties—particularly by our Whig friends. We will endeavor to make all straight next week.

**WILMINGTON MARKET—Dec. 10.**  
Naval Stores—Our report of this day week left the market somewhat unsettled, and a still further reduction has taken place since then. We quote for last sales \$2.40, for Turpentine. The market is by no means brisk, as sales are hard to effect at this price this morning, and we may remark that although our quotations are of the current rate this morning, the market is very much depressed. The arrivals, in the meantime, are very limited. *Spirits of Turpentine*—Nothing of moment doing. *Tar*—Arrivals small, and the last sales are reported at \$1.65.

**SEABOARD LIST.**  
PORT OF WILMINGTON.

ARRIVED.

Dec 3—brig Uardo, Meren, St Thomas.  
brig Cardenas, Gooding, St Pierre, Martinique, to G W Davis.  
4—brig Rowland, Adams, Guadaloupe.  
4—brig Rupert, Nickerson, Martinique, to J Hathaway & Son.  
brig Ellsworth, Johnson, Trinidad, Port Spain, to master.  
brig Winthrop, Lord, Providence, R I, to John Gamwell.  
sch'r Warrion, Haven, Turks Island, to G W Davis.  
sch'r L P Smith, Brewster, New York, to R W Brown.  
sch'r W R Peters, Lord, NY, to E J Luterloh.  
sch'r Laura, Davis, Shalotte, to G W Davis.  
6—sch'r J Holt, Holt, N York, to G V Davis.  
sch'r Royal Purple, Price, Lockwood's Folly, to G W Davis.  
sch'r St. Helens, Sparks, Boston, to Barry & Bryant.  
7—sch'r Mary, Libby, Beverly, Mass., to G W Davis.  
Brig Deborah, Rust, St. Kitts, to G W Davis.  
brig Allston, Pierce, Antigua, to J Hathaway & Son.

CLEAR'D.

Dec 4—brig Nancy Pratt, Stevenson, St. Jago de Cuba.  
brig Lycoming, Carr, Matanzas, by J Gamwell.  
brig Factious, Dean, Havana, by F K Dickinson & Co.  
sch'r Hudson, Kincaid, N York, by G W Davis.  
8—sch'r Royal Purple, Price, Lockwood's Folly, by G W Davis.

**Overseer Wanted.**  
A MAN of sober, industrious habits, experienced in farming, with some knowledge of the Turpentine business would find employment by application to the subscriber. N. N. NIXON.  
Dec 11, 1846.

**Steam Saw Mill for Sale.**  
THE subscriber being desirous of removing from Wilmington, offers for sale THE CAPE FEAR STEAM SAW MILL, now in first rate order. If not sold at private sale on the 23d December, it will then be offered at public Auction to the highest bidder, at 11 o'clock A. M., at Shaw's corner. Terms made easy. For further particulars, apply to the subscriber.  
C. D. EBELSON.  
Dec 11, 1846.

**OFFICE OF THE ASST Q. MASTER,**  
and Assistant Commissary of Subsistence.  
WASHINGTON, N. C., 9th Dec. 1846.

PROPOSALS will be received at this office until December 31st, for furnishing the United States with the following supplies for the use of the Regiment of North Carolina Volunteers: QUARTERMASTER'S STORES.

Stationary, as follows:—15 reams of writing paper, one-fourth Cap—25 pieces of envelope paper—50 papers of Ink powder—120 Quills—25 ounces of Wafers, (red)—120 lbs. of Sealing Wax, (red)—and 50 pieces of office tape, (red). All the above articles to be of a good quality.

Fuel—50 cords of good Oak Wood, delivered on the wharf or at the volunteer camp near the town.

Subsistence Stores—10,000 rations, as follows: 10 barrels of Beef, to be delivered in quantities as required twice a week—500 lbs of Flour—12 bushels of Beans, (white)—600 lbs of Rice—600 lbs of Coffee—1,000 lbs of Sugar—10 galons of cider Vinegar—100 lbs of Spices, Candles, and 6 bushels of Salt. All the above articles of substance to be of the best quality.

S. L. FREMONT.  
1st Lieut. 3d Art. Ass't Com. and  
Asst' Q. Master, U. S. Army.  
December 11, 1846 13-41  
Chronicle and Commercial copy 1 time, each.

WILL BE SOLD at the Court-House in Wilmington, on the 3d Monday next, three Negroes—two Boys and one Girl.  
(D11—13-41) A. J. ROTT.

NOTICE is hereby given, that application will be made to the present Legislature to cut off a small portion of New-Hanover, on the East side of Black River, and attach the same to the county of Sampson. (D11—13-31)