

Jaurez, if, on his arrival in Mexico, he should find it entitled to such recognition, according to the established practice of the United States.

On the 7th of April following, Mr. McLane presented his credentials to President Jaurez, having no hesitation in pronouncing the government of Jaurez to be the only existing government of the Republic. He was cordially received by the authorities at Vera Cruz, and they have ever since manifested the most friendly disposition towards the United States. Unhappily, however, the Constitutional Government has not been able to establish its power over the whole Republic. It is supported by a large majority of the people and the States, but there are important parts of the country where it can enforce no obedience. Gen. Miramon maintains himself at the capital, and in some of the distant provinces there are Military Governors who pay little respect to the decrees of either government.

STATEMENT OF MEXICAN OUTRAGES ON AMERICAN CITIZENS.

In the meanwhile the excesses which always attend upon civil war, especially in Mexico, are constantly recurring. Outrages of the worst description are committed, both upon persons and property. There is scarcely any form of injury which has not been suffered by our citizens in Mexico during the last few years. We have been normally at peace with that Republic; but so far as the interests of our commerce or of our citizens who have visited the country as merchants, shipmasters, or in other capacities, are concerned, we might as well have been at war. Life has been insecure, property unprotected, and trade impossible, except at a risk of loss which prudent men cannot be expected to incur. Important contracts, involving large expenditures, entered into by the Central Government, have been set at defiance by the local Governments. Peaceful American residents, occupying their rightful possessions, have been suddenly expelled from the country, in defiance of treaties, and by the mere force of arbitrary power. Even the course of justice has not been safe from control, and a recent decree of President Miramon permits the intervention of the government in all suits where either party is a foreigner. Vessels of the United States have been seized without law, and a Consular officer who protested against such seizure has been fined and imprisoned for disrespect to the authorities. Military contributions have been levied in violation of every principle of right; and the American who resisted the lawless demand has had his property forcibly taken away, and has been himself banished. From a conflict of authority in different parts of the country, tariff duties which have been paid in one place, have been exacted over again in another place. Large numbers of citizens have been arrested and imprisoned, without any form of examination, or any opportunity for a hearing, and even when released, have only obtained their liberty after much suffering and injury, and without any hope of redress.

The wholesale massacre of Crable and his associates without trial, in Sonora, as well as the seizure and murder of four Americans, who had taken shelter in the house of an American, upon the soil of the United States, was communicated to Congress at its last session. Murders of a still more atrocious character have been committed in the very heart of Mexico, under the authority of Miramon's Government, during the present year. Some of these were only worthy of a barbarous age, and if they had not been clearly proven, would have seemed impossible in a country which claims to be civilized. Of this description was the brutal massacre, in April last, by order of Marquez, of three American physicians, who were seized in the hospital of Tacubaya, while attending the sick and dying of both parties, and who, without trial, were hurried away to speedy execution.

Little less shocking was the recent fate of Ormond Chase, who was shot in Tepe on the 7th of August last by order of the same Mexican General, not only without a trial, but without any conjecture by his friends of the cause of his arrest. He is represented as a young man of good character and intelligence, who had made numerous friends in Tepe, by the courage and humanity which he had displayed on several trying occasions, and his death was as unexpected as it was shocking to the whole community.

IS THERE NO REMEDY?

Other outrages might be illustrated, but these are sufficient to illustrate the wretched state of the country and the unprotected condition of the persons and property of our citizens in Mexico. In all these cases, our ministers have been constant and faithful in their demands for redress, but both they and this government, which they have successively represented, have been wholly powerless to make their demands effective. Their testimony, in this respect, and in reference to the only remedy, which in their judgments would meet the exigency has been both uniform and emphatic. "Nothing but a manifestation of the Government of the United States," wrote a late Minister in 1856, "and of its purpose to punish these wrongs will avail. I assure you that the universal belief is, that there is nothing to be apprehended from the Government of the United States, and that local Mexican officials can commit these outrages upon American citizens with absolute impunity." "I hope the President," wrote our present Minister in August last, "will feel authorized to ask from Congress the power to enter Mexico with military forces of the United States, at the call of the constitutional authorities, in order to protect the citizens and the treaty rights of the United States. Unless such a power is conferred upon him, neither the one nor the other will be respected in the existing state of anarchy and disorder, and the outrages already perpetrated will never be atoned; and I assure you in my No. 23, all these evils must increase until every vestige of order and government disappears from the country." I have been reluctantly led to the same opinion; and in justice to my countrymen who have suffered wrongs from Mexico, and who may still suffer them, I feel bound to announce this conclusion to Congress. The case presented, however, is not merely a case of individual claims, although our just claims against Mexico have reached a very large amount. Nor is it merely the ease of protection to the lives and property of the few Americans who may still remain in Mexico, although the life and property of every American citizen ought to be sacredly protected in every quarter of the world; but it is a question which relates to the future

as well as to the present and past; and which involves, indirectly, at least, the whole subject of our duty to Mexico as a neighboring State. The exercise of power of the United States in that country to redress the wrongs and protect the rights of our citizens, is none the less to be desired because efficient and necessary aid may thus be rendered at the same time to restore peace and order to Mexico itself. In the accomplishment of this result the people of the United States must necessarily feel a deep interest. Mexico ought to be a rich, prosperous and powerful Republic. She possesses an extensive Territory, a fertile soil, and an incalculable store of mineral wealth. She occupies an important position between the Gulf and the Ocean for transit routes and for commerce. Is it possible that such a country as this can be given up to anarchy and ruin without any effort from any quarter for its rescue and its safety? Will the commercial nations of the world, which have so many interests connected with it, remain wholly indifferent to such a result?

NO REMEDY WITHOUT AID FROM THE UNITED STATES.

Can the United States, especially, which ought to share most largely in its commercial intercourse, allow their immediate neighbor thus to destroy itself and injure them? Yet, without support from some quarter, it is impossible to perceive how Mexico can resume her position among nations, and enter upon a career which promises any good results. The aid which she requires, and which the interest of all commercial countries require that she should have, it belongs to this Government to render, not only by virtue of our neighborhood to Mexico, along whose territory we have a continuous frontier of nearly 3,000 miles, but by virtue also of our established policy, which is inconsistent with the intervention of any European power in the domestic concerns of that Republic.

The wrongs which we have suffered from Mexico are before the world, and must deeply impress every American citizen. A government which is either unable or unwilling to redress such wrongs is deficient in its highest duties. The difficulty consists in selecting and enforcing the remedy. We may in vain apply to the Constitutional Government at Vera Cruz—although it is well disposed to do us justice—for adequate redress. Whilst its authority is acknowledged in all the important ports and throughout the sea coasts of the Republic, its power does not extend to the City of Mexico and to States in its vicinity where nearly all the recent outrages have been committed on American citizens.

AN ARMED INTERVENTION AND OCCUPATION OF MEXICO RECOMMENDED.

We must penetrate into the interior before we can reach the offenders; and this can only be done by passing through the territory in the occupation of the Constitutional Government. The most expeditious and least difficult mode of accomplishing the object will be to act in concert with that government. Their consent and their aid might, I believe, be obtained; but, if not, our obligation to protect our own citizens in their rights, secured by treaty, would not be the less imperative.

For these reasons, I recommend to Congress to pass a law authorizing the President, under such conditions as they may deem expedient, to employ a sufficient military force to enter Mexico for the purpose of obtaining "indemnity for the past and security for the future." I purposely refrain from any suggestion as to whether this force shall consist of regular troops, or volunteers, or both. This question may be most appropriately left to the decision of Congress. I would merely observe that, should volunteers be selected, such a force could be easily raised in this country among those who sympathize with the sufferings of our unfortunate fellow citizens in Mexico, and with the unhappy condition of that Republic. Such an accession to the forces of the Constitutional Government would enable it soon to reach the City of Mexico, and extend its power over the whole Republic. In that event, there is no reason to doubt that the just claims of our citizens would be satisfied, and adequate redress obtained for the injuries inflicted upon them. The Constitutional Government has ever evinced a strong desire to uphold justice; and this might be secured in advance by a preliminary treaty.

OBJECTIONS TO THIS POLICY ANTICIPATED AND ANSWERED.

It may be said that these measures will, at least indirectly, be inconsistent with our wise and settled policy not to interfere in the domestic concerns of foreign nations. But does not the present case fairly constitute an exception? An adjoining Republic is in a state of anarchy and confusion, from which she has proved wholly unable to extricate herself; she is entirely destitute of the forces to maintain peace upon her borders, or to prevent the incursions of banditti into her territory.

In her fate and her fortune, and her power to establish and maintain a settled government, we have a far deeper interest socially, commercially, and politically, than any other nation. She is now a wreck upon the ocean, drifting about as she is impelled by different factions. As good neighbors shall we not extend her a helping hand, to save her? If we do not it would not be surprising should some other nation undertake the task and thus force us to interfere at last, under circumstances of increased difficulty, for the maintenance of our established policy.

ARMED OCCUPATION OF SONORA AND CHILIHUAHA.

I repeat the recommendation contained in my last Annual Message, that authority may be given to the President to establish one or more temporary military posts across the Mexican line in Sonora and Chihuahua, where there may be necessary to protect the lives of American and Mexican citizens against the incursions and depredations of the Indians, as well as lawless rovers in that remote region. The establishment of one such post at a point called Arispe, in Sonora, in a country now almost depopulated by the hostile inroads of the Indians from our side of the line, would, it is believed, have prevented much injury and many cruelties during the past season. A state of lawlessness and violence prevailed in that distant frontier. Life and property are there wholly insecure.

TERRITORIAL GOVERNMENT FOR ARIZONA RECOMMENDED.

The population of Arizona now numbering more than 30,000 souls, are practically destitute of government, of laws, and other

regular administration of justice. Murder, rapine, and other crimes, are committed with impunity. I therefore again call the attention of Congress to the necessity of establishing a Territorial government over Arizona.

OUR RELATIONS WITH NICARAGUA.

The treaty with Nicaragua of the 16th February, 1859, to which I referred in my last Annual Message, failed to receive the ratification of the Government of that Republic, for reasons I need not enumerate. A similar treaty has been since concluded between the parties bearing date on the 16th March, 1859, which has already been ratified by the Nicaraguan Congress. This will be immediately submitted to the Senate for their ratification. Its provisions can not, I think, fail to be acceptable to the people of both countries.

CLAIMS AGAINST THE CENTRAL AMERICAN GOVERNMENT.

Our claims against the governments of Costa Rica and Nicaragua, remain unredressed, though they are pressed in an earnest manner, and not without hope of success.

PROTECTION OF THE ISTHMIAN TRANSIT.

I deem it to be my duty, once more, earnestly to recommend to Congress the passage of a law authorizing the President to employ the naval force at his command for the purpose of protecting the lives and property of American citizens passing in transit across the Panama, Nicaragua, and Tehuantepec routes, against sudden and lawless outbreaks and depredations. I shall not repeat the arguments employed in former messages in support of this measure. Suffice it to say, that the lives of many of our people, and the security of vast amounts of treasure passing and re-passing over one or more of these routes between the Atlantic and Pacific may be deeply involved in the action of Congress on this subject.

SUGGESTION TO ENTRUST THE WAR-MAKING OR WAR-DECLARING POWER TO THE PRESIDENT.

I would also recommend Congress that authority be given to the President to employ the naval force to protect American merchant vessels, their crews, and cargoes against violent and lawless seizure and confiscation in the ports of Mexico and the Spanish American States, when these countries may be in disturbed and revolutionary condition. The mere knowledge that such an authority has been conferred as I have already stated would of itself, in a great degree, prevent the evil; neither would this require any additional appropriation for the naval service.

OBJECTION ANTICIPATED AND ANSWERED.

The objection urged against the grant of this authority is that Congress by conferring it would violate the Constitution—that it would be a transfer of the war-making, or, strictly speaking, the war-declaring power to the Executive. If this were well founded, it would of course be conclusive. A very brief examination, however, will place the object at rest. Congress possesses the sole and exclusive power, under the Constitution, to declare war. They alone can raise and support armies, and provide and maintain a navy.

After Congress shall have declared war—provided the force necessary to carry it on—the President, as commander-in-chief of the army and navy, can also employ this force in marching against an enemy. This is the plain language; and history proves that it was the known intention of the framers of the Constitution. It will not be denied that general power to declare war is without limitation, and embraces within it not only what the writers on the law of nations term a public or perfect war, but also an imperfect war; in short, every species of hostility, however confined or limited. Without the authority of Congress, the President cannot fire a hostile gun in any case, except to repel the attack of an enemy. It will not be doubted that under this power, Congress could, if they thought proper, authorize the President to employ the force at his command to seize a vessel belonging to an American citizen, who had been illegally and unjustly captured in a foreign port, and restore it to its owner. But can Congress only act after the fact, long after the mischief has been done? Have they no power to confer upon the President the authority, in advance, to furnish instant redress, should such a case afterwards occur? Must they wait until the mischief has been done? Can they apply the remedy only when it is too late?

THE PRESIDENT THINKS CONGRESS CAN EMPLOY HIM TO MAKE WAR.

To confer this authority to meet future cases, under circumstances strictly specified, is as clear within the war-declaring power as such an authority conferred upon the President by the act of Congress after the deed has been done. In the progress of a great nation, many exigencies must arise, imperatively requiring that Congress should authorize the President to act promptly on certain conditions which may or may not afterwards arise.

Our history has already presented a number of such cases. I will refer only to the latest, under the resolution of June 2d, 1858, for the adjustment of difficulties with the Republic of Paraguay. The President is authorized to adopt such measures and use such force as in his judgment may be necessary and advisable, in the event of a refusal of just satisfaction by the government of Paraguay. Satisfaction for what? For the attack upon the United States steamer Water Witch, and other matters referred to in the Annual Message of the President. Here the power is expressly granted, upon the condition that the government of Paraguay shall refuse to render this just satisfaction. In this and other similar cases, Congress has conferred upon the President power in advance, to employ the army and navy upon the happening of contingent future events; and this most certainly is embraced within the power to declare war. Now, if this conditional contingent power could be constitutionally conferred upon the President, in the case of Paraguay, why may it not be conferred for the purpose of protecting the lives and property of American citizens, in the event that they may be violently and unlawfully attacked, in passing over the transit routes, to and from California, or assailed by the seizure of their vessels in foreign ports? To deny this power is to render the navy, in a great degree, useless for the protection of American citizens, in countries where protection nor redress can be otherwise obtained.

THE FAILURE OF CONGRESS TO PASS APPROPRIATION BILLS.

The 35th Congress terminated on the 3d of March, 1859, without having passed the act making appropriations for the service of the Post Office Department during the fiscal year ending the 30th of June, 1860. This act also contained an appropriation to supply deficiencies in the Post Office Department for the year ending 30th of June, 1859. I believe this is the first instance since the origin of the Federal Government, now more than seventy years ago, when any Congress went out of existence without having passed the general appropriation bills necessary to carry on the Government until the regular period for the meeting of a new Congress. This event imposed on the Executive a grave responsibility. It presented a choice of evils. Had this omission of duty occurred at the first session of the last Congress, the remedy would have been plain. I might then have instantly recalled them to complete their duty, and this without expense to the Government. But on the 4th of March last there were fifteen of the thirty-three States which had not elected any Representatives to the present Congress. Had Congress been called together immediately, these States would have been virtually disfranchised. If an intermediate period had been selected, several of the States would have been compelled to hold an extra session of their Legislatures, at great inconvenience and expense, to provide for elections at an earlier day than that previously fixed by law. In the regular course, ten of these States would not elect till after the beginning of August, and five of these ten not till October and November. On the other hand, when I came to examine closely the condition of the Post Office Department, I did not meet so many or great difficulties as I had apprehended. Had the bill which failed been confined to appropriations for the fiscal year ending on 30th June next, there would have been no reason of pressing importance for the call of an extra session. Nothing would have come due on contracts—those with railroad companies only excepted—for carrying the mail for the first quarter of the present fiscal year, commencing the first of July, until the first of December—less than one week before the meeting of the present Congress. The reason is, that mail contractors for this, the current year, did not complete their first quarter's service until the 4th of September; and by the terms of their contracts, sixty days more are allowed for the settlement of their accounts before the Department could be called upon for payment. The great difficulty and the great hardships consisted in the failure to provide for the payment of the deficiency in the fiscal year ending 30th June, 1859. The Department had entered into contracts, in obedience to the existing laws for the services of that fiscal year, and the contractors were fairly entitled to their compensation as it became due. The deficiency, as stated in the bill, amounted to \$3,838,728; but after a careful settlement of all these accounts, it has been ascertained that it amounted to \$4,896,009. With the scanty means at his command, the Postmaster General has managed to pay that portion of the deficiency which accrued in the first two quarters of the past fiscal year ending on the 31st December last. In the meantime, the contractors themselves, under these trying circumstances, have behaved in a manner worthy of all commendation. They had one resource in the midst of their embarrassment. After the amount due to each of them had been ascertained and finally settled according to law, they became a specific debt of record against the United States, which enabled them to borrow money. On this questionable security, still they were obliged to pay interest; and in consequence of the default of Congress, and on every principle of justice, they ought to receive interest from the Government. This interest should commence from the date when a warrant would have issued for the payment of the principal, had an appropriation been made for the purpose. Calculated up to 1st December, it will not exceed \$95,660—a sum not to be taken into account when contrasted with the difficulties and embarrassments of a public and private character, both to the people and the States, which would have resulted from convening and holding a special session of Congress. For these reasons, I recommend the passage of a bill at an early day as may be practicable, to provide for the payment of the amount, with interest due, to those mentioned contractors, as well as to make the necessary appropriation for the service of the Post Office Department for the current fiscal year.

THE FINANCIAL CONDITION OF THE COUNTRY.

We have yet scarcely recovered from the habits of extravagant expenditure produced by an overflowing treasury, during several years prior to the commencement of my Administration. The financial reverses which we have since experienced, ought to teach us all to scrutinize our expenditures with the greatest vigilance, and reduce them to the lowest possible point. The Executive Departments of the Government have devoted themselves to the accomplishment of this object, with considerable success, as will appear from their different reports and estimates. To these I invite the scrutiny of Congress, for the purpose of reducing them still lower, if this be practically consistent with the great public interests of the country. In aid of the policy of retrenchment, I pledge myself to examine closely the bills appropriating land or money, so that if any of these should inadvertently pass both Houses, as must sometimes be the case, I may afford them the opportunity for reconsideration. At the same time, we ought never to forget that true public economy consists in not withholding the means necessary to accomplish important national objects, confided to us by the Constitution, but in taking care that the money appropriated for these purposes shall be faithfully and frugally expended.

It will appear from the Report of the Secretary of the Treasury that it is extremely doubtful, to say the least, whether we shall be able to pass through the present and the next fiscal year without providing a additional revenue. This can only be accomplished by strictly confining the appropriations within the estimates of the different Departments, without making an allowance for any additional expenditures which Congress may think proper in their discretion to authorize, without providing for the redemption of any portion of the twenty million dollars of Treasury notes which have been already issued, in the event of a deficiency, which I consider probable. This ought never to be supplied by a resort to additional loans. It would be a ruinous practice, in the days of peace and prosperity, to go on increasing the national debt to meet the ordinary expenses of Government. This policy would cripple our resources, and impair our credit in case the exigency of war should render it necessary to borrow money. Should such a deficiency occur, as apprehended, I would recommend that the necessary revenue be raised by an increase of present duties on imports. I need not repeat the opinions expressed in my last annual message as to the best mode and manner of accomplishing this object, and shall now merely observe that these have since undergone no change.

THE REPORT OF THE SECRETARY OF THE TREASURY WILL EXPLAIN IN DETAIL THE OPERATIONS OF THAT DEPARTMENT OF THE GOVERNMENT.

The receipts into the Treasury during the fiscal year ending 30th June, 1859, amounted to \$83,751,511 39. Of this sum, \$17,405,285 44 were applied to the payment of interest on the public debt and the redemption of the issues of Treasury notes. The expenditures for all other branches of the public service during that fiscal year were therefore \$66,346,226 13.

The balance remaining in the Treasury on the 1st July, 1859, being the commencement of the present fiscal year, was \$4,339,275 54.

The receipts into the Treasury during the first quarter of the present fiscal year, commencing July 1st, 1859, were \$20,618,865 85.

Of this amount \$9,821,300 was received on account of the loan and the issue of Treasury notes, the amount of \$16,797,558 85 having been received during the quarter from the ordinary sources of the public revenue.

The estimates receipts for the remaining three quarters of the present fiscal year, to 30th June, 1860, are \$50,420,400. Of this amount, it is estimated that \$5,756,400 will be received by Treasury notes which may be re-issued under the 5th section of the act of 2d March last; and \$1,170,000 on account of the loan authorized by the act of June 14th, 1858—making \$6,927,400 from these extraordinary sources, and \$43,500,000 from the ordinary sources of the public revenue; making an aggregate, with the balance in the Treasury on 1st July, 1859, of \$73,384,541 89 for the estimated means of the present fiscal year, ending 30th June, 1860.

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since then ever of the vast importance of this Railroad. I have never doubted the constitutional competency of Congress to provide for its construction, but this exclusively under the war-making power. Besides, the Constitution expressly requires, as an imperative duty, that the United States shall protect each of the States against invasion. I am at a loss to conceive how this protection can be afforded to California and Oregon against such a naval power by any other means. I repeat the opinion contained in my last annual message, that it would be inexpedient for the Government to undertake this great work by agents of its own appointment, and under its direct and exclusive control. This would increase the patronage of the Executive to a dangerous extent, and would foster a system of jobbing and corruption, which no vigilance on the part of Federal officials could prevent. The construction of this road ought, therefore, to be entrusted to incorporated companies, or other agencies, who would exercise that active and vigilant supervision over it which can be supplied alone by a sense of corporate and individual interest. I venture to assert that the additional cost of transporting troops, munitions of war, and necessary supplies for the army, across the vast intervening plains, to our possessions on the Pacific, would be greater in such a war than the whole amount required to construct the road; and yet, this resort would after all be inadequate for their defense and protection.

THE PACIFIC RAILROAD.

We have yet scarcely recovered from the habits of extravagant expenditure produced by an overflowing treasury, during several years prior to the commencement of my Administration. The financial reverses which we have since experienced, ought to teach us all to scrutinize our expenditures with the greatest vigilance, and reduce them to the lowest possible point. The Executive Departments of the Government have devoted themselves to the accomplishment of this object, with considerable success, as will appear from their different reports and estimates. To these I invite the scrutiny of Congress, for the purpose of reducing them still lower, if this be practically consistent with the great public interests of the country. In aid of the policy of retrenchment, I pledge myself to examine closely the bills appropriating land or money, so that if any of these should inadvertently pass both Houses, as must sometimes be the case, I may afford them the opportunity for reconsideration. At the same time, we ought never to forget that true public economy consists in not withholding the means necessary to accomplish important national objects, confided to us by the Constitution, but in taking care that the money appropriated for these purposes shall be faithfully and frugally expended.

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The estimated expenditures during the remaining three quarters, to June 30th, 1860, are \$40,995,558 23, of which sum \$2,886,621 34 are estimated for the interest on the public debt.

The ascertained and estimated expenditures for the fiscal year ending 30th June, 1860, on account of the public debt, are, accordingly, \$7,550,988 10; and for the ordinary expenditure of the government \$72,451,744 89—making an aggregate of \$80,002,732 99, leaving an estimated balance in the Treasury on the 30th June, 1860 of \$14,381,808 40.

The estimated receipts during the next fiscal year ending 30th June, 1861, are \$69,714,928 79. Of this amount, \$3,386,621 34 will be required to pay the interest on the public debt, leaving the sum of \$66,328,307 45 for the estimated ordinary expenses during the fiscal year ending 30th June, 1861. Upon this estimate, a balance will be left in the Treasury on the 29th June, 1861, of \$13,500,870 61. But this balance, as well as that estimated to remain in the Treasury on the 1st July, 1860, will be reduced by such appropriations as shall be made by law to carry into effect certain Indian treaties during the present fiscal year, as provided for by the Secretary of the Interior, to the amount of \$559,250; and upon the estimates of the Postmaster General, for the service of his department during the last fiscal year, ending 30th June, 1859, amounting to \$1,299,009, together with the further estimates of that officer for the service of the present fiscal year, ending 30th June, being \$5,526,324—making an aggregate of \$10,384,583 63.

Should these appropriations be made as requested by the proper Departments, the balance in the Treasury on the 30th of June 1860, will not, it is estimated, exceed \$3,530,106 61.

I transmit herewith the reports of the Secretaries of War, of the Navy, of the Interior, and of the Postmaster General. They each contain valuable information and important recommendations well worthy of the serious consideration of Congress.

It will appear from the report of the Secretary of War, that the Army expenditures have been materially reduced, by a system of rigid economy, which, in his opinion, offers every guarantee that the reduction will be permanent. The estimates of the Department for the next year have been reduced nearly 2,000,000 below the estimates for the present fiscal year, and \$500,000 below the amount granted for this year, at the last session of Congress.

The expenditures of the Post Office Department during the past fiscal year ending on the 30th June, 1859, exclusive of payments for mail service specially provided by Congress out of the General Treasury amounted to \$14,944,433 33, and its receipts to \$7,978,484 07—showing a deficiency to be supplied from the Treasury of \$6,965,949 26, amounting to \$5,235,077 15, for the year ending 30th June, 1859.

The increased cost of transportation growing out of the expansion of the service required by Congress explains this rapid augmentation of the expenditures. It is gratifying, however, to observe an increase of receipts for the year ending 30th June, 1859, equal to \$181,601 21 compared with those of the year ending 30th June, 1858. It is estimated that the deficiency for the current fiscal year will be \$9,988,431 04—but that for the year ending 30th June 1851, it will not exceed \$1,342,473 00 should Congress adopt the measures referred to in the report of the Postmaster General.

Since the month of March retrenchments have been made in expenditures, amounting to \$186,471 annually, which, however, did not take effect till after the commencement of the present fiscal year. The postal services have arrived for determining the question whether this department shall become a permanent and ever increasing charge upon the Treasury, or be permitted to resume the self-sustaining policy which has so long controlled its administration. The course of legislation recommended by the Postmaster General for the relief of the department from its present embarrassments and for restoring it to its original independence, is deserving of your early and earnest consideration.

In conclusion, I would again commend to the just liberality of Congress, the local interests of the District of Columbia. Surely, the city bearing the name of Washington, and destined, I trust, for ages to be the Capital of our united, free and prosperous confederacy, has strong claims on our favorable regard. JAMES BUCHANAN.

The Oregon Argus.

W. L. ADAMS, EDITOR.

OREGON CITY:

SATURDAY, FEBRUARY 4, 1860.

CALIFORNIA SENATOR.—Milton S. Latham has been elected by the Legislature of California to fill the vacancy in the U. S. Senate caused by the death of D. C. Broderick. Mr. Latham is a young man, not more than thirty-three years of age, but of considerable ability. He had just been inaugurated Governor of the State, to which office he was elected last September. He was a Representative from California in the 34th Congress. Gov. Weller was largely ahead in caucus for the nomination for Senator, lacking only two or three votes of a nomination, while Latham was not even a candidate, but upon the arrival of the report of Gov. Weller's disunion speech in the U. S. Senate, Weller was immediately dropped, as he was considered an adherent of Gwin's. The election of Latham is considered as a rebuke to the hoary-headed disunionist, and his influence and that of his confederate Weller is regarded as forever broken in California. Gwin will probably return to Mississippi, which State he properly represents, while Weller will pack up his 'duds,' and wend his way to the State, having learned that "mighty mean men go office in Oregon."

TEMPERANCE ADDRESS.—Amory Holbrook, Esq. delivered a splendid address on Temperance at the Methodist Church in this city last Tuesday evening, before the Division of the Sons of Temperance. The house was filled to overflowing by an audience that gave undivided attention throughout to his remarks. Mr. Holbrook excelled even himself on this occasion, and his effort will add greatly to his already widely extended reputation in Oregon as a public lecturer.

FRUIT.—We are indebted to J. W. Ladd, Esq. of the Montrose Farm, near Butteville, for a box of Tompkins County King apples, a new variety in Oregon. We have tried them, and find the apples to be very nice, indeed, and fairly priced. This apple has lately been very highly praised in the Atlantic States. Mr. Ladd writes us that the tree is very thrifty and hardy, and an early bearer.