

REMAKE OF PRECEDING PAGE

ENTERPRISE. SUPPLEMENT.

OREGON CITY, DECEMBER 8, 1866.

[From the Daily Oregonian of December 6th, 1866.]
PRESIDENT'S MESSAGE.

Fellow Citizens of the Senate
and House of Representatives:

After a brief interval the Congress of the United States resumes its annual legislative labors. An all-wise and merciful providence has abated the pestilence which visited our shores, leaving its calamitous traces upon some portions of our country. Peace, order, tranquility and civil authority have been formally declared to exist throughout the whole of the United States. Civil authority has superseded the usurpation of arms, and the people by voluntary exertions are maintaining their government in full activity and complete operation. The enforcement of the laws is no longer obstructed in any place by combinations too powerful to be suppressed by the ordinary course of judicial proceedings. The animosities engendered by the blockade and the recent insurrection have been rapidly yielding to the kindly influences of our free institutions, and to the kindly efforts of unresisting social and commercial intercourse. An entire restoration of fraternal feeling must be the earnest wish of every patriotic heart, and we will have accomplished our greatest national achievement when, forgetting the sad events of the past and remembering only their instructive lessons, we resume our onward career as free, prosperous and united people.

In my message of the 4th of December, 1865, Congress was informed of the measures which had been instituted by the executive with a view to the gradual restoration of the States in which the insurrection occurred, to their former relations with the General Government. Provisional Governors had been appointed, Conventions called, Governors elected, Legislatures assembled and Senators and Representatives chosen to the Congress of the United States, and the work of reconstruction had been commenced. The laws long in abeyance, the blockade removed, custom houses re-established, and the internal revenue laws put in force in order that the people might contribute to the internal income. Postal operations had been renewed and efforts were being made to restore them to their former condition and efficiency. The States themselves had been asked to take part in the high functions of amending the Constitution, thus sanctioning the extinction of African slavery as one of the legitimate results of our struggle. Having progressed thus far, the Executive had found that it had accomplished nearly all that was within the scope of its Constitutional authority. One thing, however, yet remained to be done before the work of restoration could be accomplished, and that was the admission to Congress of loyal Senators and Representatives for the States where the people had rebelled against the lawful authority of the General Government. This question devolved upon the respective Houses which, by the Constitution, are made the judges of the election returns and qualifications of their own members, and its consideration at once engaged the attention of Congress. In the mean time the Executive plan having been proposed by Congress (?) continued its efforts to perfect as far as was practicable the restoration of the proper relation between the citizens of the respective States and the Federal Government, extending from time to time what the public interests seemed to require to the judicial, revenue and postal systems of the country. With the advice and consent of the Senate the necessary officers were appointed, and appropriations were made by Congress for the payment of their salaries. The proposition to amend the Federal Constitution, more than one-fourth of the whole number remained without representation. The seats of fifty members in the House of Representatives, and of twenty members in the Senate, are yet vacant, not by their own consent, not by a fractiousness of electors, but by the refusal of Congress to accept their credentials. Their admission, it is believed, would have accomplished much toward the renewal and strengthening of our relations as one people and removed a serious cause for discontent on the part of the inhabitants of these States. It would have accorded with the great principle enunciated in the Declaration of American Independence, that no people ought to be taxed without their consent, and yet denied the right of representation. It would have been in consonance with the express provisions of the Constitution that each State shall have at least one representative, and that no State without its consent shall be deprived of its equal suffrage in the Senate. Those provisions were intended to secure to every State, and to the people of every State, the right of representation in each House of Congress; and so important was it deemed by the framers of the Constitution that the equality of the States should be preserved, that not even by an amendment of the Constitution can any State without its consent be denied a voice in that branch of the national Legislature. It is true that it has been assumed that the existence of States was terminated by rebellion and the acts of their inhabitants, and that the insurrection having been suppressed, they were thenceforward to be considered merely as conquered territory. The legislative, executive and judicial departments of the government have, however, with great distinctness refused to sanction an assumption so incompatible with the nature of our republican system and the professed objects of the war.

Throughout the recent session of Congress the undeniable fact makes itself apparent that the political communities are nothing less than the States of this Union. At the very commencement of the rebellion, each house declared with a unanimity as remarkable as it was significant, that the war was not waged upon our side in a partisan spirit of oppression, nor for any purpose of conquest or subjugation, nor for the purpose of overthrowing or interfering with the rights or established institutions of the States, but to defend and maintain the supremacy of the Constitution and all laws made in pursuance thereof, and to preserve the Union with all its dignity, equality and rights of the several States undiminished, and that as soon as these objects were accomplished the war ought to cease. In some instances Senators were permitted to continue their legislative functions, while in other instances Representatives were

selected and admitted to seats after their States had formally declared their rights to withdraw from the Union, and were endeavoring to maintain that right by force of arms.

All of the States whose people were in insurrection as States, were included in the apportionment of direct tax of twenty millions of dollars annually laid upon the United States by an act approved on the 5th of August, 1861. Congress by the act of March 4th, 1862, and by the apportionment of representation thereunder, also recognized their presence as States in the Union, and they have for judicial purposes been divided into districts as States alone can be divided. The same recognition appears in the recent legislation in reference to Tennessee which evidently rests upon the fact that the functions of the State were not destroyed by the rebellion, but merely suspended, and that principle is of course as applicable to these States which, like Tennessee, attempted to renounce their place in the Union. The action of the Executive Department of the Government upon this subject has been equally definite and uniform and the purpose of the war was stated in the proclamation issued by my predecessor on the 22d of September, 1862. It was then solemnly proclaimed and declared that hereafter, as heretofore, the war will be prosecuted for the object of practically restoring the constitutional relations between the United States and such of the States and the people thereof, in which States that relation is or may be suspended or disturbed. The recognition of the States by the judicial department of the Government has also been clear and conclusive in all its proceedings affecting them as States and in the Supreme, Circuit, and District Courts.

In the admission of Senators and Representatives from any and all the States there can be no just grounds of apprehension that persons who are disloyal will be clothed with the powers of legislation, for this could not happen when the Constitution and the laws are enforced by a vigilant and faithful Congress. Each House is made the judge of the election, returns, and qualifications of its own members, and may, with the concurrence of two-thirds expel a member. When a Senator or Representative presents his certificate of election he may at once be admitted or rejected; or should there be any question as to his eligibility his credentials may be referred for investigation to the appropriate committees, and if admitted to a seat it must be upon evidence satisfactory to the House of which he thus becomes a member, that he possesses the right Constitutional and legal qualifications. If refused admission as a member for want of due allegiance to the Government and returned to his constituents, they are admonished that none but persons loyal to the United States will be allowed a voice in the legislative councils of the nation, and that the political power and the moral influence of Congress are thus effectively exerted in the interests of loyalty to the Government and fidelity to the Union. Upon this question so vitally affecting the restoration of the Union and the permanency of our present form of government, my convictions heretofore expressed have undergone no change, but on the contrary their correctness has been confirmed by reflection and time. The admission of loyal members to seats in the respective Houses of Congress was wise and expedient a year ago, it is no less wise and expedient now. If in the exact condition of these States at the present time it is lawful to exclude them from representation, I do not see that the question will be changed by the efflux of time. Ten years hence, if these States remain as they are, the right of representation will be no stronger, the right of exclusion will be no weaker.

The Constitution of the United States makes it the duty of the President to recommend to the consideration of Congress such measures as he shall judge necessary or expedient. I know of no measure more imperatively demanded by every consideration of national interests, sound policy and equal justice, than the admission of loyal members from the non-represented States. This would consummate the work of restoration and exert a most salutary influence in the re-establishment of peace, harmony and fraternal feeling. It would tend greatly to renew the confidence of the American people in the vigor of their institutions. It would bind us more closely together as a nation and enable us to show to the world the inherent and recuperative power of a Government founded upon the will of the people, and established upon the principles of liberty, justice and intelligence. It would increase our strength and enhance our prosperity. It would irrefragably demonstrate the fallacy of the arguments against free institutions drawn from our recent national disorders by the enemies of Republican government. The admission of loyal members from these States now excluded from Congress, allaying doubt and apprehensions, would turn capital now awaiting an opportunity for investment into the channels of trade and industry. It would alleviate the present troubled condition of these States, and by inducing emigration aid in the settlement of fertile regions now uncultivated, and lead to an increased productiveness of those staples which have added so greatly to the wealth of the nation and the commerce of the world. New fields of enterprise would be opened to our progressive people, and soon the all traces of our domestic differences effaced from the minds of our countrymen.

In our efforts to preserve the unity of the government which constitutes us one people, by restoring the States to the condition which they held prior to the rebellion, we should be cautious lest having rescued our nation from the perils of threatened disintegration, we turn to consolidation and in the end finally absolute despotism as a reward for the recurrence of similar troubles. (?) The war having terminated and with it all occasion for the exercise of power of doubtful constitutionality, we should hasten to bring legislation within the boundaries prescribed by the constitution and return to the ancient landmarks established by our fathers for the guidance of succeeding generations. The Constitution which at any time exists until changed by an explicit and authentic act of the whole people, is sacredly obligatory upon all. In the opinion of the people the distribution or modification of the constitutional powers is in any peculiar, wrong, let it be corrected by an amendment in the way in which the constitution designates; but let there be change by usurpation, and forms are destroyed. Washington spoke these words to his countrymen when, followed by their love and gratitude, he voluntarily retired from the care of public life: "Keep all things within the pale of our constitutional powers, and cherish the general union as the only rock of safety." This was prescribed by Jefferson as a rule of action to his countrymen. He enjoined them to study the true principles of their constitution, and promote a union of sentiments and action equally auspicious to their happiness and safety. Jackson held that the action of the General Government should always be strictly confined to the sphere of its appropriate duties, and justly and forcibly urged that our Government is not to be maintained, nor our union preserved, by the invasion of the rights and powers of the several States. In this I am firmly persuaded. Our General Government strong, we make it weak. Its true strength consists in leaving individuals and States as much as possible to themselves; in making itself felt, not in its protection; not in binding the States more closely to the centre, but leaving each to move unobstructed in its proper constitutional orbit.

Wise are the teachings of men whose deeds and services have made them illustrious and long-since withdrawn from the scenes of life have left to their country the rich legacy of their example, their wisdom and their patriotism. Receiving inspirations from their lessons let us emulate them in

love of country and respect for the Constitution and the laws.

THE TREASURY.

The report of the Secretary of the Treasury affords much information respecting the revenue and commerce of the country. His views upon the currency and with reference to a proper adjustment of our revenue system, internal as well as external, are commended to the careful consideration of Congress. In my last annual message I expressed my general views upon these subjects. I need now only call attention to the necessity of carrying into every department of the government a system of a rigid accountability, retrenchment and wise economy with no exceptional or unusual expenditures. The oppressive burdens of taxation can be lessened by such a modification of our revenue system as will be consistent with public faith and the legitimate and necessary wants of the government. The report presents a number of more satisfactory conditions of our finances than one year ago the most sanguine could have anticipated. During the fiscal year ending the 30th of June 1865, the last year of the war, the public debts were increased \$941,902,537, and on the 31st of October, 1865, it amounted to \$2,740,554,750, and on the 31st of October, 1866, it had been reduced to the sum of \$2,190,960,000. The amount during a period of fourteen months, commencing September 15th, 1865, and ending October 31st, 1866, having been \$206,379,565. In the last annual report on the state of the finances, it was estimated that on the 30th of June last, the debt would be increased \$112,194,947. During that period, however, it was reduced \$31,196,285, the receipts of the year having been \$89,905,905 more, and the expenditures \$20,709,620 less than the estimate. Nothing could more clearly indicate than these statements the extent and availability of the national resources and the rapidity and safety with which under our form of government great military and naval establishments can be disbursed and expenses reduced from a war to a peace footing. During the fiscal year ending the 30th of June 1866, the receipts were \$85,632,620 and the expenditures \$220,759,949 leaving an available surplus of \$327,281,680. It is estimated that receipts for the fiscal year ending 30th June, 1867, will be \$175,061,286 and that expenditures will reach the sum of \$316,428,078, leaving in the Treasury a surplus of \$158,633,208. For the fiscal year ending the 30th of June, 1868, it is estimated that the receipts will amount to \$267,641,000 and the expenditures will be \$350,267,641, showing an excess of \$85,752,359 in favor of the Treasury. These estimated receipts may be diminished by a reduction of excess on import duties, but after all necessary reductions have been made the revenue of the present and of following years will doubtless be sufficient to cover legitimate charges on the treasury and leave a large annual surplus to be applied to the payment of the principal of the debt. There can be no good reason why taxes may not be reduced and the country advanced in population and wealth, and its debts be extinguished within the next quarter of a century.

THE WAR DEPARTMENT.

The report of the Secretary of War furnishes valuable and important information in reference to the operations of his department during the past year. Few volunteers now remain in the service, and they are being discharged as rapidly as they can be replaced by regular troops. The army has been promptly paid, carefully provided with medical treatment, and regularly supplied and concentrated. The fortifications on the coasts and frontiers have received, or is being prepared, for more powerful armaments. Lake surveys and harbor and river improvements are in course of energetic prosecution. Preparations have been made for the payment of the additional bonus authorized during the recent session of Congress, under such regulations as will protect the Government from fraud and secure to the honorably discharged soldiers the well earned reward of his faithfulness and gallantry. More than six hundred maimed soldiers have received artificial limbs or their surgical operations, and forty-one national cemeteries containing the remains of 105,326 union soldiers have already been established. The total estimate of military appropriation is \$25,205,600.

NAVY DEPARTMENT.

It is stated in the report of the Secretary of the Navy that the naval force at this time consists of 278 vessels, armed with 2,351 guns. Of these, 115 vessels are rapidly organized and equipped. The number of men in the service is 13,600. Great activity and energy have been displayed by all squadrons, and their movements have been judicious and efficiently arranged, in such manner as would best promote American commerce abroad. The vessels unemployed are undergoing repairs, or are laid up until their service may be required. The most desolate and dangerous island, in the vicinity of Philadelphia—a place which, until decisive action shall be taken by Congress, was selected by the Secretary of the Navy as the most eligible location for that class of vessels. It is important that a suitable public station for these vessels shall be in proper condition for any emergency, and it is desirable that the hill, which passed the House at its last session, should receive its final action at an early period, in order that there may be a suitable public station for this class of vessels, as well as a navy yard of an area sufficient for the wants of the service in the Delaware river. The naval position fund amounts to \$11,750,000, having been increased \$2,750,000 during the fiscal year ending 30th of June last, and the estimates for the coming year amount to \$23,568,436. Attention is directed to the condition of our seamen and the importance of legislative measures for their relief and improvement. The suggestions in behalf of this deserving class of our fellow citizens are earnestly recommended to the favorable action of Congress.

POST OFFICE DEPARTMENT.

The report of the Postmaster General presents a most satisfactory condition of the postal service, and submits recommendations which deserve the consideration of Congress. The receipts of the year ending June 30th, 1866, were \$14,386,986, and the expenditure \$15,353,079, showing an excess of the latter of \$965,093. In anticipation of this deficiency, however, a special appropriation was made by Congress in the Act approved July 28th, 1866, including the standing appropriation of \$700,000 for free mail carriers, which, as a legitimate portion of revenue, yet remains unexpended. The actual deficiency for the past year is \$265,093, a sum within \$51,141 of the amount estimated in the annual report of 1866. The decrease of revenue compared with the previous year, was one and one-half per cent., and the increase of expenditures, owing principally to the enlargement of the mail service in the South, was twelve per cent. On the 30th of June last there was in operation 6,930 mail routes, with an aggregate length of 180,221 miles, with an aggregate annual transportation of 7,183,794 miles, and an aggregate annual cost, including all expenditures, of \$8,401,184. The length of railroad routes is 22,092 miles, and the annual transportation 3,000,967 miles. The length of steamboat routes is 143,460 miles, and the annual transportation 3,411,962 miles. The mail service is rapidly increasing

throughout the whole country, and its steady extension in the Southern States indicates their constantly improving condition. The great importance of the foreign service also merits attention. The Post Office Department of Great Britain and our own have agreed upon a preliminary basis for a Postal Convention which, it is believed, will prove eminently beneficial to the commercial interests of the United States, inasmuch as it contemplates a reduction of the international letter postage one-half the existing rates, a reduction of postage with all other countries, to and from which correspondence is transmitted in the British mails, or in mails through the United Kingdom, the establishment of a uniform and reasonable charge for these, a territorial transit of correspondence, inclosed mails and an allowance to each post-office establishment under authority of mail communication established under authority of the other for the dispatch of correspondence either in open or closed mail, on the same terms as those applicable to the inhabitants of the country providing means of transportation.

DEPARTMENT OF THE INTERIOR.

The report of the Secretary of the Interior exhibits the condition of those branches of the public service which are committed to his supervision. During the last fiscal year 4,623,312 acres of public land were disposed of, 1,892,516 acres of which were entered under the homestead act. The policy originally adopted relative to the public lands, has undergone essential modifications. Immediate revenue, and not the rapid settlement was the cardinal feature of our land system. Long experience and earnest discussions have resulted in the conviction that the development of our agricultural resources and the diffusion of our energetic population over our vast territory, are objects of far greater importance to the national growth and prosperity than the proceeds of the sale of the land to the highest bidder in open market. The preemption policy confer upon the pioneer who complies with the terms they impose, the privilege of purchasing a limited portion of offered lands at the minimum price. The homestead enactment releases the settler from payment of purchase money and secures him a permanent home upon condition of residence for a term of years. This liberal policy invites from the older, and from the more crowded portions of the new world, its propitious results are undoubted and will be more signally manifested when time shall have given to it a wide development. Congress has granted liberal grants of public lands to corporations in aid of the construction of railroads and other internal improvements. Should this policy hereafter prevail, more stringent provisions will be required to secure a faithful application of the lands. The title to the lands should not pass by patent or otherwise, but remain in the government and subject to its control until some portion of the road has been actually built. Portions of them might then from time to time be conveyed to the proprietor, but never in a greater ratio to the whole quantity embraced by the grants than the completed parts bear to the entire length of the projected improvement. This restriction would not operate to the prejudice of any undertaking conceived in good faith and executed with reasonable energy. It is the settled practice to withdraw from the market the lands falling within the operations of such grants and thus to exclude the inception of subsequent speculative rights, or breach of the conditions for which Congress may deem it proper to impose upon such a forfeiture of claims as will protect the Government from fraud and title to the lands conveyed which remain unsold. [This part is unintelligible.—Ed.] Operations on the several lines of the Pacific Railroad have been prosecuted with unexampled vigor and success. Should unforeseen cause of delay occur, it is confidently anticipated that this great thoroughfare will be completed before the expiration of the period designated by Congress.

PENSIONERS.

During the last fiscal year the amount paid to pensioners, including the expenses of disbursement, was \$13,459,370, and 50,177 names were added to the pension rolls. The entire number of pensioners in June 30, 1866, was 126,722. These acts furnish a melancholy and striking proof of the sacrifices made to vindicate the constitutional authority of the Federal Government, and maintain inviolate the integrity of the Union. They impose upon us corresponding obligations. It is estimated that the pension bill will be required to meet the exigencies of this branch of the service during the next fiscal year.

INDIANS.

Treaties have been concluded with the Indians who entered into armed opposition to our Government at the outbreak of the rebellion, and have unconditionally submitted to our authority, and manifested a desire for a renewal of friendly relations.

PATENTS.

During the year ending Sept. 30th, 1866, 8,756 patents for useful inventions and designs were issued. At that date the balance in the Treasury to the credit of the patent fund was \$225,297.

THE MISSISSIPPI RIVER.

As a subject upon which depends an immense amount of the productive commerce of the country, I recommend to Congress such legislation as may be necessary for the preservation of the levees of the Mississippi river. It is a matter of national importance that every step should be taken, not only to add to the efficiency of these barriers against destructive inundations, but for the removal of all obstructions to the free and safe navigation of that great channel of trade and commerce.

THE DISTRICT OF COLUMBIA.

Under existing laws, is not entitled to that representation in the National Councils which from earliest history has been uniformly accorded to every other territory, established from time to time within our limits. It maintains peculiar relations to Congress, to whom the Constitution has granted the power of exercising exclusive legislation over the Seat of Government. Our fellow citizens residing in the District whose interests are thus confided to the guardianship of Congress exceed in number the population of several of our Territories, and no just reason is conceived why a Delegate of their choice should not be admitted to a seat in the House. No mode seems so appropriate and effectual of enabling them to make known their peculiar condition and wants and of securing the local legislation adapted to them. I therefore recommend the passage of a law authorizing the electors of the District of Columbia to choose a Delegate to be allowed the same rights and privileges as a Delegate representing a Territory. The increasing enterprise and rapid progress of improvements in the District are highly gratifying and I trust that the efforts of the municipal authorities to promote the prosperity of the national metropolis will secure the encouragement and generous co-operation of Congress.

AGRICULTURAL BUREAU.

The report of the Commissioner of the Agricultural Bureau shows the operations of this department during the past year, and asks the aid of Congress in its efforts to encourage those States which were scourged by war and are now earnestly engaged in the reorganization of domestic industry. It is a subject of congratulation that no further combinations against our domestic peace and our safety or our legitimate influence among the nations have been formed or attempted, while sentiments of reconciliation, loyalty and patriotism have increased at home. A more just consideration of our national character and rights has been manifested by foreign nations. The entire success of the Atlantic telegraphic cable between

the coast of Ireland and the Province of Newfoundland, is an achievement which has been justly greeted in both hemispheres as the opening of an era in the progress of civilization. There is reason to expect that equal success will attend, and even greater results follow, the enterprise for connecting the continents through the Pacific Ocean, by the projected line of telegraph between Kamschatka and the Russian Possessions, in America. The resolution of Congress, protesting against pardons by foreign Governments of persons convicted of infamous offenses on condition of emigration to our country, has been communicated to the States with which we maintain intercourse, and the practice, so justly the subject of complaint on our part, has not been renewed.

The congratulations of Congress to the Emperor of Russia upon his escape from an attempted assassination, have been presented to that humane and enlightened ruler and received by him with expressions of grateful appreciation. The Executive is warned of an attempt by Spanish American adventurers to induce the emigration of the freedmen of the United States to a foreign country. He protested against this project as one which if consummated, would reduce them to bondage more oppressive than that from which they had just been released. Assurances have been received from the government of the State in which the plan was matured, that the proceedings will not meet with its encouragement or approval. It is a question worthy of your consideration whether our laws upon this subject are adequate to the prevention or punishment of the crime thus meditated.

FRANCE AND THE MEXICAN QUESTION.

In the month of April, as Congress is aware, a friendly arrangement was made between the Emperor of France and the President of the United States, for the withdrawal from Mexico of the French expeditionary military force. The withdrawal was to be effected in three detachments, the first of which it was understood would leave Mexico in November, the second in March, and the third and last in November, 1867. Immediately upon completion of the evacuation, the French government was to assume the same attitude of non-interference in regard to Mexico as is held by the Government of the United States. Repeated assurances have been given by the Emperor since that agreement that he would complete the promised evacuation within the period mentioned or sooner. It was reasonably expected that the proceedings thus contemplated would produce a crisis of great political interest in the republic of Mexico. The newly appointed Minister of the United States, Mr. Campbell, was therefore sent forward on the 29th day of March last to assume his proper functions as Minister Plenipotentiary of the United States to that Republic. It was also thought expedient that he should be attended in the vicinity of Mexico by the Lieutenant General of the army of the United States, with a view of obtaining information as might be important to determine the course to be pursued by the United States in re-establishing and maintaining the necessary and proper intercourse with the Republic of Mexico. Deeply interested in the cause of liberty and humanity, it seemed an obvious duty on our part to exercise whatever influence we possessed for the restoration and permanent establishment in that country of a democratic and republican form of government. Such was the condition of affairs in regard to Mexico, when, on the 22d of November, official information was received from Paris that the Emperor of France had sometime before decided not to withdraw his forces in the month of November last, according to his agreement but that this decision was made with the purpose of withdrawing the whole of the force in the ensuing spring. Of this determination, however, the United States had not received any notice or intimation, and as soon as the information was received by the Government, care was taken to make known its dissent to the Emperor of France. I cannot forget the hope that France will reconsider the subject and adopt some resolution in regard to the evacuation of Mexico which will conform as nearly as possible with the existing engagement and thus meet the general expectation of the United States. The papers relating to the subject will be laid before you. It is believed that with the evacuation of Mexico by the expeditionary forces, no subject for serious differences between France and the United States remains. The expressions of the Emperor and the people of France warrant a hope that the traditional friendship between the two countries might in that case be renewed and permanently restored. A claim of a citizen of the United States for indemnity for spoliation committed on the high seas by the French authorities in the exercise of a belligerent power against Mexico has been taken up by the government of France, with a proposition to defer settlement until a mutual convention for the adjustment of all claims arising out of the recent wars on this continent, shall be agreed upon by the two countries. The suggestion is not deemed unreasonable, but it belongs to Congress to decide the manner in which claims for indemnity for foreigners as well as by citizens of the United States, arising out of the late civil war, shall be adjusted and determined. There is no doubt but the subject of all such claims will engage your attention.

OUR DIFFERENCES WITH GREAT BRITAIN.

It is a matter of regret that no considerable advances have been made towards an adjustment of the differences between the United States and Great Britain arising out of the deprivations upon our national commerce and other trespasses committed during our civil war by British subjects in violation of international law and treaty obligations. The delay, however, may be believed to have resulted in no small degree from the domestic situation of Great Britain. A new change of ministry occurred in that country during the last session of Parliament. The attention of the new Ministry was called to the subject at an early day, and there is some reason to expect that it will now be considered in a becoming and friendly spirit. The importance of an early disposition of the question cannot be exaggerated. Whatever might be the wishes of the two governments, it is manifest that good will and friendship between the two countries cannot be established until a reciprocity in the practice of good faith and neutrality shall be restored between the respective nations. On the 9th of June last, in violation of our neutrality laws, a military expedition and enterprise against the British North American Colonies, was projected and attempted to be carried on within the territory and jurisdiction of the United States. In obedience to the obligations imposed on the Executive by the Constitution, to see that the laws are faithfully executed, all citizens were warned by proclamation against taking part in or aiding such unlawful proceedings, and the proper military and naval officers were directed to take all necessary means for the enforcement of the laws. The expedition failed but is not without its painful consequences. Some of our citizens who it was alleged were engaged in the expedition were captured and have been brought to trial for a capital offense in the province of Canada. Judgment and sentence of death have been pronounced against some, while others have been acquitted. Fully believing in the maxim of Government, that severity of civil punishment for misguided persons who have engaged in revolutionary attempts which have disastrously failed, is unsound and unwise, such representations have been made to the British Government in behalf of the convicted persons as being sustained by an enlightened and humane judgment, it is hoped will induce in their case the exercise of clemency and a judicious amnesty to all who were engaged in the movement. Counsel has been employed by the Government to defend citizens of the United States on trial for capital offenses in Canada and a discontinuance of the