PRESIDENT'S MESSAGE.

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

The interest, with which the people of a Republic contemplate the assembling of a Congress, and the fulfilment, on that occasion, of the duty imposed upon a new President, is one of the best evidences of their capacity to realize the hopes of the founders of the political system, at once so complex and symmetrical. While the different branches of the government are, to a certain extent, independent of each other, the duties of all, within their respective relations to the source of power. Proceeding directly under this system, no man is so high, and none can be humble, in the scale of public station, as to escape from the supervision, or to be exempt from the responsibility, which all official functions imply.

Upon the justice and intelligence of the masses, in a government thus organized, to the ultimate reliance of the confederacy, and the only security for honest and earnest devotion to its interests, against the ever restless and encroachments of power on the one hand, and the spirit of personal ambition on the other.

The interests of which I have spoken to be inseparable from an unperverted, and progressing community, but stimulated, disturbed, at the present time, by the unsettled condition of our relations with several foreign powers; by the new obligations resulting from a sudden extension of the field of enterprise; by the spirit with which that field has been explored, and the amazing energy with which its resources for meeting the demands of humanity have been developed.

Although disease, assuming at one time the characteristics of a wide spread and devastating pestilence, has left its sad traces upon many portions of our country, we still have the most abundant cause for reverent thankfulness to God for an overabundance of signal mercies showered upon us as a nation. It is well that a consciousness of rapid advancement and increasing strength be habitually associated with all striking sense of dependence upon Him who holds in his hands the destiny of nations and of nations.

Reconciling the wisdom of the broad principle of absolute religious toleration, proclaimed in our fundamental law, and regulating in the benign influence which it has exerted upon our social and political conditions. I should shrink from a clear duty, did I fail to express my deepest conviction that we can place no secure reliance [illegible] apparent progress if it is not encircled by nations in purity, resting upon the great truths affirmed and illustrated by divine revelation. In the order of our service for the afflicted and suffering it has been consoling to see how promptly disaster made true neighbors of districts and cities separated widely from each other, and observing to watch for a breath of that common land of brotherhood which unites all hearts in all parts of the Union when danger threatens from abroad. Our calamity imposes none of us a home.

Our diplomatic relations with foreign powers have undergone no essential change since the adjournment of Congress. With some of them [illegible] of a friendly character [illegible] are good reason [illegible] be entertained that these may also be speedily [illegible].

For some years past [illegible] has been convulsed by the struggle of the [illegible] to regain the [illegible] which they had [illegible] by the treaty of 1783. The United States have [illegible] neutrality, but stimulated by [illegible] sympathy for the people struggling [illegible] a way to claim for humanity [illegible] rights which they had [illegible] without malice [illegible] While [illegible] all difficulties [illegible] the rights of [illegible] fixed by [illegible] and to regulate trade between the United States and the British North American provinces a negotiation has been opened which a fair prospect of a favorable result. To protect our fellow citizens in the enjoyment of their rights, and prevent collision between them and British fishermen, I deemed it expedient to station a naval force in that quarter during the fishing season.

Embarrassing questions have also arisen between the two governments in regard to Central America. Great Britain has proposed to [illegible] by an amicable arrangement, and a minister at London is instructed to enter into negotiations on the subject.

A commission for adjusting the claims of our citizens against Great Britain, and those of British subjects against the United States, organized under the convention of the 8th of February last, is now sitting in London for the transaction of business.

It is as many respects desirable that the boundary line between the United States and the British provinces on the north west, as designated in the convention of 15th of June 1846, and especially that part which separates the Territory of Washington from the British possessions on the north should be traced and marked. I therefore present the subject to your notice.

With Prussia our relations continue on the most friendly footing. The extensive commerce between the United States and that country might, it is believed be increased from some unnecessary restrictions to the mutual advantage of both parties. With a view to this object some progress has been made in negotiating a treaty of commerce and navigation.

Independently of our valuable trade with Spain we have important political relations with her, growing out of our neighborhood to the Islands of Cuba and Porto Rico. I am happy to announce that, since the last Congress, no attempts have been made, by unauthorized expeditions within the United States, against either of those colonies. Should any movement be manifested within our limits, all the means at my command will be promptly exerted to repress it. Cases of deserting occurrences have taken place at Havana, or in the vicinity of the island of Cuba, between our citizens and the Spanish authorities. Considerations of the proximity of that island to our shores, and the [illegible] ing as it does, in the track of [illegible] towns some our principal cities, and the [illegible] relations with which [illegible] consequence, particularly urge the United States to [illegible] guarded by a [illegible] of such occurrences may well be apprehended. As no diplomatic intercourse is allowed between our consul at Havana and the Captain General of Cuba, ready explanations cannot be made, or prompt redress afforded, where injury has resulted. All complaints on the part of our citizens, under the present arrangement, must be, in the first place, presented to this [illegible] examined and then referred to Spain again refers it to her local authorities [illegible] Cuba for investigation, and [illegible] so forever till she has heard from those authorities. To avoid these irritating and vexatious delays, a proposition has been made to provide for a direct appeal for redress to the Captain-General by our consul on behalf of our injured fellow citizens. Hitherto the government of Spain has declined to enter into any such arrangements. This course on her part is deeply regretted, for without some arrangement of this kind, the good understanding between the two countries may be exposed to occasional interruptions. Our minister at Madrid is instructed to renew the proposition, and to press it again upon the consideration of her Catholic Majesty's government.

For several years Spain has been urging the attention of this government to a claim for losses, by some of her subjects, in the case of the schooner Amistad. This claim is believed to rest on the allegations imposed by our existing treaty with that country. Its justice was admitted in our diplomatic correspondence with the Spanish government as early as March, 1847, and one of my predecessors urged, in his annual message of that year, a recommendation that provision should be made for its payment. In January last it was again submitted to Congress by the Executive. It has received a favorable consideration by committees of both branches, but as yet there has been no final action upon it. I commend it to your favorable consideration, particularly as the [illegible] faith requires its prompt adjustment, and I present it to your early and favorable consideration.

Martin Koszta, a Hungarian by birth came to this country in 1850, and declared his intention, in due form of law, to become a citizen of the United States. After remaining here nearly two years, he visited Turkey. While at Smyrna he was forcibly seized, taken on board an Austrian brig of war, then lying in the harbor of that place, and there confined in irons, with the avowed design to take him into the dominions of Austria. Our consul at Smyrna and legation at Constantinople interposed for his release, but their efforts were ineffectual. While thus imprisoned, Commander Ingraham, with the U. S. ship of war St. Louis arrived at Smyrna, and, after inquiring into the circumstances of the case, came to the conclusion that Koszta was entitled to the protection of this government, and took prompt and energetic measures for his release. Under an arrangement between the agents of the United States and of Austria he was transferred to the custody of the French consul general at Smyrna there to remain until he should be disposed of by the mutual agreement of the consuls of the respective governments at that place. Pursuant to that agreement he has been released, and is now in the United States. The Emperor of Austria has made the conduct of our officers who took part in this transaction a subject of grave complaint. Regarding Koszta as still less subject, and claiming a right to seize him within the limits of the Turkish empire, he has demanded of this government its consent to the surrender of the prisoner, a disavowal of the acts of its agents, and satisfaction for the alleged outrage. After a careful consideration of the case, I came to the conclusion that Koszta was seized without legal authority at Smyrna, that he was wrongfully detained on board of the Austrian brig of war, that at the time of his seizure, he was clothed with the nationality of the United States, and that the acts of our officers, under the circumstances of the case, were justifiable, and their conduct has been fully approved by me, and a compliance with the several demands of the Emperor of Austria has been declined.

For a more full account of the transaction and my views in regard to it, I refer to the correspondence between the charge to the affairs of Austria and the Secretary of State, which is herewith transmitted. The principles and policy therein maintained on the part of the United States, will, whenever a proper occasion occurs, be applied and enforced.

The condition of China, at this time, renders it probable that some important changes will occur in that vast empire, which will lead to a more unrestricted intercourse with it. The commissioner to that country, who has been recently appointed, is instructed to avail himself of favorable occasions to open and extend our commercial relations, not only with the empire of China, but with other Asiatic nations.

In 1852, an expedition was sent to Japan, under the command of Commodore Perry, for the purpose of opening commercial intercourse with that island. Intelligence has been received of his arrival there, and of his having made known to the Emperor of Japan the object of the visit; but it is not yet ascertained how far the Emperor will be disposed to abandon his restrictive policy, and open this populous country to a commercial intercourse with the United States.

It has been my earnest desire to maintain friendly intercourse with the governments upon this continent, and lasting them in preserving a good understanding among themselves. With Mexico a dispute has arisen as to the true boundary line between our territory of New Mexico and the Mexican State of Chihuahua. A former commissioner under the United States, employed in running the line pursuant to the treaty of [illegible] made a certain [illegible] the initial point [illegible] much as [illegible] persons from the [illegible] for the boundary contained [illegible] was not concurred [illegible] objected on the part of the United States, and [illegible] a different view of the subject.

There are also other subjects of considerable magnitude pending between the two republics. Our minister in Mexico had ample instructions to adjust them. No negotiations have been opened, but sufficient progress has not been made thereto to enable me to speak of the probable result. Impressed with the importance of maintaining amicable relations with that republic, and of yielding with liberality to all her just claims, it is reasonable to expect that an arrangement mutually satisfactory to both countries may be concluded, and a lasting friendship between them confirmed and perpetuated.

Congress having provided for a full mission to the states of Central America, a minister was sent thither in July last. As yet he has had time to visit only one of those States (Nicaragua) where he was received in the most friendly manner. It is to be hoped that his presence and good offices will have a benign effect in commencing the dissensions which prevail among them, and in re-establishing all more intimate and friendly relations between them respectively, and between each of them and the United States.

We are thus not only at peace with all foreign countries but in regard to political affairs, are exempt from any cause of serious disquietude in our domestic relations.

The controversies which have agitated the country heretofore are passing away with the causes which produced them, and the passions which they had awakened, or if any trace of them remains, it may be reasonably hoped that it will only be preserved as the zealous rivalry of all good citizens to signify their respect for the rights of the States, the constitution, the welfare and [illegible] peace shall be held alike sacred, under the sacred ægis of the constitution.

The new vague of amity and of reciprocal confidence which sprung into birth on the [illegible] of the republic have entered happily [illegible] and opportunity for the consideration of a more comprehensive and unembarrassed [illegible] of policy and action, as to the great material interests of the country, whether regarded in themselves or in connection with the powers of the civilized world.

The United States have continued gradually and steadily to expand through the acquisition of territory, which, how unpleasant some of them may have been questioned are now universally seen and admitted to have been wise in policy, just in character and a great element in the advancement of the human race in freedom, in prosperity, and in happiness. The thirteen States have grown to thirty one, with relations reaching to Europe on the one side and reaching to the other to the distant realms of Asia.

Considering the vast regions of this continent and the number of States which would be made accessible by the free navigation of the river Amazon, particular attention has been given to this subject — Brazil, through whose territories it passes into the ocean, has hitherto persisted in a policy so restrictive in regard to the use of this river, as to obstruct, and nearly exclude foreign commercial intercourse with the States which lie upon its tributaries and upper branches. Our minister to that country is instructed to obtain a relaxation of that policy, and to use his efforts to induce the Brazilian government to open the river to us under proper safeguards, as the great natural highway for international trade. Several of the South American States are deeply interested in this attempt to secure the free navigation of the Amazon, and it is reasonable to expect their co-operation in the measure. As the advantages of free commercial intercourse among nations are better understood, more liberal views are generally entertained as to the common rights of all to the free use of those means which nature has provided for international communication. To these more liberal and enlightened views, it is hoped that Brazil will conform her policy, and remove all unnecessary restrictions upon the free use of a river, which traverses so many States and so large a part of the continent. I am happy to inform you that the republic of Paraguay and the Argentine Confederation have yielded to the liberal policy still [illegible] in regard to the navigation of [illegible] their respective territories. Five conventions with [illegible] among others have been negotiated with these governments, which will be submitted to the Senate at the present session.

A new branch of commerce important to the agricultural interests of the U. S. has, within a few years past been opened with Peru. Notwithstanding the inexhaustible deposits of guano upon the islands of that country considerable difficulties are experienced in obtaining the requisite supply. Measures have been taken to remove these difficulties, and to secure a more [illegible] operation of the article. Unfortunately [illegible] has been a serious [illegible] for it, and the Peruvian authorities, detained there. [illegible] the outrages committed by the [illegible] promptly demanded by our [illegible] time. This subject is now [illegible] there is reason to [illegible] Peru in the [illegible] to settle [illegible] to the [illegible] to the approved [illegible].

I am deeply [illegible] the important responsibility which [illegible] magistrate of the republic, [illegible] country and [illegible] the [illegible] of the [illegible] part of the administration of [illegible] the [illegible] in the [illegible] the [illegible] the [illegible] is, first, to call [illegible] on the wisdom and patriotism of the two Houses of Congress; and, secondly, to the direction afforded me by the principles of each [illegible] the [illegible] of the [illegible] of 1789, manifested by long experience, and consecrated anew by the overwhelming voice of the people of the United [illegible].

[illegible] these principles [illegible] conscientiously [illegible] perceive [illegible] are the foundations on the degree of the federal government, restricted, in its [illegible] to certain [illegible] portments, the legislative, executive and judicial; all the subsidiary power, the popular force, and the large capacities for social and material development, exist in the respective States, which, all being of themselves well constituted republics, as they preceded so they alone are capable of maintaining and perpetuating the American Union. The federal government has its appropriate line of action in the specific and limited powers conferred on it by the constitution, chiefly as to those things in which the States have a common interest in their relations to one another, and to foreign governments, while the great mass of its cares which belong to civilized men the ordinary business of life, the springs of industry, all the diversified personal and domestic affairs of society, rest entirely upon the general reserved power of the people of the several States — There is the effective democracy of the nation and there the vital essence of its being and its greatness.

Of the practical consequences which flow from the nature of the federal government the primary one is the duty of administering with integrity and fidelity the high trust reposed in it by the constitution, especially in the application of the public funds as drawn by taxation from the people, and appropriated to specific objects by Congress.

Happily I have on occasion to suggest any radical changes in the financial policy of the government. There is almost, if not absolutely, the solitary power of Christendom having a surplus revenue, during [illegible] commerce, and therefore unembarrassed by the spontaneous enterprise and national prosperity of the country, with such indirect relation to agriculture, manufactures, and the products of the earth as [illegible] to violate no constitutional [illegible] and yet vigorously promote the general welfare. Neither as to the sources of the public treasure, nor as to the manner of keeping and managing it, does any grave controversy now prevail; there being a general acquiescence in the wisdom of the present system.

The Report of the Secretary of the Treasury will exhibit, in detail, the state of the public finances, and the condition of the various branches of the public service administered by that department of the government.

The revenue of the country, levied almost insensibly to the tax payer, goes on from year to year increasing beyond [illegible] the interests or the prospective wants of the government.

At the close of the fiscal year ending June 30, 1852, there remained in the treasury a balance of $14,632,135. The public receipts for the fiscal year ending June 30, 1853, amounted to $54,931,895 from customs, and to $2,405,726 from [illegible] lands and other miscellaneous sources, amounting together to $61,000,000, while the public expenditures for the same period, exclusive of payments on account of the public debt, amounted to $45,543,262, leaving a balance of $32,475,447 of receipts above expenditures.

This fact, of increasing surplus in the treasury, became the subject of anxious consideration at a very early period of my administration, and the path of duty in regard to it seemed to me obvious and clear, namely: first, to apply the surplus revenue to the discharge of the public debt, so far as it could judiciously be done; and secondly, to devise means for the gradual reduction of the revenue to the standard of the public exigencies.

Of those objects the first has been in the course of accomplishment, to a manner and to a degree highly satisfactory. The amount of the public debt, of all classes, was, on the 4th of March, 1853, $[illegible],190,31[illegible]; payments on account of which have been made, since that period, to the amount of $12,703,329, leaving unpaid, and in the continuous course of liquidation, the sum of $[illegible],[illegible]. These payments, although made at the market price of the respective classes of stocks have been effected readily, and to the general advantage of the treasury, and have at the same time proved of signal utility in the relief they have incidentally afforded to the money market and to the industrial and commercial pursuits of the country.

The second of the objects mentioned, that of the reduction of the tariff is of great importance, and the plan suggested by the Secretary of the Treasury, which is to reduce the duties on certain articles, and to add to the free list many articles now taxed, and especially such as enter into manufactures, and are not largely, or at all, produced in the country, is recommended to your candid and careful consideration.

You will find in the report of the Secretary of the Treasury, also, abundant proof of the entire adequacy of the present fiscal system to meet all the requirements of the public service, and that, while properly administered, it operates to the advantage of the community in every business relation.

I [illegible] ask your attention to [illegible] improvements to the [illegible] especially as regards the [illegible] of connecting ocean with ocean, and of other subjects in the [illegible] intrusted by the Secretary to the [illegible] progress made in the superintendence of the [illegible] the [illegible] of the [illegible] the [illegible] the city of [illegible] by Congress; and also to the [illegible] of the Capitol, and of the Light-house Board.

Among the [illegible] power [illegible] the [illegible] Mary[illegible] [illegible] and [illegible] [illegible] [illegible]