The New Orleans Bee.

OFFICE 73 CHARTRES STREET. | NEW ORLEANS, TUESDAY MORNING, DECEMBER 7, 1869. | 43d YEAR—Vol. XLIII.—Whole—14,923

THE NEW ORLEANS DAILY BEE

DUFOUR & LIMET, PUBLISHERS,

No. 73 CHARTRES Street.

TERMS OF THE BEE.

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The Semi-Weekly is published every Tuesday and Saturday. Subscription, $5 per annum, invariably in advance.

Rates of Advertising—Transient advertisement having the run of the paper, first insertion, $1 50 per square; each subsequent insertion, 75 cents per square.

First or Editorial Page, transient advertisements, each insertion, $1 50 per square.

Advertisements inserted at intervals to be charged as new each insertion.

First or Editorial Page, monthly advertisements, each square, $7 net per month.

Regular advertisers, who advertise largely, shall be allowed such discount from the above named transient rates as may be agreed upon. In no case shall such discount exceed 25 per cent.

A Business Notice of Advertisements to be charged 20 cents net per line, each insertion.

A transient advertisement must be paid for in advance.

Advertisements not marked for any number of insertions, will be published six times.

All bills with regular advertisers shall be rendered monthly.

Semi-Weekly Edition.

TERMS—PER YEAR.....$5

NEW ORLEANS:

TUESDAY MORNING, DEC. 7, 1869.

THE GEORGE ALCES' CIGARS,

185.....Rampart Street.....185

Amusements This Evening.

ACADEMY OF MUSIC.—"Lady Audley's Secret," Mrs Bowers.

VARIETIES THEATRE.—"Slow Smight" and the "Victims," Owens and Floyd.

ST. CHARLES THEATRE.—Mr. Chanfrau, "Kit, or the Arkansas Traveler."

CRESCENT CITY MUSEUM.—Opposite the St. Charles Hotel.

PEOPLE'S BANK OF NEW ORLEANS.—The stockholders of this Corporation met on the 1st December 1869, at No. 9 St. Louis street, R. M. Davis was called to the chair, A. D. Doriocourt was appointed Secretary. The charter of the Bank was read, approved and signed by the stockholders.

The following gentlemen were chosen Directors: R. M. Davis, Joseph David, A Roussel, G W Dunbar, Richard England, A. Sicola, P. Salard, M. Bowling, F. Jaufroid.

The Directors met at the same place on the 3d December, 1869, and proceeded to the election of the officers of the Bank, and the gentlemen hereafter named were unanimously elected: R M Davis, President; Chs. Kerr, Cashier; G. H. Braughn, Attorney; A D. Doriocourt, Notary.

AMUSEMENTS.—There was a fine attendance at all the theatres last night, and the performances generally good. Our notices are crowded out by the President's message.

The Preside t's Message.

The length of the President's message and the late hour at which it was delivered to us, precludes a review of the curious document in this issue. There are portions of it which have evidently been composed by Grant himself, while other portions bear the earmarks of those around him. The introductory part, it has been estimated, was written by Attorney General Hoar, and we should judge from certain expressions a New England man had a hand in it. Although there are some errors chargeable to the telegraph, the general style and tone of the message enables us to say that is in remarkable contrast with the scholarly productions of most of the Presidents. What other Grant may be as a military man he doubt not handle a pen, and should remember the old adage that "a shoemaker should stick to his last."

FELLOW CITIZENS OF THE SENATE AND HOUSE OF REPRESENTATIVES:

In coming before you for the first time as Chief Magistrate of this great nation, it is with gratitude to the giver of all good for the many benefits we enjoy. We are blessed with peace at home, with no entangling alliance abroad to forebode trouble. With a territory unsurpassed in fertility, of area equal to the absolute top part of five hundred millions of people, abounding in every variety of useful mineral, in quantity sufficient to supply the world for generations; exhaustless of timber and a variety of climate adapted to the production of every species of earth's riches, suited to the habits, tastes and requirements of every living thing; a population of forty millions of free people, speaking one language; facilities for every mortal to acquire education, instruction and information, the avenues of fame or any blessing of fortune that may be coveted; freedom of pulpit, press and school, revenue from the national treasury beyond the requirements of Government. Happily, harmony is being rapidly restored within our borders, manufactures hitherto unknown in our country are springing up in all sections, producing a degree of national independence unequalled by any other power. These blessings and contributions others are entitled to your care and mine for safe keeping, for a time of office. In a short time, at most, each of us will return to the ranks of the people, who have conferred our honors and account to them for our stewardship. I patiently desire that neither you nor I may be condemned by a free and enlightened constituency, nor by our own conscience, for failing from a rebellious of almost magnitude, such as it was by the sympathies and assistance of nations with which we are at peace, eleven States of the Union went, four years ago, left without legal State Governments. A National debt had been contracted. American commerce was almost driven from the ocean. The industry of one-half the country had been taken from the control of capitalists and placed where all labor rightfully belongs, in the keeping of the laborer. The work of restoring State Governments, loyal to the Union, of protecting and fostering free labor, providing for the interest of the country on the public debt have received ample attention from Congress, although your efforts have not met with success in all the particulars it might have been desired, yet on the whole, they have been more successful than could have been reasonably anticipated. Of the eleven States which passed ordinances of secession seven have been fully restored to their place in the Union, the eighth—Georgia—held an election, at which she ratified her Constitution, the Legislature met and passed all of their acts then required of them, by the reconstruction Acts of Congress. Subsequently, however, in violation of the Constitution which they had just ratified—as since decided by the Supreme Court of the Nation—expelled the colored members of the Legislature and admitted to seats some members who are disqualified by the third clause of the fourteenth amendment to the Constitution of the United States, an article which they themselves had contributed to ratify.

Under these circumstances, I would submit to you whether it would not be wise, without delay, to enact a law authorizing the Governor of Georgia to convene the members originally elected to the Legislature, requiring each to take the oath prescribed by the reconstruction acts, and those to be admitted who are ineligible under the third clause of the fourteenth amendment. The freedmen, under the protection which they have received, are making rapid progress in learning, and in acquiring property. Many of them own homes, and are heard of lack of industry on their parts wherever they receive fair remuneration for their labor. The amount provided for paying the interest on the public debt, with all other expenses of Government, are more than ample. The loyal citizens complain that the entire revenue of the late rebellion, which has not received sufficient attention from you. To this subject I call your earnest attention. I will not now suggest plans by which this object may be effected, but will, if necessary, make it the subject of a special message during the session of Congress at the March term. Congress, by joint resolution, authorized the Executive to order elections in the States of Virginia, Mississippi and Texas to ratify or reject the constitutions which each had previously framed, and submit the Constitutions either entire or in separate parts to be voted upon at the discretion of the Executive. Under this authority elections were called. In Virginia the election took place on the 6th of July. The Governor and Lieutenant Governor elected have been installed, the Legislature met and did all that was required by the reconstruction acts and all the reconstruction acts of Congress, and stands from all doubtful authority. I recommend that her Senators and Representatives be promptly admitted to their seats, and that the State be fully restored to its place in the family of States. Elections were called in Mississippi, and failed to commence on the 30th November, as the law continues two days; in Mississippi and four days in Texas. Therefore no votes have taken place. I recommend that Congress hope that the acts of the Legislature of these States, when they meet, will be such as to receive your approval, and thus close the work of reconstruction.

THE CURRENCY

Among the evils growing out of the rebellion and not yet referred to, is that of an irredeemable currency. It is an evil, which I hope, will receive your most earnest attention. It is a duty, and one of the highest duties of Government to secure to the people a sound and uniform currency, convertibility at the option of the holder, and no substitute for it could be desired. If it could be commenced now, and reached at the earliest practicable moment, consistent with a fair regard to the interests of the debtor class. Immediate resumption, if practicable, would not be desirable, it would compel the debtor class to pay beyond their contracts, the premium on gold at the date of their purchase, and would be a heavy blow and ruin to thousands. Fluctuations, however, in paper value of the measure of all values, gold, is detrimental to the interests of trade. It makes the man of business an involuntary gambler, for in all sales where future payments are to be made, both parties speculate as to what will be the value of the currency to be paid and received. I earnestly recommend to you, then, such legislation, as will insure a gradual return to specie payments and put an immediate stop to the fluctuation in the value of the currency. The methods to secure the former of these results are numerous as speculators on political economy. To secure the latter I see but one way and that is to authorize the treasury to redeem its own paper at a fixed price, whenever presented, and to withdraw from circulation all currency so redeemed until sold again for gold. The vast resources of the nation, both developed and undeveloped, ought to make our credit the best on the earth. With a less burden of taxation than the citizen has endured for six years past, the entire public debt could be paid in ten years, but it is not desirable that people should be taxed to pay it in that time. Year by year, our ability to pay increases in rapid ratio, but the burden of interest ought to be reduced as rapidly as can be without a violation of the contract. The public debt was represented in five years past by bonds having from 5 to 20, and from 10 to 40 years to run, bearing interest at the rate of six and five per cent respectively. It is optional with the Government to pay these bonds at any period after the expiration of the least time mentioned upon their face. The time has already expired when the great part may be taken up, and rapidly approaching when all may be—it is believed that all which are now due may be replaced by bonds bearing rate interest not exceeding four and a half per cent, and rapidly as remaining bonds become due that they may be replaced in some way to accomplish this, it may be necessary to authorize interest to be paid at either of three or four of the money centres of Europe, or, by any Assistant Treasurer of the United States, at option of the holder of the bond. I suggest this subject for the consideration of Congress, and also simultaneously with this the propriety of redeeming our currency, as before suggested, at its market value, at the time the law goes into effect, increasing the rate at which the currency will be bought and sold from day to day, or week to week, at same rate of interest as Government pays upon its bonds.

TARIFFS AND INTERNAL TAXES.

The subject of tariff and internal tax will necessarily receive your attention. The revenues of the country are greater than its requirements, and may with safety be reduced, but at the funding of the debt in four or four and a half per cent. loan would reduce the annual current expenses largely, thus after funding justifying a greater reduction of taxation than would be now expedient. I suggest postponement of this question until the next meeting of Congress. It may be advisable to modify taxation and tariff in instances where unjust or burdensome discriminations are made by the present law, but a general revision of the laws regulating this subject I recommend postponement of for the present.

I also suggest a renewal of the tax on incomes, but at a reduced rate, say three per cent, and this tax to expire in three years. With the funding of the national debt as here suggested, I feel safe in saying that taxes and revenue from imports may be reduced safely from sixty to eighty millions per annum at once, and may be still further reduced from year to year as the resources of the country are developed.

The report of the Secretary of the Treasury shows the receipts of the Government for fiscal year ending June 30th to be $370,943,747, and expenditure, including interest on bonds to be $321,490,597. The estimates for the ensuing year are more favorable to the Government and will, no doubt, show a much larger decrease of the public debt. The receipts in the Treasury beyond expenditures have exceeded the amount necessary to place to the credit of the sinking fund, as provided by law. To lock up surplus in the Treasury and within 11 it from circulation would lead to such a contraction of the currency, as to cripple trade and seriously affect the prosperity of the country. Under these circumstances the Secretary of the Treasury and myself heartily concurred in propriety of putting the surplus currency in the Treasury in the purchase of Government bonds, thus reducing the interest bearing indebtedness of the country, and of submitting to Congress the question of the disposition to be made of bonds so purchased. The bonds now held by the Treasury amount to 72,000,000, including the bonds belonging to sinking fund, I recommend that the whole be placed to the credit of the sinking fund.

Your attention is respectively invited to the recommendation of the Secretary of the Treasury for the creation of the office of Commissioner of Customs revenue; for increase of the salary of certain classes of officials and subjection of increased National Bank circulation to reduction amounting three per cent. certificates, and most especially to his recommendation for repeal of laws allowing shares of fines, penalties, forfeitures, etc., officers of the Government or informers. The office of Commissioner of Internal Revenue is one of the most arduous and responsible under the Government, it falls little short of a Cabinet position in its importance and responsibilities. It would ask for it, therefore, such legislation as in your judgment will place the office upon a footing of dignity commensurate with its importance, and with a character and qualifications of class most eligible to fill it properly. As the United States is free of all nations, so too, its people, sympathize with all people struggling for liberty and self government, but while so sympathizing the due to our honor, that we should abstain from enforcing our views upon unwilling nations and from taking an interested part, without invitation, in quarrels between different nations, or between governments and their subjects.

Our course should always be in conformity with strict justice and law in international and local matters. Such has been the policy of the administration in dealing with these questions. For more than a year, a valuable province of Spain and a near neighbor of ours, in whom all our people cannot but feel interest, has been struggling for independence and freedom. The people of the United States entertain the same warm feelings and sympathies for the people in this their pending struggle that they manifested throughout the previous struggles between Spain and her former colonies, to behalf of the South American Republics. It has not been deemed advisable to recognize the belligerent rights of Cuba, or to recognize her independence, although the island has assumed conditions which amount to war, in the sense of international law or which would show a existence of a de facto political organization so as to entitle the island to a recognition of belligerency. The principle is maintained, however, that the nation is its own judge when to accord rights of belligerency, either to a people struggling to free themselves from a Government acknowledged to be legitimate, or to independent nations at war with each other. The United States have no disposition to interfere with the existing relations of Spain to her colonies, or with those of any other nation. They believe that in due time, Spain and the other European powers will find their interest in terminating these relations and establishing their present dependencies as independent powers. These dependencies are no longer regarded as subject to transfer from one European power to another. When the present relation of colonies cease they are to become independent powers, exercising the right of choice and of self-control in determination of their future condition and relations with other powers of Europe and America, in order to put a stop to the disorders in Cuba, and in the interest of a neighboring people, proposed their good offices to bring a fratricidal contest to a termination. The offer not being accepted by Spain on a basis which we believed could be received by Cuba was withdrawn. It is hoped that the good offices of the United States may yet prove advantageous for the settlement of this unequal strife. Meanwhile a number of illegal expeditions against Cuba have been broken up. It has been the endeavor of the Administration to execute the neutrality laws, no matter how obnoxious the task may be, in view of the suffering we have endured from lack of good faith toward us by other nations. On the 26 day of March last the United States schooner Lizzie Major was arrested on the high sea by a Spanish frigate and two passengers were taken and carried prisoners to Cuba. Representations of these facts were made to the Spanish Government as soon as official information reached Washington. The two passengers were set at liberty, and the Spanish Government assured the United States that the Captain of the frigate in making the capture had acted without law. Under the circumstances he has not been reprimanded, and the Spanish authorities in Cuba would not sanction any act that could violate the rights or treat with disrespect the sovereignty of this nation. The question of seizure of the brig Mary Lowell, at Habana, by Spanish authority, is now the subject of correspondence between this Government, Spain and Great Britain. The Capt General of Cuba about May last, issued a proclamation authorizing the search of vessels on the high seas for slaves. Immediate remonstrances were made against this; whereupon the Captain General issued a new proclamation, limiting the search to vessels of the United States, authorized under the treaty of 1795, this proclamation was, however, immediately withdrawn. It is not to be expected that negotiations should be continued between United States and independent nations on this compact, if it is worth such, and considering whether new treaties between us and them may not be profitably entered into to secure more intimate relations, friendly, commercial and others, of a character to connect the continents of America, the Pacific Oceans through the Isthmus.

I desire, in one in which commerce is greatly interested, further to have been given to our Minister to the United States of Colombia to endeavor to obtain authority for a survey to determine the practicability of the undertaking. In order to comply with the agreement of the United States as to a mixed commission at Lima, it will be necessary to make some necessary to send a Commissioner and Secretary to Lima. The good offices of the United States to bring about peace between Spain and South American republics have been accepted by Spain, Peru and Chili; a Congress has been invited to be held in Washington during the present session. A great has been given to Europeans of an exclusive right of transit over the territory of Nicaragua to which Great Britain has given assent which his alleged on fleta with vested rights of citizens of the United States. The Department of State has now this subject under consideration. The Minister of Peru having made representations that there was a state of war between Peru and Spain, and that Spain was constructing in and near New York, iron gunboats which might be used by Spain to retake the Spanish forces near Cuba, to operate against Peru, orders were given to prevent their departure. No further steps have been taken by the representative of the Peruvian Government to prevent the departure of these vessels and not feeling authorized to detain the property of a Nation with which we are at peace, in a manner in accordance, the matter has been referred to the Court. The conduct of the war between the allies of the Republic of Paraguay, but now of Brazil and Buenos Ayres, has given us much difficult. It has been deemed advisable to withdraw our representative from there. To avoid the charge of the last administration a Convention was signed at London for settlement of outstanding claims between Great Britain and the United States, which failed to receive the advice and consent of the Senate. The time and the circumstances attending the negotiation of that treaty were unfavorable to an acceptance by the people of the United States, and its provisions were wholly inadequate for the settlement of the grave wrongs sustained by the United States, the injuries resulting to the United States, by reason of the course adopted by Great Britain during the war, increased the rates of insurance, caused a diminution of exports and imports, and other restrictions to domestic industry and production in its effect upon the foreign commerce of the country, and added to the value of the tax for Great Britain of our commercial marine. Our complaint also consists in the prolongation of the war and the consequent loss both in treasure and in lives, of its suppression. These could not be adjusted and satisfied as ordinary commercial claims which continually arise between commercial nations, and yet the Convention treated them simply as such ordinary claims from which they differ more widely in gravity of their character than in the magnitude of their amount, great even as is their difference.

Not a word was found in the treaty, and not an inference could be drawn from it to remove the sense of the unfriendliness of the course of Great Britain in our struggle for a despotic which had so deeply and universally impressed itself upon the people of this country. Believing that a Convention thus misconceived in its character and scope, would not have prodded the hearty, cordial satisfactory of pending questions, which alone is consistent with the relations which I desire to have firmly established between the United States and Great Britain. I regarded the action of the Senate in rejecting the treaty to have been wisely taken, in the interest of peace, as a necessary step in the direction of a perfect, cordial friendship between the two countries. A settlible people, conscious of their power, are more at ease under a free wrong wholly unatoned, than under the restraint of a settlement which satisfies neither their ideas of justice nor their grave sense of the grievances they have sustained. The reception of the treaty was followed by a state of feeling on both sides which I thought not favorable to immediately attempting renewed negotiations. I accordingly instructed the Minister of the United States to Great Britain, and found that my views in this regard were shared by Her Majesty's Ministers. I hope that the time may soon arrive when the two Governments can approach the solution of this momentous question with an appreciation of what is due to the rights, dignity and honor of each, and with a determination not only to remove the causes of our complaints in the past but to lay the foundation of broad principles of public law which will prevent future differences and tend to firm and continued peace and friendship. This is now the only grave question which the United States has with any foreign nation. The question of renewing the treaty for reciprocal trade between the United States and British provinces on this Continent has been favorably considered. In conformity with the recommendation of Congress, a proposition to abolish mixed courts for the suppression of the slave trade is under negotiation.

It having come to my knowledge that a corporate company organized under British laws proposed to land upon the shores of the United States, and to operate there a submarine cable under a concession from the Emperor of the French, of an exclusive right for 20 years of telegraphic communication between the shores of France and the United States, with very objectionable feature of subjecting all messages conveyed thereby to the scrutiny and control of the French Government, I caused the French and British legations at Washington to be made acquainted with the probable policy of Congress on the subject as foreshadowed by the bill which passed the Senate in March last. This draw from the Representatives of the company an agreement to accept as the basis of their operations the provisions of a bill or such other enactment on the subject as might be passed during the approaching session of Congress; also, to use their influence to receive from the French Government a modification of their concession to conform to that of other cable belonging to any company incorporated by the authority of the United States or any State in the Union, and on their part not to oppose the establishment of any such cable. In consideration of this agreement I directed the withdrawal of all objections, by the United States, to landing the cable until the meeting of Congress. I regret to say that there has been no modification made in the company's concession, nor, so far as I can learn, have they attempted to secure one from the proper tribunal, the Legislature of the citizens of the United States from competition upon the shores of France. I recommend legislation to protect the rights of citizens of the United States and the sovereignty of the nation against such an assumption. I shall also endeavor to secure, by negotiation, an acknowledgment of the principle of monopolies in ocean telegraphic cables. The unsettled political condition of other countries, I feel convinced in our own, sometimes induces their citizens to come to the United States, for some purpose, of becoming naturalized. Having secured this, they return to their native country and reside there, without declaring their change of allegiance; they accept official positions, they visit their native land, they journey under passports describing them as such citizens, and it is only when they visit, or, perhaps years of quiet, threatens their persons or their property, or when their native State finds them liable to military service that their change of allegiance is known. They reside permanently away from the United States contribute nothing to its revenue, yet claim all rights by conferring upon them of citizens of land claimants. Invitations have been extended to the Cabinets of London, Paris, Florence, Berlin, Madrid, the Hague, Copenhagen and Stockholm to empower their representatives at Washington to simultaneously enter into negotiations with those with United States Commissioner identical in form, making uniform regulations as to the naturalization of parts of vessels to be provided for the use of vessels, regulating the quality and quantity of food, as to the medical treatment of the sick and to the rules to be observed during the voyage, in order to secure ventilation, to promote health, to prevent infection and to protect the females and protect the rights and obligations of citizens as shall effectually prevent the recurrence of the several countries for enforcing such regulations by summary process.

Your attention is respectfully called to the law regulating the tariff on Russian hemp and to the question whether to fix the charge on Russian hemp higher than duty are fixed upon Manilla, is not a subject which it may be wise to accord rights of belligerency, either to a people struggling to free themselves from a Government acknowledged to be legitimate, or to independent nations at war with each other. The United States have no disposition to interfere with the existing relations of Spain to her colonies, or with those of any other nation. They believe that in due time, Spain and the other European powers will find their interest in terminating these relations and establishing their present dependencies as independent powers. These dependencies are no longer regarded as subject to transfer from one European power to another. When the present relation of colonies cease they are to become independent powers, exercising the right of choice and of self-control in determination of their future condition and relations with other powers of Europe and America, in order to put a stop to the disorders in Cuba, and in the interest of a neighboring people, proposed their good offices to bring a fratricidal contest to a termination. The offer not being accepted by Spain on a basis which we believed could be received by Cuba was withdrawn. It is hoped that the good offices of the United States may yet prove advantageous for the settlement of this unequal strife. Meanwhile a number of illegal expeditions against Cuba have been broken up. It has been the endeavor of the Administration to execute the neutrality laws, no matter how obnoxious the task may be, in view of the suffering we have endured from lack of good faith toward us by other nations. On the 26 day of March last the United States schooner Lizzie Major was arrested on the high sea by a Spanish frigate and two passengers were taken and carried prisoners to Cuba. Representations of these facts were made to the Spanish Government as soon as official information reached Washington. The two passengers were set at liberty, and the Spanish Government assured the United States that the Captain of the frigate in making the capture had acted without law. Under the circumstances he has not been reprimanded, and the Spanish authorities in Cuba would not sanction any act that could violate the rights or treat with disrespect the sovereignty of this nation. The question of seizure of the brig Mary Lowell, at Habana, by Spanish authority, is now the subject of correspondence between this Government, Spain and Great Britain. The Capt General of Cuba about May last, issued a proclamation authorizing the search of vessels on the high seas for slaves. Immediate remonstrances were made against this; whereupon the Captain General issued a new proclamation, limiting the search to vessels of the United States, as authorized under the treaty of 1795, this proclamation was, however, immediately withdrawn. I do not feel that I can give more intimate relations should be cultivated between United States and independent nations on this compact, if it is worth such, and considering whether new treaties between us and them may not be profitably entered into to secure more intimate relations, friendly, commercial and others, of a character to connect the continents of America, the Pacific Oceans through the Isthmus.

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Your attention is respectfully called to the law regulating the tariff on Russian hemp and to the question whether to fix the charge on Russian hemp higher than duty are fixed upon Manilla, is not a subject which it may be wise to accord rights of belligerency, either to a people, struggling to free themselves from a Government acknowledged to be legitimate, or to independent nations at war with each other. The United States have no disposition to interfere with the existing relations of Spain to her colonies, or with those of any other nation. They believe that in due time, Spain and the other European powers will find their interest in terminating these relations and establishing their present dependencies as independent powers. These dependencies are no longer regarded as subject to transfer from one European power to another. When the present relation of colonies cease they are to become independent powers, exercising the right of choice and of self-control in determination of their future condition and relations with other powers of Europe and America, in order to put a stop to the disorders in Cuba, and in the interest of a neighboring people, proposed their good offices to bring a fratricidal contest to a termination. The offer not being accepted by Spain on a basis which we believed could be received by Cuba was withdrawn. It is hoped that the good offices of the United States may yet prove advantageous for the settlement of this unequal strife. Meanwhile a number of illegal expeditions against Cuba have been broken up. It has been the endeavor of the Administration to execute the neutrality laws, no matter how obnoxious the task may be, in view of the suffering we have endured from lack of good faith toward us by other nations. On the 26 day of March last the United States schooner Lizzie Major was arrested on the high sea by a Spanish frigate and two passengers were taken and carried prisoners to Cuba. Representations of these facts were made to the Spanish Government as soon as official information reached Washington. The two passengers were set at liberty, and the Spanish Government assured the United States that the Captain of the frigate in making the capture had acted without law. Under the circumstances he has not been reprimanded, and the Spanish authorities in Cuba would not sanction any act that could violate the rights or treat with disrespect the sovereignty of this nation. The question of seizure of the brig Mary Lowell, at Habana, by Spanish authority, is now the subject of correspondence between this Government, Spain and Great Britain. The Capt General of Cuba about May last, issued a proclamation authorizing the search of vessels on the high seas for slaves. Immediate remonstrances were made against this; whereupon the Captain General issued a new proclamation, limiting the search to vessels of the United States, as authorized under the treaty of 1795, this proclamation was, however, immediately withdrawn. I do not feel that I can give more intimate relations should be cultivated between United States and independent nations on this compact, if it is worth such, and considering whether new treaties between us and them may not be profitably entered into to secure more intimate relations, friendly, commercial and others, of a character to connect the continents of America, the Pacific Oceans through the Isthmus.

I desire, in one in which commerce is greatly interested, further to have been given to our Minister to the United States of Colombia to endeavor to obtain authority for a survey to determine the practicability of the undertaking. In order to comply with the agreement of the United States as to a mixed commission at Lima, it will be necessary to make some necessary to send a Commissioner and Secretary to Lima. The good offices of the United States to bring about peace between Spain and South American republics have been accepted by Spain, Peru and Chili; a Congress has been invited to be held in Washington during the present session. A great has been given to Europeans of an exclusive right of transit over the territory of Nicaragua to which Great Britain has given assent which his alleged on fleta with vested rights of citizens of the United States. The Department of State has now this subject under consideration. The Minister of Peru having made representations that there was a state of war between Peru and Spain, and that Spain was constructing in and near New York iron gunboats which might be used by Spain to retake the Spanish forces near Cuba, to operate against Peru, orders were given to prevent their departure. No further steps have been taken by the representative of the Peruvian Government to prevent the departure of these vessels and not feeling authorized to detain the property of a Nation with which we are at peace, in a manner in accordance, the matter has been referred to the Court. The conduct of the war between the allies of the Republic of Paraguay, but now of Brazil and Buenos Ayres, has given us much difficult. It has been deemed advisable to withdraw our representative from there. To avoid the charge of the last administration a Convention was signed at London for settlement of outstanding claims between Great Britain and the United States, which failed to receive the advice and consent of the Senate. The time and the circumstances attending the negotiation of that treaty were unfavorable to an acceptance by the people of the United States, and its provisions were wholly inadequate for the settlement of the grave wrongs sustained by the United States, the injuries resulting to the United States, by reason of the course adopted by Great Britain during the war, increased the rates of insurance, caused a diminution of exports and imports, and other restrictions to domestic industry and production in its effect upon the foreign commerce of the country, and added to the value of the tax for Great Britain of our commercial marine. Our complaint also consists in the prolongation of the war and the consequent loss both in treasure and in lives, of its suppression. These could not be adjusted and satisfied as ordinary commercial claims which continually arise between commercial nations, and yet the Convention treated them simply as such ordinary claims from which they differ more widely in gravity of their character than in the magnitude of their amount, great even as is their difference.

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