the two countries will greatly increase, much to the advantage of both.

The claims of our citizens against the government of Brazil are not, in the aggregate, of very large amount, but some of them are of a character of injustice and hardship which ought not to be long delayed. A renewed and earnest and I trust a successful effort will be made by our minister, to procure their final adjustment.

On the 21 of June last, Congress passed a joint resolution, authorizing the President "to adopt such measures as may be deemed necessary and proper to secure to the United States and the citizens of the republic of Paraguay the free navigation of the Paraguay and Paraná rivers." In pursuance of this resolution, I instructed our Minister with Brazil, with whom my action is referred to in his annual message. And on the 19th July following, they made an appropriation to defray the expenses and compensation of a commissioner to that republic should the President deem it proper to make such an appointment.

In conformity with this resolution I have appointed a Commissioner, who has proceeded to Paraguay, with full power and instructions to settle those differences in an amicable and reasonable manner, if this be practicable. His experience and discretion justify the hope that he may be successful in convincing the Paraguayan government that it is for both its interest and honor, that they voluntarily and promptly make atonement for wrongs which they have long and deeply offended the United States, and inflict upon a friendly citizen whom they have deprived of their property.

Should our commissioner prove unsuccessful, after a reasonable and earnest effort to accomplish the mission in which he is engaged, the relations between the two nations will remain but the equivocal relation to obtain "just satisfaction for injuries done to citizens of the United States." The Secretary of the Navy, under my direction, has fitted out and dispatched a naval force to rendezvous near Buenos Ayres, which is in readiness to act in the contingency. It is my earnest desire, however, that it may be unnecessary to resort to the last resort of nations.

When Congress met in Dec. last, the business of the country was prosperous, beyond those of other periods, which are the most able cotemporaries of the oldest living citizen. Agriculture, commerce and manufactures, in all their departments, were in a healthy state. The revenue, derived from the customs, was more than sufficient to meet the expenditures of the Government, and to leave a surplus of more than twenty millions of dollars in the Treasury, over and above the amount required to pay the principal and interest of the public debt, which was to be payable on demand, or within a few months thereafter. This surplus was the result of the operation of our system of revenue, which had been in operation but a little more than two years, during which time, the country had recovered from the effects of a long period of commercial depression, which had almost paralyzed the industry and energies of our citizens. This happy state of things, which had been so suddenly and so entirely changed by the adoption of our present system of revenue, I then ventured to hope would be permanent, and that it would be so considered by all who had contributed to its adoption. Experience, however, has proved how fallacious were the hopes of those who thus indulged them. Our system of revenue, which had been so prosperous in its operation, that it had been, not only self-sustaining, but had yielded a surplus to the Treasury, which was a source of embarrassment to the Government, and of speculation to the country, has been made to yield to the influence of those who have never been its friends, and who have never ceased to clamor for its modification, or rather its destruction, a much larger revenue than its friends desired it should yield, or than the exigencies of the Government required it should yield. The tariff of 1842, which had been framed by a Whig Congress, and which was the occasion of much of the prosperity which I have alluded to, was, at the last session of Congress, made to yield to the importunate demands of its opponents, a much larger revenue than its friends had ever contemplated it should yield, or than the exigencies of the Government required it should yield. The tariff of 1842 was framed with the avowed object of incidentally protecting the various branches of industry, which it embraced, and it was in the opinion of its friends, and of those who framed it, a wise provision, that so adjusted the duties, as to yield a revenue to the Government, which, with the economical expenditures which it enjoined upon the Government, would not only pay the current expenses of the Government, but a sum sufficient to pay the interest on the public debt, and a small portion of the principal, annually, which would have enabled the Government, in a few years, to have paid the whole debt. The tariff of 1846 was framed with the avowed object of raising a revenue to meet the expenditures of the Government, and to pay the principal and interest of the public debt, as it should become payable, from the proceeds of the revenue, without the aid of the incidental protection to manufactures, which it afforded, and which it was the avowed object of its friends to secure, by the tariff of 1842, to the extent to which it was then found to be incidentally extended by the revenue system of that period. The tariff of 1846 has been in operation but little more than two years, during which time, the country has, by the exercise of the industry and economy of its citizens, recovered from the effects of a long period of commercial depression, which had almost paralyzed the industry and energies of our citizens. This happy state of things, which had been so suddenly and so entirely changed by the adoption of our present system of revenue, I then ventured to hope would be permanent, and that it would be so considered by all who had contributed to its adoption. Experience, however, has proved how fallacious were the hopes of those who thus indulged them. Our system of revenue, which had been so prosperous in its operation, that it had been, not only self-sustaining, but had yielded a surplus to the Treasury, which was a source of embarrassment to the Government, and of speculation to the country, has been made to yield to the influence of those who have never been its friends, and who have never ceased to clamor for its modification, or rather its destruction, a much larger revenue than its friends desired