

vation) in the quarrels between different nations, or between governments and their subjects. Our course should always be in conformity with strict justice and laws, international and local. Such has been the purpose of the administration in dealing with these questions. For more than a year a valuable province in Spain and a near neighbour of ours in what all our people cannot but feel an interest, has been struggling for independence and freedom, the people and the Government of the United States entertain the same warm feelings and sympathies for the people of Cuba in their pending struggle that they manifested throughout the previous struggles between Spain and her former colonies in behalf of the latter. But the contest has at no time assured the conditions which amount to a war in the sense of international law, or which would shew the existence of a *de facto* political organization of the insurgents sufficient to justify a recognition of belligerency. The principle is maintained, however, that this nation is its own judge either to a people struggling to free themselves from a government they believe to be oppressive, or two independent nations at war with each other. The United States have no disposition to interfere with the existing relations of Spain to her colonial possessions on this continent, they believe that in due time Spain and other European powers will find their interest in terminating that relations and establishing their present dependencies as independent powers and members of the family of nations. 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 the determination of their future condition and relations with other powers, the United States in order to put a stop to bloodshed in Cuba and in the interests of a neighboring people proposed their good offices to bring the existing 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 The offer not being accepted by Spain on a basis which we believed could be received by Cuba was withdrawn.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 be advantageous, 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 in good faith no matter how unpleasant the task made so by the suffering we have endured from lack of like good faith towards us by other nations.

Towards the close of the last administration, a convention was signed at London for the settlement of all outstanding claims between Great Britain and the United States, which failed to receive the advice and consent of the Senate by its ratification. The time and the circumstances attending the negotiations of that treaty were unfavorable to its acceptance by the people of the United States, and its provisions were wholly inadequate for the settlement of the grave wrongs that had been sustained by this Government, as well as by its citizens. The injuries resulting to the United States by reason of the course adopted by Great Britain during our late civil war, in the increased rates of insurance, in the diminution of exports and imports, and other obstructions to domestic industry and production, in its effect upon the foreign commerce of the country, in the decrease and transfer to Great Britain of our commercial marine; in the prolongation of the war and the increased cost both in treasure and in lives of its suppression, could not be adjusted and satisfied as ordinary commercial claims which continually arise between commercial nations; and yet the convention treated this subject as such ordinary claims, from which they differ more widely in the gravity of their character than in the magnitude of their amount. Great as that difference was not a word was found in the

treaty, and no inference could be drawn from it to remove the sense of the unfriendliness of the course of Great Britain in our struggle for existence, which had so deeply and universally impressed itself upon the people of this country. Believing that a convention thus misconceived in its scope and inadequate in its provisions would not have produced the hearty cordial settlement of pending questions, which alone is consistent with the relations which I desire to have established between the United States and Great Britain, I regard the action of the Senate in rejecting the treaty to have been wisely taken and in the interest of peace, and as a necessary step in the direction of a perfect and cordial friendship between the two countries. A sensitive people, conscious of their power, are more at ease under a great wrong wholly unatoned than under the restraint of a settlement which satisfies neither their ideas of justice nor their grave sense of the grievance they sustained. Their rejection of the treaty was followed by a state of public feeling on both sides which I thought not favourable to an immediate attempt at renewed negotiations. I accordingly so 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 the determination not only to remove causes of complaint in the past, but to lay the foundation of a broad principle of public law, which will prevent future difficulties and lead to firm and continued peace and friendship. This is now the only grave question which the United States have with any foreign nation.

The question of renewing a treaty for Reciprocity trade between the United States and the British Province on this continent, has not been favorably considered by the administration. The advantages of such a treaty would be wholly in favor of the British Provinces, except possibly a few engaged in the trade between the two sections. No citizen of the United States would be benefitted by Reciprocity, our internal taxation would prove a protection to the British producer, almost to the protection which our manufacturers now receive from the tariff. Some arrangement however for the regulation of commercial intercourse between the United States and the Dominion of Canada, may be desirable.

The commission for adjusting the claims of the Hudson Bay and Puget Sound Agricultural Company upon the United States has terminated its labours. The award of six hundred and fifty thousand dollars has been made, and all rights and titles of the Company on the territory of the United States have been extinguished. Deeds for the property of the Company have been delivered. An appropriation by Congress to meet this sum is asked.

The Commissioners for determining the North Western Land Boundary, between the United States and the British Possessions, under the treaty of 1856, have completed their labors, and the commission has been dissolved.

In conformity with the recommendation of Congress, a proposition was early made to the British Government to abolish the mixed courts, created under the treaty of April 7th, 1862, for the suppression of the slave trade. The subject is still 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 His Majesty the Emperor of the French, of an exclusive right for twenty years of telegraphic communication between the shores of France and the United States, with the very objectionable feature of subjecting all messages conveyed thereby to the scrutiny 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 drew from the representation of the Company an agreement to accept as the basis of their operations the provision of the bill or such other enactment on the subject as might be passed during the approaching session of Congress, also to use their influence to procure from the French Government a modification of their concession so as to permit the landing upon French soil of any cable belonging to any company, incorporated by authority of the United States or of 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 opposition by the United States authorities to the landing of the cable, and to the working of it 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. Their concession excludes the capital and the citizens in the United States from competition upon the shores of France. I recommend legislation to protect the rights of citizens of the United States, as well as the dignity and sovereignty of the nation against such an assumption. I shall also endeavour to secure by negotiation an abandonment of of the principle of monopolies of ocean telegraphic cables. Copies of this correspondence is herewith furnished.

Our manufactures are increasing with wonderful rapidity under the encouragement which they now receive with the improvements in machinery already effected and still increasing, causing machinery to take the place of skilled labor to a large extent. Our imports of many articles must fall off largely with a very few years. Fortunately, our manufactures are not confined to a few localities, as formerly, and, it is to be hoped, will become more and more diffused, making the interest in them equal to all sections. They give employment and support to hundreds of thousands of people at home, and retain with us the means which would otherwise be shipped abroad. The extension of railroads in Europe and the East is bringing into competition with our agricultural products like products of other countries. Self-interest, if not self-preservation, therefore dictates against destroying the industrial interest of the country. It teaches us also the necessity of looking to other markets for the sale of our surplus. Our neighbors North of us, and China and Japan should become our special attention. It will be the endeavour of the administration to cultivate such relations with all these nations as to entitle us to their confidence and make it their interest as well as ours to establish better commercial relations.

THE ARCTIC WHALING FLEET—In reply to a paragraph of the *Boston Journal* expressing fears that the Arctic whalers had got locked up in the ice, the *New Bedford Mercury* of the 4th instant says:—

There is no anxiety in our city in regard to the Arctic fleet, although news of the fleet is now anxiously looked for, in regard to the season's catch. But three whalers arrived at Honolulu previous to October 31st last year, and the non-arrival of any of the vessels at San Francisco is probably owing to the fact that but few will go there, on account of the port being an expensive one. Many of the Arctic whalers did not arrive at Honolulu last year until the latter part of November, and while we thank our Boston friends for their anxiety concerning our whalers, we can assure them that the owners in this city fully expect to receive this year, in due season their regular drafts from Honolulu.

It is to be regretted that news from the Saginaw district does not indicate as good times as last year. There is an impression prevailing among lumbermen that there will not be near as much timber culled out as last year, and the opinion has had a disheartening effect on provision dealers. Most firms have sent into the woods very light stocks, and some have withdrawn their supplies of flour, beef, lard, &c., altogether. We are not inclined to place implicit reliance on such movements, however.—*Chicago Journal Commerce*.