

State of the Union Addresses

Martin van Buren

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State of the Union Address Martin van Buren

State of the Union Addresses

December 5, 1837

Fellow—Citizens of the Senate and House of Representatives:

We have reason to renew the expression of our devout gratitude to the Giver of All Good for His benign protection. Our country presents on every side the evidences of that continued favor under whose auspices it, has gradually risen from a few feeble and dependent colonies to a prosperous and powerful confederacy. We are blessed with domestic tranquillity and all the elements of national prosperity. The pestilence which, invading for a time some flourishing portions of the Union, interrupted the general prevalence of unusual health has happily been limited in extent and arrested in its fatal career. The industry and prudence of our citizens are gradually relieving them from the pecuniary embarrassments under which portions of them have labored; judicious legislation and the natural and boundless resources of the country have afforded wise and timely aid to private enterprise, and the activity always characteristic of our people has already in a great degree resumed its usual and profitable channels.

The condition of our foreign relations has not materially changed since the last annual message of my predecessor. We remain at peace with all nations, and no efforts on my part consistent with the preservation of our rights and the honor of the country shall be spared to maintain a position so consonant to our institutions. We have faithfully sustained the foreign policy with which the United States, under the guidance of their first President, took their stand in the family of nations—that of regulating their intercourse with other powers by the approved principles of private life; asking and according equal rights and equal privileges; rendering and demanding justice in all cases; advancing their own and discussing the pretensions of others with candor, directness, and sincerity; appealing at all times to reason, but never yielding to force nor seeking to acquire anything for themselves by its exercise.

A rigid adherence to this policy has left this Government with scarcely a claim upon its justice for injuries arising from acts committed by its authority. The most imposing and perplexing of those of the United States upon foreign governments for aggressions upon our citizens were disposed of by my predecessor. Independently of the benefits conferred upon our citizens by restoring to the mercantile community so many millions of which they had been wrongfully divested, a great service was also rendered to his country by the satisfactory adjustment of so many ancient and irritating subjects of contention; and it reflects no ordinary credit on his successful administration of public affairs that this great object was accomplished without compromising on any occasion either the honor or the peace of the nation.

With European powers no new subjects of difficulty have arisen, and those which were under discussion, although not terminated, do not present a more unfavorable aspect for the future preservation of that good understanding which it has ever been our desire to cultivate.

Of pending questions the most important is that which exists with the Government of Great Britain in respect to our northeastern boundary. It is with unfeigned regret that the people of the United States must look back upon the abortive efforts made by the Executive, for a period of more than half a century, to determine what no nation should suffer long to remain in dispute—the true line which divides its possessions from those of other powers. The nature of the settlements on the borders of the United States and of the neighboring territory was for a season such that this, perhaps, was not indispensable to a faithful performance of the duties of the Federal Government. Time has, however, changed this state of things, and has brought about a condition of affairs in which the true interests of both countries imperatively require that this question should be put at rest. It is not to be disguised that, with full confidence, often expressed, in the desire of the British Government to terminate it, we are apparently as far from its adjustment as we were at the time of signing the treaty of peace in 1783. The sole result of long—pending negotiations and a perplexing arbitration appears to be a conviction on its part that a conventional line must be adopted, from the impossibility of ascertaining the true one according to the description contained in that treaty. Without coinciding in this opinion, which is not thought to be well rounded, my predecessor gave the strongest proof of the earnest desire of the United States to terminate satisfactorily this dispute by proposing the substitution of a conventional line if the consent of the States interested in the question could be obtained. To this proposition no answer has as yet been received. The attention of the British

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Government has, however, been urgently invited to the subject, and its reply can not, I am confident, be much longer delayed. The general relations between Great Britain and the United States are of the most friendly character, and I am well satisfied of the sincere disposition of that Government to maintain them upon their present footing. This disposition has also, I am persuaded, become more general with the people of England than at any previous period. It is scarcely necessary to say to you how cordially it is reciprocated by the Government and people of the United States. The conviction, which must be common to all, of the injurious consequences that result from keeping open this irritating question, and the certainty that its final settlement can not be much longer deferred, will, I trust, lead to an early and satisfactory adjustment. At your last session I laid before you the recent communications between the two Governments and between this Government and that of the State of Maine, in whose solicitude concerning a subject in which she has so deep an interest every portion of the Union participates.

The feelings produced by a temporary interruption of those harmonious relations between France and the United States which are due as well to the recollections of former times as to a correct appreciation of existing interests have been happily succeeded by a cordial disposition on both sides to cultivate an active friendship in their future intercourse. The opinion, undoubtedly correct, and steadily entertained by us, that the commercial relations at present existing between the two countries are susceptible of great and reciprocally beneficial improvements is obviously gaining ground in France, and I am assured of the disposition of that Government to favor the accomplishment of such an object. This disposition shall be met in a proper spirit on our part. The few and comparatively unimportant questions that remain to be adjusted between us can, I have no doubt, be settled with entire satisfaction and without difficulty.

Between Russia and the United States sentiments of good will continue to be mutually cherished. Our minister recently accredited to that Court has been received with a frankness and cordiality and with evidences of respect for his country which leave us no room to doubt the preservation in future of those amicable and liberal relations which have so long and so uninterruptedly existed between the two countries. On the few subjects under discussion between us an early and just decision is confidently anticipated.

A correspondence has been opened with the Government of Austria for the establishment of diplomatic relations, in conformity with the wishes of Congress as indicated by an appropriation act of the session of 1837, and arrangements made for the purpose, which will be duly carried into effect.

With Austria and Prussia and with the States of the German Empire (now composing with the latter the Commercial League) our political relations are of the most friendly character, whilst our commercial intercourse is gradually extending, with benefit to all who are engaged in it.

Civil war yet rages in Spain, producing intense suffering to its own people, and to other nations inconvenience and regret. Our citizens who have claims upon that country will be prejudiced for a time by the condition of its treasury, the inevitable consequence of long-continued and exhausting internal wars. The last installment of the interest of the debt due under the convention with the Queen of Spain has not been paid and similar failures may be expected to happen until a portion of the resources of her Kingdom can be devoted to the extinguishment of its foreign debt.

Having received satisfactory evidence that discriminating tonnage duties were charged upon the vessels of the United States in the ports of Portugal, a proclamation was issued on the 11th day of October last, in compliance with the act of May 25, 1832, declaring that fact, and the duties on foreign tonnage which were levied upon Portuguese vessels in the United States previously to the passage of that act are accordingly revived.

The act of July 4, 1836, suspending the discriminating duties upon the produce of Portugal imported into this country in Portuguese vessels, was passed, upon the application of that Government through its representative here, under the belief that no similar discrimination existed in Portugal to the prejudice of the United States. I regret to state that such duties are now exacted in that country upon the cargoes of American vessels, and as the act referred to vests no discretion in the Executive, it is for Congress to determine upon the expediency of further legislation on the subject. Against these discriminations affecting the vessels of this country and their cargoes seasonable remonstrance was made, and notice was given to the Portuguese Government that unless they should be discontinued the adoption of countervailing measures on the part of the United States would become necessary; but the reply of that Government, received at the Department of State through our charge d'affaires at Lisbon in the month of September last, afforded no ground to hope for the abandonment of a system so little in harmony with the treatment shown to the vessels of Portugal and their cargoes in the ports of this country and so

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contrary to the expectations we had a right to entertain.

With Holland, Sweden, Denmark, Naples, and Belgium a friendly intercourse has been uninterruptedly maintained.

With the Government of the Ottoman Porte and its dependencies on the coast of the Mediterranean peace and good will are carefully cultivated, and have been fostered by such good offices as the relative distance and the condition of those countries would permit.

Our commerce with Greece is carried on under the laws of the two Governments, reciprocally beneficial to the navigating interests of both; and I have reason to look forward to the adoption of other measures which will be more extensively and permanently advantageous.

Copies of the treaties concluded with the Governments of Siam and Muscat are transmitted for the information of Congress, the ratifications having been received and the treaties made public since the close of the last annual session. Already have we reason to congratulate ourselves on the prospect of considerable commercial benefit; and we have, besides, received from the Sultan of Muscat prompt evidence of his desire to cultivate the most friendly feelings, by liberal acts toward one of our vessels, bestowed in a manner so striking as to require on our part a grateful acknowledgment.

Our commerce with the islands of Cuba and Porto Rico still labors under heavy restrictions, the continuance of which is a subject of regret. The only effect of an adherence to them will be to benefit the navigation of other countries at the expense of both the United States and Spain.

The independent nations of this continent have ever since they emerged from the colonial state experienced severe trials in their progress to the permanent establishment of liberal political institutions. Their unsettled condition not only interrupts their own advances to prosperity, but has often seriously injured the other powers of the world. The claims of our citizens upon Peru, Chili, Brazil, the Argentine Republic, the Governments formed out of the Republics of Colombia and Mexico, are still pending, although many of them have been presented for examination more than twenty years. New Granada, Venezuela, and Ecuador have recently formed a convention for the purpose of ascertaining and adjusting claims upon the Republic of Colombia, from which it is earnestly hoped our citizens will ere long receive full compensation for the injuries inflicted upon them and for the delay in affording it.

An advantageous treaty of commerce has been concluded by the United States with the Peru-Bolivian Confederation, which wants only the ratification of that Government. The progress of a subsequent negotiation for the settlement of claims upon Peru has been unfavorably affected by the war between that power and Chili and the Argentine Republic, and the same event is also likely to produce delays in the settlement of our demands on those powers.

The aggravating circumstances connected with our claims upon Mexico and a variety of events touching the honor and integrity of our Government led my predecessor to make at the second session of the last Congress a special recommendation of the course to be pursued to obtain a speedy and final satisfaction of the injuries complained of by this Government and by our citizens. He recommended a final demand of redress, with a contingent authority to the Executive to make reprisals if that demand should be made in vain. From the proceedings of Congress on that recommendation it appeared that the opinion of both branches of the Legislature coincided with that of the Executive, that any mode of redress known to the law of nations might justifiably be used. It was obvious, too, that Congress believed with the President that another demand should be made, in order to give undeniable and satisfactory proof of our desire to avoid extremities with a neighboring power, but that there was an indisposition to vest a discretionary authority in the Executive to take redress should it unfortunately be either denied or unreasonably delayed by the Mexican Government.

So soon as the necessary documents were prepared, after entering upon the duties of my office, a special messenger was sent to Mexico to make a final demand of redress, with the documents required by the provisions of our treaty. The demand was made on the 20th of July last. The reply, which bears date the 29th of the same month, contains assurances of a desire on the part of that Government to give a prompt and explicit answer respecting each of the complaints, but that the examination of them would necessarily be deliberate; that in this examination it would be guided by the principles of public law and the obligation of treaties; that nothing should be left undone that might lead to the most speedy and equitable adjustment of our demands, and that its determination in respect to each case should be communicated through the Mexican minister here.

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Since that time an envoy extraordinary and minister plenipotentiary has been accredited to this Government by that of the Mexican Republic. He brought with him assurances of a sincere desire that the pending differences between the two Governments should be terminated in a manner satisfactory to both. He was received with reciprocal assurances, and a hope was entertained that his mission would lead to a speedy, satisfactory, and final adjustment of all existing subjects of complaint. A sincere believer in the wisdom of the pacific policy by which the United States have always been governed in their intercourse with foreign nations, it was my particular desire, from the proximity of the Mexican Republic and well-known occurrences on our frontier, to be instrumental in obviating all existing difficulties with that Government and in restoring to the intercourse between the two Republics that liberal and friendly character by which they should always be distinguished. I regret, therefore, the more deeply to have found in the recent communications of that Government so little reason to hope that any future efforts of mine for the accomplishment of those desirable objects would be successful.

Although the larger number—and many of them aggravated cases of personal wrongs—have been now for years before the Mexican Government, and some of the causes of national complaint, and those of the most offensive character, admitted of immediate, simple, and satisfactory replies, it is only within a few days past that any specific communication in answer to our last demand, made five months ago, has been received from the Mexican minister. By the report of the Secretary of State herewith presented and the accompanying documents it will be seen that for not one of our public complaints has satisfaction been given or offered, that but one of the cases of personal wrong has been favorably considered, and that but four cases of both descriptions out of all those formally presented and earnestly pressed have as yet been decided upon by the Mexican Government.

Not perceiving in what manner any of the powers given to the Executive alone could be further usefully employed in bringing this unfortunate controversy to a satisfactory termination, the subject was by my predecessor referred to Congress as one calling for its interposition. In accordance with the clearly understood wishes of the Legislature, another and formal demand for satisfaction has been made upon the Mexican Government, with what success the documents now communicated will show. On a careful and deliberate examination of their contents, and considering the spirit manifested by the Mexican Government, it has become my painful duty to return the subject as it now stands to Congress, to whom it belongs to decide upon the time, the mode, and the measure of redress. Whatever may be your decision, it shall be faithfully executed, confident that it will be characterized by that moderation and justice which will, I trust, under all circumstances govern the councils of our country.

The balance in the Treasury on the 1st January, 1837, was \$45,968,523. The receipts during the present year from all sources, including the amount of Treasury notes issued, are estimated at \$23,499,981, constituting an aggregate of \$69,468,504. Of this amount about \$35,281,361 will have been expended at the end of the year on appropriations made by Congress, and the residue, amounting to \$34,187,143, will be the nominal balance in the Treasury on the 1st of January next; but of that sum only \$1,085,498 is considered as immediately available for and applicable to public purposes. Those portions of it which will be for some time unavailable consist chiefly of sums deposited with the States and due from the former deposit banks. The details upon this subject will be found in the annual report of the Secretary of the Treasury. The amount of Treasury notes which it will be necessary to issue during the year on account of those funds being unavailable will, it is supposed, not exceed four and a half millions. It seemed proper, in the condition of the country, to have the estimates on all subjects made as low as practicable without prejudice to any great public measures. The Departments were therefore desired to prepare their estimates accordingly, and I am happy to find that they have been able to graduate them on so economical a scale. In the great and often unexpected fluctuations to which the revenue is subjected it is not possible to compute the receipts beforehand with great certainty, but should they not differ essentially from present anticipations, and should the appropriations not much exceed the estimates, no difficulty seems likely to happen in defraying the current expenses with promptitude and fidelity.

Notwithstanding the great embarrassments which have recently occurred in commercial affairs, and the liberal indulgence which in consequence of these embarrassments has been extended to both the merchants and the banks, it is gratifying to be able to anticipate that the Treasury notes which have been issued during the present year will be redeemed and that the resources of the Treasury, without any resort to loans or increased taxes, will prove ample for defraying all charges imposed on it during 1838.

The report of the Secretary of the Treasury will afford you a more minute exposition of all matters connected

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with the administration of the finances during the current year—a period which for the amount of public moneys disbursed and deposited with the States, as well as the financial difficulties encountered and overcome, has few parallels in our history.

Your attention was at the last session invited to the necessity of additional legislative provisions in respect to the collection, safe-keeping, and transfer of the public money. No law having been then matured, and not understanding the proceedings of Congress as intended to be final, it becomes my duty again to bring the subject to your notice.

On that occasion three modes of performing this branch of the public service were presented for consideration. These were, the creation of a national bank; the revival, with modifications, of the deposit system established by the act of the 23d of June, 1836, permitting the use of the public moneys by the banks; and the discontinuance of the use of such institutions for the purposes referred to, with suitable provisions for their accomplishment through the agency of public officers. Considering the opinions of both Houses of Congress on the first two propositions as expressed in the negative, in which I entirely concur, it is unnecessary for me again to recur to them. In respect to the last, you have had an opportunity since your adjournment not only to test still further the expediency of the measure by the continued practical operation of such parts of it as are now in force, but also to discover what should ever be sought for and regarded with the utmost deference—the opinions and wishes of the people.

The national will is the supreme law of the Republic, and on all subjects within the limits of his constitutional powers should be faithfully obeyed by the public servant. Since the measure in question was submitted to your consideration most of you have enjoyed the advantage of personal communication with your constituents. For one State only has an election been held for the Federal Government; but the early day at which it took place deprived the measure under consideration of much of the support it might otherwise have derived from the result. Local elections for State officers have, however, been held in several of the States, at which the expediency of the plan proposed by the Executive has been more or less discussed. You will, I am confident, yield to their results the respect due to every expression of the public voice. Desiring, however, to arrive at truth and a just view of the subject in all its bearings, you will at the same time remember that questions of far deeper and more immediate local interest than the fiscal plans of the National Treasury were involved in those elections. Above all, we can not overlook the striking fact that there were at the time in those States more than one hundred and sixty millions of bank capital, of which large portions were subject to actual forfeiture, other large portions upheld only by special and limited legislative indulgences, and most of it, if not all, to a greater or less extent dependent for a continuance of its corporate existence upon the will of the State legislatures to be then chosen. Apprised of this circumstance, you will judge whether it is not most probable that the peculiar condition of that vast interest in these respects, the extent to which it has been spread through all the ramifications of society, its direct connection with the then pending elections, and the feelings it was calculated to infuse into the canvass have exercised a far greater influence over the result than any which could possibly have been produced by a conflict of opinion in respect to a question in the administration of the General Government more remote and far less important in its bearings upon that interest.

I have found no reason to change my own opinion as to the expediency of adopting the system proposed, being perfectly satisfied that there will be neither stability nor safety either in the fiscal affairs of the Government or in the pecuniary transactions of individuals and corporations so long as a connection exists between them which, like the past, offers such strong inducements to make them the subjects of political agitation. Indeed, I am more than ever convinced of the dangers to which the free and unbiased exercise of political opinion—the only sure foundation and safeguard of republican government—would be exposed by any further increase of the already overgrown influence of corporate authorities. I can not, therefore, consistently with my views of duty, advise a renewal of a connection which circumstances have dissolved.

The discontinuance of the use of State banks for fiscal purposes ought not to be regarded as a measure of hostility toward those institutions. Banks properly established and conducted are highly useful to the business of the country, and will doubtless continue to exist in the States so long as they conform to their laws and are found to be safe and beneficial. How they should be created, what privileges they should enjoy, under what responsibilities they should act, and to what restrictions they should be subject are questions which, as I observed on a previous occasion, belong to the States to decide. Upon their rights or the exercise of them the General

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Government can have no motive to encroach. Its duty toward them is well performed when it refrains from legislating for their special benefit, because such legislation would violate the spirit of the Constitution and be unjust to other interests; when it takes no steps to impair their usefulness, but so manages its own affairs as to make it the interest of those institutions to strengthen and improve their condition for the security and welfare of the community at large. They have no right to insist on a connection with the Federal Government, nor on the use of the public money for their own benefit. The object of the measure under consideration is to avoid for the future a compulsory connection of this kind. It proposes to place the General Government, in regard to the essential points of the collection, safe-keeping, and transfer of the public money, in a situation which shall relieve it from all dependence on the will of irresponsible individuals or corporations; to withdraw those moneys from the uses of private trade and confide them to agents constitutionally selected and controlled by law; to abstain from improper interference with the industry of the people and withhold inducements to improvident dealings on the part of individuals; to give stability to the concerns of the Treasury; to preserve the measures of the Government from the unavoidable reproaches that flow from such a connection, and the banks themselves from the injurious effects of a supposed participation in the political conflicts of the day, from which they will otherwise find it difficult to escape.

These are my views upon this important subject, formed after careful reflection and with no desire but to arrive at what is most likely to promote the public interest. They are now, as they were before, submitted with unfeigned deference for the opinions of others. It was hardly to be hoped that changes so important on a subject so interesting could be made without producing a serious diversity of opinion; but so long as those conflicting views are kept above the influence of individual or local interests, so long as they pursue only the general good and are discussed with moderation and candor, such diversity is a benefit, not an injury. If a majority of Congress see the public welfare in a different light, and more especially if they should be satisfied that the measure proposed would not be acceptable to the people, I shall look to their wisdom to substitute such as may be more conducive to the one and more satisfactory to the other. In any event, they may confidently rely on my hearty cooperation to the fullest extent to which my views of the Constitution and my sense of duty will permit.

It is obviously important to this branch of the public service and to the business and quiet of the country that the whole subject should in some way be settled and regulated by law, and, if possible, at your present session. Besides the plans above referred to, I am not aware that any one has been suggested except that of keeping the public money in the State banks in special deposit. This plan is to some extent in accordance with the practice of the Government and with the present arrangements of the Treasury Department, which, except, perhaps, during the operation of the late deposit act, has always been allowed, even during the existence of a national bank, to make a temporary use of the State banks in particular places for the safe-keeping of portions of the revenue. This discretionary power might be continued if Congress deem it desirable, whatever general system be adopted. So long as the connection is voluntary we need, perhaps, anticipate few of those difficulties and little of that dependence on the banks which must attend every such connection when compulsory in its nature and when so arranged as to make the banks a fixed part of the machinery of government. It is undoubtedly in the power of Congress so to regulate and guard it as to prevent the public money from being applied to the use or intermingled with the affairs of individuals. Thus arranged, although it would not give to the Government that entire control over its own funds which I desire to secure to it by the plan I have proposed, it would, it must be admitted, in a great degree accomplish one of the objects which has recommended that plan to my judgment—the separation of the fiscal concerns of the Government from those of individuals or corporations.

With these observations I recommend the whole matter to your dispassionate reflection, confidently hoping that some conclusion may be reached by your deliberations which on the one hand shall give safety and stability to the fiscal operations of the Government, and be consistent, on the other, with the genius of our institutions and with the interests and wishes of the great mass of our constituents.

It was my hope that nothing would occur to make necessary on this occasion any allusion to the late national bank. There are circumstances, however, connected with the present state of its affairs that bear so directly on the character of the Government and the welfare of the citizen that I should not feel myself excused in neglecting to notice them. The charter which terminated its banking privileges on the 4th of March, 1836, continued its corporate power two years more for the sole purpose of closing its affairs, with authority "to use the corporate name, style, and capacity for the purpose of suits for a final settlement and liquidation of the affairs and acts of the

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corporation, and for the sale and disposition of their estate—real, personal, and mixed—but for no other purpose or in any other manner whatsoever." Just before the banking privileges ceased, its effects were transferred by the bank to a new State institution, then recently incorporated, in trust, for the discharge of its debts and the settlement of its affairs. With this trustee, by authority of Congress, an adjustment was subsequently made of the large interest which the Government had in the stock of the institution. The manner in which a trust unexpectedly created upon the act granting the charter, and involving such great public interests, has been executed would under any circumstances be a fit subject of inquiry; but much more does it deserve your attention when it embraces the redemption of obligations to which the authority and credit of the United States have given value. The two years allowed are now nearly at an end. It is well understood that the trustee has not redeemed and canceled the outstanding notes of the bank, but has reissued and is actually reissuing, since the 3d of March, 1836, the notes which have been received by it to a vast amount. According to its own official statement, so late as the 1st of October last, nineteen months after—the banking privileges given by the charter had expired, it had under its control uncanceled notes of the late Bank of the United States to the amount of \$27,561,866, of which \$6,175,861 were in actual circulation, \$ 1,468,627 at State bank agencies, and \$3,002,390 in transitu, thus showing that upward of ten millions and a half of the notes of the old bank were then still kept outstanding.

The impropriety of this procedure is obvious, it being the duty of the trustee to cancel and not to put forth the notes of an institution whose concerns it had undertaken to wind up. If the trustee has a right to reissue these notes now, I can see no reason why it may not continue to do so after the expiration of the two years. As no one could have anticipated a course so extraordinary, the prohibitory clause of the charter above quoted was not accompanied by any penalty or other special provision for enforcing it, nor have we any general law for the prevention of similar acts in future.

But it is not in this view of the subject alone that your interposition is required. The United States in settling with the trustee for their stock have withdrawn their funds from their former direct liability to the creditors of the old bank, yet notes of the institution continue to be sent forth in its name, and apparently upon the authority of the United States. The transactions connected with the employment of the bills of the old bank are of vast extent, and should they result unfortunately the interests of individuals may be deeply compromised. Without undertaking to decide how far or in what form, if any, the trustee could be made liable for notes which contain no obligation on its part, or the old bank for such as are put in circulation after the expiration of its charter and without its authority, or the Government for indemnity in case of loss, the question still presses itself upon your consideration whether it is consistent with duty and good faith on the part of the Government to witness this proceeding without a single effort to arrest it.

The report of the Commissioner of the General Land Office, which will be laid before you by the Secretary of the Treasury, will show how the affairs of that office have been conducted for the past year. The disposition of the public lands is one of the most important trusts confided to Congress. The practicability of retaining the title and control of such extensive domains in the General Government, and at the same time admitting the Territories embracing them into the Federal Union as coequals with the original States, was seriously doubted by many of our wisest statesmen. All feared that they would become a source of discord, and many carried their apprehensions so far as to see in them the seeds of a future dissolution of the Confederacy. But happily our experience has already been sufficient to quiet in a great degree all such apprehensions. The position at one time assumed, that the admission of new States into the Union on the same footing with the original States was incompatible with a right of soil in the United States and operated as a surrender thereof, notwithstanding the terms of the compacts by which their admission was designed to be regulated, has been wisely abandoned. Whether in the new or the old States, all now agree that the right of soil to the public lands remains in the Federal Government, and that these lands constitute a common property, to be disposed of for the common benefit of all the States, old and new. Acquiescence in this just principle by the people of the new States has naturally promoted a disposition to adopt the most liberal policy in the sale of the public lands. A policy which should be limited to the mere object of selling the lands for the greatest possible sum of money, without regard to higher considerations, finds but few advocates. On the contrary, it is generally conceded that whilst the mode of disposition adopted by the Government should always be a prudent one, yet its leading object ought to be the early settlement and cultivation of the lands sold, and that it should discountenance, if it can not prevent, the accumulation of large tracts in the same hands, which must necessarily retard the growth of the new States or

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entail upon them a dependent tenantry and its attendant evils.

A question embracing such important interests and so well calculated to enlist the feelings of the people in every quarter of the Union has very naturally given rise to numerous plans for the improvement of the existing system. The distinctive features of the policy that has hitherto prevailed are to dispose of the public lands at moderate prices, thus enabling a greater number to enter into competition for their purchase and accomplishing a double object—of promoting their rapid settlement by the purchasers and at the same time increasing the receipts of the Treasury; to sell for cash, thereby preventing the disturbing influence of a large mass of private citizens indebted to the Government which they have a voice in controlling; to bring them into market no faster than good lands are supposed to be wanted for improvement, thereby preventing the accumulation of large tracts in few hands; and to apply the proceeds of the sales to the general purposes of the Government, thus diminishing the amount to be raised from the people of the States by taxation and giving each State its portion of the benefits to be derived from this common fund in a manner the most quiet, and at the same time, perhaps, the most equitable, that can be devised. These provisions, with occasional enactments in behalf of special interests deemed entitled to the favor of the Government, have in their execution produced results as beneficial upon the whole as could reasonably be expected in a matter so vast, so complicated, and so exciting. Upward of 70,000,000 acres have been sold, the greater part of which is believed to have been purchased for actual settlement. The population of the new States and Territories created out of the public domain increased between 1800 and 1830 from less than 60,000 to upward of 2,300,000 souls, constituting at the latter period about one-fifth of the whole people of the United States. The increase since can not be accurately known, but the whole may now be safely estimated at over three and a half millions of souls, composing nine States, the representatives of which constitute above one-third of the Senate and over one-sixth of the House of Representatives of the United States.

Thus has been formed a body of free and independent landholders with a rapidity unequaled in the history of mankind; and this great result has been produced without leaving anything for future adjustment between the Government and its citizens. The system under which so much has been accomplished can not be intrinsically bad, and with occasional modifications to correct abuses and adapt it to changes of circumstances may, I think, be safely trusted for the future. There is in the management of such extensive interests much virtue in stability; and although great and obvious improvements should not be declined, changes should never be made without the fullest examination and the clearest demonstration of their practical utility. In the history of the past we have an assurance that this safe rule of action will not be departed from in relation to the public lands; nor is it believed that any necessity exists for interfering with the fundamental principles of the system, or that the public mind, even in the new States, is desirous of any radical alterations. On the contrary, the general disposition appears to be to make such modifications and additions only as will the more effectually carry out the original policy of filling our new States and Territories with an industrious and independent population.

The modification most perseveringly pressed upon Congress, which has occupied so much of its time for years past, and will probably do so for a long time to come, if not sooner satisfactorily adjusted, is a reduction in the cost of such portions of the public lands as are ascertained to be unsalable at the rate now established by law, and a graduation according to their relative value of the prices at which they may hereafter be sold. It is worthy of consideration whether justice may not be done to every interest in this matter, and a vexed question set at rest, perhaps forever, by a reasonable compromise of conflicting opinions. Hitherto, after being offered at public sale, lands have been disposed of at one uniform price, whatever difference there might be in their intrinsic value. The leading considerations urged in favor of the measure referred to are that in almost all the land districts, and particularly in those in which the lands have been long surveyed and exposed to sale, there are still remaining numerous and large tracts of every gradation of value, from the Government price downward; that these lands will not be purchased at the Government price so long as better can be conveniently obtained for the same amount; that there are large tracts which even the improvements of the adjacent lands will never raise to that price, and that the present uniform price, combined with their irregular value, operates to prevent a desirable compactness of settlements in the new States and to retard the full development of that wise policy on which our land system is founded, to the injury not only of the several States where the lands lie, but of the United States as a whole.

The remedy proposed has been a reduction of the prices according to the length of time the lands have been in market, without reference to any other circumstances. The certainty that the efflux of time would not always in such cases, and perhaps not even generally, furnish a true criterion of value, and the probability that persons

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residing in the vicinity, as the period for the reduction of prices approached, would postpone purchases they would otherwise make, for the purpose of availing themselves of the lower price, with other considerations of a similar character, have hitherto been successfully urged to defeat the graduation upon time.

May not all reasonable desires upon this subject be satisfied without encountering any of these objections? All will concede the abstract principle that the price of the public lands should be proportioned to their relative value, so far as can be accomplished without departing from the rule heretofore observed requiring fixed prices in cases of private entries. The difficulty of the subject seems to lie in the mode of ascertaining what that value is. Would not the safest plan be that which has been adopted by many of the States as the basis of taxation—an actual valuation of lands and classification of them into different rates? Would it not be practicable and expedient to cause the relative value of the public lands in the old districts which have been for a certain length of time in market to be appraised and classed into two or more rates below the present minimum price by the officers now employed in this branch of the public service or in any other mode deemed preferable, and to make those prices permanent if upon the coming in of the report they shall prove satisfactory to Congress? Could not all the objects of graduation be accomplished in this way, and the objections which have hitherto been urged against it avoided? It would seem to me that such a step, with a restriction of the sales to limited quantities and for actual improvement, would be free from all just exception.

By the full exposition of the value of the lands thus furnished and extensively promulgated persons living at a distance would be informed of their true condition and enabled to enter into competition with those residing in the vicinity; the means of acquiring an independent home would be brought within the reach of many who are unable to purchase at present prices; the population of the new States would be made more compact, and large tracts would be sold which would otherwise remain on hand. Not only would the land be brought within the means of a larger number of purchasers, but many persons possessed of greater means would be content to settle on a larger quantity of the poorer lands rather than emigrate farther west in pursuit of a smaller quantity of better lands. Such a measure would also seem to be more consistent with the policy of the existing laws—that of converting the public domain into cultivated farms owned by their occupants. That policy is not best promoted by sending emigration up the almost interminable streams of the West to occupy in groups the best spots of land, leaving immense wastes behind them and enlarging the frontier beyond the means of the Government to afford it adequate protection, but in encouraging it to occupy with reasonable denseness the territory over which it advances, and find its best defense in the compact front which it presents to the Indian tribes. Many of you will bring to the consideration of the subject the advantages of local knowledge and greater experience, and all will be desirous of making an early and final disposition of every disturbing question in regard to this important interest. If these suggestions shall in any degree contribute to the accomplishment of so important a result, it will afford me sincere satisfaction.

In some sections of the country most of the public lands have been sold, and the registers and receivers have very little to do. It is a subject worthy of inquiry whether in many cases two or more districts may not be consolidated and the number of persons employed in this business considerably reduced. Indeed, the time will come when it will be the true policy of the General Government, as to some of the States, to transfer to them for a reasonable equivalent all the refuse and unsold lands and to withdraw the machinery of the Federal land offices altogether. All who take a comprehensive view of our federal system and believe that one of its greatest excellencies consists in interfering as little as possible with the internal concerns of the States look forward with great interest to this result.

A modification of the existing laws in respect to the prices of the public lands might also have a favorable influence on the legislation of Congress in relation to another branch of the subject. Many who have not the ability to buy at present prices settle on those lands with the hope of acquiring from their cultivation the means of purchasing under preemption laws from time to time passed by Congress. For this encroachment on the rights of the United States they excuse themselves under the plea of their own necessities; the fact that they dispossess nobody and only enter upon the waste domain: that they give additional value to the public lands in their vicinity, and their intention ultimately to pay the Government price. So much weight has from time to time been attached to these considerations that Congress have passed laws giving actual settlers on the public lands a right of preemption to the tracts occupied by them at the minimum price. These laws have in all instances been retrospective in their operation, but in a few years after their passage crowds of new settlers have been found on

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the public lands for similar reasons and under like expectations, who have been indulged with the same privilege. This course of legislation tends to impair public respect for the laws of the country. Either the laws to prevent intrusion upon the public lands should be executed, or, if that should be impracticable or inexpedient, they should be modified or repealed. If the public lands are to be considered as open to be occupied by any, they should by law be thrown open to all. That which is intended in all instances to be legalized should at once be made legal, that those who are disposed to conform to the laws may enjoy at least equal privileges with those who are not. But it is not believed to be the disposition of Congress to open the public lands to occupancy without regular entry and payment of the Government price, as such a course must tend to worse evils than the credit system, which it was found necessary to abolish.

It would seem, therefore, to be the part of wisdom and sound policy to remove as far as practicable the causes which produce intrusions upon the public lands, and then take efficient steps to prevent them in future. Would any single measure be so effective in removing all plausible grounds for these intrusions as the graduation of price already suggested? A short period of industry and economy in any part of our country would enable the poorest citizen to accumulate the means to buy him a home at the lower prices, and leave him without apology for settling on lands not his own. If he did not under such circumstances, he would enlist no sympathy in his favor, and the laws would be readily executed without doing violence to public opinion.

A large portion of our citizens have seated themselves on the public lands without authority since the passage of the last preemption law, and now ask the enactment of another to enable them to retain the lands occupied upon payment of the minimum Government price. They ask that which has been repeatedly granted before. If the future may be judged of by the past, little harm can be done to the interests of the Treasury by yielding to their request. Upon a critical examination it is found that the lands sold at the public sales since the introduction of cash payments, in 1820, have produced on an average the net revenue of only 6 cents an acre more than the minimum Government price. There is no reason to suppose that future sales will be more productive. The Government, therefore, has no adequate pecuniary interest to induce it to drive these people from the lands they occupy for the purpose of selling them to others.

Entertaining these views, I recommend the passage of a preemption law for their benefit in connection with the preparatory steps toward the graduation of the price of the public lands, and further and more effectual provisions to prevent intrusions hereafter. Indulgence to those who have settled on these lands with expectations that past legislation would be made a rule for the future, and at the same time removing the most plausible ground on which intrusions are excused and adopting more efficient means to prevent them hereafter, appears to me the most judicious disposition which can be made of this difficult subject. The limitations and restrictions to guard against abuses in the execution of a preemption law will necessarily attract the careful attention of Congress, but under no circumstances is it considered expedient to authorize floating claims in any shape. They have been heretofore, and doubtless would be hereafter, most prolific sources of fraud and oppression, and instead of operating to confer the favor of the Government on industrious settlers are often used only to minister to a spirit of cupidity at the expense of the most meritorious of that class.

The accompanying report of the Secretary of War will bring to your view the state of the Army and all the various subjects confided to the superintendence of that officer.

The principal part of the Army has been concentrated in Florida, with a view and in the expectation of bringing the war in that Territory to a speedy close. The necessity of stripping the posts on the maritime and inland frontiers of their entire garrisons for the purpose of assembling in the field an army of less than 4,000 men would seem to indicate the necessity of increasing our regular forces; and the superior efficiency, as well as greatly diminished expense of that description of troops, recommend this measure as one of economy as well as of expediency. I refer to the report for the reasons which have induced the Secretary of War to urge the reorganization and enlargement of the staff of the Army, and of the Ordnance Corps, in which I fully concur.

It is not, however, compatible with the interests of the people to maintain in time of peace a regular force adequate to the defense of our extensive frontiers. In periods of danger and alarm we must rely principally upon a well-organized militia, and some general arrangement that will render this description of force more efficient has long been a subject of anxious solicitude. It was recommended to the First Congress by General Washington, and has been since frequently brought to your notice, and recently its importance strongly urged by my immediate predecessor. The provision in the Constitution that renders it necessary to adopt a uniform system of organization

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for the militia throughout the United States presents an insurmountable obstacle to an efficient arrangement by the classification heretofore proposed, and I invite your attention to the plan which will be submitted by the Secretary of War, for the organization of volunteer corps and the instruction of militia officers, as more simple and practicable, if not equally advantageous, as a general arrangement of the whole militia of the United States.

A moderate increase of the corps both of military and topographical engineers has been more than once recommended by my predecessor, and my conviction of the propriety, not to say necessity, of the measure, in order to enable them to perform the various and important duties imposed upon them, induces me to repeat the recommendation.

The Military Academy continues to answer all the purposes of its establishment, and not only furnishes well-educated officers to the Army, but serves to diffuse throughout the mass of our citizens individuals possessed of military knowledge and the scientific attainments of civil and military engineering. At present the cadet is bound, with consent of his parents or guardians, to remain in service five years from the period of his enlistment, unless sooner discharged, thus exacting only one year's service in the Army after his education is completed. This does not appear to me sufficient. Government ought to command for a longer period the services of those who are educated at the public expense, and I recommend that the time of enlistment be extended to seven years, and the terms of the engagement strictly enforced.

The creation of a national foundry for cannon, to be common to the service of the Army and Navy of the United States, has been heretofore recommended, and appears to be required in order to place our ordnance on an equal footing with that of other countries and to enable that branch of the service to control the prices of those articles and graduate the supplies to the wants of the Government, as well as to regulate their quality and insure their uniformity. The same reasons induce me to recommend the erection of a manufactory of gunpowder, to be under the direction of the Ordnance Office. The establishment of a manufactory of small arms west of the Alleghany Mountains, upon the plan proposed by the Secretary of War, will contribute to extend throughout that country the improvements which exist in establishments of a similar description in the Atlantic States, and tend to a much more economical distribution of the armament required in the western portion of our Union.

The system of removing the Indians west of the Mississippi, commenced by Mr. Jefferson in 1804, has been steadily persevered in by every succeeding President, and may be considered the settled policy of the country. Unconnected at first with any well-defined system for their improvement, the inducements held out to the Indians were confined to the greater abundance of game to be found in the West; but when the beneficial effects of their removal were made apparent a more philanthropic and enlightened policy was adopted in purchasing their lands east of the Mississippi. Liberal prices were given and provisions inserted in all the treaties with them for the application of the funds they received in exchange to such purposes as were best calculated to promote their present welfare and advance their future civilization. These measures have been attended thus far with the happiest results.

It will be seen by referring to the report of the Commissioner of Indian Affairs that the most sanguine expectations of the friends and promoters of this system have been realized. The Choctaws, Cherokees, and other tribes that first emigrated beyond the Mississippi have for the most part abandoned the hunter state and become cultivators of the soil. The improvement in their condition has been rapid, and it is believed that they are now fitted to enjoy the advantages of a simple form of government, which has been submitted to them and received their sanction; and I can not too strongly urge this subject upon the attention of Congress.

Stipulations have been made with all the Indian tribes to remove them beyond the Mississippi, except with the bands of the Wyandots, the Six Nations in New York, the Menomonees, Munsees, and Stockbridges in Wisconsin, and Miamies in Indiana. With all but the Menomonees it is expected that arrangements for their emigration will be completed the present year. The resistance which has been opposed to their removal by some of the tribes even after treaties had been made with them to that effect has arisen from various causes, operating differently on each of them. In most instances they have been instigated to resistance by persons to whom the trade with them and the acquisition of their annuities were important, and in some by the personal influence of interested chiefs. These obstacles must be overcome, for the Government can not relinquish the execution of this policy without sacrificing important interests and abandoning the tribes remaining east of the Mississippi to certain destruction.

The decrease in numbers of the tribes within the limits of the States and Territories has been most rapid. If

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they be removed, they can be protected from those associations and evil practices which exert so pernicious and destructive an influence over their destinies. They can be induced to labor and to acquire property, and its acquisition will inspire them with a feeling of independence. Their minds can be cultivated, and they can be taught the value of salutary and uniform laws and be made sensible of the blessings of free government and capable of enjoying its advantages. In the possession of property, knowledge, and a good government, free to give what direction they please to their labor, and sharers in the legislation by which their persons and the profits of their industry are to be protected and secured, they will have an ever-present conviction of the importance of union and peace among themselves and of the preservation of amicable relations with us. The interests of the United States would also be greatly promoted by freeing the relations between the General and State Governments from what has proved a most embarrassing incumbrance by a satisfactory adjustment of conflicting titles to lands caused by the occupation of the Indians, and by causing the resources of the whole country to be developed by the power of the State and General Governments and improved by the enterprise of a white population.

Intimately connected with this subject is the obligation of the Government to fulfill its treaty stipulations and to protect the Indians thus assembled "at their new residences from all interruptions and disturbances from any other tribes or nations of Indians or from any other person or persons whatsoever," and the equally solemn obligation to guard from Indian hostility its own border settlements, stretching along a line of more than 1,000 miles. To enable the Government to redeem this pledge to the Indians and to afford adequate protection to its own citizens will require the continual presence of a considerable regular force on the frontiers and the establishment of a chain of permanent posts. Examinations of the country are now making, with a view to decide on the most suitable points for the erection of fortresses and other works of defense, the results of which will be presented to you by the Secretary of War at an early day, together with a plan for the effectual protection of the friendly Indians and the permanent defense of the frontier States.

By the report of the Secretary of the Navy herewith communicated it appears that unremitting exertions have been made at the different navy-yards to carry into effect all authorized measures for the extension and employment of our naval force. The launching and preparation of the ship of the line *Pennsylvania* and the complete repairs of the ships of the line *Ohio*, *Delaware*, and *Columbus* may be noticed as forming a respectable addition to this important arm of our national defense. Our commerce and navigation have received increased aid and protection during the present year. Our squadrons in the Pacific and on the Brazilian station have been much increased, and that in the Mediterranean, although small, is adequate to the present wants of our commerce in that sea. Additions have been made to our squadron on the West India station, where the large force under Commodore Dallas has been most actively and efficiently employed in protecting our commerce, in preventing the importation of slaves, and in cooperating with the officers of the Army in carrying on the war in Florida.

The satisfactory condition of our naval force abroad leaves at our disposal the means of conveniently providing for a home squadron for the protection of commerce upon our extensive coast. The amount of appropriations required for such a squadron will be found in the general estimates for the naval service for the year 1838.

The naval officers engaged upon our coast survey have rendered important service to our navigation. The discovery of a new channel into the harbor of New York, through which our largest ships may pass without danger, must afford important commercial advantages to that harbor and add greatly to its value as a naval station. The accurate survey of Georges Shoals, off the coast of Massachusetts, lately completed, will render comparatively safe a navigation hitherto considered dangerous.

Considerable additions have been made to the number of captains, commanders, lieutenants, surgeons, and assistant surgeons in the Navy. These additions were rendered necessary by the increased number of vessels put in commission to answer the exigencies of our growing commerce.

Your attention is respectfully invited to the various suggestions of the Secretary for the improvement of the naval service.

The report of the Postmaster-General exhibits the progress and condition of the mail service. The operations of the Post-Office Department constitute one of the most active elements of our national prosperity, and it is gratifying to observe with what vigor they are conducted. The mail routes of the United States cover an extent of about 142,877 miles, having been increased about 37,103 miles within the last two years. The annual mail

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transportation on these routes is about 36,228,962 miles, having been increased about 10,359,476 miles within the same period. The number of post-offices has also been increased from 10,770 to 12,099, very few of which receive the mails less than once a week, and a large portion of them daily. Contractors and postmasters in general are represented as attending to their duties with most commendable zeal and fidelity. The revenue of the Department within the year ending on the 30th of June last was \$4,137,056.59, and its liabilities accruing within the same time were \$3,380,847.75. The increase of revenue over that of the preceding year was \$708,166.41.

For many interesting details I refer you to the report of the Postmaster-General, with the accompanying papers, Your particular attention is invited to the necessity of providing a more safe and convenient building for the accommodation of that Department.

I lay before Congress copies of reports submitted in pursuance of a call made by me upon the heads of Departments for such suggestions as their experience might enable them to make as to what further legislative provisions may be advantageously adopted to secure the faithful application of public moneys to the objects for which they are appropriated, to prevent their misapplication or embezzlement by those intrusted with the expenditure of them, and generally to increase the security of the Government against losses in their disbursement. It is needless to dilate on the importance of providing such new safeguards as are within the power of legislation to promote these ends, and I have little to add to the recommendations submitted in the accompanying papers.

By law the terms of service of our most important collecting and disbursing officers in the civil departments are limited to four years, and when reappointed their bonds are required to be renewed. The safety of the public is much increased by this feature of the law, and there can be no doubt that its application to all officers intrusted with the collection or disbursement of the public money, whatever may be the tenure of their offices, would be equally beneficial. I therefore recommend, in addition to such of the suggestions presented by the heads of Departments as you may think useful, a general provision that all officers of the Army or Navy, or in the civil departments, intrusted with the receipt or payment of public money, and whose term of service is either unlimited or for a longer time than four years, be required to give new bonds, with good and sufficient sureties, at the expiration of every such period.

A change in the period of terminating the fiscal year, from the 1st of October to the 1st of April, has been frequently recommended, and appears to be desirable.

The distressing casualties in steamboats which have so frequently happened during the year seem to evince the necessity of attempting to prevent them by means of severe provisions connected with their customhouse papers. This subject was submitted to the attention of Congress by the Secretary of the Treasury in his last annual report, and will be again noticed at the present session, with additional details. It will doubtless receive that early and careful consideration which its pressing importance appears to require.

Your attention has heretofore been frequently called to the affairs of the District of Columbia, and I should not again ask it did not their entire dependence on Congress give them a constant claim upon its notice. Separated by the Constitution from the rest of the Union, limited in extent, and aided by no legislature of its own, it would seem to be a spot where a wise and uniform system of local government might have been easily adopted. This District has, however, unfortunately been left to linger behind the rest of the Union. Its codes, civil and criminal, are not only very defective, but full of obsolete or inconvenient provisions. Being formed of portions of two States, discrepancies in the laws prevail in different parts of the territory, small as it is; and although it was selected as the seat of the General Government, the site of its public edifices, the depository of its archives, and the residence of officers intrusted with large amounts of public property and the management of public business, yet it has never been subjected to or received that special and comprehensive legislation which these circumstances peculiarly demand. I am well aware of the various subjects of greater magnitude and immediate interest that press themselves on the consideration of Congress, but I believe there is not one that appeals more directly to its justice than a liberal and even generous attention to the interests of the District of Columbia and a thorough and careful revision of its local government. M. VAN BUREN

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December 3, 1838

Fellow—Citizens of the Senate and House of Representatives:

I congratulate you on the favorable circumstances in the condition of our country under which you reassemble for the performance of your official duties. Though the anticipations of an abundant harvest have not everywhere been realized, yet on the whole the labors of the husbandman are rewarded with a bountiful return; industry prospers in its various channels of business and enterprise; general health again prevails through our vast diversity of climate; nothing threatens from abroad the continuance of external peace; nor has anything at home impaired the strength of those fraternal and domestic ties which constitute the only guaranty to the success and permanency of our happy Union, and which, formed in the hour of peril, have hitherto been honorably sustained through every vicissitude in our national affairs. These blessings, which evince the care and beneficence of Providence, call for our devout and fervent gratitude.

We have not less reason to be grateful for other bounties bestowed by the same munificent hand, and more exclusively our own.

The present year closes the first half century of our Federal institutions, and our system, differing from all others in the acknowledged practical and unlimited operation which it has for so long a period given to the sovereignty of the people, has now been fully tested by experience.

The Constitution devised by our forefathers as the framework and bond of that system, then untried, has become a settled form of government; not only preserving and protecting the great principles upon which it was rounded, but wonderfully promoting individual happiness and private interests. Though subject to change and entire revocation whenever deemed inadequate to all these purposes, yet such is the wisdom of its construction and so stable has been the public sentiment that it remains unaltered except in matters of detail comparatively unimportant. It has proved amply sufficient for the various emergencies incident to our condition as a nation. A formidable foreign war; agitating collisions between domestic, and in some respects rival, sovereignties; temptations to interfere in the intestine commotions of neighboring countries; the dangerous influences that arise in periods of excessive prosperity, and the antirepublican tendencies of associated wealth—these, with other trials not less formidable, have all been encountered, and thus far successfully resisted.

It was reserved for the American Union to test the advantages of a government entirely dependent on the continual exercise of the popular will, and our experience has shown that it is as beneficent in practice as it is just in theory. Each successive change made in our local institutions has contributed to extend the right of suffrage, has increased the direct influence of the mass of the community, given greater freedom to individual exertion, and restricted more and more the powers of Government; yet the intelligence, prudence, and patriotism of the people have kept pace with this augmented responsibility. In no country has education been so widely diffused. Domestic peace has nowhere so largely reigned. The close bonds of social intercourse have in no instance prevailed with such harmony over a space so vast. All forms of religion have united for the first time to diffuse charity and piety, because for the first time in the history of nations all have been totally untrammelled and absolutely free. The deepest recesses of the wilderness have been penetrated; yet instead of the rudeness in the social condition consequent upon such adventures elsewhere, numerous communities have sprung up, already unrivaled in prosperity, general intelligence, internal tranquillity, and the wisdom of their political institutions. Internal improvement, the fruit of individual enterprise, fostered by the protection of the States, has added new links to the Confederation and fresh rewards to provident industry. Doubtful questions of domestic policy have been quietly settled by mutual forbearance, and agriculture, commerce, and manufactures minister to each other. Taxation and public debt, the burdens which bear so heavily upon all other countries, have pressed with comparative lightness upon us. Without one entangling alliance, our friendship is prized by every nation, and the rights of our citizens are everywhere respected, because they are known to be guarded by a united, sensitive, and watchful people.

To this practical operation of our institutions, so evident and successful, we owe that increased attachment to them which is among the most cheering exhibitions of popular sentiment and will prove their best security in time to come against foreign or domestic assault.

This review of the results of our institutions for half a century, without exciting a spirit of vain exultation,

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should serve to impress upon us the great principles from which they have sprung—constant and direct supervision by the people over every public measure. strict forbearance on the part of the Government from exercising any doubtful or disputed powers, and a cautious abstinence from all interference with concerns which properly belong and are best left to State regulations and individual enterprise.

Full information of the state of our foreign affairs having been recently on different occasions submitted to Congress, I deem it necessary now to bring to your notice only such events as have subsequently occurred or are of such importance as to require particular attention.

The most amicable dispositions continue to be exhibited by all the nations with whom the Government and citizens of the United States have an habitual intercourse. At the date of my last annual message Mexico was the only nation which could not be included in so gratifying a reference to our foreign relations.

I am happy to be now able to inform you that an advance has been made toward the adjustment of our differences with that Republic and the restoration of the customary good feeling between the two nations. This important change has been effected by conciliatory negotiations that have resulted in the conclusion of a treaty between the two Governments, which, when ratified, will refer to the arbitrament of a friendly power all the subjects of controversy between us growing out of injuries to individuals. There is at present also reason to believe that an equitable settlement of all disputed points will be attained without further difficulty or unnecessary delay, and thus authorize the free resumption of diplomatic intercourse with our sister Republic.

With respect to the northeastern boundary of the United States, no official correspondence between this Government and that of Great Britain has passed since that communicated to Congress toward the close of their last session. The offer to negotiate a convention for the appointment of a joint commission of survey and exploration I am, however, assured will be met by Her Majesty's Government in a conciliatory and friendly spirit, and instructions to enable the British minister here to conclude such an arrangement will be transmitted to him without needless delay. It is hoped and expected that these instructions will be of a liberal character, and that this negotiation, if successful, will prove to be an important step toward the satisfactory and final adjustment of the controversy.

I had hoped that the respect for the laws and regard for the peace and honor of their own country which have ever characterized the citizens of the United States would have prevented any portion of them from using any means to promote insurrection in the territory of a power with which we are at peace, and with which the United States are desirous of maintaining the most friendly relations. I regret deeply, however, to be obliged to inform you that this has not been the case. Information has been given to me, derived from official and other sources, that many citizens of the United States have associated together to make hostile incursions from our territory into Canada and to aid and abet insurrection there, in violation of the obligations and laws of the United States and in open disregard of their own duties as citizens. This information has been in part confirmed by a hostile invasion actually made by citizens of the United States, in conjunction with Canadians and others, and accompanied by a forcible seizure of the property of our citizens and an application thereof to the prosecution of military operations against the authorities and people of Canada.

The results of these criminal assaults upon the peace and order of a neighboring country have been, as was to be expected, fatally destructive to the misguided or deluded persons engaged in them and highly injurious to those in whose behalf they are professed to have been undertaken. The authorities in Canada, from intelligence received of such intended movements among our citizens, have felt themselves obliged to take precautionary measures against them; have actually embodied the militia and assumed an attitude to repel the invasion to which they believed the colonies were exposed from the United States. A state of feeling on both sides of the frontier has thus been produced which called for prompt and vigorous interference. If an insurrection existed in Canada, the amicable dispositions of the United States toward Great Britain, as well as their duty to themselves, would lead them to maintain a strict neutrality and to restrain their citizens from all violations of the laws which have been passed for its enforcement. But this Government recognizes a still higher obligation to repress all attempts on the part of its citizens to disturb the peace of a country where order prevails or has been reestablished. Depredations by our citizens upon nations at peace with the United States, or combinations for committing them, have at all times been regarded by the American Government and people with the greatest abhorrence. Military incursions by our citizens into countries so situated, and the commission of acts of violence on the members thereof, in order to effect a change in their government, or under any pretext whatever, have from the commencement of our

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Government been held equally criminal on the part of those engaged in them, and as much deserving of punishment as would be the disturbance of the public peace by the perpetration of similar acts within our own territory.

By no country or persons have these invaluable principles of international law—principles the strict observance of which is so indispensable to the preservation of social order in the world—been more earnestly cherished or sacredly respected than by those great and good men who first declared and finally established the independence of our own country. They promulgated and maintained them at an early and critical period in our history; they were subsequently embodied in legislative enactments of a highly penal character, the faithful enforcement of which has hitherto been, and will, I trust, always continue to be, regarded as a duty inseparably associated with the maintenance of our national honor. That the people of the United States should feel an interest in the spread of political institutions as free as they regard their own to be is natural, nor can a sincere solicitude for the success of all those who are at any time in good faith struggling for their acquisition be imputed to our citizens as a crime. With the entire freedom of opinion and an undisguised expression thereof on their part the Government has neither the right nor, I trust, the disposition to interfere. But whether the interest or the honor of the United States requires that they should be made a party to any such struggle, and by inevitable consequence to the war which is waged in its support, is a question which by our Constitution is wisely left to Congress alone to decide. It is by the laws already made criminal in our citizens to embarrass or anticipate that decision by unauthorized military operations on their part. Offenses of this character, in addition to their criminality as violations of the laws of our country, have a direct tendency to draw down upon our own citizens at large the multiplied evils of a foreign war and expose to injurious imputations the good faith and honor of the country. As such they deserve to be put down with promptitude and decision. I can not be mistaken, I am confident, in counting on the cordial and general concurrence of our fellow-citizens in this sentiment. A copy of the proclamation which I have felt it my duty to issue is herewith communicated. I can not but hope that the good sense and patriotism, the regard for the honor and reputation of their country, the respect for the laws which they have themselves enacted for their own government, and the love of order for which the mass of our people have been so long and so justly distinguished will deter the comparatively few who are engaged in them from a further prosecution of such desperate enterprises. In the meantime the existing laws have been and will continue to be faithfully executed, and every effort will be made to carry them out in their full extent. Whether they are sufficient or not to meet the actual state of things on the Canadian frontier it is for Congress to decide.

It will appear from the correspondence herewith submitted that the Government of Russia declines a renewal of the fourth article of the convention of April, 1824, between the United States and His Imperial Majesty, by the third article of which it is agreed that "hereafter there shall not be formed by the citizens of the United States or under the authority of the said States any establishment upon the northwest coast of America, nor in any of the islands adjacent, to the north of 54° 40' of north latitude, and that in the same manner there shall be none formed by Russian subjects or under the authority of Russia south of the same parallel;" and by the fourth article, "that during a term of ten years, counting from the signature of the present convention, the ships of both powers, or which belong to their citizens or subjects, respectively, may reciprocally frequent, without any hindrance whatever, the interior seas, gulfs, harbors, and creeks upon the coast mentioned in the preceding article, for the purpose of fishing and trading with the natives of the country." The reasons assigned for declining to renew the provisions of this article are, briefly, that the only use made by our citizens of the privileges it secures to them has been to supply the Indians with spirituous liquors, ammunition, and firearms; that this traffic has been excluded from the Russian trade; and as the supplies furnished from the United States are injurious to the Russian establishments on the northwest coast and calculated to produce complaints between the two Governments, His Imperial Majesty thinks it for the interest of both countries not to accede to the proposition made by the American Government for the renewal of the article last referred to.

The correspondence herewith communicated will show the grounds upon which we contend that the citizens of the United States have, independent of the provisions of the convention of 1824, a right to trade with the natives upon the coast in question at unoccupied places, liable, however, it is admitted, to be at any time extinguished by the creation of Russian establishments at such points. This right is denied by the Russian Government, which asserts that by the operation of the treaty of 1824 each party agreed to waive the general right to land on the vacant coasts on the respective sides of the degree of latitude referred to, and accepted in lieu

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thereof the mutual privileges mentioned in the fourth article. The capital and tonnage employed by our citizens in their trade with the northwest coast of America will, perhaps, on adverting to the official statements of the commerce and navigation of the United States for the last few years, be deemed too inconsiderable in amount to attract much attention; yet the subject may in other respects deserve the careful consideration of Congress.

I regret to state that the blockade of the principal ports on the eastern coast of Mexico, which, in consequence of differences between that Republic and France, was instituted in May last, unfortunately still continues, enforced by a competent French naval armament, and is necessarily embarrassing to our own trade in the Gulf, in common with that of other nations. Every disposition, however, is believed to exist on the part of the French Government to render this measure as little onerous as practicable to the interests of the citizens of the United States and to those of neutral commerce, and it is to be hoped that an early settlement of the difficulties between France and Mexico will soon reestablish the harmonious relations formerly subsisting between them and again open the ports of that Republic to the vessels of all friendly nations.

A convention for marking that part of the boundary between the United States and the Republic of Texas which extends from the mouth of the Sabine to the Red River was concluded and signed at this city on the 25th of April last. It has since been ratified by both Governments, and seasonable measures will be taken to carry it into effect on the part of the United States.

The application of that Republic for admission into this Union, made in August, 1837, and which was declined for reasons already made known to you, has been formally withdrawn, as will appear from the accompanying copy of the note of the minister plenipotentiary of Texas, which was presented to the Secretary of State on the occasion of the exchange of the ratifications of the convention above mentioned.

Copies of the convention with Texas, of a commercial treaty concluded with the King of Greece, and of a similar treaty with the Peru–Bolivian Confederation, the ratifications of which have been recently exchanged, accompany this message, for the information of Congress and for such legislative enactments as may be found necessary or expedient in relation to either of them.

To watch over and foster the interests of a gradually increasing and widely extended commerce, to guard the rights of American citizens whom business or pleasure or other motives may tempt into distant climes, and at the same time to cultivate those sentiments of mutual respect and good will which experience has proved so beneficial in international intercourse, the Government of the United States has deemed it expedient from time to time to establish diplomatic connections with—different foreign states, by the appointment of representatives. to reside within their respective territories. I am gratified to be enabled to announce to you that since the close of your last session these relations have been opened under the happiest auspices with Austria and the Two Sicilies, that new nominations have been made in the respective missions of Russia, Brazil, Belgium, and Sweden and Norway in this country, and that a minister extraordinary has been received, accredited to this Government, from the Argentine Confederation.

An exposition of the fiscal affairs of the Government and of their condition for the past year will be made to you by the Secretary of the Treasury.

The available balance in the Treasury on the 1st of January next is estimated at \$2,765,342. The receipts of the year from customs and lands will probably amount to \$20,615,598. These usual sources of revenue have been increased by an issue of Treasury notes, of which less than \$8,000,000, including interest and principal, will be outstanding at the end of the year, and by the sale of one of the bonds of the Bank of the United States for \$2,254,871. The aggregate of means from these and other sources, with the balance on hand on the 1st of January last, has been applied to the payment of appropriations by Congress. The whole expenditure for the year on their account, including the redemption of more than eight millions of Treasury notes, constitutes an aggregate of about \$40,000,000, and will still leave in the Treasury the balance before stated.

Nearly \$8,000,000 of Treasury notes are to be paid during the coming year in addition to the ordinary appropriations for the support of Government. For both these purposes the resources of the Treasury will undoubtedly be sufficient if the charges upon it are not increased beyond the annual estimates. No excess, however, is likely to exist. Nor can the postponed installment of the surplus revenue be deposited with the States nor any considerable appropriations beyond the estimates be made without causing a deficiency in the Treasury. The great caution, advisable at all times, of limiting appropriations to the wants of the public service is rendered necessary at present by the prospective and rapid reduction of the tariff, while the vigilant jealousy evidently

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excited among the people by the occurrences of the last few years assures us that they expect from their representatives, and will sustain them in the exercise of, the most rigid economy. Much can be effected by postponing appropriations not immediately required for the ordinary public service or for any pressing emergency, and much by reducing the expenditures where the entire and immediate accomplishment of the objects in view is not indispensable.

When we call to mind the recent and extreme embarrassments produced by excessive issues of bank paper, aggravated by the unforeseen withdrawal of much foreign capital and the inevitable derangement arising from the distribution of the surplus revenue among the States as required by Congress, and consider the heavy expenses incurred by the removal of Indian tribes, by the military operations in Florida, and on account of the unusually large appropriations made at the last two annual sessions of Congress for other objects, we have striking evidence in the present efficient state of our finances of the abundant resources of the country to fulfill all its obligations. Nor is it less gratifying to find that the general business of the community, deeply affected as it has been, is reviving with additional vigor, chastened by the lessons of the past and animated by the hopes of the future. By the curtailment of paper issues, by curbing the sanguine and adventurous spirit of speculation, and by the honorable application of all available means to the fulfillment of obligations, confidence has been restored both at home and abroad, and ease and facility secured to all the operations of trade.

The agency of the Government in producing these results has been as efficient as its powers and means permitted. By withholding from the States the deposit of the fourth installment, and leaving several millions at long credits with the banks, principally in one section of the country, and more immediately beneficial to it, and at the same time aiding the banks and commercial communities in other sections by postponing the payment of bonds for duties to the amount of between four and five millions of dollars; by an issue of Treasury notes as a means to enable the Government to meet the consequences of their indulgences, but affording at the same time facilities for remittance and exchange; and by steadily declining to employ as general depositories of the public revenues, or receive the notes of, all banks which refused to redeem them with specie—by these measures, aided by the favorable action of some of the banks and by the support and cooperation of a large portion of the community, we have witnessed an early resumption of specie payments in our great commercial capital, promptly followed in almost every part of the United States. This result has been alike salutary to the true interests of agriculture, commerce, and manufactures; to public morals, respect for the laws, and that confidence between man and man which is so essential in all our social relations.

The contrast between the suspension of 1814 and that of 1837 is most striking. The short duration of the latter, the prompt restoration of business, the evident benefits resulting from an adherence by the Government to the constitutional standard of value instead of sanctioning the suspension by the receipt of irredeemable paper, and the advantages derived from the large amount of specie introduced into the country previous to 1837 afford a valuable illustration of the true policy of the Government in such a crisis. Nor can the comparison fail to remove the impression that a national bank is necessary in such emergencies. Not only were specie payments resumed without its aid, but exchanges have also been more rapidly restored than when it existed, thereby showing that private capital, enterprise, and prudence are fully adequate to these ends. On all these points experience seems to have confirmed the views heretofore submitted to Congress. We have been saved the mortification of seeing the distresses of the community for the third time seized on to fasten upon the country so dangerous an institution, and we may also hope that the business of individuals will hereafter be relieved from the injurious effects of a continued agitation of that disturbing subject. The limited influence of a national bank in averting derangement in the exchanges of the country or in compelling the resumption of specie payments is now not less apparent than its tendency to increase inordinate speculation by sudden expansions and contractions; its disposition to create panic and embarrassment for the promotion of its own designs; its interference with politics, and its far greater power for evil than for good, either in regard to the local institutions or the operations of Government itself. What was in these respects but apprehension or opinion when a national bank was first established now stands confirmed by humiliating experience. The scenes through which we have passed conclusively prove how little our commerce, agriculture, manufactures, or finances require such an institution, and what dangers are attendant on its power—a power, I trust, never to be conferred by the American people upon their Government, and still less upon individuals not responsible to them for its unavoidable abuses.

My conviction of the necessity of further legislative provisions for the safe-keeping and disbursement of the

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public moneys and my opinion in regard to the measures best adapted to the accomplishment of those objects have been already submitted to you. These have been strengthened by recent events, and in the full conviction that time and experience must still further demonstrate their propriety I feel it my duty, with respectful deference to the conflicting views of others, again to invite your attention to them.

With the exception of limited sums deposited in the few banks still employed under the act of 1836, the amounts received for duties, and, with very inconsiderable exceptions, those accruing from lands also, have since the general suspension of specie payments by the deposit banks been kept and disbursed by the Treasurer under his general legal powers, subject to the superintendence of the Secretary of the Treasury. The propriety of defining more specifically and of regulating by law the exercise of this wide scope of Executive discretion has been already submitted to Congress.

A change in the office of collector at one of our principal ports has brought to light a defalcation of the gravest character, the particulars of which will be laid before you in a special report from the Secretary of the Treasury. By his report and the accompanying documents it will be seen that the weekly returns of the defaulting officer apparently exhibited throughout a faithful administration of the affairs intrusted to his management. It, however, now appears that he commenced abstracting the public moneys shortly after his appointment and continued to do so, progressively increasing the amount, for the term of more than seven years, embracing a portion of the period during which the public moneys were deposited in the Bank of the United States, the whole of that of the State bank deposit system, and concluding only on his retirement from office, after that system had substantially failed in consequence of the suspension of specie payments.

The way in which this defalcation was so long concealed and the steps taken to indemnify the United States, as far as practicable, against loss will also be presented to you. The ease is one which imperatively claims the attention of Congress and furnishes the strongest motive for the establishment of a more severe and secure system for the safe-keeping—and disbursement of the public moneys than any that has heretofore existed.

It seems proper, at all events, that by an early enactment similar to that of other countries the application of public money by an officer of Government to private uses should be made a felony and visited with severe and ignominious punishment. This is already in effect the law in respect to the Mint, and has been productive of the most salutary results. Whatever system is adopted, such an enactment would be wise as an independent measure, since much of the public moneys must in their collection and ultimate disbursement pass twice through the hands of public officers, in whatever manner they are intermediately kept. The Government, it must be admitted, has been from its commencement comparatively fortunate in this respect. But the appointing power can not always be well advised in its selections, and the experience of every country has shown that public officers are not at all times proof against temptation. It is a duty, therefore, which the Government owes, as well to the interests committed to its care as to the officers themselves, to provide every guard against transgressions of this character that is consistent with reason and humanity. Congress can not be too jealous of the conduct of those who are intrusted with the public money, and I shall at all times be disposed to encourage a watchful discharge of this duty.

If a more direct cooperation on the part of Congress in the supervision of the conduct of the officers intrusted with the custody and application of the public money is deemed desirable, it will give me pleasure to assist in the establishment of any judicious and constitutional plan by which that object may be accomplished. You will in your wisdom determine upon the propriety of adopting such a plan and upon the measures necessary to its effectual execution. When the late Bank of the United States was incorporated and made the depository of the public moneys, a right was reserved to Congress to inspect at its pleasure, by a committee of that body, the books and the proceedings of the bank. In one of the States, whose banking institutions are supposed to rank amongst the first in point of stability, they are subjected to constant examination by commissioners appointed for that purpose, and much of the success of its banking system is attributed to this watchful supervision.

The same course has also, in view of its beneficial operation, been adopted by an adjoining State, favorably known for the care it has always bestowed upon whatever relates to its financial concerns. I submit to your consideration whether a committee of Congress might not be profitably employed in inspecting, at such intervals as might be deemed proper, the affairs and accounts of officers intrusted with the custody of the public moneys. The frequent performance of this duty might be made obligatory on the committee in respect to those officers who have large sums in their possession, and left discretionary in respect to others. They might report to the Executive

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such defalcations as were found to exist, with a view to a prompt removal from office unless the default was satisfactorily accounted for, and report also to Congress, at the commencement of each session, the result of their examinations and proceedings. It does appear to me that with a subjection of this class of public officers to the general supervision of the Executive, to examinations by a committee of Congress at periods of which they should have no previous notice, and to prosecution and punishment as for felony for every breach of trust, the safe-keeping of the public moneys might under the system proposed be placed on a surer foundation than it has ever occupied since the establishment of the Government.

The Secretary of the Treasury will lay before you additional information containing new details on this interesting subject. To these I ask your early attention. That it should have given rise to great diversity of opinion can not be a subject of surprise. After the collection and custody of the public moneys had been for so many years connected with and made subsidiary to the advancement of private interests, a return to the simple self-denying ordinances of the Constitution could not but be difficult. But time and free discussion, eliciting the sentiments of the people, and aided by that conciliatory spirit which has ever characterized their course on great emergencies, were relied upon for a satisfactory settlement of the question. Already has this anticipation, on one important point at least—the impropriety of diverting public money to private purposes—been fully realized. There is no reason to suppose that legislation upon that branch of the subject would now be embarrassed by a difference of opinion, or fail to receive the cordial support of a large majority of our constituents.

The connection which formerly existed between the Government and banks was in reality injurious to both, as well as to the general interests of the community at large. It aggravated the disasters of trade and the derangements of commercial intercourse, and administered new excitements and additional means to wild and reckless speculations, the disappointment of which threw the country into convulsions of panic, and all but produced violence and bloodshed. The imprudent expansion of bank credits, which was the natural result of the command of the revenues of the State, furnished the resources for unbounded license in every species of adventure, seduced industry from its regular and salutary occupations by the hope of abundance without labor, and deranged the social state by tempting all trades and professions into the vortex of speculation on remote contingencies.

The same wide-spreading influence impeded also the resources of the Government, curtailed its useful operations, embarrassed the fulfillment of its obligations, and seriously interfered with the execution of the laws. Large appropriations and oppressive taxes are the natural consequences of such a connection, since they increase the profits of those who are allowed to use the public funds, and make it their interest that money should be accumulated and expenditures multiplied. It is thus that a concentrated money power is tempted to become an active agent in political affairs; and all past experience has shown on which side that influence will be arrayed. We deceive ourselves if we suppose that, it will ever be found asserting and supporting the rights of the community at large in opposition to the claims of the few.

In a government whose distinguishing characteristic should be a diffusion and equalization of its benefits and burdens the advantage of individuals will be augmented at the expense of the community at large. Nor is it the nature of combinations for the acquisition of legislative influence to confine their interference to the single object for which they were originally formed. The temptation to extend it to other matters is, on the contrary, not unfrequently too strong to be resisted. The rightful influence in the direction of public affairs of the mass of the people is therefore in no slight danger of being sensibly and injuriously affected by giving to a comparatively small but very efficient class a direct and exclusive personal interest in so important a portion of the legislation of Congress as that which relates to the custody of the public moneys. If laws acting upon private interests can not always be avoided, they should be confined within the narrowest limits, and left wherever possible to the legislatures of the States. When not thus restricted they lead to combinations of powerful associations, foster an influence necessarily selfish, and turn the fair course of legislation to sinister ends rather than to objects that advance public liberty and promote the general good.

The whole subject now rests with you, and I can not but express a hope that some definite measure will be adopted at the present session.

It will not, I am sure, be deemed out of place for me here to remark that the declaration of my views in opposition to the policy of employing banks as depositories of the Government funds can not justly be construed as indicative of hostility, official or personal, to those institutions; or to repeat in this form and in connection with

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this subject opinions which I have uniformly entertained and on all proper occasions expressed. Though always opposed to their creation in the form of exclusive privileges, and, as a State magistrate, aiming by appropriate legislation to secure the community against the consequences of their occasional mismanagement, I have yet ever wished to see them protected in the exercise of rights conferred by law, and have never doubted their utility when properly managed in promoting the interests of trade, and through that channel the other interests of the community. To the General Government they present themselves merely as State institutions, having no necessary connection with its legislation or its administration. Like other State establishments, they may be used or not in conducting the affairs of the Government, as public policy and the general interests of the Union may seem to require. The only safe or proper principle upon which their intercourse with the Government can be regulated is that which regulates their intercourse with the private citizen—the conferring of mutual benefits. When the Government can accomplish a financial operation better with the aid of the banks than without it, it should be at liberty to seek that aid as it would the services of a private banker or other capitalist or agent, giving the preference to those who will serve it on the best terms. Nor can there ever exist an interest in the officers of the General Government, as such, inducing them to embarrass or annoy the State banks any more than to incur the hostility of any other class of State institutions or of private citizens. It is not in the nature of things that hostility to these institutions can spring from this source, or any opposition to their course of business, except when they themselves depart from the objects of their creation and attempt to usurp powers not conferred upon them or to subvert the standard of value established by the Constitution. While opposition to their regular operations can not exist in this quarter, resistance to any attempt to make the Government dependent upon them for the successful administration of public affairs is a matter of duty, as I trust it ever will be of inclination, no matter from what motive or consideration the attempt may originate.

It is no more than just to the banks to say that in the late emergency most of them firmly resisted the strongest temptations to extend their paper issues when apparently sustained in a suspension of specie payments by public opinion, even though in some cases invited by legislative enactments. To this honorable course, aided by the resistance of the General Government, acting in obedience to the Constitution and laws of the United States, to the introduction of an irredeemable paper medium, may be attributed in a great degree the speedy restoration of our currency to a sound state and the business of the country to its wonted prosperity.

The banks have but to continue in the same safe course and be content in their appropriate sphere to avoid all interference from the General Government and to derive from it all the protection and benefits which it bestows on other State establishments, on the people of the States, and on the States themselves. In this, their true position, they can not but secure the confidence and good will of the people and the Government, which they can only lose when, leaping from their legitimate sphere, they attempt to control the legislation of the country and pervert the operations of the Government to their own purposes.

Our experience under the act, passed at the last session, to grant preemption rights to settlers on the public lands has as yet been too limited to enable us to pronounce with safety upon the efficacy of its provisions to carry out the wise and liberal policy of the Government in that respect. There is, however, the best reason to anticipate favorable results from its operation. The recommendations formerly submitted to you in respect to a graduation of the price of the public lands remain to be finally acted upon. Having found no reason to change the views then expressed, your attention to them is again respectfully requested.

Every proper exertion has been made and will be continued to carry out the wishes of Congress in relation to the tobacco trade, as indicated in the several resolutions of the House of Representatives and the legislation of the two branches. A favorable impression has, I trust, been made in the different foreign countries to which particular attention has been directed; and although we can not hope for an early change in their policy, as in many of them a convenient and large revenue is derived from monopolies in the fabrication and sale of this article, yet, as these monopolies are really injurious to the people where they are established, and the revenue derived from them may be less injuriously and with equal facility obtained from another and a liberal system of administration, we can not doubt that our efforts will be eventually crowned with, success if persisted in with temperate firmness and sustained by prudent legislation.

In recommending to Congress the adoption of the necessary provisions at this session for taking the next census or enumeration of the inhabitants of the United States, the suggestion presents itself whether the scope of the measure might not be usefully extended by causing it to embrace authentic statistical returns of the great

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interests specially intrusted to or necessarily affected by the legislation of Congress.

The accompanying report of the Secretary of War presents a satisfactory account of the state of the Army and of the several branches of the public service confided to the superintendence of that officer.

The law increasing and organizing the military establishment of the United States has been nearly carried into effect, and the Army has been extensively and usefully employed during the past season.

I would again call to your notice the subjects connected with and essential to the military defenses of the country which were submitted to you at the last session, but which were not acted upon, as is supposed, for want of time. The most important of them is the organization of the militia on the maritime and inland frontiers. This measure is deemed important, as it is believed that it will furnish an effective volunteer force in aid of the Regular Army, and may form the basis of a general system of organization for the entire militia of the United States. The erection of a national foundry and gunpowder manufactory, and one for making small arms, the latter to be situated at some point west of the Allegany Mountains, all appear to be of sufficient importance to be again urged upon your attention.

The plan proposed by the Secretary of War for the distribution of the forces of the United States in time of peace is well calculated to promote regularity and economy in the fiscal administration of the service, to preserve the discipline of the troops, and to render them available for the maintenance of the peace and tranquillity of the Country. With this view, likewise, I recommend the adoption of the plan presented by that officer for the defense of the western frontier. The preservation of the lives and property of our fellow-citizens who are settled upon that border country, as well as the existence of the Indian population, which might be tempted by our want of preparation to rush on their own destruction and attack the white settlements, all seem to require that this subject should be acted upon without delay, and the War Department authorized to place that country in a state of complete defense against any assault from the numerous and warlike tribes which are congregated on that border.

It affords me sincere pleasure to be able to apprise you of the entire removal of the Cherokee Nation of Indians to their new homes west of the Mississippi. The measures authorized by Congress at its last session, with a view to the long-standing controversy with them, have had the happiest effects. By an agreement concluded with them by the commanding general in that country, who has performed the duties assigned to him on the occasion with commendable energy and humanity, their removal has been principally under the conduct of their own chiefs, and they have emigrated without any apparent reluctance.

The successful accomplishment of this important object, the removal also of the entire Creek Nation with the exception of a small number of fugitives amongst the Seminoles in Florida, the progress already made toward a speedy completion of the removal of the Chickasaws, the Choctaws, the Pottawatamies, the Ottawas, and the Chippewas, with the extensive purchases of Indian lands during the present year, have rendered the speedy and successful result of the long-established policy of the Government upon the subject of Indian affairs entirely certain. The occasion is therefore deemed a proper one to place this policy in such a point of view as will exonerate the Government of the United States from the undeserved reproach which has been cast upon it through several successive Administrations. That a mixed occupancy of the same territory by the white and red man is incompatible with the safety or happiness of either is a position in respect to which there has long since ceased to be room for a difference of opinion. Reason and experience have alike demonstrated its impracticability. The bitter fruits of every attempt heretofore to overcome the barriers interposed by nature have only been destruction, both physical and moral, to the Indian, dangerous conflicts of authority between the Federal and State Governments, and detriment to the individual prosperity of the citizen as well as to the general improvement of the country. The remedial policy, the principles of which were settled more than thirty years ago under the Administration of Mr. Jefferson, consists in an extinction, for a fair consideration, of the title to all the lands still occupied by the Indians within the States and Territories of the United States; their removal to a country west of the Mississippi much more extensive and better adapted to their condition than that on which they then resided; the guarantee to them by the United States of their exclusive possession of that country forever, exempt from all intrusions by white men, with ample provisions for their security against external violence and internal dissensions, and the extension to them of suitable facilities for their advancement in civilization. This has not been the policy of particular Administrations only, but of each in succession since the first attempt to carry it out under that of Mr. Monroe. All have labored for its accomplishment, only with different degrees of success. The manner of its execution has, it is true, from time to time given rise to conflicts of opinion and unjust imputations; but in

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respect to the wisdom and necessity of the policy itself there has not from the beginning existed a doubt in the mind of any calm, judicious, disinterested friend of the Indian race accustomed to reflection and enlightened by experience.

Occupying the double character of contractor on its own account and guardian for the parties contracted with, it was hardly to be expected that the dealings of the Federal Government with the Indian tribes would escape misrepresentation. That there occurred ill the early settlement of this country, as in all others where the civilized race has succeeded to the possessions of the savage, instances of oppression and fraud on the part of the former there is too much reason to believe. No such offenses can, however, be justly charged upon this Government since it became free to pursue its own course. Its dealings with the Indian tribes have been just and friendly throughout; its efforts for their civilization constant, and directed by the best feelings of humanity; its watchfulness in protecting them from individual frauds unremitting; its forbearance under the keenest provocations, the deepest injuries, and the most flagrant outrages may challenge at least a comparison with any nation, ancient or modern, in similar circumstances; and if in future times a powerful, civilized, and happy nation of Indians shall be found to exist within the limits of this northern continent it will be owing to the consummation of that policy which has been so unjustly assailed. Only a very brief reference to facts in confirmation of this assertion can in this form be given, and you are therefore necessarily referred to the report of the Secretary of War for further details. To the Cherokees, whose case has perhaps excited the greatest share of attention and sympathy, the United States have granted in fee, with a perpetual guaranty of exclusive and peaceable possession, 13,554,135 acres of land on the west side of the Mississippi, eligibly situated, in a healthy climate, and in all respects better suited to their condition than the country they have left, in exchange for only 9,492,160 acres on the east side of the same river. The United States have in addition stipulated to pay them \$5,600,000 for their interest in and improvements on the lands thus relinquished, and \$1,160,000 for subsistence and other beneficial purposes, thereby putting it in their power to become one of the most wealthy and independent separate communities of the same extent in the world.

By the treaties made and ratified with the Miamies, the Chippewas, the Sioux, the Sacs and Foxes, and the Winnebagoes during the last year the Indian title to 18,458,000 acres has been extinguished. These purchases have been much more extensive than those of any previous year, and have, with other Indian expenses, borne very heavily upon the Treasury. They leave, however, but a small quantity of unbought Indian lands within the States and Territories, and the Legislature and Executive were equally sensible of the propriety of a final and more speedy extinction of Indian titles within those limits. The treaties, which were with a single exception made in pursuance of previous appropriations for defraying the expenses, have subsequently been ratified by the Senate, and received the sanction of Congress by the appropriations necessary to carry them into effect. Of the terms upon which these important negotiations were concluded I can speak from direct knowledge, and I feel no difficulty in affirming that the interest of the Indians in the extensive territory embraced by them is to be paid for at its fair value, and that no more favorable terms have been granted to the United States than would have been reasonably expected in a negotiation with civilized men fully capable of appreciating and protecting their own rights. For the Indian title to 116,349,897 acres acquired since the 4th of March, 1829, the United States have paid \$72,560,056 in permanent annuities, lands, reservations for Indians, expenses of removal and subsistence, merchandise, mechanical and agricultural establishments and implements. When the heavy expenses incurred by the United States and the circumstance that so large a portion of the entire territory will be forever unsalable are considered, and this price is compared with that for which the United States sell their own lands, no one can doubt that justice has been done to the Indians in these purchases also. Certain it is that the transactions of the Federal Government with the Indians have been uniformly characterized by a sincere and paramount desire to promote their welfare; and it must be a source of the highest gratification to every friend to justice and humanity to learn that notwithstanding the obstructions from time to time thrown in its way and the difficulties which have arisen from the peculiar and impracticable nature of the Indian character, the wise, humane, and undeviating policy of the Government in this the most difficult of all our relations, foreign or domestic, has at length been justified to the world in its near approach to a happy and certain consummation.

The condition of the tribes which occupy the country set apart for them in the West is highly prosperous, and encourages the hope of their early civilization. They have for the most part abandoned the hunter state and turned their attention to agricultural pursuits. All those who have been established for any length of time in that fertile

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region maintain themselves by their own industry. There are among them traders of no inconsiderable capital, and planters exporting cotton to some extent, but the greater number are small agriculturists, living in comfort upon the produce of their farms. The recent emigrants, although they have in some instances removed reluctantly, have readily acquiesced in their unavoidable destiny. They have found at once a recompense for past sufferings and an incentive to industrious habits in the abundance and comforts around them. There is reason to believe that all these tribes are friendly in their feelings toward the United States; and it is to be hoped that the acquisition of individual wealth, the pursuits of agriculture, and habits of industry will gradually subdue their warlike propensities and incline them to maintain peace among themselves. To effect this desirable object the attention of Congress is solicited to the measures recommended by the Secretary of War for their future government and protection, as well from each other as from the hostility of the warlike tribes around them and the intrusions of the whites. The policy of the Government has given them a permanent home and guaranteed to them its peaceful and undisturbed possession. It only remains to give them a government and laws which will encourage industry and secure to them the rewards of their exertions. The importance of some form of government can not be too much insisted upon. The earliest effects will be to diminish the causes and occasions for hostilities among the tribes, to inspire an interest in the observance of laws to which they will have themselves assented, and to multiply the securities of property and the motives for self-improvement. Intimately connected with this subject is the establishment of the military defenses recommended by the Secretary of War, which have been already referred to. Without them the Government will be powerless to redeem its pledge of protection to the emigrating Indians against the numerous warlike tribes that surround them and to provide for the safety of the frontier settlers of the bordering States.

The case of the Seminoles constitutes at present the only exception to the successful efforts of the Government to remove the Indians to the homes assigned them west of the Mississippi. Four hundred of this tribe emigrated in 1836 and 1,500 in 1837 and 1838, leaving in the country, it is supposed, about 2,000 Indians. The continued treacherous conduct of these people; the savage and unprovoked murders they have lately committed, butchering whole families of the settlers of the Territory without distinction of age or sex, and making their way into the very center and heart of the country, so that no part of it is free from their ravages; their frequent attacks on the light-houses along that dangerous coast, and the barbarity with which they have murdered the passengers and crews of such vessels as have been wrecked upon the reefs and keys which border the Gulf, leave the Government no alternative but to continue the military operations against them until they are totally expelled from Florida. There are other motives which would urge the Government to pursue this course toward the Seminoles. The United States have fulfilled in good faith all their treaty stipulations with the Indian tribes, and have in every other instance insisted upon a like performance of their obligations. To relax from this salutary rule because the Seminoles have maintained themselves so long in the territory they had relinquished, and in defiance of their frequent and solemn engagements still continue to wage a ruthless war against the United States, would not only evince a want of constancy on our part, but be of evil example in our intercourse with other tribes. Experience has shown that but little is to be gained by the march of armies through a country so intersected with inaccessible swamps and marshes, and which, from the fatal character of the climate, must be abandoned at the end of the winter. I recommend, therefore, to your attention the plan submitted by the Secretary of War in the accompanying report, for the permanent occupation of the portion of the Territory freed from the Indians and the more efficient protection of the people of Florida from their inhuman warfare.

From the report of the Secretary of the Navy herewith transmitted it will appear that a large portion of the disposable naval force is either actively employed or in a state of preparation for the purposes of experience and discipline and the protection of our commerce. So effectual has been this protection that so far as the information of Government extends not a single outrage has been attempted on a vessel carrying the flag of the United States within the present year, in any quarter, however distant or exposed.

The exploring expedition sailed from Norfolk on the 19th of August last, and information has been received of its safe arrival at the island of Madeira. The best spirit animates the officers and crews, and there is every reason to anticipate from its efforts results beneficial to commerce and honorable to the nation.

It will also be seen that no reduction of the force now in commission is contemplated. The unsettled state of a portion of South America renders it indispensable that our commerce should receive protection in that quarter; the vast and increasing interests embarked in the trade of the Indian and China seas, in the whale fisheries of the

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Pacific Ocean, and in the Gulf of Mexico require equal attention to their safety, and a small squadron may be employed to great advantage on our Atlantic coast in meeting sudden demands for the reenforcement of other stations, in aiding merchant vessels in distress, in affording active service to an additional number of officers, and in visiting the different ports of the United States, an accurate knowledge of which is obviously of the highest importance.

The attention of Congress is respectfully called to that portion of the report recommending an increase in the number of smaller vessels, and to other suggestions contained in that document. The rapid increase and wide expansion of our commerce, which is every day seeking new avenues of profitable adventure; the absolute necessity of a naval force for its protection precisely in the degree of its extension; a due regard to the national rights and honor; the recollection of its former exploits, and the anticipation of its future triumphs whenever opportunity presents itself, which we may rightfully indulge from the experience of the past—all seem to point to the Navy as a most efficient arm of our national defense and a proper object of legislative encouragement.

The progress and condition of the Post–Office Department will be seen by reference to the report of the Postmaster–General. The extent of post–roads covered by mail contracts is stated to be 134,818 miles, and the annual transportation upon them 34,580,202 miles. The number of post–offices in the United States is 12,553, and rapidly increasing. The gross revenue for the year ending on the 30th day of June last was \$4,262,145; the accruing expenditures, \$4,680,068; excess of expenditures, \$417,923. This has been made up out of the surplus previously on hand. The cash on hand on the 1st instant was \$314,068. The revenue for the year ending June 30, 1838, was \$161,540 more than that for the year ending June 30, 1837. The expenditures of the Department had been graduated upon the anticipation of a largely increased revenue. A moderate curtailment of mail service consequently became necessary, and has been effected, to shield the Department against the danger of embarrassment. Its revenue is now improving, and it will soon resume its onward course in the march of improvement.

Your particular attention is requested to so much of the Postmaster–Generals report as relates to the transportation of the mails upon railroads. The laws on that subject do not seem adequate to secure that service, now become almost essential to the public interests, and at the same time protect the Department from combinations and unreasonable demands.

Nor can I too earnestly request your attention to the necessity of providing a more secure building for this Department. The danger of destruction to which its important books and papers are continually exposed, as well from the highly combustible character of the building occupied as from that of others in the vicinity, calls loudly for prompt action.

Your attention is again earnestly invited to the suggestions and recommendations submitted at the last session in respect to the District of Columbia.

I feel it my duty also to bring to your notice certain proceedings at law which have recently been prosecuted in this District in the name of the United States, on the relation of Messrs. Stockton Stokes, of the State of Maryland, against the Postmaster–General, and which have resulted in the payment of money out of the National Treasury, for the first time since the establishment of the Government, by judicial compulsion exercised by the common–law writ of mandamus issued by the circuit court of this District.

The facts of the case and the grounds of the proceedings will be found fully stated in the report of the decision, and any additional information which you may desire will be supplied by the proper Department. No interference in the particular case is contemplated. The money has been paid, the claims of the prosecutors have been satisfied, and the whole subject, so far as they are concerned, is finally disposed of; but it is on the supposition that the case may be regarded as an authoritative exposition of the law as it now stands that I have thought it necessary to present it to your consideration.

The object of the application to the circuit court was to compel the Postmaster–General to carry into effect an award made by the Solicitor of the Treasury, under a special act of Congress for the settlement of certain claims of the relators on the Post–Office Department, which award the Postmaster–General declined to execute in full until he should receive further legislative direction on the subject. If the duty imposed on the Postmaster–General by that law was to be regarded as one of an official nature, belonging to his office as a branch of the executive, then it is obvious that the constitutional competency of the judiciary to direct and control him in its discharge was necessarily drawn in question; and if the duty so imposed on the Postmaster–General was to be considered as

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merely ministerial, and not executive, it yet remained to be shown that the circuit court of this District had authority to interfere by mandamus, such a power having never before been asserted or claimed by that court. With a view to the settlement of these important questions, the judgment of the circuit court was carried by a writ of error to the Supreme Court of the United States. In the opinion of that tribunal the duty imposed on the Postmaster-General was not an official executive duty, but one of a merely ministerial nature. The grave constitutional questions which had been discussed were therefore excluded from the decision of the case, the court, indeed, expressly admitting that with powers and duties properly belonging to the executive no other department can interfere by the writ of mandamus; and the question therefore resolved itself into this: Has Congress conferred upon the circuit court of this District the power to issue such a writ to an officer of the General Government commanding him to perform a ministerial act? A majority of the court have decided that it has, but have rounded their decision upon a process of reasoning which in my judgment renders further legislative provision indispensable to the public interests and the equal administration of justice.

It has long since been decided by the Supreme Court that neither that tribunal nor the circuit courts of the United States, held within the respective States, possess the power in question; but it is now held that this power, denied to both of these high tribunals (to the former by the Constitution and to the latter by Congress), has been by its legislation vested in the circuit court of this District. No such direct grant of power to the circuit court of this District is claimed, but it has been held to result by necessary implication from several sections of the law establishing the court. One of these sections declares that the laws of Maryland, as they existed at the time of the cession, should be in force in that part of the District ceded by that State, and by this provision the common law in civil and criminal cases, as it prevailed in Maryland in 1801, was established in that part of the District.

In England the court of king's bench—because the Sovereign, who, according to the theory of the constitution, is the fountain of justice originally sat there in person, and is still deemed to be present in construction of law—alone possesses the high power of issuing the writ of mandamus, not only to inferior jurisdictions and corporations, but also to magistrates and others, commanding them in the King's name to do what their duty requires in cases where there is a vested right and no other specific remedy. It has been held in the case referred to that as the Supreme Court of the United States is by the Constitution rendered incompetent to exercise this power, and as the circuit court of this District is a court of general jurisdiction in cases at common law, and the highest court of original jurisdiction in the District, the right to issue the writ of mandamus is incident to its common-law powers. Another ground relied upon to maintain the power in question is that it was included by fair construction in the powers granted to the circuit courts of the United States by the act "to provide for the more convenient organization of the courts of the United States," passed 13th February, 1801; that the act establishing the circuit court of this District, passed the 27th day of February, 1801, conferred upon that court and the judges thereof the same powers as were by law vested in the circuit courts of the United States and in the judges of the said courts; that the repeal of the first-mentioned act, which took place in the next year, did not divest the circuit court of this District of the authority in dispute, but left it still clothed with the powers over the subject which, it is conceded, were taken away from the circuit courts of the United States by the repeal of the act of 13th February, 1801.

Admitting that the adoption of the laws of Maryland for a portion of this District confers on the circuit court thereof, in that portion, the transcendent extrajudicial prerogative powers of the court of king's bench in England, or that either of the acts of Congress by necessary implication authorizes the former court to issue a writ of mandamus to an officer of the United States to compel him to perform a ministerial duty, the consequences are in one respect the same. The result in either case is that the officers of the United States stationed in different parts of the United States are, in respect to the performance of their official duties, subject to different laws and a different supervision—those in the States to one rule, and those in the District of Columbia to another and a very different one. In the District their official conduct is subject to a judicial control from which in the States they are exempt.

Whatever difference of opinion may exist as to the expediency of vesting such a power in the judiciary in a system of government constituted like that of the United States, all must agree that these disparaging discrepancies in the law and in the administration of justice ought not to be permitted to continue; and as Congress alone can provide the remedy, the subject is unavoidably presented to your consideration. M. VAN BUREN

State of the Union Address Martin van Buren

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December 2, 1839

Fellow—Citizens of the Senate and House of Representatives:

I regret that I can not on this occasion congratulate you that the past year has been one of unalloyed prosperity. The ravages of fire and disease have painfully afflicted otherwise flourishing portions of our country, and serious embarrassments yet derange the trade of many of our cities. But notwithstanding these adverse circumstances, that general prosperity which has been heretofore so bountifully bestowed upon us by the Author of All Good still continues to call for our warmest gratitude. Especially have we reason to rejoice in the exuberant harvests which have lavishly recompensed well—directed industry and given to it that sure reward which is vainly sought in visionary speculations. I cannot, indeed, view without peculiar satisfaction the evidences afforded by the past season of the benefits that spring from the steady devotion of the husbandman to his honorable pursuit. No means of individual comfort is more certain and no source of national prosperity is so sure. Nothing can compensate a people for a dependence upon others for the bread they eat, and that cheerful abundance on which the happiness of everyone so much depends is to be looked for nowhere with such sure reliance as in the industry of the agriculturist and the bounties of the earth.

With foreign countries our relations exhibit the same favorable aspect which was presented in my last annual message, and afford continued proof of the wisdom of the pacific, just, and forbearing policy adopted by the first Administration of the Federal Government and pursued by its successors. The extraordinary powers vested in me by an act of Congress for the defense of the country in an emergency, considered so far probable as to require that the Executive should possess ample means to meet it, have not been exerted. They have therefore been attended with no other result than to increase, by the confidence thus reposed in me, my obligations to maintain with religious exactness the cardinal principles that govern our intercourse with other nations. Happily, in our pending questions with Great Britain, out of which this unusual grant of authority arose, nothing has occurred to require its exertion, and as it is about to return to the Legislature I trust that no future necessity may call for its exercise by them or its delegation to another Department of the Government.

For the settlement of our northeastern boundary the proposition promised by Great Britain for a commission of exploration and survey has been received, and a counter project, including also a provision for the certain and final adjustment of the limits in dispute, is now before the British Government for its consideration. A just regard to the delicate state of this question and a proper respect for the natural impatience of the State of Maine, not less than a conviction that the negotiation has been already protracted longer than is prudent on the part of either Government, have led me to believe that the present favorable moment should on no account be suffered to pass without putting the question forever at rest. I feel confident that the Government of Her Britannic Majesty will take the same view of this subject, as I am persuaded it is governed by desires equally strong and sincere for the amicable termination of the controversy.

To the intrinsic difficulties of questions of boundary lines, especially those described in regions unoccupied and but partially known, is to be added in our country the embarrassment necessarily arising out of our Constitution by which the General Government is made the organ of negotiating and deciding upon the particular interests of the States on whose frontiers these lines are to be traced. To avoid another controversy in which a State government might rightfully claim to have her wishes consulted previously to the conclusion of conventional arrangements concerning her rights of jurisdiction or territory, I have thought it necessary to call the attention of the Government of Great Britain to another portion of our conterminous dominion of which the division still remains to be adjusted I refer to the line from the entrance of Lake Superior to the most northwestern point of the Lake of the Woods, stipulations for the settlement of which are to be found in the seventh article of the treaty of Ghent. The commissioners appointed under that article by the two Governments having differed in their opinions, made separate reports, according to its stipulations, upon the points of disagreement, and these differences are now to be submitted to the arbitration of some friendly sovereign or state. The disputed points should be settled and the line designated before the Territorial government of which it is one of the boundaries takes its place in the Union as a State, and I rely upon the cordial cooperation of the British Government to effect that object.

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There is every reason to believe that disturbances like those which lately agitated the neighboring British Provinces will not again prove the sources of border contentions or interpose obstacles to the continuance of that good understanding which it is the mutual interest of Great Britain and the United States to preserve and maintain.

Within the Provinces themselves tranquillity is restored, and on our frontier that misguided sympathy in favor of what was presumed to be a general effort in behalf of popular rights, and which in some instances misled a few of our more inexperienced citizens, has subsided into a rational conviction strongly opposed to all intermeddling with the internal affairs of our neighbors. The people of the United States feel, as it is hoped they always will, a warm solicitude for the success of all who are sincerely endeavoring to improve the political condition of mankind. This generous feeling they cherish toward the most distant nations, and it was natural, therefore, that it should be awakened with more than common warmth in behalf of their immediate neighbors; but it does not belong to their character as a community to seek the gratification of those feelings in acts which violate their duty as citizens, endanger the peace of their country, and tend to bring upon it the stain of a violated faith toward foreign nations. If, zealous to confer benefits on others, they appear for a moment to lose sight of the permanent obligations imposed upon them as citizens, they are seldom long misled. From all the information I receive, confirmed to some extent by personal observation, I am satisfied that no one can now hope to engage in such enterprises without encountering public indignation, in addition to the severest penalties of the law.

Recent information also leads me to hope that the emigrants from Her Majesty's Provinces who have sought refuge within our boundaries are disposed to become peaceable residents and to abstain from all attempts to endanger the peace of that country which has afforded them an asylum. On a review of the occurrences on both sides of the line it is satisfactory to reflect that in almost every complaint against our country the offense may be traced to emigrants from the Provinces who have sought refuge here. In the few instances in which they were aided by citizens of the United States the acts of these misguided men were not only in direct contravention of the laws and well-known wishes of their own Government, but met with the decided disapprobation of the people of the United States.

I regret to state the appearance of a different spirit among Her Majesty's subjects in the Canadas. The sentiments of hostility to our people and institutions which have been so frequently expressed there, and the disregard of our rights which has been manifested on some occasions, have, I am sorry to say, been applauded and encouraged by the people, and even by some of the subordinate local authorities, of the Provinces. The chief officers in Canada, fortunately, have not entertained the same feeling, and have probably prevented excesses that must have been fatal to the peace of the two countries.

I look forward anxiously to a period when all the transactions which have grown out of this condition of our affairs, and which have been made the subjects of complaint and remonstrance by the two Governments, respectively, shall be fully examined, and the proper satisfaction given where it is due from either side.

Nothing has occurred to disturb the harmony of our intercourse with Austria, Belgium, Denmark, France, Naples, Portugal, Prussia, Russia, or Sweden. The internal state of Spain has sensibly improved, and a well-grounded hope exists that the return of peace will restore to the people of that country their former prosperity and enable the Government to fulfill all its obligations at home and abroad. The Government of Portugal, I have the satisfaction to state, has paid in full the eleventh and last installment due to our citizens for the claims embraced in the settlement made with it on the 3d of March, 1837.

I lay before you treaties of commerce negotiated with the Kings of Sardinia and of the Netherlands, the ratifications of which have been exchanged since the adjournment of Congress. The liberal principles of these treaties will recommend them to your approbation. That with Sardinia is the first treaty of commerce formed by that Kingdom, and it will, I trust, answer the expectations of the present Sovereign by aiding the development of the resources of his country and stimulating the enterprise of his people. That with the Netherlands happily terminates a long-existing subject of dispute and removes from our future commercial intercourse all apprehension of embarrassment. The King of the Netherlands has also, in further illustration of his character for justice and of his desire to remove every cause of dissatisfaction, made compensation for an American vessel captured in 1800 by a French privateer, and carried into Curacoa, where the proceeds were appropriated to the use of the colony, then, and for a short time after, under the dominion of Holland.

The death of the late Sultan has produced no alteration in our relations with Turkey. Our newly appointed minister resident has reached Constantinople, and I have received assurances from the present ruler that the

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obligations of our treaty and those of friendship will be fulfilled by himself in the same spirit that actuated his illustrious father.

I regret to be obliged to inform you that no convention for the settlement of the claims of our citizens upon Mexico has yet been ratified by the Government of that country. The first convention formed for that purpose was not presented by the President of Mexico for the approbation of its Congress, from a belief that the King of Prussia, the arbitrator in case of disagreement in the joint commission to be appointed by the United States and Mexico, would not consent to take upon himself that friendly office. Although not entirely satisfied with the course pursued by Mexico, I felt no hesitation in receiving in the most conciliatory spirit the explanation offered, and also cheerfully consented to a new convention, in order to arrange the payments proposed to be made to our citizens in a manner which, while equally just to them, was deemed less onerous and inconvenient to the Mexican Government. Relying confidently upon the intentions of that Government, Mr. Ellis was directed to repair to Mexico, and diplomatic intercourse has been resumed between the two countries. The new convention has, he informs us, been recently submitted by the President of that Republic to its Congress under circumstances which promise a speedy ratification, a result which I can not allow myself to doubt.

Instructions have been given to the commissioner of the United States under our convention with Texas for the demarcation of the line which separates us from that Republic. The commissioners of both Governments met in New Orleans in August last. The joint commission was organized, and adjourned to convene at the same place on the 12th of October. It is presumed to be now in the performance of its duties.

The new Government of Texas has shown its desire to cultivate friendly relations with us by a prompt reparation for injuries complained of in the cases of two vessels of the United States.

With Central America a convention has been concluded for the renewal of its former treaty with the United States. This was not ratified before the departure of our late charge d'affaires from that country, and the copy of it brought by him was not received before the adjournment of the Senate at the last session. In the meanwhile, the period limited for the exchange of ratifications having expired, I deemed it expedient, in consequence of the death of the charge d'affaires, to send a special agent to Central America to close the affairs of our mission there and to arrange with the Government an extension of the time for the exchange of ratifications.

The commission created by the States which formerly composed the Republic of Colombia for adjusting the claims against that Government has by a very unexpected construction of the treaty under which it acts decided that no provision was made for those claims of citizens of the United States which arose from captures by Colombian privateers and were adjudged against the claimants in the judicial tribunals. This decision will compel the United States to apply to the several Governments formerly united for redress. With all these—New Granada, Venezuela, and Ecuador—a perfectly good understanding exists. Our treaty with Venezuela is faithfully carried into execution, and that country, in the enjoyment of tranquillity, is gradually advancing in prosperity under the guidance of its present distinguished President, General Paez. With Ecuador a liberal commercial convention has lately been concluded, which will be transmitted to the Senate at an early day.

With the great American Empire of Brazil our relations continue unchanged, as does our friendly intercourse with the other Governments of South America—the Argentine Republic and the Republics of Uruguay, Chili, Peru, and Bolivia. The dissolution of the Peru–Bolivian Confederation may occasion some temporary inconvenience to our citizens in that quarter, but the obligations on the new Governments which have arisen out of that Confederation to observe its treaty stipulations will no doubt be soon understood, and it is presumed that no indisposition will exist to fulfill those which it contracted with the United States.

The financial operations of the Government during the present year have, I am happy to say, been very successful. The difficulties under which the Treasury Department has labored, from known defects in the existing laws relative to the safe-keeping of the public moneys, aggravated by the suspension of specie payments by several of the banks holding public deposits or indebted to public officers for notes received in payment of public dues, have been surmounted to a very gratifying extent. The large current expenditures have been punctually met, and the faith of the Government in all its pecuniary concerns has been scrupulously maintained.

The nineteen millions of Treasury notes authorized by the act of Congress of 1837, and the modifications thereof with a view to the indulgence of merchants on their duty bonds and of the deposit banks in the payment of public moneys held by them, have been so punctually redeemed as to leave less than the original ten millions outstanding at any one time, and the whole amount unredeemed now falls short of three millions. Of these the

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chief portion is not due till next year, and the whole would have been already extinguished could the Treasury have realized the payments due to it from the banks. If those due from them during the next year shall be punctually made, and if Congress shall keep the appropriations within the estimates, there is every reason to believe that all the outstanding Treasury notes can be redeemed and the ordinary expenses defrayed without imposing on the people any additional burden, either of loans or increased taxes.

To avoid this and to keep the expenditures within reasonable bounds is a duty second only in importance to the preservation of our national character and the protection of our citizens in their civil and political rights. The creation in time of peace of a debt likely to become permanent is an evil for which there is no equivalent. The rapidity with which many of the States are apparently approaching to this condition admonishes us of our own duties in a manner too impressive to be disregarded. One, not the least important, is to keep the Federal Government always in a condition to discharge with ease and vigor its highest functions should their exercise be required by any sudden conjuncture of public affairs—a condition to which we are always exposed and which may occur when it is least expected. To this end it is indispensable that its finances should be untrammelled and its resources as far as practicable unencumbered. No circumstance could present greater obstacles to the accomplishment of these vitally important objects than the creation of an onerous national debt. Our own experience and also that of other nations have demonstrated the unavoidable and fearful rapidity with which a public debt is increased when the Government has once surrendered itself to the ruinous practice of supplying its supposed necessities by new loans. The struggle, therefore, on our part to be successful must be made at the threshold. To make our efforts effective, severe economy is necessary. This is the surest provision for the national welfare, and it is at the same time the best preservative of the principles on which our institutions rest. Simplicity and economy in the affairs of state have never failed to chasten and invigorate republican principles, while these have been as surely subverted by national prodigality, under whatever specious pretexts it may have been introduced or fostered.

These considerations can not be lost upon a people who have never been inattentive to the effect of their policy upon the institutions they have created for themselves, but at the present moment their force is augmented by the necessity which a decreasing revenue must impose. The check lately given to importations of articles subject to duties, the derangements in the operations of internal trade, and especially the reduction gradually taking place in our tariff of duties, all tend materially to lessen our receipts; indeed, it is probable that the diminution resulting from the last cause alone will not fall short of \$5,000,000 in the year 1842, as the final reduction of all duties to 20 per cent then takes effect. The whole revenue then accruing from the customs and from the sales of public lands, if not more, will undoubtedly be wanted to defray the necessary expenses of the Government under the most prudent administration of its affairs. These are circumstances that impose the necessity of rigid economy and require its prompt and constant exercise. With the Legislature rest the power and duty of so adjusting the public expenditure as to promote this end. By the provisions of the Constitution it is only in consequence of appropriations made by law that money can be drawn from the Treasury. No instance has occurred since the establishment of the Government in which the Executive, though a component part of the legislative power, has interposed an objection to an appropriation bill on the sole ground of its extravagance. His duty in this respect has been considered fulfilled by requesting such appropriations only as the public service may be reasonably expected to require. In the present earnest direction of the public mind toward this subject both the Executive and the Legislature have evidence of the strict responsibility to which they will be held; and while I am conscious of my own anxious efforts to perform with fidelity this portion of my public functions, it is a satisfaction to me to be able to count on a cordial cooperation from you.

At the time I entered upon my present duties our ordinary disbursements, without including those on account of the public debt, the Post-Office, and the trust funds in charge of the Government, had been largely increased by appropriations for the removal of the Indians, for repelling Indian hostilities, and for other less urgent expenses which grew out of an overflowing Treasury. Independent of the redemption of the public debt and trusts, the gross expenditures of seventeen and eighteen millions in 1834 and 1835 had by these causes swelled to twenty-nine millions in 1836, and the appropriations for 1837, made previously to the 4th of March, caused the expenditure to rise to the very large amount of thirty-three millions. We were enabled during the year 1838, notwithstanding the continuance of our Indian embarrassments, somewhat to reduce this amount, and that for the present year (1839) will not in all probability exceed twenty-six millions, or six millions less than it was last year. With a

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determination, so far as depends on me, to continue this reduction, I have directed the estimates for 1840 to be subjected to the severest scrutiny and to be limited to the absolute requirements of the public service. They will be found less than the expenditures of 1839 by over \$5,000,000.

The precautionary measures which will be recommended by the Secretary of the Treasury to protect faithfully the public credit under the fluctuations and contingencies to which our receipts and expenditures are exposed, and especially in a commercial crisis like the present, are commended to your early attention.

On a former occasion your attention was invited to various considerations in support of a preemption law in behalf of the settlers on the public lands, and also of a law graduating the prices for such lands as had long been in the market unsold in consequence of their inferior quality. The execution of the act which was passed on the first subject has been attended with the happiest consequences in quieting titles and securing improvements to the industrious, and it has also to a very gratifying extent been exempt from the frauds which were practiced under previous preemption laws. It has at the same time, as was anticipated, contributed liberally during the present year to the receipts of the Treasury.

The passage of a graduation law, with the guards before recommended, would also, I am persuaded, add considerably to the revenue for several years, and prove in other respects just and beneficial. Your early consideration of the subject is therefore once more earnestly requested.

The present condition of the defenses of our principal seaports and navy-yards, as represented by the accompanying report of the Secretary of War, calls for the early and serious attention of Congress; and, as connecting itself intimately with this subject, I can not recommend too strongly to your consideration the plan submitted by that officer for the organization of the militia of the United States.

In conformity with the expressed wishes of Congress, an attempt was made in the spring to terminate the Florida war by negotiation. It is to be regretted that these humane intentions should have been frustrated and that the effort to bring these unhappy difficulties to a satisfactory conclusion should have failed; but after entering into solemn engagements with the commanding general, the Indians, without any provocation, recommenced their acts of treachery and murder. The renewal of hostilities in that Territory renders it necessary that I should recommend to your favorable consideration the plan which will be submitted to you by the Secretary of War, in order to enable that Department to conduct them to a successful issue.

Having had an opportunity of personally inspecting a portion of the troops during the last summer, it gives me pleasure to bear testimony to the success of the effort to improve their discipline by keeping them together in as large bodies as the nature of our service will permit. I recommend, therefore, that commodious and permanent barracks be constructed at the several posts designated by the Secretary of War. Notwithstanding the high state of their discipline and excellent police, the evils resulting to the service from the deficiency of company officers were very apparent, and I recommend that the staff officers be permanently separated from the line.

The Navy has been usefully and honorably employed in protecting the rights and property of our citizens wherever the condition of affairs seemed to require its presence. With the exception of one instance, where an outrage, accompanied by murder, was committed on a vessel of the United States while engaged in a lawful commerce, nothing is known to have occurred to impede or molest the enterprise of our citizens on that element, where it is so signally displayed. On learning this daring act of piracy, Commodore Reed proceeded immediately to the spot, and receiving no satisfaction, either in the surrender of the murderers or the restoration of the plundered property, inflicted severe and merited chastisement on the barbarians.

It will be seen by the report of the Secretary of the Navy respecting the disposition of our ships of war that it has been deemed necessary to station a competent force on the coast of Africa to prevent a fraudulent use of our flag by foreigners.

Recent experience has shown that the provisions in our existing laws which relate to the sale and transfer of American vessels while abroad are extremely defective. Advantage has been taken of these defects to give to vessels wholly belonging to foreigners and navigating the ocean an apparent American ownership. This character has been so well simulated as to afford them comparative security in prosecuting the slave trade—a traffic emphatically denounced in our statutes, regarded with abhorrence by our citizens, and of which the effectual suppression is nowhere more sincerely desired than in the United States. These circumstances make it proper to recommend to your early attention a careful revision of these laws, so that without impeding the freedom and facilities of our navigation or impairing an important branch of our industry connected with it the integrity and

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honor of our flag may be carefully preserved. Information derived from our consul at Havana showing the necessity of this was communicated to a committee of the Senate near the close of the last session, but too late, as it appeared, to be acted upon. It will be brought to your notice by the proper Department, with additional communications from other sources.

The latest accounts from the exploring expedition represent it as proceeding successfully in its objects and promising results no less useful to trade and navigation than to science.

The extent of post-roads covered by mail service on the 1st of July last was about 133,999 miles and the rate of annual transportation upon them 34,496,878 miles. The number of post-offices on that day was 12,780 and on the 30th ultimo 13,028.

The revenue of the Post-Office Department for the year ending with the 30th of June last was \$4,476,638, exhibiting an increase over the preceding year of \$241,560. The engagements and liabilities of the Department for the same period are \$4,624,117.

The excess of liabilities over the revenue for the last two years has been met out of the surplus which had previously accumulated. The cash on hand on the 30th ultimo was about \$206,701.95 and the current income of the Department varies very little from the rate of current expenditures. Most of the service suspended last year has been restored, and most of the new routes established by the act of 7th July, 1838, have been set in operation, at an annual cost of \$136,963. Notwithstanding the pecuniary difficulties of the country, the revenue of the Department appears to be increasing, and unless it shall be seriously checked by the recent suspension of payment by so many of the banks it will be able not only to maintain the present mail service, but in a short time to extend it. It is gratifying to witness the promptitude and fidelity with which the agents of this Department in general perform their public duties.

Some difficulties have arisen in relation to contracts for the transportation of the mails by railroad and steamboat companies. It appears that the maximum of compensation provided by Congress for the transportation of the mails upon railroads is not sufficient to induce some of the companies to convey them at such hours as are required for the accommodation of the public. It is one of the most important duties of the General Government to provide and maintain for the use of the people of the States the best practicable mail establishment. To arrive at that end it is indispensable that the Post-Office Department shall be enabled to control the hours at which the mails shall be carried over railroads, as it now does over all other roads. Should serious inconveniences arise from the inadequacy of the compensation now provided by law, or from unreasonable demands by any of the railroad companies, the subject is of such general importance as to require the prompt attention of Congress.

In relation to steamboat lines, the most efficient remedy is obvious and has been suggested by the Postmaster-General. The War and Navy Departments already employ steamboats in their service; and although it is by no means desirable that the Government should undertake the transportation of passengers or freight as a business, there can be no reasonable objection to running boats, temporarily, whenever it may be necessary to put down attempts at extortion, to be discontinued as soon as reasonable contracts can be obtained.

The suggestions of the Postmaster-General relative to the inadequacy of the legal allowance to witnesses in cases of prosecutions for mail depredations merit your serious consideration. The safety of the mails requires that such prosecutions shall be efficient, and justice to the citizen whose time is required to be given to the public demands not only that his expenses shall be paid, but that he shall receive a reasonable compensation.

The reports from the War, Navy, and Post-Office Departments will accompany this communication, and one from the Treasury Department will be presented to Congress in a few days.

For various details in respect to the matters in charge of these Departments I would refer you to those important documents, satisfied that you will find in them many valuable suggestions which will be found well deserving the attention of the Legislature.

From a report made in December of last year by the Secretary of State to the Senate, showing the trial docket of each of the circuit courts and the number of miles each judge has to travel in the performance of his duties, a great inequality appears in the amount of labor assigned to each judge. The number of terms to be held in each of the courts composing the ninth circuit, the distances between the places at which they sit and from thence to the seat of Government, are represented to be such as to render it impossible for the judge of that circuit to perform in a manner corresponding with the public exigencies his term and circuit duties. A revision, therefore, of the present arrangement of the circuit seems to be called for and is recommended to your notice.

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I think it proper to call your attention to the power assumed by Territorial legislatures to authorize the issue of bonds by corporate companies on the guaranty of the Territory. Congress passed a law in 1836 providing that no act of a Territorial legislature incorporating banks should have the force of law until approved by Congress, but acts of a very exceptionable character previously passed by the legislature of Florida were suffered to remain in force, by virtue of which bonds may be issued to a very large amount by those institutions upon the faith of the Territory. A resolution, intending to be a joint one, passed the Senate at the same session, expressing the sense of Congress that the laws in question ought not to be permitted to remain in force unless amended in many material respects; but it failed in the House of Representatives for want of time, and the desired amendments have not been made. The interests involved are of great importance, and the subject deserves your early and careful attention.

The continued agitation of the question relative to the best mode of keeping and disbursing the public money still injuriously affects the business of the country. The suspension of specie payments in 1837 rendered the use of deposit banks as prescribed by the act of 1836 a source rather of embarrassment than aid, and of necessity placed the custody of most of the public money afterwards collected in charge of the public officers. The new securities for its safety which this required were a principal cause of my convening an extra session of Congress, but in consequence of a disagreement between the two Houses neither then nor at any subsequent period has there been any legislation on the subject. The effort made at the last session to obtain the authority of Congress to punish the use of public money for private purposes as a crime a measure attended under other governments with signal advantage—was also unsuccessful, from diversities of opinion in that body, notwithstanding the anxiety doubtless felt by it to afford every practicable security. The result of this is still to leave the custody of the public money without those safeguards which have been for several years earnestly desired by the Executive, and as the remedy is only to be found in the action of the Legislature it imposes on me the duty of again submitting to you the propriety of passing a law providing for the safe-keeping of the public moneys, and especially to ask that its use for private purposes by any officers intrusted with it may be declared to be a felony, punishable with penalties proportioned to the magnitude of the offense.

These circumstances, added to known defects in the existing laws and unusual derangement in the general operations of trade, have during the last three years much increased the difficulties attendant on the collection, keeping, and disbursement of the revenue, and called forth corresponding exertions from those having them in charge. Happily these have been successful beyond expectation. Vast sums have been collected and disbursed by the several Departments with unexpected cheapness and ease, transfers have been readily made to every part of the Union, however distant, and defalcations have been far less than might have been anticipated from the absence of adequate legal restraints. Since the officers of the Treasury and Post-Office Departments were charged with the custody of most of the public moneys received by them there have been collected \$66,000,000, and, excluding the case of the late collector at New York, the aggregate amount of losses sustained in the collection can not, it is believed, exceed \$60,000. The defalcation of the late collector at that city, of the extent and circumstances of which Congress have been fully informed, ran through all the modes of keeping the public money that have been hitherto in use, and was distinguished by an aggravated disregard of duty that broke through the restraints of every system, and can not, therefore, be usefully referred to as a test of the comparative safety of either. Additional information will also be furnished by the report of the Secretary of the Treasury, in reply to a call made upon that officer by the House of Representatives at the last session requiring detailed information on the subject of defaults by public officers or agents under each Administration from 1789 to 1837. This document will be submitted to you in a few days. The general results (independent of the Post-Office, which is kept separately and will be stated by itself), so far as they bear upon this subject, are that the losses which have been and are likely to be sustained by any class of agents have been the greatest by banks, including, as required in the resolution, their depreciated paper received for public dues; that the next largest have been by disbursing officers, and the least by collectors and receivers. If the losses on duty bonds are included, they alone will be threefold those by both collectors and receivers. Our whole experience, therefore, furnishes the strongest evidence that the desired legislation of Congress is alone wanting to insure in those operations the highest degree of security and facility. Such also appears to have been the experience of other nations. From the results of inquiries made by the Secretary of the Treasury in regard to the practice among them I am enabled to state that in twenty-two out of twenty-seven foreign governments from which undoubted information has been obtained the public moneys are kept in charge of public officers. This concurrence of opinion in favor of that system is perhaps as great as exists on any question

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of internal administration.

In the modes of business and official restraints on disbursing officers no legal change was produced by the suspension of specie payments. The report last referred to will be found to contain also much useful information in relation to this subject.

I have heretofore assigned to Congress my reasons for believing that the establishment of an independent National Treasury, as contemplated by the Constitution, is necessary to the safe action of the Federal Government. The suspension of specie payments in 1837 by the banks having the custody of the public money showed in so alarming a degree our dependence on those institutions for the performance of duties required by law that I then recommended the entire dissolution of that connection. This recommendation has been subjected, as I desired it should be, to severe scrutiny and animated discussion, and I allow myself to believe that notwithstanding the natural diversities of opinion which may be anticipated on all subjects involving such important considerations, it has secured in its favor as general a concurrence of public sentiment as could be expected on one of such magnitude.

Recent events have also continued to develop new objections to such a connection. Seldom is any bank, under the existing system and practice, able to meet on demand all its liabilities for deposits and notes in circulation. It maintains specie payments and transacts a profitable business only by the confidence of the public in its solvency, and whenever this is destroyed the demands of its depositors and note holders, pressed more rapidly than it can make collections from its debtors, force it to stop payment. This loss of confidence, with its consequences, occurred in 1837, and afforded the apology of the banks for their suspension. The public then acquiesced in the validity of the excuse, and while the State legislatures did not exact from them their forfeited charters, Congress, in accordance with the recommendation of the Executive, allowed them time to pay over the public money they held, although compelled to issue Treasury notes to supply the deficiency thus created.

It now appears that there are other motives than a want of public confidence under which the banks seek to justify themselves in a refusal to meet their obligations. Scarcely were the country and Government relieved in a degree from the difficulties occasioned by the general suspension of 1837 when a partial one, occurring within thirty months of the former, produced new and serious embarrassments, though it had no palliation in such circumstances as were alleged in justification of that which had previously taken place. There was nothing in the condition of the country to endanger a well-managed banking institution; commerce was deranged by no foreign war; every branch of manufacturing industry was crowned with rich rewards, and the more than usual abundance of our harvests, after supplying our domestic wants, had left our granaries and storehouses filled with a surplus for exportation. It is in the midst of this that an irredeemable and depreciated paper currency is entailed upon the people by a large portion of the banks. They are not driven to it by the exhibition of a loss of public confidence or of a sudden pressure from their depositors or note holders, but they excuse themselves by alleging that the current of business and exchange with foreign countries, which draws the precious metals from their vaults, would require in order to meet it a larger curtailment of their loans to a comparatively small portion of the community than it will be convenient for them to bear or perhaps safe for the banks to exact. The plea has ceased to be one of necessity. Convenience and policy are now deemed sufficient to warrant these institutions in disregarding their solemn obligations. Such conduct is not merely an injury to individual creditors, but it is a wrong to the whole community, from whose liberality they hold most valuable privileges, whose rights they violate, whose business they derange, and the value of whose property they render unstable and insecure. It must be evident that this new ground for bank suspensions, in reference to which their action is not only disconnected with, but wholly independent of, that of the public, gives a character to their suspensions more alarming than any which they exhibited before, and greatly increases the impropriety of relying on the banks in the transactions of the Government.

A large and highly respectable portion of our banking institutions are, it affords me unfeigned pleasure to state, exempted from all blame on account of this second delinquency. They have, to their great credit, not only continued to meet their engagements, but have even repudiated the grounds of suspension now resorted to. It is only by such a course that the confidence and good will of the community can be preserved, and in the sequel the best interests of the institutions themselves promoted.

New dangers to the banks are also daily disclosed from the extension of that system of extravagant credit of which they are the pillars. Formerly our foreign commerce was principally rounded on an exchange of

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commodities, including the precious metals, and leaving in its transactions but little foreign debt. Such is not now the case. Aided by the facilities afforded by the banks, mere credit has become too commonly the basis of trade. Many of the banks themselves, not content with largely stimulating this system among others, have usurped the business, while they impair the stability, of the mercantile community; they have become borrowers instead of lenders; they establish their agencies abroad; they deal largely in stocks and merchandise; they encourage the issue of State securities until the foreign market is glutted with them; and, unsatisfied with the legitimate use of their own capital and the exercise of their lawful privileges, they raise by large loans additional means for every variety of speculation. The disasters attendant on this deviation from the former course of business in this country are now shared alike by banks and individuals to an extent of which there is perhaps no previous example in the annals of our country. So long as a willingness of the foreign lender and a sufficient export of our productions to meet any necessary partial payments leave the flow of credit undisturbed all appears to be prosperous, but as soon as it is checked by any hesitation abroad or by an inability to make payment there in our productions the evils of the system are disclosed. The paper currency, which might serve for domestic purposes, is useless to pay the debt due in Europe. Gold and silver are therefore drawn in exchange for their notes from the banks. To keep up their supply of coin these institutions are obliged to call upon their own debtors, who pay them principally in their own notes, which are as unavailable to them as they are to the merchants to meet the foreign demand. The calls of the banks, therefore, in such emergencies of necessity exceed that demand, and produce a corresponding curtailment of their accommodations and of the currency at the very moment when the state of trade renders it most inconvenient to be borne. The intensity of this pressure on the community is in proportion to the previous liberality of credit and consequent expansion of the currency. Forced sales of property are made at the time when the means of purchasing are most reduced, and the worst calamities to individuals are only at last arrested by an open violation of their obligations by the banks—a refusal to pay specie for their notes and an imposition upon the community of a fluctuating and depreciated currency.

These consequences are inherent in the present system. They are not influenced by the banks being large or small, created by National or State Governments. They are the results of the irresistible laws of trade or credit. In the recent events, which have so strikingly illustrated the certain effects of these laws, we have seen the bank of the largest capital in the Union, established under a national charter, and lately strengthened, as we were authoritatively informed, by exchanging that for a State charter with new and unusual privileges—in a condition, too, as it was said, of entire soundness and great prosperity—not merely unable to resist these effects, but the first to yield to them.

Nor is it to be overlooked that there exists a chain of necessary dependence among these institutions which obliges them to a great extent to follow the course of others, notwithstanding its injustice to their own immediate creditors or injury to the particular community in which they are placed. This dependence of a bank, which is in proportion to the extent of its debts for circulation and deposits, is not merely on others in its own vicinity, but on all those which connect it with the center of trade. Distant banks may fail without seriously affecting those in our principal commercial cities, but the failure of the latter is felt at the extremities of the Union. The suspension at New York in 1837 was everywhere, with very few exceptions, followed as soon as it was known. That recently at Philadelphia immediately affected the banks of the South and West in a similar manner. This dependence of our whole banking system on the institutions in a few large cities is not found in the laws of their organization, but in those of trade and exchange. The banks at that center, to which currency flows and where it is required in payments for merchandise, hold the power of controlling those in regions whence it comes, while the latter possess no means of restraining them; so that the value of individual property and the prosperity of trade through the whole interior of the country are made to depend on the good or bad management of the banking institutions in the great seats of trade on the seaboard.

But this chain of dependence does not stop here. It does not terminate at Philadelphia or New York. It reaches across the ocean and ends in London, the center of the credit system. The same laws of trade which give to the banks in our principal cities power over the whole banking system of the United States subject the former, in their turn, to the money power in Great Britain. It is not denied that the suspension of the New York banks in 1837, which was followed in quick succession throughout the Union, was produced by an application of that power, and it is now alleged, in extenuation of the present condition of so large a portion of our banks, that their embarrassments have arisen from the same cause.

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From this influence they can not now entirely escape, for it has its origin in the credit currencies of the two countries; it is strengthened by the current of trade and exchange which centers in London, and is rendered almost irresistible by the large debts contracted there by our merchants, our banks, and our States. It is thus that an introduction of a new bank into the most distant of our villages places the business of that village within the influence of the money power in England; it is thus that every new debt which we contract in that country seriously affects our own currency and extends over the pursuits of our citizens its powerful influence. We can not escape from this by making new banks, great or small, State or national. The same chains which bind those now existing to the center of this system of paper credit must equally fetter every similar institution we create. It is only by the extent to which this system has been pushed of late that we have been made fully aware of its irresistible tendency to subject our own banks and currency to a vast controlling power in a foreign land, and it adds a new argument to those which illustrate their precarious situation. Endangered in the first place by their own mismanagement and again by the conduct of every institution which connects them with the center of trade in our own country, they are yet subjected beyond all this to the effect of whatever measures policy, necessity, or caprice may induce those who control the credits of England to resort to. I mean not to comment upon these measures, present or past, and much less to discourage the prosecution of fair commercial dealing between the two countries, based on reciprocal benefits; but it having now been made manifest that the power of inflicting these and similar injuries is by the resistless law of a credit currency and credit trade equally capable of extending their consequences through all the ramifications of our banking system, and by that means indirectly obtaining, particularly when our banks are used as depositories of the public moneys, a dangerous political influence in the United States, I have deemed it my duty to bring the subject to your notice and ask for it your serious consideration.

Is an argument required beyond the exposition of these facts to show the impropriety of using our banking institutions as depositories of the public money? Can we venture not only to encounter the risk of their individual and mutual mismanagement, but at the same time to place our foreign and domestic policy entirely under the control of a foreign moneyed interest? To do so is to impair the independence of our Government, as the present credit system has already impaired the independence of our banks; it is to submit all its important operations, whether of peace or war, to be controlled or thwarted, at first by our own banks and then by a power abroad greater than themselves. I can not bring myself to depict the humiliation to which this Government and people might be sooner or later reduced if the means for defending their rights are to be made dependent upon those who may have the most powerful of motives to impair them.

Nor is it only in reference to the effect of this state of things on the independence of our Government or of our banks that the subject presents itself for consideration; it is to be viewed also in its relations to the general trade of our country. The time is not long passed when a deficiency of foreign crops was thought to afford a profitable market for the surplus of our industry, but now we await with feverish anxiety the news of the English harvest, not so much from motives of commendable sympathy, but fearful lest its anticipated failure should narrow the field of credit there. Does not this speak volumes to the patriot? Can a system be beneficent, wise, or just which creates greater anxiety for interests dependent on foreign credit than for the general prosperity of our own country and the profitable exportation of the surplus produce of our labor?

The circumstances to which I have thus adverted appear to me to afford weighty reasons, developed by late events, to be added to those which I have on former occasions offered when submitting to your better knowledge and discernment the propriety of separating the custody of the public money from banking institutions. Nor has anything occurred to lessen, in my opinion, the force of what has been heretofore urged. The only ground on which that custody can be desired by the banks is the profitable use which they may make of the money. Such use would be regarded in individuals as a breach of trust or a crime of great magnitude, and yet it may be reasonably doubted whether, first and last, it is not attended with more mischievous consequences when permitted to the former than to the latter. The practice of permitting the public money to be used by its keepers, as here, is believed to be peculiar to this country and to exist scarcely anywhere else. To procure it here improper influences are appealed to, unwise connections are established between the Government and vast numbers of powerful State institutions, other motives than the public good are brought to bear both on the executive and legislative departments, and selfish combinations leading to special legislation are formed. It is made the interest of banking institutions and their stockholders throughout the Union to use their exertions for the increase of taxation and the

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accumulation of a surplus revenue, and while an excuse is afforded the means are furnished for those excessive issues which lead to extravagant trading and speculation and are the forerunners of a vast debt abroad and a suspension of the banks at home.

Impressed, therefore, as I am with the propriety of the funds of the Government being withdrawn from the private use of either banks or individuals, and the public money kept by duly appointed public agents, and believing as I do that such also is the judgment which discussion, reflection, and experience have produced on the public mind, I leave the subject with you. It is, at all events, essential to the interests of the community and the business of the Government that a decision should be made.

Most of the arguments that dissuade us from employing banks in the custody and disbursement of the public money apply with equal force to the receipt of their notes for public dues. The difference is only in form. In one instance the Government is a creditor for its deposits, and in the other for the notes it holds. They afford the same opportunity for using the public moneys, and equally lead to all the evils attendant upon it, since a bank can as safely extend its discounts on a deposit of its notes in the hands of a public officer as on one made in its own vaults. On the other hand, it would give to the Government no greater security, for in case of failure the claim of the note holder would be no better than that of a depositor.

I am aware that the danger of inconvenience to the public and unreasonable pressure upon sound banks have been urged as objections to requiring the payment of the revenue in gold and silver. These objections have been greatly exaggerated. From the best estimates we may safely fix the amount of specie in the country at \$85,000,000, and the portion of that which would be employed at any one time in the receipts and disbursements of the Government, even if the proposed change were made at once, would not, it is now, after fuller investigation, believed exceed four or five millions. If the change were gradual, several years would elapse before that sum would be required, with annual opportunities in the meantime to alter the law should experience prove it to be oppressive or inconvenient. The portions of the community on whose business the change would immediately operate are comparatively small, nor is it believed that its effect would be in the least unjust or injurious to them.

In the payment of duties, which constitute by far the greater portion of the revenue, a very large proportion is derived from foreign commission houses and agents of foreign manufacturers, who sell the goods consigned to them generally at auction, and after paying the duties out of the avails remit the rest abroad in specie or its equivalent. That the amount of duties should in such cases be also retained in specie can hardly be made a matter of complaint. Our own importing merchants, by whom the residue of the duties is paid, are not only peculiarly interested in maintaining a sound currency, which the measure in question will especially promote, but are from the nature of their dealings best able to know when specie will be needed and to procure it with the least difficulty or sacrifice. Residing, too, almost universally in places where the revenue is received and where the drafts used by the Government for its disbursements must concentrate, they have every opportunity to obtain and use them in place of specie should it be for their interest or convenience. Of the number of these drafts and the facilities they may afford, as well as of the rapidity with which the public funds are drawn and disbursed, an idea may be formed from the fact that of nearly \$20,000,000 paid to collectors and receivers during the present year the average amount in their hands at any one time has not exceeded a million and a half, and of the fifteen millions received by the collector of New York alone during the present year the average amount held by him subject to draft during each week has been less than half a million.

The ease and safety of the operations of the Treasury in keeping the public money are promoted by the application of its own drafts to the public dues. The objection arising from having them too long outstanding might be obviated and they yet made to afford to merchants and banks holding them an equivalent for specie, and in that way greatly lessen the amount actually required. Still less inconvenience will attend the requirement of specie in purchases of public lands. Such purchases, except when made on speculation, are in general but single transactions, rarely repeated by the same person; and it is a fact that for the last year and a half, during which the notes of sound banks have been received, more than a moiety of these payments has been voluntarily made in specie, being a larger proportion than would have been required in three years under the graduation proposed.

It is, moreover, a principle than which none is better settled by experience that the supply of the precious metals will always be found adequate to the uses for which they are required. They abound in countries where no other currency is allowed. In our own States, where small notes are excluded, gold and silver supply their place.

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When driven to their hiding places by bank suspensions, a little firmness in the community soon restores them in a sufficient quantity for ordinary purposes. Postage and other public dues have been collected in coin without serious inconvenience even in States where a depreciated paper currency has existed for years, and this, with the aid of Treasury notes for a part of the time, was done without interruption during the suspension of 1837. At the present moment the receipts and disbursements of the Government are made in legal currency in the largest portion of the Union. No one suggests a departure from this rule, and if it can now be successfully carried out it will be surely attended with even less difficulty when bank notes are again redeemed in specie.

Indeed, I can not think that a serious objection would anywhere be raised to the receipt and payment of gold and silver in all public transactions were it not from an apprehension that a surplus in the Treasury might withdraw a large portion of it from circulation and lock it up unprofitably in the public vaults. It would not, in my opinion, be difficult to prevent such an inconvenience from occurring; but the authentic statements which I have already submitted to you in regard to the actual amount in the public Treasury at any one time during the period embraced in them and the little probability of a different state of the Treasury for at least some years to come seem to render it unnecessary to dwell upon it. Congress, moreover, as I have before observed, will in every year have an opportunity to guard against it should the occurrence of any circumstances lead us to apprehend injury from this source. Viewing the subject in all its aspects, I can not believe that any period will be more auspicious than the present for the adoption of all measures necessary to maintain the sanctity of our own engagements and to aid in securing to the community that abundant supply of the precious metals which adds so much to their prosperity and gives such increased stability to all their dealings.

In a country so commercial as ours banks in some form will probably always exist, but this serves only to render it the more incumbent on us, notwithstanding the discouragements of the past, to strive in our respective stations to mitigate the evils they produce; to take from them as rapidly as the obligations of public faith and a careful consideration of the immediate interests of the community will permit the unjust character of monopolies; to check, so far as may be practicable, by prudent legislation those temptations of interest and those opportunities for their dangerous indulgence which beset them on every side, and to confine them strictly to the performance of their paramount duty—that of aiding the operations of commerce rather than consulting their own exclusive advantage. These and other salutary reforms may, it is believed, be accomplished without the violation of any of the great principles of the social compact, the observance of which is indispensable to its existence, or interfering in any way with the useful and profitable employment of real capital.

Institutions so framed have existed and still exist elsewhere, giving to commercial intercourse all necessary facilities without inflating or depreciating the currency or stimulating speculation. Thus accomplishing their legitimate ends, they have gained the surest guaranty for their protection and encouragement in the good will of the community. Among a people so just as ours the same results could not fail to attend a similar course. The direct supervision of the banks belongs, from the nature of our Government, to the States who authorize them. It is to their legislatures that the people must mainly look for action on that subject. But as the conduct of the Federal Government in the management of its revenue has also a powerful, though less immediate, influence upon them, it becomes our duty to see that a proper direction is given to it. While the keeping of the public revenue in a separate and independent treasury and of collecting it in gold and silver will have a salutary influence on the system of paper credit with which all banks are connected, and thus aid those that are sound and well managed, it will at the same time sensibly check such as are otherwise by at once withholding the means of extravagance afforded by the public funds and restraining them from excessive issues of notes which they would be constantly called upon to redeem.

I am aware it has been urged that this control may be best attained and exerted by means of a national bank. The constitutional objections which I am well known to entertain would prevent me in any event from proposing or assenting to that remedy; but in addition to this, I can not after past experience bring myself to think that it can any longer be extensively regarded as effective for such a purpose. The history of the late national bank, through all its mutations, shows that it was not so. On the contrary, it may, after a careful consideration of the subject, be, I think, safely stated that at every period of banking excess it took the lead; that in 1817 and 1818, in 1823, in 1831, and in 1834 its vast expansions, followed by distressing contractions, led to those of the State institutions. It swelled and maddened the tides of the banking system, but seldom allayed or safely directed them. At a few periods only was a salutary control exercised, but an eager desire, on the contrary, exhibited for profit in the first

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place; and if afterwards its measures were severe toward other institutions, it was because its own safety compelled it to adopt them. It did not differ from them in principle or in form; its measures emanated from the same spirit of gain; it felt the same temptation to overissues; it suffered from and was totally unable to avert those inevitable laws of trade by which it was itself affected equally with them; and at least on one occasion, at an early day, it was saved only by extraordinary exertions from the same fate that attended the weakest institution it professed to supervise. In 1837 it failed equally with others in redeeming its notes (though the two years allowed by its charter for that purpose had not expired), a large amount of which remains to the present time outstanding. It is true that, having so vast a capital and strengthened by the use of all the revenues of the Government, it possessed more power; but while it was itself by that circumstance freed from the control which all banks require, its paramount object and inducement were left the same—to make the most for its stockholders, not to regulate the currency of the country. Nor has it, as far as we are advised, been found to be greatly otherwise elsewhere. The national character given to the Bank of England has not prevented excessive fluctuations in their currency, and it proved unable to keep off a suspension of specie payments, which lasted for nearly a quarter of a century. And why should we expect it to be otherwise? A national institution, though deriving its charter from a different source than the State banks, is yet constituted upon the same principles, is conducted by men equally exposed to temptation, and is liable to the same disasters, with the additional disadvantage that its magnitude occasions an extent of confusion and distress which the mismanagement of smaller institutions could not produce. It can scarcely be doubted that the recent suspension of the United State Bank of Pennsylvania, of which the effects are felt not in that State alone, but over half the Union, had its origin in a course of business commenced while it was a national institution, and there is no good reason for supposing that the same consequences would not have followed had it still derived its powers from the General Government. It is in vain, when the influences and impulses are the same, to look for a difference in conduct or results. By such creations we do, therefore, but increase the mass of paper credit and paper currency, without checking their attendant evils and fluctuations. The extent of power and the efficiency of organization which we give, so far from being beneficial, are in practice positively injurious. They strengthen the chain of dependence throughout the Union, subject all parts more certainly to common disaster, and bind every bank more effectually in the first instance to those of our commercial cities, and in the end to a foreign power. In a word, I can not but believe that, with the full understanding of the operations of our banking system which experience has produced, public sentiment is not less opposed to the creation of a national bank for purposes connected with currency and commerce than for those connected with the fiscal operations of the Government.

Yet the commerce and currency of the country are suffering evils from the operations of the State banks which can not and ought not to be overlooked. By their means we have been flooded with a depreciated paper, which it was evidently the design of the framers of the Constitution to prevent when they required Congress to "Coin money and regulate the value of foreign coins," and when they forbade the States "to coin money, emit bills of credit, make anything but gold and silver a tender in payment of debts," or "pass any law impairing the obligation of contracts." If they did not guard more explicitly against the present state of things, it was because they could not have anticipated that the few banks then existing were to swell to an extent which would expel to so great a degree the gold and silver for which they had provided from the channels of circulation, and fill them with a currency that defeats the objects they had in view. The remedy for this must chiefly rest with the States from whose legislation it has sprung. No good that might accrue in a particular case from the exercise of powers not obviously conferred on the General Government would authorize its interference or justify a course that might in the slightest degree increase at the expense of the States the power of the Federal authorities; nor do I doubt that the States will apply the remedy. Within the last few years events have appealed to them too strongly to be disregarded. They have seen that the Constitution, though theoretically adhered to, is subverted in practice; that while on the statute books there is no legal tender but gold and silver, no law impairing the obligations of contracts, yet that in point of fact the privileges conferred on banking corporations have made their notes the currency of the country; that the obligations imposed by these notes are violated under the impulses of interest or convenience, and that the number and power of the persons connected with these corporations or placed under their influence give them a fearful weight when their interest is in opposition to the spirit of the Constitution and laws. To the people it is immaterial whether these results are produced by open violations of the latter or by the workings of a system of which the result is the same. An inflexible execution even of the existing statutes of most

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of the States would redress many evils now endured, would effectually show the banks the dangers of mismanagement which impunity encourages them to repeat, and would teach all corporations the useful lesson that they are the subjects of the law and the servants of the people. What is still wanting to effect these objects must be sought in additional legislation, or, if that be inadequate, in such further constitutional grants or restrictions as may bring us back into the path from which we have so widely wandered.

In the meantime it is the duty of the General Government to cooperate with the States by a wise exercise of its constitutional powers and the enforcement of its existing laws. The extent to which it may do so by further enactments I have already adverted to, and the wisdom of Congress may yet enlarge them. But above all, it is incumbent upon us to hold erect the principles of morality and law, constantly executing our own contracts in accordance with the provisions of the Constitution, and thus serving as a rallying point by which our whole country may be brought back to that safe and honored standard.

Our people will not long be insensible to the extent of the burdens entailed upon them by the false system that has been operating on their sanguine, energetic, and industrious character, nor to the means necessary to extricate themselves from these embarrassments. The weight which presses upon a large portion of the people and the States is an enormous debt, foreign and domestic. The foreign debt of our States, corporations, and men of business can scarcely be less than \$200,000,000, requiring more than \$10,000,000 a year to pay the interest. This sum has to be paid out of the exports of the country, and must of necessity cut off imports to that extent or plunge the country more deeply in debt from year to year. It is easy to see that the increase of this foreign debt must augment the annual demand on the exports to pay the interest, and to the same extent diminish the imports, and in proportion to the enlargement of the foreign debt and the consequent increase of interest must be the decrease of the import trade. In lieu of the comforts which it now brings us we might have our gigantic banking institutions and splendid, but in many instances profitless, railroads and canals absorbing to a great extent in interest upon the capital borrowed to construct them the surplus fruits of national industry for years to come, and securing to posterity no adequate return for the comforts which the labors of their hands might otherwise have secured. It is not by the increase of this debt that relief is to be sought, but in its diminution. Upon this point there is, I am happy to say, hope before us; not so much in the return of confidence abroad, which will enable the States to borrow more money, as in a change of public feeling at home, which prompts our people to pause in their career and think of the means by which debts are to be paid before they are contracted. If we would escape embarrassment, public and private, we must cease to run in debt except for objects of necessity or such as will yield a certain return. Let the faith of the States, corporations, and individuals already pledged be kept with the most punctilious regard. It is due to our national character as well as to justice that this should on the part of each be a fixed principle of conduct. But it behooves us all to be more chary in pledging it hereafter. By ceasing to run in debt and applying the surplus of our crops and incomes to the discharge of existing obligations, buying less and selling more, and managing all affairs, public and private, with strict economy and frugality, we shall see our country soon recover from a temporary depression, arising not from natural and permanent causes, but from those I have enumerated, and advance with renewed vigor in her career of prosperity.

Fortunately for us at this moment, when the balance of trade is greatly against us and the difficulty of meeting it enhanced by the disturbed state of our money affairs, the bounties of Providence have come to relieve us from the consequences of past errors. A faithful application of the immense results of the labors of the last season will afford partial relief for the present, and perseverance in the same course will in due season accomplish the rest. We have had full experience in times past of the extraordinary results which can in this respect be brought about in a short period by the united and well-directed efforts of a community like ours. Our surplus profits, the energy and industry of our population, and the wonderful advantages which Providence has bestowed upon our country in its climate, its various productions, indispensable to other nations, will in due time afford abundant means to perfect the most useful of those objects for which the States have been plunging themselves of late in embarrassment and debt, without imposing on ourselves or our children such fearful burdens.

But let it be indelibly engraved on our minds that relief is not to be found in expedients. Indebtedness can not be lessened by borrowing more money. or by changing the form of the debt. The balance of trade is not to be turned in our favor by creating new demands upon us abroad. Our currency can not be improved by the creation of new banks or more issues from those which now exist. Although these devices sometimes appear to give temporary relief, they almost invariably aggravate the evil in the end. It is only by retrenchment and reform—by

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curtailing public and private expenditures, by paying our debts, and by reforming our banking system—that we are to expect effectual relief, security for the future, and an enduring prosperity. In shaping the institutions and policy of the General Government so as to promote as far as it can with its limited powers these important ends, you may rely on my most cordial cooperation.

That there should have been in the progress of recent events doubts in many quarters and in some a heated opposition to every change can not surprise us. Doubts are properly attendant on all reform, and it is peculiarly in the nature of such abuses as we are now encountering to seek to perpetuate their power by means of the influence they have been permitted to acquire. It is their result, if not their object, to gain for the few an ascendancy over the many by securing to them a monopoly of the currency, the medium through which most of the wants of mankind are supplied; to produce throughout society a chain of dependence which leads all classes to look to privileged associations for the means of speculation and extravagance; to nourish, in preference to the manly virtues that give dignity to human nature, a craving desire for luxurious enjoyment and sudden wealth, which renders those who seek them dependent on those who supply them; to substitute for republican simplicity and economical habits a sickly appetite for effeminate indulgence and an imitation of that reckless extravagance which impoverished and enslaved the industrious people of foreign lands, and at last to fix upon us, instead of those equal political rights the acquisition of which was alike the object and supposed reward of our Revolutionary struggle, a system of exclusive privileges conferred by partial legislation. To remove the influences which had thus gradually grown up among us, to deprive them of their deceptive advantages, to test them by the light of wisdom and truth, to oppose the force which they concentrate in their support—all this was necessarily the work of time, even among a people so enlightened and pure as that of the United States. In most other countries, perhaps, it could only be accomplished through that series of revolutionary movements which are too often found necessary to effect any great and radical reform; but it is the crowning merit of our institutions that they create and nourish in the vast majority of our people a disposition and a power peaceably to remedy abuses which have elsewhere caused the effusion of rivers of blood and the sacrifice of thousands of the human race. The result thus far is most honorable to the self-denial, the intelligence, and the patriotism of our citizens; it justifies the confident hope that they will carry through the reform which has been so well begun, and that they will go still further than they have yet gone in illustrating the important truth that a people as free and enlightened as ours will, whenever it becomes necessary, show themselves to be indeed capable of self-government by voluntarily adopting appropriate remedies for every abuse, and submitting to temporary sacrifices, however great, to insure their permanent welfare.

My own exertions for the furtherance of these desirable objects have been bestowed throughout my official career with a zeal that is nourished by ardent wishes for the welfare of my country, and by an unlimited reliance on the wisdom that marks its ultimate decision on all great and controverted questions. Impressed with the solemn obligations imposed upon me by the Constitution, desirous also of laying before my fellow-citizens, with whose confidence and support I have been so highly honored, such measures as appear to me conducive to their prosperity, and anxious to submit to their fullest consideration the grounds upon which my opinions are formed, I have on this as on preceding occasions freely offered my views on those points of domestic policy that seem at the present time most prominently to require the action of the Government. I know that they will receive from Congress that full and able consideration which the importance of the subjects merits, and I can repeat the assurance heretofore made that I shall cheerfully and readily cooperate with you in every measure that will tend to promote the welfare of the Union. M. VAN BUREN

State of the Union Address Martin van Buren

December 5, 1840

Fellow—Citizens of the Senate and House of Representatives:

Our devout gratitude is due to the Supreme Being for having graciously continued to our beloved country through the vicissitudes of another year the invaluable blessings of health, plenty, and peace. Seldom has this favored land been so generally exempted from the ravages of disease or the labor of the husbandman more amply rewarded, and never before have our relations with other countries been placed on a more favorable basis than that which they so happily occupy at this critical conjuncture in the affairs of the world. A rigid and persevering abstinence from all interference with the domestic and political relations of other States, alike due to the genius and distinctive character of our Government and to the principles by which it is directed; a faithful observance in the management of our foreign relations of the practice of speaking plainly, dealing justly, and requiring truth and justice in return as the best conservatives of the peace of nations; a strict impartiality in our manifestations of friendship in the commercial privileges we concede and those we require from others—these, accompanied by a disposition as prompt to maintain in every emergency our own rights as we are from principle averse to the invasion of those of others, have given to our country and Government a standing in the great family of nations of which we have just cause to be proud and the advantages of which are experienced by our citizens throughout every portion of the earth to which their enterprising and adventurous spirit may carry them. Few, if any, remain insensible to the value of our friendship or ignorant of the terms on which it can be acquired and by which it can alone be preserved.

A series of questions of long standing, difficult in their adjustment and important in their consequences, in which the rights of our citizens and the honor of the country were deeply involved, have in the course of a few years (the most of them during the successful Administration of my immediate predecessor) been brought to a satisfactory conclusion; and the most important of those remaining are, I am happy to believe, in a fair way of being speedily and satisfactorily adjusted.

With all the powers of the world our relations are those of honorable peace. Since your adjournment nothing serious has occurred to interrupt or threaten this desirable harmony. If clouds have lowered above the other hemisphere, they have not cast their portentous shadows upon our happy shores. Bound by no entangling alliances, yet linked by a common nature and interest with the other nations of mankind, our aspirations are for the preservation of peace, in whose solid and civilizing triumphs all may participate with a generous emulation. Yet it behooves us to be prepared for any event and to be always ready to maintain those just and enlightened principles of national intercourse for which this Government has ever contended. In the shock of contending empires it is only by assuming a resolute bearing and clothing themselves with defensive armor that neutral nations can maintain their independent rights.

The excitement which grew out of the territorial controversy between the United States and Great Britain having in a great measure subsided, it is hoped that a favorable period is approaching for its final settlement. Both Governments must now be convinced of the dangers with which the question is fraught, and it must be their desire, as it is their interest, that this perpetual cause of irritation should be removed as speedily as practicable. In my last annual message you were informed that the proposition for a commission of exploration and survey promised by Great Britain had been received, and that a counter project, including also a provision for the certain and final adjustment of the limits in dispute, was then before the British Government for its consideration. The answer of that Government, accompanied by additional propositions of its own, was received through its minister here since your separation. These were promptly considered, such as were deemed correct in principle and consistent with a due regard to the just rights of the United States and of the State of Maine concurred in, and the reasons for dissenting from the residue, with an additional suggestion on our part, communicated by the Secretary of State to Mr. Fox. That minister, not feeling himself sufficiently instructed upon some of the points raised in the discussion, felt it to be his duty to refer the matter to his own Government for its further decision. Having now been for some time under its advisement, a speedy answer may be confidently expected. From the character of the points still in difference and the undoubted disposition of both parties to bring the matter to an early conclusion, I look with entire confidence to a prompt and satisfactory termination of the negotiation. Three commissioners

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were appointed shortly after the adjournment of Congress under the act of the last session providing for the exploration and survey of the line which separates the States of Maine and New Hampshire from the British Provinces. They have been actively employed until their progress was interrupted by the inclemency of the season, and will resume their labors as soon as practicable in the ensuing year.

It is understood that their respective examinations will throw new light upon the subject in controversy and serve to remove any erroneous impressions which may have been made elsewhere prejudicial to the rights of the United States. It was, among other reasons, with a view of preventing the embarrassments which in our peculiar system of government impede and complicate negotiations involving the territorial rights of a State that I thought it my duty, as you have been informed on a previous occasion, to propose to the British Government, through its minister at Washington, that early steps should be taken to adjust the points of difference on the line of boundary from the entrance of Lake Superior to the most northwestern point of the Lake of the Woods by the arbitration of a friendly power in conformity with the seventh article of the treaty of Ghent. No answer has yet been returned by the British Government to this proposition.

With Austria, France, Prussia, Russia, and the remaining powers of Europe I am happy to inform you our relations continue to be of the most friendly character. With Belgium a treaty of commerce and navigation, based upon liberal principles of reciprocity and equality, was concluded in March last, and, having been ratified by the Belgian Government, will be duly laid before the Senate. It is a subject of congratulation that it provides for the satisfactory adjustment of a long-standing question of controversy, thus removing the only obstacle which could obstruct the friendly and mutually advantageous intercourse between the two nations. A messenger has been dispatched with the Hanoverian treaty to Berlin, where, according to stipulation, the ratifications are to be exchanged. I am happy to announce to you that after many delays and difficulties a treaty of commerce and navigation between the United States and Portugal was concluded and signed at Lisbon on the 26th of August last by the plenipotentiaries of the two Governments. Its stipulations are founded upon those principles of mutual liberality and advantage which the United States have always sought to make the basis of their intercourse with foreign powers, and it is hoped they will tend to foster and strengthen the commercial intercourse of the two countries.

Under the appropriation of the last session of Congress an agent has been sent to Germany for the purpose of promoting the interests of our tobacco trade.

The commissioners appointed under the convention for the adjustment of claims of citizens of the United States upon Mexico having met and organized at Washington in August last, the papers in the possession of the Government relating to those claims were communicated to the board. The claims not embraced by that convention are now the subject of negotiation between the two Governments through the medium of our minister at Mexico.

Nothing has occurred to disturb the harmony of our relations with the different Governments of South America. I regret, however, to be obliged to inform you that the claims of our citizens upon the late Republic of Colombia have not yet been satisfied by the separate Governments into which it has been resolved.

The charge' d'affaires of Brazil having expressed the intention of his Government not to prolong the treaty of 1828, it will cease to be obligatory upon either party on the 12th day of December, 1841, when the extensive commercial intercourse between the United States and that vast Empire will no longer be regulated by express stipulations.

It affords me pleasure to communicate to you that the Government of Chili has entered into an agreement to indemnify the claimants in the case of the Macectonian for American property seized in 1819, and to add that information has also been received which justifies the hope of an early adjustment of the remaining claims upon that Government.

The commissioners appointed in pursuance of the convention between the United States and Texas for marking the boundary between them have, according to the last report received from our commissioner, surveyed and established the whole extent of the boundary north along the western bank of the Sabine River from its entrance into the Gulf of Mexico to the thirty-second degree of north latitude. The commission adjourned on the 16th of June last, to reassemble on the 1st of November for the purpose of establishing accurately the intersection of the thirty-second degree of latitude with the western bank of the Sabine and the meridian line thence to Red River. It is presumed that the work will be concluded in the present season.

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The present sound condition of their finances and the success with which embarrassments in regard to them, at times apparently insurmountable, have been overcome are matters upon which the people and Government of the United States may well congratulate themselves. An overflowing Treasury, however it may be regarded as an evidence of public prosperity, is seldom conducive to the permanent welfare of any people, and experience has demonstrated its incompatibility with the salutary action of political institutions like those of the United States. Our safest reliance for financial efficiency and independence has, on the contrary, been found to consist in ample resources unencumbered with debt, and in this respect the Federal Government occupies a singularly fortunate and truly enviable position.

When I entered upon the discharge of my official duties in March, 1837, the act for the distribution of the surplus revenue was in a course of rapid execution. Nearly \$28,000,000 of the public moneys were, in pursuance of its provisions, deposited with the States in the months of January, April, and July of that year. In May there occurred a general suspension of specie payments by the banks, including, with very few exceptions, those in which the public moneys were deposited and upon whose fidelity the Government had unfortunately made itself dependent for the revenues which had been collected from the people and were indispensable to the public service.

This suspension and the excesses in banking and commerce out of which it arose, and which were greatly aggravated by its occurrence, made to a great extent unavailable the principal part of the public money then on hand, suspended the collection of many millions accruing on merchants' bonds, and greatly reduced the revenue arising from customs and the public lands. These effects have continued to operate in various degrees to the present period, and in addition to the decrease in the revenue thus produced two and a half millions of duties have been relinquished by two biennial reductions under the act of 1833, and probably as much more upon the importation of iron for railroads by special legislation.

Whilst such has been our condition for the last four years in relation to revenue, we have during the same period been subjected to an unavoidable continuance of large extraordinary expenses necessarily growing out of past transactions, and which could not be immediately arrested without great prejudice to the public interest. Of these, the charge upon the Treasurer in consequence of the Cherokee treaty alone, without adverting to others arising out of Indian treaties, has already exceeded \$5,000,000; that for the prosecution of measures for the removal of the Seminole Indians, which were found in progress, has been nearly fourteen millions, and the public buildings have required the unusual sum of nearly three millions.

It affords me, however, great pleasure to be able to say that from the commencement of this period to the present day every demand upon the Government, at home or abroad, has been promptly met. This has been done not only without creating a permanent debt or a resort to additional taxation in any form, but in the midst of a steadily progressive reduction of existing burdens upon the people, leaving still a considerable balance of available funds which will remain in the Treasury at the end of the year. The small amount of Treasury notes, not exceeding \$4,500,000, still outstanding, and less by twenty-three millions than the United States have in deposit with the States, is composed of such only as are not yet due or have not been presented for payment. They may be redeemed out of the accruing revenue if the expenditures do not exceed the amount within which they may, it is thought, be kept without prejudice to the public interest, and the revenue shall prove to be as large as may justly be anticipated.

Among the reflections arising from the contemplation of these circumstances, one, not the least gratifying, is the consciousness that the Government had the resolution and the ability to adhere in every emergency to the sacred obligations of law, to execute all its contracts according to the requirements of the Constitution, and thus to present when most needed a rallying point by which the business of the whole country might be brought back to a safe and unvarying standard—a result vitally important as well to the interests as to the morals of the people. There can surely now be no difference of opinion in regard to the incalculable evils that would have arisen if the Government at that critical moment had suffered itself to be deterred from upholding the only true standard of value, either by the pressure of adverse circumstances or the violence of unmerited denunciation. The manner in which the people sustained the performance of this duty was highly honorable to their fortitude and patriotism. It can not fail to stimulate their agents to adhere under all circumstances to the line of duty and to satisfy them of the safety with which a course really right and demanded by a financial crisis may in a community like ours be pursued, however apparently severe its immediate operation.

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The policy of the Federal Government in extinguishing as rapidly as possible the national debt, and subsequently in resisting every temptation to create a new one, deserves to be regarded in the same favorable light. Among the many objections to a national debt, the certain tendency of public securities to concentrate ultimately in the coffers of foreign stockholders is one which is every day gathering strength. Already have the resources of many of the States and the future industry of their citizens been indefinitely mortgaged to the subjects of European Governments to the amount of twelve millions annually to pay the constantly accruing interest on borrowed money—a sum exceeding half the ordinary revenues of the whole United States. The pretext which this relation affords to foreigners to scrutinize the management of our domestic affairs, if not actually to intermeddle with them, presents a subject for earnest attention, not to say of serious alarm. Fortunately, the Federal Government, with the exception of an obligation entered into in behalf of the District of Columbia, which must soon be discharged, is wholly exempt from any such embarrassment. It is also, as is believed, the only Government which, having fully and faithfully paid all its creditors, has also relieved itself entirely from debt. To maintain a distinction so desirable and so honorable to our national character should be an object of earnest solicitude. Never should a free people, if it be possible to avoid it, expose themselves to the necessity of having to treat of the peace, the honor, or the safety of the Republic with the governments of foreign creditors, who, however well disposed they may be to cultivate with us in general friendly relations, are nevertheless by the law of their own condition made hostile to the success and permanency of political institutions like ours. Most humiliating may be the embarrassments consequent upon such a condition. Another objection, scarcely less formidable, to the commencement of a new debt is its inevitable tendency to increase in magnitude and to foster national extravagance. He has been an unprofitable observer of events who needs at this day to be admonished of the difficulties which a government habitually dependent on loans to sustain its ordinary expenditures has to encounter in resisting the influences constantly exerted in favor of additional loans; by capitalists, who enrich themselves by government securities for amounts much exceeding the money they actually advance—a prolific source of individual aggrandizement in all borrowing countries; by stockholders, who seek their gains in the rise and fall of public stocks; and by the selfish importunities of applicants for appropriations for works avowedly for the accommodation of the public, but the real objects of which are too frequently the advancement of private interests. The known necessity which so many of the States will be under to impose taxes for the payment of the interest on their debts furnishes an additional and very cogent reason why the Federal Governments should refrain from creating a national debt, by which the people would be exposed to double taxation for a similar object. We possess within ourselves ample resources for every emergency, and we may be quite sure that our citizens in no future exigency will be unwilling to supply the Government with all the means asked for the defense of the country. In time of peace there can, at all events, be no justification for the creation of a permanent debt by the Federal Government. Its limited range of constitutional duties may certainly under such circumstances be performed without such a resort. It has, it is seen, been avoided during four years of greater fiscal difficulties than have existed in a similar period since the adoption of the Constitution, and one also remarkable for the occurrence of extraordinary causes of expenditures.

But to accomplish so desirable an object two things are indispensable: First, that the action of the Federal Government be kept within the boundaries prescribed by its founders, and, secondly, that all appropriations for objects admitted to be constitutional, and the expenditure of them also, be subjected to a standard of rigid but well-considered and practical economy. The first depends chiefly on the people themselves—the opinions they form of the true construction of the Constitution and the confidence they repose in the political sentiments of those they select as their representatives in the Federal Legislature; the second rests upon the fidelity with which their more immediate representatives and other public functionaries discharge the trusts committed to them. The duty of economizing the expenses of the public service is admitted on all hands; yet there are few subjects upon which there exists a wider difference of opinion than is constantly manifested in regard to the fidelity with which that duty is discharged. Neither diversity of sentiment nor even mutual recriminations upon a point in respect to which the public mind is so justly sensitive can well be entirely avoided, and least so at periods of great political excitement. An intelligent people, however, seldom fail to arrive in the end at correct conclusions in such a matter. Practical economy in the management of public affairs can have no adverse influence to contend with more powerful than a large surplus revenue, and the unusually large appropriations for 1837 may without doubt, independently of the extraordinary requisitions for the public service growing out of the state of our Indian

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relations, be in no inconsiderable degree traced to this source. The sudden and rapid distribution of the large surplus then in the Treasury and the equally sudden and unprecedentedly severe revulsion in the commerce and business of the country, pointing with unerring certainty to a great and protracted reduction of the revenue, strengthened the propriety of the earliest practicable reduction of the public expenditures.

But to change a system operating upon so large a surface and applicable to such numerous and diversified interests and objects was more than the work of a day. The attention of every department of the Government was immediately and in good faith directed to that end, and has been so continued to the present moment. The estimates and appropriations for the year 1838 (the first over which I had any control) were somewhat diminished. The expenditures of 1839 were reduced \$6,000,000. Those of 1840, exclusive of disbursements for public debt and trust claims, will probably not exceed twenty-two and a half millions, being between two and three millions less than those of the preceding year and nine or ten millions less than those of 1837. Nor has it been found necessary in order to produce this result to resort to the power conferred by Congress of postponing certain classes of the public works, except by deferring expenditures for a short period upon a limited portion of them, and which postponement terminated some time since—at the moment the Treasury Department by further receipts from the indebted banks became fully assured of its ability to meet them without prejudice to the public service in other respects. Causes are in operation which will, it is believed, justify a still further reduction without injury to any important national interest. The expenses of sustaining the troops employed in Florida have been gradually and greatly reduced through the persevering efforts of the War Department, and a reasonable hope may be entertained that the necessity for military operations in that quarter will soon cease. The removal of the Indians from within our settled borders is nearly completed. The pension list, one of the heaviest charges upon the Treasury, is rapidly diminishing by death. The most costly of our public buildings are either finished or nearly so, and we may, I think, safely promise ourselves a continued exemption from border difficulties.

The available balance in the Treasury on the 1st of January next is estimated at \$ 1,500,000. This sum, with the expected receipts from all sources during the next year, will, it is believed, be sufficient to enable the Government to meet every engagement and have a suitable balance, in the Treasury at the end of the year, if the remedial measures connected with the customs and the public lands heretofore recommended are adopted and the new appropriations by Congress shall not carry the expenditures beyond the official estimates.

The new system established by Congress for the safe-keeping of the public money, prescribing the kind of currency to be received for the public revenue and providing additional guards and securities against losses, has now been several months in operation. Although it might be premature upon an experience of such limited duration to form a definite opinion in regard to the extent of its influences in correcting many evils under which the Federal Government and the country have hitherto suffered, especially those that have grown out of banking expansions, a depreciated currency, and official defalcations, yet it is but right to say that nothing has occurred in the practical operation of the system to weaken in the slightest degree, but much to strengthen, the confident anticipations of its friends. The grounds of these have been heretofore so fully explained as to require no recapitulation. In respect to the facility and convenience it affords in conducting the public service, and the ability of the Government to discharge through its agency every duty attendant on the collection, transfer, and disbursement of the public money with promptitude and success, I can say with confidence that the apprehensions of those who felt it to be their duty to oppose its adoption have proved to be unfounded. On the contrary, this branch of the fiscal affairs of the Government has been, and it is believed may always be, thus carried on with every desirable facility and security. A few changes and improvements in the details of the system, without affecting any principles involved in it, will be submitted to you by the Secretary of the Treasury, and will, I am sure, receive at your hands that attention to which they may on examination be found to be entitled.

I have deemed this brief summary of our fiscal affairs necessary to the due performance of a duty specially enjoined upon me by the Constitution. It will serve also to illustrate more fully the principles by which I have been guided in reference to two contested points in our public policy which were earliest in their development and have been more important in their consequences than any that have arisen under our complicated and difficult, yet admirable, system of government. I allude to a national debt and a national bank. It was in these that the political contests by which the country has been agitated ever since the adoption of the Constitution in a great measure originated, and there is too much reason to apprehend that the conflicting interests and opposing principles thus marshaled will continue as heretofore to produce similar if not aggravated consequences. Coming into office the

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declared enemy of both, I have earnestly endeavored to prevent a resort to either.

The consideration that a large public debt affords an apology, and produces in some degree a necessity also, for resorting to a system and extent of taxation which is not only oppressive throughout, but is likewise so apt to lead in the end to the commission of that most odious of all offenses against the principles of republican government, the prostitution of political power, conferred for the general benefit, to the aggrandizement of particular classes and the gratification of individual cupidity, is alone sufficient, independently of the weighty objections which have already been urged, to render its creation and existence the sources of bitter and unappeasable discord. If we add to this its inevitable tendency to produce and foster extravagant expenditures of the public moneys, by which a necessity is created for new loans and new burdens on the people, and, finally, refer to the examples of every government which has existed for proof, how seldom it is that the system, when once adopted and implanted in the policy of a country, has failed to expand itself until public credit was exhausted and the people were no longer able to endure its increasing weight, it seems impossible to resist the conclusion that no benefits resulting from its career, no extent of conquest, no accession of wealth to particular classes, nor any nor all its combined advantages, can counterbalance its ultimate but certain results—a splendid government and an impoverished people.

If a national bank was, as is undeniable, repudiated by the framers of the Constitution as incompatible with the rights of the States and the liberties of the people; if from the beginning it has been regarded by large portions of our citizens as coming in direct collision with that great and vital amendment of the Constitution which declares that all powers not conferred by that instrument on the General Government are reserved to the States and to the people; if it has been viewed by them as the first great step in the march of latitudinous construction, which unchecked would render that sacred instrument of as little value as an unwritten constitution, dependent, as it would alone be, for its meaning on the interested interpretation of a dominant party, and affording no security to the rights of the minority—if such is undeniably the case, what rational grounds could have been conceived for anticipating aught but determined opposition to such an institution at the present day.

Could a different result have been expected when the consequences which have flowed from its creation, and particularly from its struggles to perpetuate its existence, had confirmed in so striking a manner the apprehensions of its earliest opponents; when it had been so clearly demonstrated that a concentrated money power, wielding so vast a capital and combining such incalculable means of influence, may in those peculiar conjunctures to which this Government is unavoidably exposed prove an overmatch for the political power of the people themselves; when the true character of its capacity to regulate according to its will and its interests and the interests of its favorites the value and production of the labor and property of every man in this extended country had been so fully and fearfully developed; when it was notorious that all classes of this great community had, by means of the power and influence it thus possesses, been infected to madness with a spirit of heedless speculation; when it had been seen that, secure in the support of the combination of influences by which it was surrounded, it could violate its charter and set the laws at defiance with impunity; and when, too, it had become most apparent that to believe that such an accumulation of powers can ever be granted without the certainty of being abused was to indulge in a fatal delusion?

To avoid the necessity of a permanent debt and its inevitable consequences I have advocated and endeavored to carry into effect the policy of confining the appropriations for the public service to such objects only as are clearly within the constitutional authority of the Federal Government; of excluding from its expenses those improvident and unauthorized grants of public money for works of internal improvement which were so wisely arrested by the constitutional interposition of my predecessor, and which, if they had not been so checked, would long before this time have involved the finances of the General Government in embarrassments far greater than those which are now experienced by any of the States; of limiting all our expenditures to that simple, unostentatious, and economical administration of public affairs which is alone consistent with the character of our institutions; of collecting annually from the customs, and the sales of public lands a revenue fully adequate to defray all the expenses thus incurred; but under no pretense whatsoever to impose taxes upon the people to a greater amount than was actually necessary to the public service conducted upon the principles I have stated.

In lieu of a national bank or a dependence upon banks of any description for the management of our fiscal affairs, I recommended the adoption of the system which is now in successful operation. That system affords every requisite facility for the transaction of the pecuniary concerns of the Government; will, it is confidently

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anticipated, produce in other respects many of the benefits which have been from time to time expected from the creation of a national bank, but which have never been realized; avoid the manifold evils inseparable from such an institution; diminish to a greater extent than could be accomplished by any other measure of reform the patronage of the Federal Government—a wise policy in all governments, but more especially so in one like ours, which works well only in proportion as it is made to rely for its support upon the unbiased and unadulterated opinions of its constituents; do away forever all dependence on corporate bodies either in the raising, collecting, safekeeping, or disbursing the public revenues, and place the Government equally above the temptation of fostering a dangerous and unconstitutional institution at home or the necessity of adapting its policy to the views and interests of a still more formidable money power abroad.

It is by adopting and carrying out these principles under circumstances the most arduous and discouraging that the attempt has been made, thus far successfully, to demonstrate to the people of the United States that a national bank at all times, and a national debt except it be incurred at a period when the honor and safety of the nation demand the temporary sacrifice of a policy which should only be abandoned in such exigencies, are not merely unnecessary, but in direct and deadly hostility to the principles of their Government and to their own permanent welfare.

The progress made in the development of these positions appears in the preceding sketch of the past history and present state of the financial concerns of the Federal Government. The facts there stated fully authorize the assertion that all the purposes for which this Government was instituted have been accomplished during four years of greater pecuniary embarrassment than were ever before experienced in time of peace, and in the face of opposition as formidable as any that was ever before arrayed against the policy of an Administration; that this has been done when the ordinary revenues of the Government were generally decreasing as well from the operation of the laws as the condition of the country, without the creation of a permanent public debt or incurring any liability other than such as the ordinary resources of the Government will speedily discharge, and without the agency of a national bank.

If this view of the proceedings of the Government for the period it embraces be warranted by the facts as they are known to exist; if the Army and Navy have been sustained to the full extent authorized by law, and which Congress deemed sufficient for the defense of the country and the protection of its rights and its honor; if its civil and diplomatic service has been equally sustained; if ample provision has been made for the administration of justice and the execution of the laws; if the claims upon public gratitude in behalf of the soldiers of the Revolution have been promptly met and faithfully discharged; if there have been no failures in defraying the very large expenditures growing out of that long-continued and salutary policy of peacefully removing the Indians to regions of comparative safety and prosperity; if the public faith has at all times and everywhere been most scrupulously maintained by a prompt discharge of the numerous, extended, and diversified claims on the Treasury—if all these great and permanent objects, with many others that might be stated, have for a series of years, marked by peculiar obstacles and difficulties, been successfully accomplished without a resort to a permanent debt or the aid of a national bank, have we not a right to expect that a policy the object of which has been to sustain the public service independently of either of these fruitful sources of discord will receive the final sanction of a people whose unbiased and fairly elicited judgment upon public affairs is never ultimately wrong?

That embarrassments in the pecuniary concerns of individuals of unexampled extent and duration have recently existed in this as in other commercial nations is undoubtedly true. To suppose it necessary now to trace these reverses to their sources would be a reflection on the intelligence of my fellow-citizens. Whatever may have been the obscurity in which the subject was involved during the earlier stages of the revulsion, there can not now be many by whom the whole question is not fully understood.

Not deeming it within the constitutional powers of the General Government to repair private losses sustained by reverses in business having no connection with the public service, either by direct appropriations from the Treasury or by special legislation designed to secure exclusive privileges and immunities to individuals or classes in preference to or at the expense of the great majority necessarily debarred from any participation in them, no attempt to do so has been either made, recommended, or encouraged by the present Executive.

It is believed, however, that the great purposes for the attainment of which the Federal Government was instituted have not been lost sight of. Intrusted only with certain limited powers, cautiously enumerated, distinctly specified, and defined with a precision and clearness which would seem to defy misconstruction, it has been my

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constant aim to confine myself within the limits so clearly marked out and so carefully guarded. Having always been of opinion that the best preservative of the union of the States is to be found in a total abstinence from the exercise of all doubtful powers on the part of the Federal Government rather than in attempts to assume them by a loose construction of the Constitution or an ingenious perversion of its words, I have endeavored to avoid recommending any measure which I had reason to apprehend would, in the opinion even of a considerable minority of my fellow-citizens, be regarded as trenching on the rights of the States or the provisions of the hallowed instrument of our Union. Viewing the aggregate powers of the Federal Government as a voluntary concession of the States, it seemed to me that such only should be exercised as were at the time intended to be given.

I have been strengthened, too, in the propriety of this course by the conviction that all efforts to go beyond this tend only to produce dissatisfaction and distrust, to excite jealousies, and to provoke resistance. Instead of adding strength to the Federal Government, even when successful they must ever prove a source of incurable weakness by alienating a portion of those whose adhesion is indispensable to the great aggregate of united strength and whose voluntary attachment is in my estimation far more essential to the efficiency of a government strong in the best of all possible strength—the confidence and attachment of all those who make up its constituent elements.

Thus believing, it has been my purpose to secure to the whole people and to every member of the Confederacy, by general, salutary, and equal laws alone, the benefit of those republican institutions which it was the end and aim of the Constitution to establish, and the impartial influence of which is in my judgment indispensable to their preservation. I can not bring myself to believe that the lasting happiness of the people, the prosperity of the States, or the permanency of their Union can be maintained by giving preference or priority to any class of citizens in the distribution of benefits or privileges, or by the adoption of measures which enrich one portion of the Union at the expense of another; nor can I see in the interference of the Federal Government with the local legislation and reserved rights of the States a remedy for present or a security against future dangers.

The first, and assuredly not the least, important step toward relieving the country from the condition into which it had been plunged by excesses in trade, banking, and credits of all kinds was to place the business transactions of the Government itself on a solid basis, giving and receiving in all cases value for value, and neither countenancing nor encouraging in others that delusive system of credits from which it has been found so difficult to escape, and which has left nothing behind it but the wrecks that mark its fatal career.

That the financial affairs of the Government are now and have been during the whole period of these wide-spreading difficulties conducted with a strict and invariable regard to this great fundamental principle, and that by the assumption and maintenance of the stand thus taken on the very threshold of the approaching crisis more than by any other cause or causes whatever the community at large has been shielded from the incalculable evils of a general and indefinite suspension of specie payments, and a consequent annihilation for the whole period it might have lasted of a just and invariable standard of value, will, it is believed, at this period scarcely be questioned.

A steady adherence on the part of the Government to the policy which has produced such salutary results, aided by judicious State legislation and, what is not less important, by the industry, enterprise, perseverance, and economy of the American people, can not fail to raise the whole country at an early period to a state of solid and enduring prosperity, not subject to be again overthrown by the suspension of banks or the explosion of a bloated credit system. It is for the people and their representatives to decide whether or not the permanent welfare of the country (which all good citizens equally desire, however widely they may differ as to the means of its accomplishment) shall be in this way secured, or whether the management of the pecuniary concerns of the Government, and by consequence to a great extent those of individuals also, shall be carried back to a condition of things which fostered those contractions and expansions of the currency and those reckless abuses of credit from the baleful effects of which the country has so deeply suffered—a return that can promise in the end no better results than to reproduce the embarrassments the Government has experienced, and to remove from the shoulders of the present to those of fresh victims the bitter fruits of that spirit of speculative enterprise to which our countrymen are so liable and upon which the lessons of experience are so unavailing. The choice is an important one, and I sincerely hope that it may be wisely made.

A report from the Secretary of War, presenting a detailed view of the affairs of that Department, accompanies this communication.

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The desultory duties connected with the removal of the Indians, in which the Army has been constantly engaged on the northern and western frontiers and in Florida, have rendered it impracticable to carry into full effect the plan recommended by the Secretary for improving its discipline. In every instance where the regiments have been concentrated they have made great progress, and the best results may be anticipated from a continuance of this system. During the last season a part of the troops have been employed in removing Indians from the interior to the territory assigned them in the West—a duty which they have performed efficiently and with praiseworthy humanity—and that portion of them which has been stationed in Florida continued active operations there throughout the heats of summer.

The policy of the United States in regard to the Indians, of which a succinct account is given in my message of 1838, and of the wisdom and expediency of which I am fully satisfied, has been continued in active operation throughout the whole period of my Administration. Since the spring of 1837 more than 40,000 Indians have been removed to their new homes west of the Mississippi, and I am happy to add that all accounts concur in representing the result of this measure as eminently beneficial to that people.

The emigration of the Seminoles alone has been attended with serious difficulty and occasioned bloodshed, hostilities having been commenced by the Indians in Florida under the apprehension that they would be compelled by force to comply with their treaty stipulations. The execution of the treaty of Paynes Landing, signed in 1832, but not ratified until 1834, was postponed at the solicitation of the Indians until 1836, when they again renewed their agreement to remove peaceably to their new homes in the West. In the face of this solemn and renewed compact they broke their faith and commenced hostilities by the massacre of Major Dade's command, the murder of their agent, General Thompson, and other acts of cruel treachery. When this alarming and unexpected intelligence reached the seat of Government, every effort appears to have been made to reinforce General Clinch, who commanded the troops then in Florida. General Eustis was dispatched with reinforcements from Charleston, troops were called out from Alabama, Tennessee, and Georgia, and General Scott was sent to take the command, with ample powers and ample means. At the first alarm General Gaines organized a force at New Orleans, and without waiting for orders landed in Florida, where he delivered over the troops he had brought with him to General Scott.

Governor Call was subsequently appointed to conduct a summer campaign, and at the close of it was replaced by General Jesup. These events and changes took place under the Administration of my predecessor. Notwithstanding the exertions of the experienced officers who had command there for eighteen months, on entering upon the administration of the Government I found the Territory of Florida a prey to Indian atrocities. A strenuous effort was immediately made to bring those hostilities to a close, and the army under General Jesup was reinforced until it amounted to 10,000 men, and furnished with abundant supplies of every description. In this campaign a great number of the enemy were captured and destroyed, but the character of the contest only was changed. The Indians, having been defeated in every engagement, dispersed in small bands throughout the country and became an enterprising, formidable, and ruthless banditti. General Taylor, who succeeded General Jesup, used his best exertions to subdue them, and was seconded in his efforts by the officers under his command; but he too failed to protect the Territory from their depredations. By an act of signal and cruel treachery they broke the truce made with them by General MacGrab, who was sent from Washington for the purpose of carrying into effect the expressed wishes of Congress, and have continued their devastations ever since. General Armistead, who was in Florida when General Taylor left the army by permission, assumed the command, and after active summer operations was met by propositions for peace, and from the fortunate coincidence of the arrival in Florida at the same period of a delegation from the Seminoles who are happily settled west of the Mississippi and are now anxious to persuade their countrymen to join them there hopes were for some time entertained that the Indians might be induced to leave the Territory without further difficulty. These hopes have proved fallacious and hostilities have been renewed throughout the whole of the Territory. That this contest has endured so long is to be attributed to causes beyond the control of the Government. Experienced generals have had the command of the troops, officers and soldiers have alike distinguished themselves for their activity, patience, and enduring courage, the army has been constantly furnished with supplies of every description, and we must look for the causes which have so long procrastinated the issue of the contest in the vast extent of the theater of hostilities, the almost insurmountable obstacles presented by the nature of the country, the climate, and the wily character of the savages.

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The sites for marine hospitals on the rivers and lakes which I was authorized to select and cause to be purchased have all been designated, but the appropriation not proving sufficient, conditional arrangements only have been made for their acquisition. It is for Congress to decide whether these Conditional purchases shall be sanctioned and the humane intentions of the law carried into full effect.

The Navy, as will appear from the accompanying report of the Secretary, has been usefully and honorably employed in the protection of our commerce and citizens in the Mediterranean, the Pacific, on the coast of Brazil, and in the Gulf of Mexico. A small squadron, consisting of the frigate Constellation and the sloop of war Boston, under Commodore Kearney, is now on its way to the China and Indian seas for the purpose of attending to our interests in that quarter, and Commander Aulick, in the sloop of war Yorktown, has been instructed to visit the Sandwich and Society islands, the coasts of New Zealand and Japan, together with other ports and islands frequented by our whale ships, for the purpose of giving them countenance and protection should they be required. Other smaller vessels have been and still are employed in prosecuting the surveys of the coast of the United States directed by various acts of Congress, and those which have been completed will shortly be laid before you.

The exploring expedition at the latest date was preparing to leave the Bay of Islands, New Zealand, in further prosecution of objects which have thus far been successfully accomplished. The discovery of a new continent, which was first seen in latitude $66^{\circ} 2'$ south, longitude $154^{\circ} 27'$ east, and afterwards in latitude $66^{\circ} 31'$ south, longitude $153^{\circ} 40'$ east, by Lieutenants Wilkes and Hudson, for an extent of 1,800 miles, but on which they were prevented from landing by vast bodies of ice which encompassed it, is one of the honorable results of the enterprise. Lieutenant Wilkes bears testimony to the zeal and good conduct of his officers and men, and it is but justice to that officer to state that he appears to have performed the duties assigned him with an ardor, ability, and perseverance which give every assurance of an honorable issue to the undertaking.

The report of the Postmaster-General herewith transmitted will exhibit the service of that Department the past year and its present condition. The transportation has been maintained during the year to the full extent authorized by the existing laws; some improvements have been effected which the public interest seemed urgently to demand, but not involving any material additional expenditure; the contractors have generally performed their engagements with fidelity; the postmasters, with few exceptions, have rendered their accounts and paid their quarterly balances with promptitude, and the whole service of the Department has maintained the efficiency for which it has for several years been distinguished.

The acts of Congress establishing new mail routes and requiring more expensive services on others and the increasing wants of the country have for three years past carried the expenditures something beyond the accruing revenues, the excess having been met until the past year by the surplus which had previously accumulated. That surplus having been exhausted and the anticipated increase in the revenue not having been realized owing to the depression in the commercial business of the country, the finances of the Department exhibit a small deficiency at the close of the last fiscal year. Its resources, however, are ample, and the reduced rates of compensation for the transportation service which may be expected on the future lettings from the general reduction of prices, with the increase of revenue that may reasonably be anticipated from the revival of commercial activity, must soon place the finances of the Department in a prosperous condition.

Considering the unfavorable circumstances which have existed during the past year, it is a gratifying result that the revenue has not declined as compared with the preceding year, but, on the contrary, exhibits a small increase, the circumstances referred to having had no other effect than to check the expected income.

It will be seen that the Postmaster-General suggests certain improvements in the establishment designed to reduce the weight of the mails, cheapen the transportation, insure greater regularity in the service, and secure a considerable reduction in the rates of letter postage—an object highly desirable. The subject is one of general interest to the community, and is respectfully recommended to your consideration.

The suppression of the African slave trade has received the continued attention of the Government. The brig Dolphin and schooner Grampus have been employed during the last season on the coast of Africa for the purpose of preventing such portions of that trade as were said to be prosecuted under the American flag. After cruising off those parts of the coast most usually resorted to by slavers until the commencement of the rainy season, these vessels returned to the United States for supplies, and have since been dispatched on a similar service.

From the reports of the commanding officers it appears that the trade is now principally carried on under

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Portuguese colors, and they express the opinion that the apprehension of their presence on the slave coast has in a great degree arrested the prostitution of the American flag to this inhuman purpose. It is hoped that by continuing to maintain this force in that quarter and by the exertions of the officers in command much will be done to put a stop to whatever portion of this traffic may have been carried on under the American flag and to prevent its use in a trade which, while it violates the laws, is equally an outrage on the rights of others and the feelings of humanity. The efforts of the several Governments who are anxiously seeking to suppress this traffic must, however, be directed against the facilities afforded by what are now recognized as legitimate commercial pursuits before that object can be fully accomplished.

Supplies of provisions, water casks, merchandise, and articles connected with the prosecution of the slave trade are, it is understood, freely carried by vessels of different nations to the slave factories, and the effects of the factors are transported openly from one slave station to another without interruption or punishment by either of the nations to which they belong engaged in the commerce of that region. I submit to your judgments whether this Government, having been the first to prohibit by adequate penalties the slave trade, the first to declare it piracy, should not be the first also to forbid to its citizens all trade with the slave factories on the coast of Africa, giving an example to all nations in this respect which if fairly followed can not fail to produce the most effective results in breaking up those dens of iniquity. M. VAN BUREN