

remains undisposed of, payable at a more distant day.

Should it be necessary, in any view that Congress may take of the subject, to revise the existing tariff of duties, I beg leave to say, that, in the performance of that most delicate operation, moderate counsels would seem to be the wisest. The Government, under which it is our happiness to live, owes its existence to the spirit of compromise which prevailed among its framers—jarring and discordant opinions could only have been reconciled by that noble spirit of patriotism, which prompted conciliation, and resulted in harmony. In the same spirit the compromise bill, as it is commonly called, was adopted at the session of 1833. While the people of no portion of the Union will ever hesitate to pay all necessary taxes for the support of Government, yet an innate repugnance exists, to the impositions of burthens not really necessary for that object. In imposing duties, however, for the purposes of revenue; a right to discriminate as to the articles on which the duty shall be laid, as well as the amount, necessarily and most properly exists. Otherwise the Government would be placed in the condition of having to levy the same duties upon all articles, the productive, as well as the unproductive.

The slightest duty upon some, might have the effect of causing their importation to cease, whereas others entering extensively into the consumption of the country, might bear the heaviest, without any sensible diminution in the amount imported. So also the Government may be justified in so discriminating, by reference to other considerations of domestic policy connected with our manufactures. So long as the duties shall be laid with distinct reference to the wants of the Treasury, no well founded objection can exist against them. It might be esteemed desirable that no such augmentation of the taxes should take place as would have the effect of annulling the land proceeds distribution act of the last session, which act is declared to be inoperative the moment the duties are increased beyond 20 per cent. the maximum rate established by the compromise act. Some of the provisions of the compromise act, which will go into effect on the 30th day of June next, may, however, be found exceedingly inconvenient in practice, under any regulations that Congress may adopt. I refer more particularly to that relating to the home valuation. A difference in value of the same articles, to some extent, will necessarily exist at different ports: but that is altogether insignificant, when compared with the conflicts in valuation which are likely to arise from the differences of opinion among the numerous appraisers of merchandise. In many instances, the estimates of value must be conjectural, and thus as many different rates of value may be established as there are appraisers. These differences in valuation may also be increased by the inclination which, without the slightest imputation on their honesty, may arise on the part of the appraisers in favor of their respective ports of entry. I recommend this whole subject to the consideration of Congress, with a single additional remark. Certainty and permanency in any system of governmental policy are, in all respects, eminently desirable; but more particularly is this true in all that affects trade and commerce, the operations of which depend much more on the certainty of their returns, and calculations which embrace distant periods of time, than on high bounties, or duties which are liable to constant fluctuations.

At your late session, I invited your attention to the condition of the currency and exchanges, and urged the necessity of adopting such measures as were consistent with the constitutional competency of the Government, in order to correct the unsoundness of the one, and, as far as practicable, the inequalities of the other. No country can be in the enjoyment of its full measure of prosperity, without the presence of a medium of exchange, approximating to the uniformity of value. What is necessary as between the different nations of the earth, is also important as between the inhabitants of different parts of same country. With the first, the precious metals constitute the chief medium of circulation; and such also would be the case as to the last, but for inventions comparatively modern, which have furnished, in place of gold and silver, a paper circulation. I do not propose to enter into a comparative analysis of the merits of the two systems. Such belongs more properly to the period of the introduction of the paper system. The speculative philosopher might find inducements to prosecute the inquiry, but his researches could only lead him to conclude that the paper system had probably better never have been introduced, and that society might have been much happier without it. The practical statesman has a very different task to perform. He has to look at things as they are—to take them as he finds them—to supply deficiencies, and to prune excesses as far as in him lies. The task of furnishing a corrective for derangements of the paper medium with us, is almost inexpressibly great. The power

exerted by the States to Charter banking corporations, and which having been carried to a great excess, has filled the country with (in most of the States) an irredeemable paper medium, is an evil which, in some way or other, requires a corrective. The rates at which bills of exchange are negotiated between different parts of the country, furnish an index of the value of the local substitute for gold and silver, which is, in many parts, so far depreciated as not to be received, except at a large discount, in payment of debts, or in the purchase of produce. It could earnestly be desired that every bank, not possessing the means of resumption, should follow the example of the United States Bank of Pennsylvania, and go into liquidation, rather than, by refusing to do so, to continue embarrassments in the way of solvent institutions, thereby augmenting the difficulties incident to the present condition of things. Whether this Government with due regard to the rights of the States has any power to constrain the banks either to resume specie payments or to force them into liquidation, is an inquiry which will not fail to claim your consideration. In view of the great advantages which are allowed the corporators—not among the least of which is the authority contained in most of their charters to make loans to three times the amount of their capital, thereby often deriving three times as much interest on the same amount of money as any individual is by law permitted to receive—no sufficient apology can be urged for a long continued suspension of specie payments. Such suspension is productive of the greatest detriment to the public, by expelling from circulation the precious metals, and seriously hazarding the success of any effort that this Government can make to increase commercial facilities, and to advance the public interests.

This is the more to be regretted, and the indispensable necessity for a sound currency becomes the more manifest, when we reflect on the vast amount of the internal commerce of the country. Of this we have no statistics nor just data for forming adequate opinions. But there can be no doubt but that the amount of transportation coastwise by sea, and the transportation inland by railroads and canals, and by steamboats and other modes of conveyance, over the surface of our vast rivers and immense lakes, and the value of property carried and interchanged by these means, form a general aggregate to which the foreign commerce of the country, large as it is, makes but a distant approach.

In the absence of any controlling power over this subject, which by forcing a general resumption of specie payments would at once have the effect of restoring a sound medium of exchange, and would leave to the country but little to desire, what measure of relief, falling within the limits of our constitutional competency, does it become this Government to adopt? It was my painful duty at your last session, under the weight of most solemn obligations, to differ with Congress on the measures which it proposed for my approval, and which it doubtless regarded as corrective of existing evils. Subsequent reflection, and events since occurring, have only served to confirm me in the opinions then entertained and frankly expressed.

I must be permitted to add, that no scheme of governmental policy, unaided by individual exertions, can be available for ameliorating the present condition of things. Commercial modes of exchange and a good currency are but necessary means of commerce and intercourse, not the direct productive sources of wealth. Wealth can only be accumulated by the earnings of industry and the savings of frugality; and nothing can be more ill-judged than to look to facilities in borrowing, or to a redundant circulation, for the power of discharging pecuniary obligations. The country is full of resources and the people full of energy; and the great and permanent remedy for present embarrassments must be sought in industry, economy, the observance of good faith, and the favorable influence of time.

In pursuance of a pledge given to you in my last message to Congress, (which pledge I urge as an apology for adventuring to present you the details of any plan) the Secretary of the Treasury will be ready to submit to you, should you require it, a plan of finance, which while it throws around the public treasure reasonable guards for its protection, and rests on powers acknowledged in practice to exist from the origin of the Government, will, at the same time, furnish to the country a sound paper medium, and afford all reasonable facilities for regulating the exchanges. When submitted, you will perceive in it a plan amendatory of the existing laws in relation to the Treasury Department—subordinate in all respects to the will of Congress directly, and the will of the people indirectly—self sustaining, should it be found in practice to realize its promises in theory, and repealable at

the pleasure of Congress. It proposes, by effectual restraints, and by invoking the true spirit of our institutions, to separate the purse from the sword; or, more properly to speak, denies any other control to the President over the agents who may be selected to carry it into execution, but what may be indispensably necessary to secure the fidelity of such agents; and, by wise regulations, keeps plainly apart from each other private and public funds. It contemplates the establishment of a Board of control at the seat of Government, with agencies at prominent commercial points, or wherever else Congress shall direct, for the safe keeping and disbursement of the public moneys, and a substitution, at the option of the public creditor, of Treasury notes in lieu of gold and silver. It proposes to limit the issues to an amount not to exceed \$15,000,000, without the express sanction of the legislative power. It also authorizes the receipt of individual deposits of gold and silver to a limited amount, and the granting certificates of deposit, divided into such sums as may be called for by the depositors.—It proceeds a step further, and authorizes the purchase and sale of domestic bills and drafts, resting on a real and substantial basis, payable at sight, or having but a short time to run, and drawn on places not less than one hundred miles apart; which authority, except in so far as may be necessary for Government purposes exclusively, is only to be exerted upon the express condition that its exercise shall not be prohibited by the State in which the agency is situated.

In order to cover the expenses incident to the plan, it will be authorized to receive moderate premiums for certificate issued on deposits, and on bills bought and sold, and thus, as far as its dealings extend, to furnish facilities to commercial intercourse at the lowest possible rates, and to subduct from the earnings of industry, the least possible sum. It uses the State Banks at a distance from the agencies, as auxiliaries, without imparting any power to trade in its name. It is subjected to such guards and restraints as have appeared to be necessary. It is the creature of law, and exists only at the pleasure of the legislature. It is made to rest on an actual specie basis, in order to redeem the notes at the places of issue—produces no dangerous redundancy of circulation—affords no temptation to speculation—is attended by no inflation of prices—is equal in its operation—makes the Treasury Notes, which it may use along with the certificates of deposit, and the notes of specie paying banks—convertible at the place where collected, receivable in payment of Government dues—and without violating any principle of the Constitution, affords the Government and the people such facilities as are called for by the wants of both. Such, it has appeared to me, are its recommendations, and in view of them it will be submitted, whenever you may require it, to your consideration.

I am not able to perceive that any fair and candid objection can be urged against the plan, the principal outlines of which I have thus presented. I cannot doubt but that the notes which it proposes to furnish at the voluntary option of the public creditor, issued in lieu of the revenue and its certificates of deposit, will be maintained at an equality with gold and silver every where. They are redeemed with gold and silver on demand, at the place of issue. They are receivable every where in payment of Government dues. The Treasury notes are limited to an amount of one fourth less than the estimated annual receipts of the Treasury; and in addition they rest upon the faith of the government for their redemption. If all these assurances are not sufficient to make them available, then the idea, as it seems to me, of furnishing a sound paper medium of exchanges may be entirely abandoned.

If a fear be indulged that the Government may be tempted to run into excess in its issues, at any future day, it seems to me that no such apprehension can reasonably be entertained, until all confidence in the representatives of the States and of the people, as well as of the people themselves, shall be lost. The weightiest considerations of policy require that the restraints now proposed to be thrown around the measure should not, for light causes be removed. To argue against any proposed plan, its liability to possible abuse, is to reject every expedient, since every thing dependent on human action is liable to abuse. Fifteen millions of Treasury notes may be issued as the maximum, but a discretionary power is to be given to the board of Control, under that sum, and every consideration will unite in leading them to feel their way with caution. For the eight first years of the existence of the late bank of the United States, its circulation barely exceeded \$4,000,000; and for five of its most prosperous years, it was about equal to \$16,000,000; furthermore, the authority given to receive private deposits to a limited amount, and to issue certificates in such sums as may be called

for by the depositors, may so far fill up the channels of circulation as greatly to diminish the necessity of any considerable issue of Treasury notes. A restraint upon the amount of private deposits has seemed to be indispensably necessary, from an apprehension thought to be well founded, that in any emergency of trade, confidence might be so far shaken in the banks as to induce a withdrawal from them of private deposits, with a view to ensure their unquestionable safety when deposited with the Government, which might prove eminently disastrous to the State banks.

Is it objected that it is proposed to authorize the agencies to deal in bills of Exchange? Is it answered, that such dealings are to be carried on at the lowest possible premium—are made to rest on an unquestionably sound basis—are designed to reimburse merely the expenses which would otherwise devolve upon the Treasury, and are in strict subordination to the decision of the Supreme Court, in the case of the bank of Augusta against Earle, and other reported cases; and thereby avoids all conflict with State jurisdiction, which I hold to be indispensably requisite. It leaves the banking privilege of the States without interference—looks to the Treasury and the Union,—and, while furnishing every facility to the first, is careful of the interests of the last. But above all, it is created by law, is amendable by law, and is repealable by law: and wedded as I am to no theory, but looking solely to the advancement of the public good, I shall be amongst the very first to urge its repeal, if it be found not to subserve the purposes and objects for which it may be created. Nor will the plan be submitted in any overweening confidence in the sufficiency of my own judgment, but with much greater reliance on the wisdom and patriotism of Congress. I cannot abandon this subject without urging upon you, in the most emphatic manner whatever may be your action on the suggestions which I have felt it my duty to submit, to relieve the Chief Executive Magistrate by any and all constitutional means, from a controlling power over the public Treasury. If, in the plan proposed, should you deem it worthy of your consideration, that separation is not as complete as you may desire, you will doubtless, amend it in that particular. For myself, I disclaim all desire to have any control over the public moneys, other than what is indispensably necessary, to execute the laws which you may pass.

Nor can I fail to advert, in this connection, to the debts which many of the States of the Union have contracted abroad, and under which they continue to labor. That indebtedness amounts to a sum not less than \$200,000,000, and which has been retributed to them, for the most part, in works of internal improvement, which are destined to prove of vast importance in ultimately advancing their prosperity and wealth. For the debts thus contracted, the States are alone responsible. I can do no more than express the belief that each State will feel itself bound by every consideration of honor, as well of interest, to meet its engagements with punctuality. The failure, however, of any one State to do so, should in no degree affect the credit of the rest; and the foreign capitalists will have no just cause to experience alarm as to all other State stocks, because any one or more of the States may neglect to provide with punctuality the means of redeeming their engagements. Even such States, should there be any, considering the great rapidity with which their resources are developing themselves, will not fail to have the means, at no very distant day, to redeem their obligations to the uttermost farthing; nor will I doubt but that in view of that honorable conduct which has evermore governed the States, and the People of this Union, they will each and all resort to every legitimate expedient, before they will forego a faithful compliance with their obligations.

From the report of the Secretary of War, and other reports accompanying it, you will be informed of the progress which has been made in the fortifications designed for the protection of our principal cities, roadsteads, and inland frontier, during the present year; together with their true state and condition. They will be prosecuted to completion with all the expedition which the means placed by Congress at the disposal of the Executive will allow.

I recommend particularly to your consideration, that portion of the Secretary's report which proposes the establishment of a chain of military posts, from Council Bluffs to some point on the Pacific Ocean, within our limits. The benefit thereby destined to accrue to our citizens engaged in the fur trade over that wilderness region, added to the importance of cultivating friendly relations with savage tribes inhabiting it, and at the same time of giving protection to our frontier settlements, and of establishing the means of safe intercourse between the American settlements at the mouth of the Columbia river,

and those on this side of the Rocky Mountains, would seem to suggest the importance of carrying into effect the recommendation upon this head with as little delay as may be practicable.

The report of the Secretary of the Navy, will place you in possession of the present condition of that important arm of the national defence. Every effort will be made to add to its efficiency, and I cannot too strongly urge upon you, liberal appropriations to that branch of the public service. Inducements of the weightiest character exist for the adoption of this course of policy. Our extended and otherwise exposed maritime frontier, calls for protection, to the furnishing of which an efficient naval force is indispensable. We look to no foreign conquests, nor do we propose to enter into competition with any other nation for supremacy on the Ocean,—but it is due not only to the honor, but to the security of the People of the United States, that no nation should be permitted to invade our waters at pleasure, and subject our towns and villages to conflagration or pillage. Economy in all branches of the public service, is due from all the public agents to the people; but parsimony alone would suggest the withholding of the necessary means, for the protection of our domestic firesides from invasion, and our national honor from disgrace. I would most earnestly recommend to Congress, to abstain from all appropriations, for objects not absolutely necessary; but I take upon myself, without a moment of hesitancy, all the responsibility of recommending the increase and prompt equipment of that gallant Navy, which has lighted up every sea with its victories, and spread an imperishable glory over the country.

The report of the Postmaster General will claim your particular attention, not only because of the valuable suggestions which it contains, but because of the great importance which, at all times, attaches to that interesting branch of the public service. The increasing expense of transporting the mail along the principal routes necessarily claims the public attention, and has awakened a corresponding solicitude on the part of the government. The transmission of the mails must keep pace with those facilities of intercommunication which are every day becoming greater through the building of rail roads and the application of steam power; but it cannot be disguised that in order to do so, the Post Office Department is subjected to heavy exactions. The lines of communication between distant parts of the Union, are to a great extent, occupied by rail roads, which, in the nature of things, possess a complete monopoly and the department is thereby liable to heavy and unreasonable charges. This evil is destined to great increase in future; and some timely measure may become necessary to guard against it.

I feel it my duty to bring under your consideration a practice which has grown up in the administration of the Government, and which, I am convinced ought to be corrected. I allude to the exercise of the power, which usage rather than reason, has vested in the Presidents, of removing incumbents from office in order to substitute others more in favor with the dominant party. My own conduct in this respect, has been governed by a conscientious purpose to exercise the removing power only in cases of unfaithfulness or inability, or in those in which its exercise appeared necessary, in order to discountenance and suppress that spirit of active partisanship on the part of holders of office, which not only withdraws them from the study and impartial discharge of their official duties, but exerts an undue and injurious influence over elections, and degrades the character of the Government itself, inasmuch as it exhibits the Chief Magistrate as being a party, through his agents, in the secret plots or open workings of political parties.

In respect to the exercise of this power, nothing should be left to discretion which may safely be regulated by law; and it is of high importance to restrain as far as possible, the stimulus of personal interests in public elections. Considering the great increase which has been made in public offices in the last quarter of a century, and the probability of further increase, we incur the hazard of witnessing violent political contests, directed too often by the single object of retaining office, by those who are in, and obtaining it by those who are out. Under the influence of these convictions I shall cordially concur in any constitutional measures for regulating, and by regulating, restraining the power of removal.

I suggest for your consideration the propriety of making, without further delay, some specific application of the funds derived under the will of Mr. Smithson, of England, for the diffusion of knowledge, and which have heretofore been vested in public stocks, until such time as Congress should think proper to give them a specific direction. Nor will you, I feel confident, permit any abatement of the princi-