

determination to aid in its modification on the first opportunity, affords strong and conclusive evidence that it was not intended to be permanent, and of the expediency and necessity of a thorough revision.

In recommending to Congress a reduction of the present rates of duty, and a revision and modification of the act of 1842, I am far from entertaining opinions unfriendly to the manufacturers. On the contrary, I desire to see them prosperous, as far as they can be so, without imposing unequal burdens on other interests. The advantage under any system of indirect taxation, even within the revenue standard, must be in favor of the manufacturing interest; and of this no other interest will complain.

I recommend to Congress the abolition of the minimum principle, or assumed, arbitrary, and false values, and of specific duties, and the substitution in their place of *ad valorem* duties, as the fairest and most equitable indirect tax which can be imposed. By the *ad valorem* principle, all articles are taxed according to their cost or value, and those which are of inferior quality, or of small cost, bear only the just proportion of the tax with those which are of superior quality or greater cost. The articles consumed by all are taxed at the same rate. A system of *ad valorem* revenue duties, with proper discriminations and proper guards against frauds in collecting them, it is not doubted, will afford ample incidental advantages to the manufacturers, and enable them to derive as great profit as can be derived from any other regular business.

It is believed that such a system, strictly within the revenue standard, will place the manufacturing interests on a stable footing, and insure to their permanent advantage; while it will, as nearly as may be practicable, extend to all the great interests of the country the incidental protection which can be afforded by our revenue laws.—Such a system, when once firmly established, would be permanent, and not be subject to the constant complaints, agitation, and changes which must ever occur, when duties are not laid for revenue, but for the "protection merely" of a favored interest.

In the deliberations of Congress on this subject, it is hoped that a spirit of mutual concession and compromise between conflicting interests may prevail, and that the result of their labors may be crowned with the happiest consequences.

By the Constitution of the United States it is provided, that "no money shall be drawn from the treasury but in consequence of appropriations made by law." A public treasury was undoubtedly contemplated and intended to be created, in which the public money should be kept from the period of collection until needed for public uses. In the collection and disbursement of the public money no agencies have been employed by law, except such as were appointed by the Government, directly responsible to it, and under its control.

The safe-keeping of the public money should be confided to a public treasury created by law, and under like responsibility and control. It is not to be imagined that the framers of the Constitution could have intended that a treasury should be created as a place of deposit and safe-keeping of the public money which was irresponsible to the Government. The first Congress under the Constitution, by the act of the 2d September, 1789, "to establish the Treasury Department," provided for the appointment of a treasurer, and made it his duty "to receive and keep the moneys of the United States," and "at all times to submit to the Secretary of the Treasury and the Comptroller, or either of them, the inspection of the moneys in his hands."

That banks, national or state, could not have been intended to be used as a substitute for the treasury spoken of in the constitution, as keepers of the public money, is manifest from the fact, that at that time there was no national bank, and but three or four State banks of limited capital existed in the country. Their employment as depositories was at first resorted to, to a limited extent, but with no avowed intention of continuing them permanently, in place of the treasury of the constitution. When they were afterwards from time to time employed, it was from motives of supposed convenience.

Our experience has shown, that when banking corporations have been the keepers of the public money, and been thereby made in effect the treasury, the government can have no guaranty that it can command the use of its own money for public purposes. The late Bank of the United States proved to be faithless. The State Banks which were afterwards employed, were faithless. But a few years ago, with millions of public money in their keeping, the Government was brought almost to bankruptcy, and the public credit seriously impaired, because of their inability or indisposition to pay, on demand, to the public creditors, in the only currency recognized by the Constitution.—Their failure occurred in a period of peace, and great inconvenience and loss were suffered by the public from it. Had the country been involved in a foreign war, that inconvenience and loss would have been much greater, and might have resulted in extreme public calamity.

The public money should not be mingled with the private funds of banks or individuals, or be used for private purposes. When it is placed in banks for safe-keeping it is in effect loaned to them without interest, and is loaned by them upon interest to the borrowers from them. The public money is converted into banking capital, and is used and loaned out for the private profit of bank stockholders; and when called for, (as was the case in 1837,) it may be in the pockets of the borrowers from the banks, instead of being in the public treasury contemplated by the constitution. The framers of the constitution could never have intended that the money paid into the treasury should be thus converted to private use, and placed beyond the control of the government.

Banks which hold the public money are often tempted, by a desire of gain, to extend their loans, increase their circulation, and thus stimulate, if not produce a spirit of speculation and extravagance, which sooner or later must result in ruin to thousands. If the public money be not permitted to be thus used, but be kept in the treasury and paid out to the public creditors in gold and silver, the temptation afforded by its deposit with banks to an undue expansion of their business would be checked, while the amount of the constitutional currency left in circulation would be enlarged, by its employment in the public collections and disbursements, and the banks themselves would, in consequence, be found in a safer and sounder condition.

At present, State banks are employed as depositories, but without adequate regulation of law, whereby the public money can be secured against the casualties and excesses, revulsions, suspensions, and defalcations, to which, from overissues, overrating, an inordinate desire for gain, or other

causes, they are constantly exposed. The Secretary of the Treasury has in all cases, when it was practicable, taken collateral security for the amount which they hold, by the pledge of stocks of the United States, or such of the States as were in good credit. Some of the deposit banks have given this description of security, and others have declined to do so.

Entertaining the opinion that "the separation of the moneys of the Government from banking institutions is indispensable for the safety of the funds of the Government and the rights of the people," I recommend to Congress that provision be made by law for such separation, and that a Constitutional Treasury be created for the safe-keeping of the public money. The Constitutional Treasury recommended is designed as a secure depository for the public money, without any power to make loans and discounts, or to issue any paper whatever as a currency or circulation. I can not doubt that such a Treasury as was contemplated by the Constitution, should be independent of all banking corporations.

The money of the people should be kept in the treasury of the people created by law, and be in the custody of agents of the people chosen by themselves, according to the forms of the constitution; agents who are directly responsible to the government, who are under adequate bonds and oaths, and who are subject to severe punishments for any embezzlement, private use, or misapplication of the public funds, and for any failure in other respects to perform their duties. To say that the people or their government are incompetent, or not to be trusted with the custody of their own money, in their own treasury, provided by themselves, but must rely on the presidents, cashiers and stockholders of banking institutions, not appointed by them, nor responsible to them, would be to concede that they are incompetent for self-government.

In recommending the establishment of a constitutional treasury, in which the public money shall be kept, I desire that adequate provision be made by law for its safety, and that all executive discretion or control over it shall be removed, except such as may be necessary in directing its disbursement in pursuance of appropriations made by law.

Under our present land system, limiting the minimum price at which the public lands can be entered to \$1 25 per acre, large quantities of inferior lands remain unsold, because they will not command that price. From the records of the General Land Office it appears, that, of the public lands remaining unsold in the several States and Territories in which they are situated, 29,105,577 acres have been in the market, subject to entry more than twenty years; 49,628,644 acres for more than fifteen years; 73,074,600 acres for more than ten years; and 106,176,961 acres for more than five years. Much the largest portion of these lands will continue to be unsaleable at the minimum price at which they are permitted to be sold, so long as large territories of lands from which the more valuable portions have not been selected are annually brought into market by the government.

With the view to the sale and settlement of these inferior lands, I recommend that the price be graduated and reduced below the present minimum rate, confining the sales at the reduced prices to settlers and cultivators, in limited quantities. If graduated and reduced in price for a limited term to one dollar per acre, and after the expiration of that period for a second and third term to lower rates, a very large portion of these lands would be purchased, and many worthy citizens, who are unable to pay higher rates, could purchase homes for themselves and their families. By adopting the policy of graduation and reduction of price, these inferior lands will be sold for their real value, while the States in which they will be freed from the inconvenience, if not injustice, to which they are subjected, in consequence of the United States continuing to own large quantities of public lands within their borders, not liable to taxation for the support of their local governments.

I recommend the continuance of the policy of granting pre-emptions, in its most liberal extent, to all those who have settled, or may hereafter settle on the public lands, whether surveyed or unsurveyed, to which the Indian title may have been extinguished at the time of settlement. It has been found by experience, that in consequence of combinations of purchasers and other causes, a very small quantity of the public lands, when sold at public auction, commands a higher price than the minimum rate established by law. The settlers on the public lands are, however, but rarely able to secure their homes and improvements at the public sales at that rate; because these combinations, by means of the capital they command, and their superior ability to purchase, render it impossible for the settler to compete with them in the market. By putting down all competition, these combinations of capitalists and speculators are usually enabled to purchase the lands, including the improvements of the settlers, at the minimum price of the government, and either turn them out of their homes, or extort from them, according to their ability to pay, double or quadruple the amount paid for them to government. It is to the enterprise and perseverance of the hardy pioneers of the West, who penetrate the wilderness with their families, suffer the dangers, the privations and the hardships attending the settlement of a new country, and prepare the way for the body of emigrants who, in the course of a few years, usually follow them, that we are, in a great degree, indebted for the rapid extension and aggrandizement of our country.

Experience has proved that no portion of our population are more patriotic than the hardy and brave men of the frontier, or more ready to obey the call of their country, and to defend her rights and her honor, whenever and by whatever enemy assailed. They should be protected from the grasping speculator, and secured, at the minimum price of the public lands, in the humble homes which they have improved by their labor. With this end in view, all vexatious or unnecessary restrictions imposed upon them by the existing pre-emption laws should be repealed or modified. It is the true policy of the Government to afford facilities to its citizens to become the owners of small portions of our vast public domain at low and moderate rates.

The present system of managing the mineral lands of the United States is believed to be radically defective. More than a million of acres of the public lands, supposed to contain lead and other minerals, have been reserved from sale, and numerous leases upon them have been granted to individuals upon a stipulated rent. The system of granting leases has proved to be not only unprofitable to the Government, but unsatisfactory to the citizens who have gone upon the lands, and must, if continued, lay the foundation of much future difficulty between the Government and the lessees.

According to the official records, the amount of rents received by the Government for the years 1841, 1842, 1843 and 1844, was \$6,354

74, while the expenses of the system during the same period, including salaries of superintendents, agents, clerks, and incidental expenses, were \$26,111 11—the income being less than one-fourth of the expenses. To this pecuniary loss may be added the injury sustained by the public in consequence of the destruction of timber and the careless and wasteful manner of working the mines.

The system has given rise to much litigation between the United States and individual citizens, producing irritation and excitement in the mineral region, and involving the government in heavy additional expenditures. It is believed that similar losses and embarrassments will continue to occur, while the present system of leasing these lands remain unchanged. These lands are now under the superintendence and care of the War Department, with the ordinary duties of which they have no proper or natural connection. I recommend the repeal of the present system, and that these lands be placed under the superintendence and management of the General Land Office, as other public lands, and be brought into market and sold upon such terms as Congress in their wisdom may prescribe, reserving to the government an equitable percentage of the gross amount of mineral product, and that the preemption principle be extended to resident miners and settlers upon them, at the minimum price which may be established by Congress.

I refer you to the accompanying report of the Secretary of War, for information respecting the present situation of the army, and its operations during the past year; the state of our defenses; the condition of the public works; and our relations with the various Indian tribes within our limits or upon our borders. I invite your attention to the suggestions contained in that report, in relation to these prominent objects of national interest.

When orders were given during the past summer for concentrating a military force on the western frontier of Texas, our troops were widely dispersed, and in small detachments, occupying posts remote from each other. The prompt and expeditious manner in which an army, embracing more than half our peace establishment, was drawn together on an emergency so sudden, reflects great credit on the officers who were intrusted with the execution of these orders, as well as upon the discipline of the army itself. To be in strength to protect the people and territory of Texas, in the event Mexico should commence hostilities, or invade her territories with a large army, which she threatened, I authorized the general assigned to the command of the army of occupation to make requisitions for additional forces from several of the States nearest the Texan territory, and which could most expeditiously furnish them, if, in his opinion, a larger force than that under his command, and the auxiliary aid which, under like circumstances, he was authorized to receive from Texas, should be required.

The contingency upon which the exercise of this authority depended, has not occurred. The circumstances under which two companies of State artillery from the city of New-Orleans were sent into Texas, and mustered into the service of the United States, are fully stated in the report of the Secretary of War. I recommend to Congress that provision be made for the payment of these troops, as well as a small number of Texan volunteers, whom the commanding general thought it necessary to receive or muster into our service.

During the last summer, the first regiment of dragoons made extensive excursions through the Indian country on our borders, a part of them advancing nearly to the possessions of the Hudson's Bay Company in the North, and a part as far as the South Pass of the Rocky Mountains, and the head waters of the tributary streams of the Colorado of the West. The exhibition of this military force among the Indian tribes in those distant regions, and the councils held with them by the commanders of the expeditions, it is believed, will have a most salutary influence in restraining them from hostilities among themselves, and maintaining friendly relations between them and the United States. An interesting account of one of these excursions accompanies the report of the Secretary of War.

Under the directions of the War Department, Brevet Captain Fremont, of the Corps of Topographical Engineers, has been employed since 1842 in exploring the country West of the Mississippi, and beyond the Rocky Mountains. Two expeditions have already been brought to a close, and the reports of that scientific and enterprising officer have furnished much interesting and valuable information. He is now engaged in a third expedition; but it is not expected that this arduous service will be completed in season to enable me to communicate the result to Congress at the present session.

Our relations with the Indian tribes are of a favorable character. The policy of removing them to a country designed for their permanent residence, west of the Mississippi and without the limits of the organized States and Territories, is better appreciated by them than it was a few years ago; while education is now attended to, and the habits of civilized life are gaining ground among them.

Serious difficulties of long standing continue to distract the several parties into which the Cherokees are unhappily divided. The efforts of the Government to adjust the difficulties between them have heretofore been unsuccessful; and there remains no probability that this desirable object can be accomplished without the aid of further legislation by Congress. I will, at an early period of your session, present the subject for your consideration, accompanied with an exposition of the complaints and claims of the several parties into which the Nation is divided, with a view to the adoption of such measures by Congress as may enable the Executive to do justice to them respectively, and to put an end, if possible, to the dissensions which have long prevailed, and still prevail, among them.

I refer you to the report of the Secretary of the Navy for the present condition of that branch of the national defence; and for grave suggestions, having for their object the increase of its efficiency, and a greater economy in its management.—During the past year the officers and men have performed their duty in a satisfactory manner.—The orders which have been given, have been executed with promptness and fidelity. A larger force than has often formed one squadron under our flag was readily concentrated in the Gulf of Mexico, and, apparently, without unusual effort. It is especially to be observed, that, notwithstanding the union of so considerable a force, no act was committed that even the jealousy of an irritated power could construe as an act of aggression; and that the commander of the squadron, and his officers, in strict conformity with their instructions, holding themselves ever ready for the most active duty, have achieved the still purer glory of contributing to the preservation of peace.

honor of our flag has been maintained, and that, generally, our ships of war have been distinguished for their good discipline and order. I am happy to add, that the display of maritime force which was required by the events of the summer, has been made wholly within the usual appropriations for the service of the year, so that no additional appropriations are required.

The commerce of the United States, and with it the navigating interest, have steadily and rapidly increased since the organization of our government, until, it is believed, we are now second to but one Power in the world, and at no distant day we shall probably be inferior to none. Exposed as they must be, it has been a wise policy to afford to these important interests protection with our ships of war, distributed in the great highways of trade throughout the world. For more than thirty years appropriations have been made, and annually expended, for the gradual increase of our naval forces. In peace, our navy performs the important duty of protecting our commerce; and, in the event of war, will be, as it has been, a most efficient means of defence.

The successful use of steam navigation on the ocean has been followed by the introduction of war-steamer in great and increasing numbers into the navies of the principal maritime Powers of the world. A due regard to our own safety and to an efficient protection to our large and increasing commerce demands a corresponding increase on our part. No country has greater facilities for the construction of vessels of this description than ours, or can promise itself greater advantages from their employment. They are admirably adapted to the protection of our commerce, to the rapid transmission of intelligence, and to the coast defence. In pursuance of the wise policy of a gradual increase of our Navy, large supplies of live oak timber, and other materials for ship building, have been collected, and are now under shelter and in a state of good preservation, while iron steamers can be built with great facility in various parts of the Union.

The use of iron as a material, especially in the construction of steamers, which can enter with safety many of the harbors along our coast now inaccessible to vessels of greater draught, and the practicability of constructing them in the interior, strongly recommends that liberal appropriations should be made for this important object.

Whatever may have been our policy in the earlier stages of the government, when the nation was in its infancy, our shipping interests and commerce comparatively small, our resources limited, our population sparse and scarcely extending beyond the limits of the original thirteen States, that policy must be essentially different now that we have grown from three to more than twenty millions of people,—that our commerce, carried in our own ships, is found in every sea, and that our territorial boundaries and settlements have been so greatly expanded. Neither our commerce, nor our long line of coast on the ocean, and on the lakes, can be successfully defended against foreign aggression by means of fortifications alone. These are essential at important commercial and military points, but our chief reliance for this object must be on a well organized, efficient navy.—The benefits resulting from such a navy are not confined to the Atlantic States. The productions of the interior which seek a market abroad, are directly dependent on the safety and freedom of our commerce. The occupation of the Balize below New Orleans, by a hostile force, would embarrass, if not stagnate, the whole export trade of the Mississippi, and affect the value of the agricultural products of the entire valley of that mighty river and its tributaries.

It has never been our policy to maintain large standing armies in time of peace. They are contrary to the genius of our free institutions, would impose heavy burdens on the people, and be dangerous to public liberty. Our reliance for protection and defence on the land must be mainly on our citizen soldiers, who will ever be ready, as they ever have been ready in times past, to rush with alacrity, at the call of their country, to her defence. This description of force, however, cannot defend our coast, harbors, and inland seas, nor protect our commerce on the ocean or lakes. These must be protected by our navy.

Considering our increased naval force, and especially of steam vessels, corresponding with our growth and importance as a nation, and proportioned to the increased and increasing naval power of other nations, of vast importance as regards our safety, and the great and growing interests to be protected by it, I recommend the subject to the favorable consideration of Congress.

The report of the Postmaster General heretofore communicated, contains a detailed statement of the operations of his department during the past year. It will be seen that the income from the postages will fall short of the expenditures for the year between one and two millions of dollars. This deficiency has been caused by the reduction of the rates of postage, which was made by the act of the 3d of March last. No principle has been more generally acquiesced in by the people than that this department should sustain itself by limiting its expenditures to its income. Congress has never sought to make it a source of revenue for general purposes, except for a short period during the last war with Great Britain, nor should it ever become a charge on the general treasury.

If Congress shall adhere to this principle, as I think they ought, it will be necessary either to curtail the present mail service, so as to reduce the expenditures, or so to modify the act of the third of March last as to improve its revenues. The extension of the mail service, and the additional facilities which will be demanded by the rapid extension and increase of population on our western frontier, will not admit of such curtailment as will materially reduce the present expenditures. In the adjustment of the tariff of postages the interests of the people demand, that the lowest rates be adopted which will produce the necessary revenue to meet the expenditures of the department. I invite the attention of Congress to the suggestions of the Postmaster General on this subject, under the belief that such a modification of the late law may be made as will yield sufficient revenue

without further calls on the treasury, and with very little change in the present rates of postage. Proper measures have been taken, in pursuance of the act of the 3d of March last, for the establishment of lines of mail steamers between this and foreign countries. The importance of this service commends itself strongly to favorable consideration.

With the growth of our country the public business which devolves on the heads of the several Executive Departments has greatly increased. In some respects, the distribution of duties among them seems to be incongruous, and many of these might be transferred from one to another with advantage to the public interests. A more auspicious time for the consideration of this subject by Congress, with a view to system in the organization of the several departments, and a more appropriate division of the public business, will not probably occur.

The most important duties of the State Department relate to our foreign affairs. By the great enlargement of the family of nations, the increase of our commerce, and the corresponding extension of our consular system, the business of this department has been greatly increased. In its present organization, many duties of a domestic nature, and consisting of details, are devolved on the Secretary of State, which do not appropriately belong to the foreign department of the government, and may properly be transferred to some other department. One of these grows out of the present state of the law concerning the Patent Office, which, a few years since, was a subordinate clerkship, but has become a distinct bureau of great importance. With an excellent internal organization, it is still connected with the State Department. In the transaction of its business, questions of much importance to inventors, and to the community, frequently arise, which, by existing laws, are referred for a decision to a board, of which the Secretary of State is a member. These questions are legal, and the connexion which now exists between the State Department and the Patent office, may, with great propriety and advantage, be transferred to the Attorney General.

In his last annual message, Mr. Madison invited attention to a proper provision for the Attorney General as an "important improvement in the executive establishment." This recommendation was repeated by some of his successors. The official duties of the Attorney General have been much increased within a few years, and his office has become one of great importance. His duties may be still further increased with advantage to the public interests. As an executive officer, his residence and constant attention at the seat of government are required. Legal questions involving important principles, and large amounts of public money, are constantly referred to him by the President and executive departments for his examination and decision. The public business under his official management before the judiciary has been so augmented by the extension of our territory, and the acts of Congress authorizing suits against the United States for large bodies of valuable public lands, as greatly to increase his labors and responsibilities. I therefore recommend that the Attorney General be placed on the same footing with the heads of the other executive departments with such subordinate officers, provided by law for his department, as may be required to discharge the additional duties which have been or may be devolved upon him.

Congress possesses the power of exclusive legislation over the District of Columbia; and I commend the interests of its inhabitants to your favorable consideration. The people of this District have no legislative body of their own, and must confide their local as well as their general interests to representatives in whose election they have no voice, and over whose official conduct they have no control.—Each member of the National Legislature should consider himself as their immediate representative, and should be the more ready to give attention to their interests and wants, because he is not responsible to them. I recommend that a liberal and generous spirit may characterize your measures in relation to them. I shall be ever disposed to show a proper regard for their wishes; and within constitutional limits, shall at all times cheerfully co-operate with you for the advancement of their welfare.

I trust it may not be deemed inappropriate to the occasion for me to dwell for a moment on the memory of the most eminent citizen of our country, who, during the summer that is gone by, has descended to the tomb. The enjoyment of contemplating, at the advanced age of near four score years, the happy condition of his country, cheered the last hours of Andrew Jackson, who departed this life in the tranquil hope of a blessed immortality. His death was happy, as his life had been eminently useful. He had an unflinching confidence in the virtue and capacity of the people, and in the permanence of that free government which he had largely contributed to establish and defend. His great deeds had secured to him the affection of his fellow-citizens, and it was his happiness to witness the growth and glory of his country which he loved so well. He departed amidst the benedictions of millions of freemen. The nation paid its tribute to his memory at his tomb.—Coming generations will learn from his example the love of country and the rights of man. In his language on a similar occasion to the present, "I now commend you, fellow-citizens, to the guidance of Almighty God, with a full reliance on His merciful providence for the maintenance of our free institutions; and with an earnest supplication, that whatever errors it may be my lot to commit in discharging the arduous duties which have devolved on me, will find a remedy in the harmony and wisdom of your counsels." JAMES K. POLK. Washington, December 2, 1845.