

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 his Congress, under circumstances which promise a speedy ratification; and a result which I cannot 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 twelfth 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 mean while, 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 tranquility, 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 of 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 fulfil 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 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 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, unincumbered. 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 cherish and invigorate Republican principles, while these have been as surely subverted by national prodigality, and whatever specious pretexts it may have introduced or fostered.

These considerations cannot 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 five millions of dollars in the year 1842, as the final reduction of all duties to twenty 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 expenditures 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 towards 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 facility this portion of my public functions, it is a satisfaction to me to be able to count on a cordial co-operation from you.

At the time I entered upon my present duties, my 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 fourth 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 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 five millions of dollars.

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 pre-emption 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 practised under previous pre-emption 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 defences 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 cannot 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 express 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 recommended 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. Advantages have 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 essential suppression is nowhere more sincerely desired than in the U. States. These circumstances make it proper to recommend to your early attention a careful revision of these laws, so that, without impeding the freedom & facilities of our navigation, or impairing an important branch of our industry connected with it, the integrity and 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 first 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 twelve thousand seven hundred and eighty, and on the thirtieth ultimo, thirteen thousand and twenty-eight.

The revenue of the Post Office Department for the year ending with the 30th June last, was four million four hundred and seventy-eight thousand six hundred and thirty-eight dollars—exhibiting an increase over the preceding year of two hundred and forty-one thousand five hundred and sixty dollars. The engagements and liabilities of the Department for the same period are four million six hundred and twenty-four thousand one hundred and seventeen dollars.

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 thirtieth ultimo, was about \$209,701 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 should 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 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 the 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 circuits seems to be called for, and is recommended to your notice.

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 guarantee 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 exceptional 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 moneys, 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 pub-

lic 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 entrusted with it, may be declared to be a felony, punishable with penalties proportioned to the magnitude of the offence.

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 sixty six millions of dollars, and, excluding the case of the late collector at New York, the aggregate amount of losses sustained in the collection cannot, it is believed, exceed sixty thousand dollars. The defalcation of the late collector at that city, of the extent and circumstances of which Congress has 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 cannot, 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 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 for 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 palliations 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 large 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 unforgotten 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 founded on an exchange of 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 here 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 irrepressible laws of trade and credit. In the recent events which have so strikingly illustrated the certain effects of the 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 lead of the most unsound of the former, produced new and serious embarrassments, though it had no palliations 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 large 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.

From this influence the escape, for it has its origin in the current of trade and exchange in London, and is increased by the large debt of our merchants, our business, our country, into the most distant of business of that village. The money power in every new debt which is issued, seriously affects the credit of the parents of the influential influence. We are making new banks, creating credit, must equally affect the system we create. It is only this system has been made fully subject to a tendency to subject our property to a vast controlling hand; and it adds a new illustration to the precariousness of the first place of men, and again by the trade in our own country, beyond all this, to the uses policy, necessity, and those who control the system to a measure present or past, courage the prosecution of the two cases, but it has the effect that the power of the currency and credit trade, tending their consequences to our banking system, indirectly obtaining, various are used as deposits, a dangerous political States. I have deemed it to your notice, and consideration.

It is an argument required of these facts, to show our banking institutions public money? Can I encounter the risk of mutual mismanagement to place our foreign and under the control of a Government, as the present already impaired the money supply? It is to submit all to the will of the Government, whether of peace or war, thwarted at first by a power abroad greater than our own Government, not bring myself to do which this Government sooner or later reduced, ing their rights are to be those who may have the to impair them.

Nor is it only in relation to things on the part of the Government, or of our banks, itself for consideration, in its relations to the country. The time is not far distant when the profane market for the new we await, from motives of consoling fear lest its anticipations of the field of credit in volumes to the partial cent, wise, or just, let for interests dependent than for the general produce of our labor?

The circumstances which have developed by late events, which I have on former occasions submitted to your consideration the propriety of the public money. Nor has any thing occurred, the force of which can be desired by the public, or a crime of which they may be made, it may be reasonably last, it is not attended consequences, when public money to be used, is believed to be peculiarly exist scarcely any other