We have continued reason to express our pr nd gratitude to the great Creator of all thing rless benefits conferred upon us People. Blessed with genial seasons, the husndman has his garners filled with abundance and the necessaries of life, not to speak of its lexuries, abound in every direction. While in some other nations steady and industrious labor can ardly find the means of subsistence, the greatest m beyond the bome demand, seeks, and with difficulty finds, a partial market in other regions. The health of the country, with artial exceptions, has for the past year been well tions, the United States are rapidly advancing towards the consummation of the high destiny which an overruling Providence seems to have marked out for them. Exempt from domestic convulsion, and at peace with the world, we are left free to consult as to the best means of securing and advancing the happiness of the People Such are the circumstances under which you now mble in your respective chambers, and which should lead us to unite in praise and thanksgiving to that great Being who made us, and who preserves us a nation.

F congratulate you, fellow-citizens, on the hap

py change in the aspect of our foreign affairs since my last annual message. Causes of complaint at that time existed between the United States and Great Britian, which, attended by irritating circumstances, threatened most seriously the public peace. The difficulty of adjusting amicably the questions at issue between the two countries, was in no small degree augmented by the lapse of time since they had their origin.— The opinions entertained by the Executive on several of the leading topics in dispute, were frankly set forth in the Message at the opening of your late session. The appointment of a special min ister by Great Britain to the United States with power to negotiate upon most of the points of difference, indicated a desire on her part amicably to adjust them, and that minister was met by the Executive in the same spirit which had dictated his mission. The Treaty consequent thereon, having been duly ratified by the two Governments, a copy, together with the correspondence d it, is, herewith, communica ted. I trust that whilst you may see in it nothing objectionable, it may be the means of preserving, for an indefinite period, the amicable relations existing between the two Governments. The question of peace or war between the United States and Great Britain, is a question of the deepest interest not only to themselves, but to the civilized world, since it is scarcely possible that a war could exist between them without endangering the peace of Christendom. The immediate effect of the Treaty upon ourselves will be felt in the seno longer apprehensive of interruption, adventures its speculations in the most distant sea; and, freighted with the diversified productions of every land, returns to bless our own. There is nothing in the Treaty which, in the slighest degree, compromits the honor or dignity of either nation.— Next to the settlement of the boundary line, which must always be a matter of difficulty between States as between individuals, the question which seemed to threaten the greatest emberrassment, was that connected with the African

By the 10th article of the Treaty of Ghent was expressly declared that "whereas the traffic in slaves is irreconcilable with the principles of humanity and justice; and whereas both His Ma-jesty and the United States are desirous of continning their efforts to promote its entire abolition, it is hereby agreed that both the contracting parties shall use their best endeavors to accomplish so desirable an object." In the enforcement of the laws and treaty stipulations of Great Britain, a practice had threatened to grow up on the part of its cruisers, of subjecting to visitation ships sailing under the American flag, which, while it seriously involved our maritime rights, would subject to vexation a branch of our trade which was daily increasing, and which required the fostering care of the Government. And although Lord Aberdeen, in his correspondence with the American Envoys at London, expressly disclaimed all right to detain an American ship on the high seas, even if found with a cargo of slaves on board, and restricted the British pretension to a mere claim to visit and enquire, yet it could not well be dis-cerned by the Executive of the United States how such visit and enquiry could be made without detention on the voyage, and consequent interrup-tion to the trade. It was regarded as the right of search, presented only in a new form, and exd in different words; and I therefore felt it to be my duty distinctly to declare, in my annual message to Congress, that no such concession could be made, and that the United States had both the will and the ability to enforce their own laws, and to protect their flag from being used for purposes wholly forbidden by those laws, and obto the moral censure of the world. Taking the Message as his letter of instructions, our then Minister at Paris felt himself required to assume the same ground in a remonstrance which he felt it to be his duty to present to M. Guizot, and through him to the King of the French against what has It en called the Quintuple treaty; and his conduct, in this respect, met with the approval of this Government. In close conformity with these views, the eighth article of the Treaty was framed, which provides that 'each ation shall keep afloat in the African seas a force not less than eighty guns, to act separately and apart, under instructions from their respective Governments, and for the enforcement of their respective laws and obligations.' From this it will be seen that the ground assumed in the Mesage has been fully maintained, at the same time that the stipulations of the Treaty of Ghent are to be carried out in good faith by the two countries, and that all pretence is removed for interference with our commerce for any purpose what-ever by a foreign Government. While, therefore, the United States have been standing up for the freedom of the seas, they have not thought proper to make that a pretext for avoiding a fulfilment of their Treaty stipulations, or a ground for giving countenance to a trade reprobated by our laws. A similar arrangement by the other which recently broke out are, however, now understood to be quieted. But these occurrences, gant duties defeat their end and object, not only inducing a law of the public mind an hostility to inducing a law of the ground the stability of the Governments, in the control of the ground the stability of the grown in the public mind an hostility to inducing a law of the ground the stability of the grown in the public mind an hostility to inducing a law of the ground the stability of the grown in the public mind an hostility to inducing a law of the ground the stability of the grown inducing a law of the grown inducing a law of the grown induced the grow ocean the slave trade, without the interpolation of any new principle into the maritime code. We may be permitted to hope that the example thus set will be followed by some, if not all of them.—We thereby also afford suitable protection to the fair trader in those seas, thus fulfilling at the same time the dictates of a sound policy, and complying with the claims of justice and humanity.

It would have furnished additional cause for congratulation, if the Treaty could have embraced all subjects calculated in future to lead to a misunderstanding between the two Governments. The territory of the United States, commonly called the Oregon territory, lying on the Pacific ocean, north of the 42d degree of latitude, to a portion of which Great Britain lays claim, begins to attract the attention of our fellow-citizens, and the tide of population which has reclaimed what was so lately an unbroken wilderness, in more continuous regions, is preparing to flow over those was districts which stretch from the Rocky mountains and the tide of population which has reclaimed what was so lately an unbroken wilderness, in more

attempt for the time being satisfactorily to deter-mine those rights, would lead to a protracted discussion, which might embrace in its failure of more pressing matters, and the Executive did regard it as proper to waive all the advantages of an honorable adjustment of other difficulties of great magnitude and importance, because this, not so immediately pressing, stood in the way.— Although the difficulty referred to may not for several years to come involve the peace of the two countries, yet I shall not delay to urge on Great Britain the importance of its early settle Nor will other matters of commercial importance to the two countries be overlooked; and I have good reason to believe that it will comport with the policy of England, as it does with that of the United States, to seize upon this moment, when most of the causes of irritation have passed away, to cement the peace and unity of the two countries by wisely removing all grounds of probable future collision.

With the other powers of Europe our relations continue on the most amicable footing. Treaties now existing with them should be rigidly observed, and every opportunity, compatible with the interests of the United States, should be seized upon to enlarge the basis of commercial intercourse. Peace with all the world is the true foundation of our policy, which can only be rendered permanent by the practice of equal and impartial justice to all. Our great desire should be to enter only into that rivalry which looks to the general good, in the cultivation of the sciences, the onlargement of the field for the exercise of the mechanical arts, and the spread of commerce—that great civilizer—to every land and sea. Carefuly abstaining from interference in all questions exclusively referring themselves to the political interests of Europe, we may be permitted to hope an equal exemption from the interference of Euof the American Continent.

On the 23rd of April last, the commissioners on the part of the United States, under the convention with the Mexican Republic, of the 11th of April, 1839, made to the proper department a final report in relation to the proceedings of the commission. From this it appears that, the total amount awarded to the claimants by the commissioners and the umpire appointed under that convention, was two millions twenty-six thousand and seventy-nine dollars and sixty-eight cents. The arbiter having considered that his functions were required by the convention to terminate at the same time with those of the commissioners. returned to the board, undecided for want of time, claims which had been allowed by the American Commissioners, to the amount of nine hundred and twenty-eight thousand six hundred and twenty dollars and eighty-eight cents. Other claims, in which the amount sought to be recovered was three millions three hundred and thirty-six thousand eight hundred and thirty-seven dollars and five cents, were submitted to the board too late | the market alike against redundant or deficient for its consideration. The Minister of the United supplies of foreign fabries-both of which, in the States at Mexico, has been duly authorized to long run, are injurious as well to the manufacturprovisions of the act of Congress of the 12th of June, 1840. He has also been instructed to communicate to that government the expectations of the Government of the United States in relation to those claims which were not disposed of according to the provisions of the convention, and all others of citizens of the United States against the Mexican Government.

He has also been furnished with other instructions, to be followed by him in case the Government of Mexico should not find itself in a condition to make present payment of the amount of the awards, in specie or its equivalent.

I am happy to be able to say that information, which is esteemed favorable, both to a just satisfaction of the awards, and a reasonable provision for other claims, has been recently received from Mr. Thompson, the Minister of the United States, who has promptly and efficiently executed the instructions of the Government, in regard to this important subject.

The citizens of the United States who accompanied the late Texan expedition to Santa Fe, and who were wrongfully taken and held as prisoners of war in Mexico, have all been liberated. A correspondence has taken place between the Department of State and the Mexican Minister of Foreign Affairs, upon the complaint of Mexico that citizens of the United States were permitted to give aid to the inhabitants of Texas in the war existing between her and that Republic. Copies of this correspondence are herewith communicated to Congress, together with copies of letters on the same subject, addressed to the Diplomatic corps at Mexico, by the American Minister and the Mexican Secretary of State.

Mexico has thought proper to reciprocate the mission of the United States to that Government by accrediting to this a Minister of the same rank as that of the representative of the United States. in Mexico. From the circumstances connected with his mission, favorable results are anticipated from it. It is so obviously for the interest of both countries as neighbors and friends, that all just causes of mutual dissatisfaction should be removed, that it is to be hoped neither will omit or delay the employment of any practicable and honorable means to accomplish that end.

The affairs pending between this Government

and several others of the States of this hemisphere formerly under the dominion of Spain, have again, within the past year, been materially obstructed by the military revolutions and conflicts in those coun-

The ratifications of the Treaty between the United States and the Republic of Ecuador, of the 13th of June, 1839, have been exchanged, and that instrument has been duly promulgated on the part of this Government. Copies are now communicated to Congress with a view to enable that body to make such changes in the laws applicable to our intercourse with that Republic, as

may be deemed requisite. Provision has been made by the Government of Chile for the payment of the claim on account of the illegal detention of the brig Warrior at Co- to harmonize public opinion, and causing the Peo- all their authority from the direct sanction of the quimbo, in 1820. This Government has reason ple every where to feel and to know that the to expect that other claims of our citizens against

by threatening the stability of the Governments, or by causing incessant and violent changes in them, or in the persons who administer them, tend them, or in the persons who administer them, tend greatly to retard provisions for a just indemnity system of smuggling on an extensive scale, and for losses and injuries suffered by individual sub-

that a territory, so long retarded in its growth, will now speedily recover from the evils incident to a protracted war, exhibiting, in the increas amount of its rich productions, true evidences returning wealth and prosperity. By the practice of rigid justice towards the numerous Indian tribes residing within our territorial limits, and the exercise of a parental vigilance over their interests, protecting them against fraud and intrusion, and at the same time using every proper expedient to introduce among them the arts of civilized life, we may fondly hope not only to wean them from their love for war, but to inspire them with a love for peace and all its avocations. With several of the tribes great progress in civilizing them has already been made. The schoolmaster and the missionary are found side by side, and the remnants, of what were once numerous and powerful nations, may yet be preserved as the builders up of a new name for themselves and their posterity. The balance in the Treasury on the 1st of

January, 1832, (exclusive of the amount deposited with the States, Trust Funds and Indemnities) was \$230,483 68. The receipts into the Treasury during the three first quarters of the present year, from all sources, amount to \$26,-616 78; of which more than fourteen millions were received from customs, and about one million from the public lands. The receipts for the fourth quarter are estimated at nearly eight millions: of which four millions are expected from Customs, and three millions and a half from Loans and Treasury notes. The expenditures of the first three quarters of the present year exceed twenty-six millions; and those estimated ropean Governments, in what relates to the States | for the fourth quarter amount to about eight millions; and it is anticipated there will be a deficiency of half a million on the 1st of January next -but that the amount of outstanding warrants (estimated at \$800,000) will leave an actual balance of about \$224,000 in the Treasury. Among the expenditures of the year, are more than eight millions for the public debt, and \$600 000 on account of the distribution to the States of the proceeds of sales of the public lands.

. The present tariff of duties was somewhat hastily and hurriedly passed near the close of the late session of Congress. That it should have defects can, therefore, be surprising to no one .-To remedy such defects as may be found to exist in many of its numerous provisions, will not fail to claim your serious attention. It may well merit enquiry, whether the exaction of all duties in cash does not call for the introduction of a system which has proved highly beneficial in countries where it has been adopted. I refer to the Warehousing System. The first and most prominent effect which it would produce would be to protect regulate himself accordingly. If, however, he should fall in error, by importing an excess above the public wants, he could readily correct its evils by availing himself of the benefits and advantages of the system thus established. In the storehouse the goods imported would await the demands of the market, and their issues would be governed by the fixed principles of demand and supply.-Thus an approximation would be made to a steadiness and uniformity of price, which, if attainable, would conduce to the decided advantage of mer-

The apprehension may be well entertained that without something to ameliorate the rigor of cash payments, the entire import trade may fall into the hands of a few wealthy capitalists in this country, and in Europe. The small importer, who requires all the money he can raise, for investments abroad, and who can but ill afford to pay the lowest duty, would have to subduct in advance a portion of his funds in order to pay the duties, and would lose the interest upon the amount thus paid for all the time the goods might remain unsold, which might absorb his profits.-The rich capitalist abroad, as well as at home, would thus possess, after a short time, an almost exclusive monopoly of the import trade, and laws of a small class. designed for the benefit of all, would thus operate for the benefit of the few, -a result wholly uncongenial with the spirit of our Constitution, and anti-republican in all its tendencies. The Warehousing System would enable the importer to watch the market, and to select his own time for offering his goods for sale. A profitable portion of the carrying trade in articles entered for the benefit of drawback, must also be most seriously affected, without the adoption of some expedient to relieve the cash system. The Warehousing System would afford that relief, since the carrier would have a safe recourse to the public storehouses, and might, without advancing the duty, reship within some reasonable period to foreign ports-A further effect of the measure would be to supersede the system of drawbacks, thereby effectually protecting the Government against fraud, as the right of debenture would not attach to goods after their withdrawal from the public stores. In revising the existing tariff of duties, should

you deem it proper to do so at your present ses-

cantile and mechanical operations.

sion, I can only repeat the suggestions and recommendations which, upon several occasions, have heretofore felt it to be my duty to offer to Congress. The great, primary and controling interest of the American People is union-union not only in the mere forms of government, forms of policy which, neither giving exclusive benefits | ded as a paramount duty. to some, nor imposing unnecessary burdens upon others, shall consult the interests of all, by pursu-Government is careful of the interests of all alike. Chile, will be hastened to a final and satisfactory close.

Nor is there any subject in regard to which moderation, connected with a wise discrimination, is she followed by soon, if not all of thoms reply alon offer suitable protection to the fer in those seas, thus fulfilling at the same of the course and injuries sufficient for the course of policy with the sum of paties of seas, thus fulfilling at the same of the course of policy with the sum of paties of seas, thus fulfilling at the same of the course of policy with the sum of paties of seven the same of the course of policy with the sum of paties of seas, thus fulfilling at the same of the course of policy would be attended by results scattling to the same of the course of policy would be attended by results scattling the same of the course of policy would be attended by results scattling the same of the united States will have eight scattling to the course of policy would be attended by results scattling the same of the united States, on smooth of the course of policy would be attended by results scattling the same of the united States, on smooth of the united States will have eight scattling to the course of policy would be attended by results scattling the same of the united States will have eight scattling to the course of policy would be attended by results scattling that the course of policy would be attended by results scattling that the course of policy would be attended by results scattling that the course of policy would be attended by results scattling that the course of policy would be attended by results scattling that the course of policy would be attended by results scattling that the course of policy would be attended by results scattling that the course of policy would be attended by results scattling that the same of the united states of the

the remotest apprehensions of danger shall exist, yet their duties will be limited rather to the garrisoning of the necessary posts, than to the maintenance of active hostilities. It is to be hoped to rescue the great interests of the country from the vortex of political contention, and in the dis-charge of the high and solemn duties of the place which I now occupy, recommend moderate duties imposed with a wise discrimination as to their several objects, as being not only most likely to be durable, but most advantageous to every terest of society.

The report of the Secretary of the War De-

partment exhibits a very full and satisfactory ac-count of the various and important interests com-mitted to the charge of that officer. It is particularly gratifying to find that the expenditures for the military service are greatly reduced in amount —that a strict system of economy has been intro-duced into the service, and the abuses of past years greatly reformed. The fortifications on our maritime frontier have been prosecuted with much vigor, and at many points our defences are in a very considerable state of forwardness. The suggestions in reference to the establishment of means of communication with our territories on the Pacific, and to the surveys so essential to a knowledge of the resources of the intermediate country, are entitled to the most favorable consideration. While I would propose nothing inconsistent with friendly negotiations to settle the extent of our claims in that region, yet a prudent forecast points out the necessity of such measures as may enable us to maintain our rights. The arrangements made for preserving our neutral relations on the boundary between us and Texas, and keeping in check the Indians in that quarter, will be maintained so long as circumstances may

For several years angry contentions have grown out of the disposition directed by law to be made of the mineral lands held by the Government in several of the States. The Government is constituted the landlord, and the citizens of the States wherein lie the lands, are its tenants. The relation is an unwise one, and it would be much more conducive of the public interest that a sale of the lands should be made than that they should remain in their present condition. The supply of the ore would be more abundantly and certainly furnished when to be drawn from the enterprise and the industry of the proprietor, than under the present system.

The recommendation of the Secretary in gard to the improvements of the Western waters and certain prominent harbors on the lakes, merit, and I doubt not will receive, your serious attention. The great importance of these subjects to the prosperity of the extensive region referred to, and the security of the whole country in time war, cannot escape observation. The losses of life and property which annually occur in the navigation of the Mississippi alone, because of the dangerous obstructions in the river, make a loud demand upon Congress for the adoption of efficient measures for their removal.

The report of the Secretary of the Navy, certain the actual wants of the market, and to of the country, apart from the exposure to hostile inroad of an extended sea-board, all that relates to the Navy is calculated to excite particular attention. Whatever tends to add to its efficiency. without entailing unnecessary charges upon the Treasury, is well worthy of your serious consideration. It will be seen that while an appropriation exceeding by less than a million the appropriations of the present year is asked by the Secretay, yet that in this sum is proposed to include \$400,000, for the purchase of clothing, which when once expended, will be annually reimbursed by the sale of clothes, and will thus constitute a perpetual fund, without any new appropriation to the same object. To this may also be added \$50,000, asked to cover the arreages of past years, and \$250,000 in order to maintain a competent squadron on the coast of Africa; all of which, when deducted, will reduce the expenditures nearly within the limits of those of the current year. While, however, the expenditures will thus remain very nearly the same as of the antecedent year, it is proposed to add greatly to the ships in commission, and but little in the way of building, to keep, with the same expenditure. forty-one vessels affoat, and to build twelve ships

> and great pains are taken to insure industry, fidelity and economy, in every department of duty. lity of various materials, particularly copper, iron, and coal, so as to prevent fraud and imposition. It will appear by the report of the Postmaster General that the great point which, for several years, has been so much desired, has during the current year been fully accomplished. The expenditures of the Department, for the current year, have been brought within its income without lessening its general usefulness. There has been a increase of revenue equal to \$166,000 for the year 1842 over that of 1841, without, as it is believed, any addition having been made to the number of letters and newspapers transmitted through the mails. The Post Office Laws have been honestly administered, and fidelity has been observed in accounting for, and paying over by the subordinates of the Departments, the moneys which have been received. For the details of the service, I refer you to the report.

A strict system of accountability is established,

will serve to convince you that every proper attention has been paid to the interests of the country by those who have been called to the heads of the different Departments. The reduction in the which may be broken—but union founded in an attachment of States and individuals for each other. This union in sentiment and feeling can accomplished, furnishes a sure evidence that economy in the application of public monion. only be preserved by the adoption of that course omy in the application of public monies, is regar-

At peace with all the world-the personal liberty of the citizen sacredly maintained, and his ing a course of moderation, and thereby seeking rights secured under political institutions deriving people—with a soil fertile almost beyond exam-ple; and a country blessed with every diversity of climate and production, what remains to be done in order to advance the happiness and prosperity exempt from those convulsions which so constantly afflict the neighboring republics. Disturbances which recently broke out are, however, now understood to be quieted. But these occurrences, by threatening the stability of the Governments, more necessary than in the imposition of duties of such a people ! Under ordinary circumstances gant duties defeat their end and object, not only by exciting in the public mind an hostility to from without, and violence from within. The rest, for the greater part, might be left to their own energy and enterprise. The chief embarrass.

he fact that, in 1830, the whole bank, of paper for the purpose of inflating prices and ation within the United States amountliation, and influenced by no other desire than rescue the great interests of the country from vortex of political contention, and in the dis-000, in seven years, (the circulation on the first of January, 1837, being stated at \$149,185,890,) aided by the great facilities afforded in obtaining loans from European capitalists, who were seized with the same speculative mania which prevailed in the United States—and the large importations of funds from abroad, the result of stock sales and loans—no one can be surprised at the apparent, but substantial state of prosperty which every where prevailed over the land; and while little cause of surprise should be felt at the present prostration of every thing, and the ruin which has befallen so many of our fellow-citizens in the sudden withdrawal from circulation of so large an amount of bank issues, since 1837-exceeding. as is believed, the amount added to the paper currency for a similar period antecedent to 1837. ceases to be a matter of astonishment that such extensive shipwreck should have been made of private fortunes, or that difficulties should exist in meeting their engagements on the debtor States. Apart from which, if there be taken into account the immense loss sustained in the dishonor of numerous banks, it is less a matter of surprise that insolveney should have visited many

of our fellow-citizens, than that so many should have escaped the blighting influences of the times. In the solemn conviction of these truths, and with an ardent desire to meet the pressing necessities of the country, I felt it to be my duty to cause to be submitted to you, at the late session, the plan on the issues of local institutions, for the purposes of an Exchequer, the whole power and duty of of general circulation, it necessarily and unavoid. maintaining which, in purity and vigor, was to be ably adopted specie as the exclusive currency for exercised by the Representatives of the People its own use. And this must ever be the case unand the States, and, therefore, virtually by the less one of the other kinds be used. The chair People themselves. It was proposed to place it in the present state of public sentiment, lies be under the control and direction of a Treasury tween an exclusive specie currency on the one Board, to consist of three Commissioners, whose duty it should be to see that the law of its creation was faithfully executed, and that the great end of supplying a paper medium of exchange, at all times convertible into gold and silver, should by Government agents. For several years be attained. The Board thus constituted, was past they have been thus made in the form given as much permanency, as could be imparted Treasury notes, and have answered a valuable to it, without endangering the proper share of responsibility which should attach to all public agents. In order to insure all the advantages of a well ing to bear interest at given periods, necessarily matured experience, the Commissioners were to causes their speedy return, and thus restricts hold their offices for the respective periods of two, four, and six years, thereby securing at all times in the management of the Exchequer, the services of two men of experience; and to place them in a condition to exercise perfect independence of mind and action, it was provided that their removal should only take place for actual incapacity or infidelilty to the trusts, and to be followed by the President with an exposition of the causes of such removal, should it occur. It was proposed to establish subordinate boards in each of the States, under the same restrictions and limitations of the power of removal, which, with the central make demand for the payment of the awards ac- es as the importer. The quantity of goods in store | bring you acquainted with that important branch | board, should receive, safely keep, and disburse | cial point of view. The great necessity of re. cording to the terms of the convention, and the being at all times readily known, it would enable of the public defences. Considering the alsound paper medium of exchange, the Exchequer should retain of the revenues of the Government a sum not to exceed \$5,000,000, in specie, to be set apart as required by its operations, and to pay the importer, with an approach to accuracy to as- ready vast and daily increasing commerce sound paper medium of exchange, the Exchequer the public creditor at his own option, either in specie or Treasury notes, of denominations not less than five per exceeding one hundred dollars, which notes should be redeemed at the several places of issue, and to be receivable at all times, and every where in payment of Government dues: with a restraint upon such issue of bills that the same should not exceed the maximum of \$15,-000,000. In order to guard against all the hazards incident to fluctuations in trade, the Secretary of the Treasury was invested with authority to issue \$500,000 of Government stock, should the same at any time be regarded as necessary, in order to place beyond hazard the prompt redemption of the bills which might be thrown into circulation. Thus in fact making the issue of \$15,000,000 of Exchequer bills, rest substantially on \$10,000,000; and keeping in circulation never of Pennsylvania, had contributed largely to in-more than one and one-half dollars for every dollar in specie. When to this it is added that the operations of the Marine, and in lieu of only 25 | bills are not only every where receivable in Government dues, but that the Government itself would be bound for their ultimate redemption, no cal organization, and of our actual responsibilities. rational doubt can exist that the paper which the Exchequer would furnish, would readily enter into general circulation, and be maintained at all times at or above par with gold and silver; thereby realizing the great want of the age, and fulfilling Experiments have been instituted to test the qua- the wishes of the People. In order to reimburse the Government the expenses of the plan, it was proposed to invest the Exchequer with the limited authority to deal in bill of exchange, unless prohibited by the State in which an agency might be situated, having only thirty days to run, and resting on a fair and bona fide basis. The Legislative will on this point might be so plainly an- the American market, a citizen of high character nounced as to avoid all pretext for partiality or fa- and talent was sent to Europe with no better sucvoritism. It was furthermore proposed to invest a Treasury agent with authority to receive on deposite, to a limited amount, the specie funds of individuals, and to grant certificates thereon, to be redeemed on presentation, under the idea, which is believed to be well founded, that such certificates would come in aid of the Exchequer bills in supplying a safe and ample paper circulation. Or, if in place of the contemplated dealings in exchange, the Exchequer should be authorized not only to exchange its bills for actual deposites I flatter myself that the exhibition thus made of the public condition of the public anministration will serve to convince you that every proper attenthe law would be speedily manifested in the revival of the credit, trade and business of the whole

> I am well aware that this proposed alteration and amendment of the laws establishing the Treasury Department has encountered various objections, and that among others it has been pro-claimed a Government Bank of fearful and dangerous import. It is proposed to confer upon it must look to its own means for supplying its no extraordinary powers. It purports to do no wants, and it is consoling to know that these Treasury does daily at this time, in issuing to the public creditors the Treasury notes which, under law, it is authorized to issue. It has no resemblated that the issue would in a short time reach the blance to an ordinary Bank, as it furnishes no maximum of \$15,000,000, it is obvious that \$10,profits to private stockholders, and lends no capital to individuals. If it be objected to as a Government Bank, and the objection be available—

public interests, with such alterations in its de-

tails as Congress may in its wisdom see fit to

winning popular favor. To that it may be answered, that the ascription of such a motive to Con. gress is altogether gratuitous and inadmissible.

The theory of our institutions would lead us to a different conclusion. But a perfect security against a proceeding so reckless, would be found to exist in the very nature of things. The political party which should be so blind to the true in terests of the country, as to resort to such an expedient, would inevitably meet with final over. throw in the fact that, the moment the paper ceased to be convertible into specie, or otherwise promptly redeemed, it would become worthless, and would, in the end, dishonor the Government involve the people in ruin, and such political par-ty in hopeless disgrace. At the same time, such view involves the utter impossibility of furnish ing any currency other than that of the precion metals, for, if the Government itself cannot for go the temptation of excessive paper issues, what reliance can be placed in corporations upon whom the temptations of individual aggrandizement would most strongly operate? The People would have to blame none but themselves for any inju. ry that might arise from a course so reckless since their agents would be the wrong-doers, and

they the passive spectators. There can be but three kinds of public curren cy. 1st. Gold and Silver, 2nd. The paper of State institutions; or, 3d. A representative of the precious metals, provided by the General Govern ment, or under its authority. The Sub Treasu. ry system rejected the last in any form; and, as it was believed that no reliance could be placed less one of the other kinds be used. The choice hand, and Government issues of some kind on the other. That these issues cannot be made by chartered institution, is supposed to be conclu purpose. Their usefulness has been limited by their being transient and temporary; their ceas their range of circulation, and, being used only the disbursements of Government, they cannot reach those points where they are most required.

By rendering their use permanent, to the moderate extent already mentioned, by offering no inducement for their return, and by exchanging them for coin and other values, they will constitute to a certain extent, the general currency so much needed to maintain the internal trade of the country. And this is the Exchequer plan, so far as it may operate in furnishing a currency. I cannot forego the occasion to urge its imporof vitality without which all its movements are languid and all its operations embarrassed. In this spirit the Executive felt itself bound by the most imperative sense of duty to submit to Congress, at its last session, the propriety of making a specific pledge of the land, as the basis for the negotiation of the loans authorized to be contracted. I then thought that such an application of the public domain would, without doubt, have pla ced at the command of the Government ample funds to relieve the Treasury from the temporary embarrassments under which it labored. American credit has suffered a considerable shock in Europe, from the large indebtedness of the States and the temporary inability of some of them to meet the interest on their debts. The utter and disastrous prostration of the United States Bank crease the sentiment of distrust by reason of the loss and ruin sustained by the holders of its stock. a large portion of whom were foreigners, and many of whom were alike ignorant of our politiin the effort to negotiate the loan abroad, the American negotiator might be able to point the money lender to the fund mortgaged for the redemption of the principal and interest of any loan he might contract, and thereby vindicate the Government from all suspicion of bad faith or inability to meet its engagements. Congress differed from the Executive in this view of the subject. It became, nevertheless, the duty of the Executive to resort to every expedient in its power to negotiate the authorized loan. After a failure to do so in obtain a loan so small as not in the whole to amount to more than one-fourth of its ordinary annual income; at a time when the Governments of Europe, although involved in debt, and with their subjects heavily burdened with taxation, readily obtain loans of any amount at a greatly reduced rate of interest. It would be unprofitable to look further into this condition of things, but I cannot conclude without adding that, for a Gov-ernment which has paid off its debts of two wars with the largest maritime power of Europe, and now owing a debt which is almost next to nothing when compared with its boundless resources, Government the strongest in the world, because emanating from the popular will, and firmly rooted in the affections of a great and free people, and whose fidelity to its engagements has never been questioned; for such a Government to have tendered to the capitalists of other countries an opportunity for a small investment of its stock, and yet to have failed, implies either the most unfoun-ded distrust in its good faith, or a purpose, to ob-tain which, the course pursued is the most fatal which could have been adopted. It has now become obvious to all men that the Government 000,000 would thereby be added to the available means of the Treasury without cost or charge.