

last year; but this is owing to circumstances no way indicative of any abatement of the desire of both parties to hasten the negotiation to its conclusion, and to settle the question in dispute, as early as possible. In the course of the session, it is my hope to be able to announce some further degree of progress, towards the accomplishment of this highly desirable end.

The commission appointed by this Government for the exploration and survey of the line of boundary separating the States of Maine and New Hampshire from the contiguous British Provinces, is, it is believed, about to close its field labors, and is expected soon to report the results of its examinations to the Department of State. The report, when received, will be laid before Congress.

The failure on the part of Spain to pay, with punctuality, the interest due under the Convention of 1834, for the settlement of claims between the two countries, has made it the duty of the Executive to call the particular attention of that Government to the subject. A disposition has been manifested by it, which is believed to be entirely sincere, to fulfill its obligations, in this respect, so soon as its internal condition and the state of its finances will permit. An arrangement is in progress, from the result of which, it is trusted, that those of our citizens who have claims under the Convention will, at no distant day, receive the stipulated payments.

A Treaty of Commerce and Navigation with Belgium was concluded and signed at Washington on the 29th March, 1840, and was duly sanctioned by the Senate of the United States. The Treaty was ratified by His Belgian Majesty, but did not receive the approbation of the Belgian Chambers within the time limited by its terms, and has therefore become void.

This occurrence assumes the greater aspect from the consideration that, in 1833, a Treaty negotiated between the two Governments, and ratified on the part of the United States, failed to be ratified on the part of Belgium.—The Representative on the part of that Government, at Washington, informs the Department of State that he has been instructed to give explanation of the causes which occasioned delay in the approval of the late Treaty by the Legislature, and to express the regret of the King at the occurrence.

The joint commission under the Convention with Texas, to ascertain the true boundary between the two countries, has concluded its labors; but the final report of the commissioner of the United States has not been received. It is understood, however, that the meridian line, as traced by the commission, lies somewhat further East than the position hitherto generally assigned to it, and, consequently, includes in Texas some part of the territory which had been considered as belonging to the States of Louisiana and Arkansas.

The United States cannot but take a deep interest in whatever relates to this young, but growing Republic. Settled principally by emigrants from the United States, we have the happiness to know, that the great principles of civil liberty are there destined to flourish, under wise institutions and wholesome laws; and that through its example, another evidence is to be afforded of the capacity of popular institutions to advance the prosperity, happiness, and permanent glory of the human race. The great truth, that government was made for the people, and not the people for government, has already been established in the practice and by the example of these United States; and we can do no other than contemplate its further exemplification by a sister Republic, with the deepest interest.

Our relations with the independent States of this hemisphere, formerly under the dominion of Spain, have not undergone any material change within the past year. The incessant sanguinary conflicts in, or between those countries, are to be greatly deplored, as necessarily tending to disable them from performing their duties as members of the community of nations, and rising to the destiny which the position and natural resources of many of them might lead them justly to anticipate, as constantly giving occasion, also, directly or indirectly,

for complaints on the part of our citizens who resort thither for purposes of commercial intercourse, and as retarding reparation for wrongs already committed, some of which are by no means of recent date.

The failure of the Congress of Ecuador to hold a session, at the time appointed for that purpose, in January last, will probably render abortive a treaty of commerce with that Republic, which was signed at Quito on the 13th of June, 1839, and had been duly ratified on our part, but which required the approbation of that body, prior to the ratification by the Ecuadorian Executive.

A Convention which has been concluded with the Republic of Peru, providing for the settlement of certain claims of citizens of the United States, upon the government of that Republic, will be duly submitted to the Senate.

The claims of our citizens against the Brazilian government, originating from captures, and other causes, are still unsatisfied. The United States have, however, so uniformly shown a disposition to cultivate relations of amity with that Empire, that it is hoped, the unequivocal tokens of the same spirit towards us, which an adjustment of the affairs referred to would afford, will be given without further avoidable delay.

The war with the Indian tribes on the peninsula of Florida has, during the last summer and fall, been prosecuted with untiring activity and zeal. A summer campaign was resolved upon, as the best mode of bringing it to a close. Our brave officers and men who have been engaged in that service, have suffered toils and privations, and exhibited an energy, which in any other war, would have won for them unfading laurels. In despite of the sickness incident to the climate, they have penetrated the fastnesses of the Indians, broken up their encampments, and harassed them unceasingly. Numbers have been captured, and still greater numbers have surrendered, and have been transported to join their brethren on the lands elsewhere allotted to them by the Government, and a strong hope is entertained that, under the conduct of the gallant officer at the head of the troops in Florida, that troublesome and expensive war is destined to a speedy termination. With all the other Indian tribes, we are enjoying the blessings of peace. Our duty, as well as our best interests prompt us to observe, in all our intercourse with them, fidelity in fulfilling our engagements, the practice of strict justice, as well as the constant exercise of acts of benevolence and kindness. These are the great instruments of civilization, and through the use of them alone, can the untutored child of the forest be induced to listen to its teachings.

The Secretary of State, on whom the duty of directing the proceedings for the taking of the Sixth Census, or enumeration of the inhabitants of the United States, will report to the two Houses the progress of that work. The enumeration of persons has been completed, and exhibits a grand total of 17,069,453; making an increase over the Census of 1830, of 4,202,646 inhabitants, and showing a gain in a ratio exceeding 32 per cent. for the last ten years.

From the report of the Secretary of the Treasury, you will be informed of the condition of the finances. The balance in the Treasury on the 1st of January last, as stated in the report of the Secretary of the Treasury, submitted to Congress at the Extra Session, was \$987,345 03. The receipts into the Treasury, during the first three quarters of this year, from all sources, amount to \$23,448,052 52. The estimated receipts for the fourth quarter, amount to \$6,943,095 25, amounting to \$30,410,167 77; and making, with the balance in the Treasury, on the first of January last, \$31,367,512 80. The expenditures for the first three quarters of this year, amount to \$24,734,346 97. The expenditures for the fourth quarter, as estimated, will amount to \$7,290,723 73;—thus making a total of \$32,025,070 70; and leaving a deficit to be provided for, on the first of January next, of about \$627,557 90.

Of the loan of \$12,000,000, which was authorized by Congress at its late session, only \$5,432,726 88 have been negotiated. The shortness of time which it had to run, has presen-

ted no inconsiderable impediment in the way of its being taken by capitalists at home, while the same cause would have operated with much greater force in the foreign market has not been resorted to; and it is now submitted, whether it would not be advisable to amend the law, by making what remains undisposed, payable at a more distant day.

Should it be necessary, in any view that Congress may take of the subject; to revise the existing tariff of duties, I beg leave to say, that, in the performance of that most delicate operation, moderate counsels would seem to be the wisest. The Government under which it is our happiness to live, owes its existence to the spirit of compromise which prevailed among its framers—jarring and discordant opinions could only have been reconciled by that noble spirit of patriotism, which prompted conciliation, and resulted in harmony. In the same spirit the compromise bill, as it is commonly called, was adopted at the session of 1833. To the people of no portion of the Union will ever hesitate to pay all necessary taxes for the support of Government, yet an innate repugnance exists, to the imposition of burthens not really necessary for that object. In imposing duties, however, for the purposes of revenue, a right to discriminate as to the articles on which the duty shall be laid, as well as the amount, necessarily and most properly exists. Otherwise the Government would be placed in the condition of having to levy the same duties upon all articles, the productive, as well as the unproductive. The slightest duty upon some might have the effect of causing their importation to cease, whereas others entering extensively into the consumption of the country, might bear the heaviest without any sensible diminution in the amount imported. So also the Government may be justified in so discriminating, by reference to other considerations of domestic policy connected with our manufactures. So long as the duties shall be laid with distinct reference to the wants of the Treasury, no well founded objection can exist against them. It might be esteemed desirable that no such augmentation of the duties should take place as would have the effect of obtaining a more proceeds distribution of the last session, which act is declared to be inoperative; the moment the duties are increased beyond 20 per cent., the maximum rate established by the Compromise act, which will go into effect on the 30th day of June next, may, however, be found exceedingly inconvenient in practice, under any regulations that Congress may adopt. I refer more particularly to that relating to the home valuation. A difference in value of the same articles to some extent, will, necessarily, exist at different ports—but that is altogether insignificant, when compared with the conflicts in valuation, which are likely to arise, from the differences of opinion among the numerous appraisers of merchandise. In many instances the estimates of value must be conjectural, and thus as many different rates of value may be established as there are appraisers. These differences in valuation may also be increased by the inclination, which, without the slightest imputation on their honesty, may arise on the part of the appraisers in favor of their respective ports of entry. I recommend this whole subject to the consideration of Congress, with a single additional remark. Certainty and permanency in any system of governmental policy are, in all respects, eminently desirable; but more particularly is this true in all that affects trade and commerce, the operations of which depend much more on the certainty of their returns, and calculations which embrace distant periods of time, than on high bounties, or duties, which are liable to constant fluctuations.

At your late session, I invited your attention to the condition of the currency and exchanges, and urged the necessity of adopting such measures as were consistent with the constitutional competency of the Government, in order to correct the unsoundness of the one, and as far as practicable the inequalities of the other. No country can be in the enjoyment of its full measure of prosperity, without the presence of a medium of exchange, approximating to uniformity of value.

What is necessary as between the different nations of the earth, is also important as between the inhabitants of different parts of the same country; with the first the precious metals constitute the chief medium of circulation, and such also would be the case as to the last, but for inventions comparatively modern, which have furnished, in place of gold and silver, a paper circulation. I do not propose to enter into a comparative analysis of the merits of the two systems. Such belonged more properly to the period of the introduction of the paper system. The speculative philosopher might find inducements to prosecute the inquiry, but his researches could only lead him to conclude, that the paper system had probably better never have been introduced, and that society might have been much happier without it. The practical statesman has a very different task to perform. He has to look at things as they are—to take them as he finds them, to supply deficiencies, and to prune excesses as far as in him lies. The task of furnishing a corrective for derangements of the paper medium with us, is almost inexpressibly great. The power exerted by the States to charter banking corporations, and which, having been carried to a great excess, has filled the country with, in most of the States, an irredeemable paper medium, is an evil which, in some way or other, requires a corrective. The rates at which bills of exchange are negotiated between different parts of the country, furnish an index of the value of the local substitute for gold and silver, which is, in many parts, so far depreciated, as not to be received, except at a discount, in payment of debts, or in the purchase of produce. It could earnestly be desired that every bank, not possessing the means of resumption, should follow the example of the late United States Bank, of Pennsylvania, and go into liquidation, rather than by refusing to do so to continue embarrassments in the way of solvent institutions, thereby augmenting the difficulties incident to the present condition of things. Whether this Government, with due regard to the rights of the States, has any power to constrain the banks, either to resume specie payments, or to force them into liquidation, is an inquiry which will not fail to claim your consideration. In view of the great advantages which are allowed the corporations, not among the least of which is the authority contained in most of their charters, to make loans to three times the amount of their capital, thereby often deriving three times as much interest on the same amount of money as any individual is permitted by law to receive, no sufficient apology can be urged for a long continued suspension of specie payments. Such suspensions is productive of the greatest detriment to the public, by expelling from circulation the precious metals, and seriously hazarding the success of any effort that this Government can make, to increase commercial facilities, and to advance the public interests.

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

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

and events since occurring, have only served to confirm me in the opinions then entertained, and frankly expressed.

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

In pursuance of a pledge given to you in my last message to Congress, which pledge I urge as an apology for adventuring to present you the details of any plan, the Secretary of the Treasury will be ready to submit to you, should you require it, a plan of finance, which, while it throws around the public treasure reasonable guards for its protection, and rests on powers acknowledged in practice to exist from the origin of the Government, will, at the same time, furnish to the country a sound paper medium; and afford all reasonable facilities for regulating the Exchanges. When submitted, you will perceive in it a plan amendatory of the existing laws in relation to the Treasury Department, subordinate in all respects to the will of Congress directly, and the will of the people indirectly—self-sustaining, should it be found in practice to realize its promises in theory, and repeatable at the pleasure of Congress.—It proposes by effectual restraints, and by invoking the true spirit of our institutions, to separate the purse from the sword; or more properly to speak, denies any other control to the President over the agents who may be selected to carry it into execution, but what may be indispensably necessary to secure the fidelity of such agents; and, by wise regulations, keep plainly apart from each other, private and public funds. It contemplates the establishment of a Board of Control, at the seat of Government, with agencies at prominent commercial points, or wherever else Congress shall direct, for the safekeeping and disbursement of the public monies, and a substitution, at the option of the public creditor, of Treasury notes, in lieu of gold and silver. It proposes to limit the issues to an amount not to exceed \$15,000,000—without the express sanction of the legislative power. It also authorizes the receipt of individual deposits of gold and silver to a limited amount, and the granting certificates of deposit, divided into such sums as may be called for by the depositors. It proceeds a step further, and authorizes the purchase an sale of Domestic Bills and Drafts, resting on a real and substantial basis, payable at sight, or having but a short time to run, and drawn on places not less than one hundred miles apart—which authority, except so far as may be necessary for Government purposes exclusively, is only to be exerted upon the express condition, that its exercise shall not be prohibited by the State in which the agency is situated.

In order to cover the expenses incident to the plan, it will be authorized to receive moderate premiums for certificate issued on deposits, and on bills bought and sold, and thus, as far as its dealings extend, to furnish facilities to commercial intercourse at the lowest possible rates, and to subtract from the earnings of industry, the least possible sum. It uses the State Banks at a distance from the agencies, as auxiliaries, without imparting any power to trade in its name. It is subjected to such guards and restraints as have appeared to be necessary. It is the creature of law, and exists only at the pleasure of the legislature. It is made to rest on an actual specie basis, in order to redeem the notes at the places of issue—produces no dangerous redundancy of circulation—affords no temptation to speculation—is attended by no inflation of prices—is equal in its operation—makes the Treasury Notes, which it