

current year. The diminution, however, is in part attributable to the flourishing condition of some of our domestic manufactures, and so far is compensated by an equivalent more profitable to the nation. It is also highly gratifying to perceive, that the deficiency in the revenue, while it scarcely exceeds the anticipations of the last year's estimates from the Treasury, has not interrupted the application of more than eleven millions during the present year, to the discharge of the principal and interest of the debt, nor the reduction of upwards of seven millions of the capital-debt itself. The balance in the Treasury on the first of January last, was five millions two hundred and one thousand six hundred and fifty dollars and forty three cents. The receipts from that time to the 30th of September last, were nineteen millions five hundred and eighty-five thousand nine hundred and thirty-two dollars and fifty cents. The receipts of the current quarter, estimated at six millions of dollars yield, with the sum already received, a revenue of about twenty-five millions and a half for the year. The expenditures for the three first quarters of the year have amounted to eighteen millions seven hundred and fourteen thousand and two hundred and twenty-six dollars and sixty six cents. The expenditures of the current quarter are expected, including the two millions of the principal debt to be paid, to balance the receipts. So that the expenses of the year, amounting to upwards of a million less than its income, will leave a proportionally increased balance in the treasury on the first of January, 1827, over that of the first of January last. Instead of five millions two hundred thousand, there will be six millions four hundred thousand dollars.

The amount of duties secured on merchandise imported from the commencement of the year until the 30th of September is estimated at twenty-one millions two hundred and fifty thousand dollars, and the amount that will probably accrue during the present quarter, is estimated at four millions two hundred and fifty thousand, making for the whole year twenty-five millions and a half, from which the drawbacks being deducted, will leave a clear revenue from the customs, receivable in the year 1827 of about twenty millions four hundred thousand dollars, which, with the sum to be received from the proceeds of Public Lands, the Bank Dividends and other incidental receipts, will form an aggregate of about twenty-three millions, a sum falling short of the whole expenses of the present year, little more than the portion of those expenditures applied to the discharge of the Public Debt, beyond the annual appropriation of ten millions, by the act of 3d March, 1817. At the passage of that act, the public debt amounted to one hundred and twenty three millions and a half. On the first of January next, it will be short of seventy four millions. In the lapse of these ten years fifty millions of public debt with the annual charge of upwards of three millions of interest upon them have been extinguished. At the passage of that act, of the annual appropriation of the ten millions, seven were absorbed in the payment of interest, and not more than three millions went to reduce the capital of the debt. Of the same ten millions at this time scarcely four are applicable to the interest, and upwards of six are effective in melting down the capital. Yet our experience has proved that a revenue consisting so largely of imposts and tonnage, ebbs and flows to an extraordinary extent with all the fluctuations incident to the general commerce of the world. It is within our recollection that even in the compass of the same last ten years, the receipts of the Treasury were not adequate to the expenditures of the year; and that in two successive years it was found necessary to resort to loans to meet the engagements of the nation. The returning tides of the succeeding years replenished the public coffers until they have again begun to feel the vicissitude of a decline. To produce these alternations of fulness and exhaustion the relative operation of abundant or of unfruitful seasons, the regulations of foreign Governments, political revolutions, the prosperous or decaying situation of manufactures, commercial speculations, and many other causes, not always to be traced, variously combine. We have found the alternate swells and diminutions embracing periods of from two to three years. The last period of depression to us was from 1819 to 1822. The corresponding revival was from 1823 to the commencement of the present year. Still we have no cause to apprehend a depression comparable to that of the former period, or even to anticipate a deficiency which will trench upon the ability to apply the annual ten millions to the reduction of the debt. It is well for us however to be admonished of the necessity of abiding by the maxims of the most vigilant economy, and of resorting to all honorable and useful expedients for pursuing with steady and inflexible perseverance the total discharge of the debt.

Besides the seven millions of the loans of 1813, which will have been discharged in the course of the present year, there are nine millions which, by the terms of the contracts, would have been, and are now redeemable. Thirteen millions more of the loan of 1814 will become redeemable from and after the expiration of the present month; and nine other millions from and after the ensuing year. They constitute a mass of thirty-one millions of dollars, all bearing an interest of six per cent. more than twenty millions of which will be immediately redeemable, and the rest within a little more than a year. Leaving of this amount, fifteen millions to continue at the interests of six per cent. but to be as far as shall be found practicable, paid off

in the years 1827 and 1828, there is scarcely a doubt, that the remaining sixteen millions might, within a few months be discharged by a loan at not exceeding five per cent. redeemable in the year 1829 and 1830. By this operation, a sum of nearly half a million of dollars may be saved to the nation; and the discharge of the whole thirty-one millions within the four years may be greatly facilitated, if not wholly accomplished.

By an act of Congress of 3rd March, 1825, a loan, for the purpose now referred to, or a subscription to stock, was authorized, at an interest not exceeding four and a half per cent. But, at that time, so large a portion of the floating capital of the country was absorbed in commercial speculations, and so little was left for investment in the stocks, that the measure was but partially successful. At the last session of Congress, the condition of the funds were still unpropitious to the measure: but the change so soon afterwards occurred, that had the authority existed to redeem the nine millions now redeemable by an exchange of stocks, or a loan at five per cent. it is morally certain that it might have been effected, and with it a yearly saving of ninety thousand dollars.

With regard to the collection of revenue impost, certain occurrences have, within the last year been disclosed in one or two of our principal ports, which engaged the attention of congress at their last session, and may hereafter require further consideration. Until within a very few years, the execution of the laws for raising the revenue, like that of all our other laws, has been ensured more by the moral sense of the community, than by the rigors of a jealous precaution, or by penal sanctions. Confiding the exemplary punctuality and unsullied integrity of our importing merchants, a gradual relaxation from the provisions of the collection laws, a close adherence to which would have caused inconvenience and expense to them, had long become habitual: and indulgences had been extended universally, because they had never been abused. It may be worthy of your serious consideration, whether some further legislative provision may not be necessary to come in aid of this state of ungaurded security.

From the reports herewith communicated of the secretaries of war and of the navy, with the subsidiary documents annexed to them, will be discovered the present condition and administration of our Military establishment on the land and on the sea. The organization of the army having undergone no change since its reduction to the present peace establishment in 1821 it remains only to observe, that it is yet found adequate to all the purposes for which a permanent armed force in time of peace can be needed, or useful. It may be proper to add, that from a difference of opinion between the late president of the United States and the senate, with regard to the construction of the act of Congress of 2nd March, 1821, to reduce and fix the Military Peace Establishment of the United States, it remains hitherto so far without execution, that no Colonel has been appointed to command one of the regiments of artillery. A supplementary or explanatory act of the legislature appears to be the only expedient practicable, for removing the difficulty of this appointment.

In a period of profound peace, the conduct of the mere military establishment forms but a very inconsiderable portion of the duties devolving upon the administration of the department of war. It will be seen by the returns from the subordinate departments of the army, that every branch of the service is marked with order, regularity, and discipline, that from the commanding general through all the gradations of superintendence, the officers feel themselves to have been citizens before they were soldiers, that the glory of a republican army must consist in the spirit of freedom by which it is animated, and of patriotism by which it is impelled. It may be confidently stated, that the moral character of the army is in a state of continual improvement, and that all the arrangements for the disposal of its parts have a constant reference to that end.

But to the war department are attributed other duties, having indeed relation to a future possible condition of war, but being purely defensive, and in their tendency contributing rather to the security and permanency of peace: The erection of the fortifications provided for by Congress, and adapted to secure our shores from hostile invasion: The distribution of the fund of public gratitude and justice to the pensioners of the revolutionary war. The maintenance of our relations of peace and of protection with the Indian tribes: And the internal improvements and surveys for the location of roads and canals which during the last three sessions of Congress engaged so much of their attention, and may engross so large a share of their future benefactions to our country.

By the act of the 30th of April, 1824, suggested and approved by my predecessor, the sum of thirty thousand dollars was appropriated for the purpose of causing to be made the necessary surveys, plans and estimates, of the routes of such

roads and canals as the President of the United States might deem of national importance in a commercial or military point of view, or necessary for the transportation of the public mail—the surveys, plans, and estimates, for each, when completed, to be laid before Congress.

In execution of this act, a board of engineers, was immediately instituted, and have been since most assiduously and constantly occupied, in carrying it into effect. The first object to which their labors were directed, by order of the late President, was the examination of the country between the tide waters of the Potomac, the Ohio, and Lake Erie, to ascertain the practicability of a communication between them, to designate the most suitable route for the same, and to form plans and estimates in detail of the expense of execution.

On the 3rd of February, 1825, they made their first report, which was immediately communicated to Congress, and in which they declared that, having maturely considered the circumstances observed by them personally, and carefully studied the results of such of the preliminary surveys as were then completed, they were decidedly of opinion that the communication was practicable.

At the last session of Congress, before the board of Engineers were enabled to make up their second report, containing a general plan, and preparatory estimate for the work, the committee of the house of representatives upon roads and canals closed the session with a report, expressing the hope that the plan and estimate of the board of engineers might at this time be prepared, and that the subject be referred to the early and favorable consideration of Congress, at their present session. That expected report of the board of engineers is prepared, and will forthwith be laid before you.

Under the resolution of Congress authorizing the secretary of war to have prepared a complete system of cavalry tactics, and a system of exercise and instruction of field artillery for the use of the militia of the United States, to be reported to Congress at the present session—a board of distinguished officers of the army, and of the militia, has been convened whose report will be submitted to you, with that of the secretary of war. The occasion was thought favorable for consulting the same board, aided by the results of a correspondence with the governors of the several states and territories, and other citizens of intelligence and experience, upon the acknowledged defective condition of our militia system, and of the improvements of which it is susceptible. The report of the board upon this subject is also submitted for your consideration.

In the estimates of appropriations for the ensuing year, upwards of five millions of dollars will be submitted for the expenditures to be paid from the department of war. Less than two fifths of this will be applicable to the maintenance and support of the army. A million and a half, in the form of pensions, goes as a scarcely adequate tribute to the services and sacrifices of a former age; and a more than equal sum, invested in fortifications, or for the preparations of internal improvement, provides for the quiet, the comfort, and the happier existence of the ages to come. The appropriations to indemnify those unfortunate remnants of another race, unable alike to share in the enjoyments, and to exist in the presence of civilization, though swelling in recent years to a magnitude burdensome to the treasury, are generally not without their equivalents, in profitable value; or serve to discharge the union from engagements more burdensome than debt.

In like manner, the estimate of appropriations for the Navy Department will present an aggregate sum of upwards of three millions of dollars. About one-half of these, however, cover the current expenditures of the navy in actual service, and one-half constitutes a fund of national property, the pledge of future glory and defence. It was scarcely one short year after the close of the late war, and when the burden of its expenses and charges was weighing heaviest upon the country, that Congress, by the act of 29th April, 1826, appropriated one million of dollars annually, for eight years, to the gradual increase of the navy. At a subsequent period, this annual appropriation was reduced to half a million for six years, of which the present is the last. A yet more recent appropriation the last two years for building ten Sloops of war, has nearly restored the original appropriation of 1816, of a million for every year. The result is before us all. We have twelve line of battle ships, twenty frigates and sloops of war in preparation; which with a few months of preparation, may present a line of floating fortifications along the whole range of our coast, ready to meet any invader who might attempt to set foot upon our shores: Combining with a system of fortifications upon the shores themselves, commenced about the same time, under the auspices of my immediate predecessor, and hitherto systematically pursued it has placed in our possession the most effective sinews of war, and has left us at once an example and a lesson, from which our

own duties may be inferred. The gradual increase of the navy was the principle of which the act of the 29th April, 1816, was the first development. It was the introduction of a system to act upon the character and history of our country for an indefinite series of ages. It was a declaration of that Congress to their constituents and to posterity, that it was the destiny and the duty of these confederated states, to become, in regular process of time, and by no petty advances, a great naval power. That, which they proposed to accomplish in eight years, is rather to be considered as the measure of their means, than the limitation of their design. They looked forward for a term of years sufficient for the accomplishment of a definite portion of their purpose; and they left to their successors to fill up the canvass of which they had traced the large and prophetic outline. The ships of the line, and frigates which had been in contemplation, will be shortly completed. The time which they had allotted for the accomplishment of the work has more than elapsed. It remains for your consideration, how their successors may contribute their portion of toil and of treasure for the benefit of the succeeding age, in the gradual increase of our navy. There is, perhaps, no part of the exercise of the constitutional powers of the federal government, which has given more general satisfaction to the people of the Union than this. The system has not been thus vigorously introduced, and hitherto sustained, to be now departed from or abandoned. In continuing to provide for the gradual increase of the navy, it may not be necessary or expedient to add for the present any more to the number of our ships; but should you deem it advisable to continue the yearly appropriation of half a million to the same objects, it may be profitably expended, in providing a supply of timber to be seasoned, and other materials for future use; in the construction of docks, or in laying the foundations of a school for naval education, as to the wisdom of Congress either of those measures may appear to claim the preference.

Of the small portions of this navy engaged in actual service during the peace, squadrons have continued to be maintained in the Pacific Ocean, in the West India seas, and in the Mediterranean; to which has been added a small armament, to cruise on the eastern coast of South America. If all they have afforded protection to our commerce, have contributed to make our country advantageously known to foreign nations, have honorably employed multitudes of our seamen in the service of their country, and have ensured numbers of youths to the rising generation to lives of manly hardihood and of nautical experience and skill. The piracies with which the West India Seas were for several years infested have been totally suppressed. But, in the Mediterranean they have increased in a manner additive to other nations, and, but for the continued presence of our squadron, would probably have been distressing to our own. The war which has unfortunately broken out between the republic of Buenos Ayres and the Brazilian government has given rise to very great irregularities among the naval officers of the latter, by whom principles in relation to blockades, and to neutral navigation, have been brought forward, to which we cannot subscribe, and which our own commanders have found it necessary to resist. From the friendly disposition towards the United States constantly manifested by the emperor of Brazil, and the very useful and friendly commercial intercourse between the U. States and his dominions, we have reason to believe that the just reparation demanded for the injuries sustained by several of our citizens from some of his officers, will not be withheld. Abstracts from the recent despatches of the commanders of our several squadrons are communicated with the report of the secretary of the navy to Congress.

A report from the Postmaster General is likewise communicated, presenting in a highly satisfactory manner the result of a vigorous, efficient, and economical administration of that department. The revenue of the office, even of the year including the latter half of 1824, and the first half of 1825, had exceeded its expenditures by a sum of more than forty-five thousand dollars. That of the succeeding year has been still more productive. The increase of the receipts, in the year preceding the first of July last, over that of the year before, exceeds one hundred and thirty six thousand dollars, and the excess of the receipts over the expenditures of the year has swollen from forty five thousand to nearly eighty thousand dollars. During the same period contracts for additional transportation of the mail in stages for about two hundred and sixty thousand miles, have been made, and for seventy thousand miles, annually on horse-back. Seven hundred and fourteen new Post Offices have been established within the year; and the increase of revenue within the last three years, as well as the augmentation of the transportation by mail, is more than equal to the whole amount of receipts, and of mail conveyance, at the commencement of the present century, when the seat of the General Government was removed to this place. When we reflect that the objects effected by the transportation of the mail are among the choicest comforts and enjoyments of social life, it is pleasing to observe that the dissemination of them to every corner of our coun-

try has outstripped in their increases even the rapid march of our population.

By the Treaties with France and Spain, respectively ceding Louisiana and the Florida to the United States, provision was made for the security of land titles deriving from the Governments of those nations. Some progress has been made, under the authority of various Acts of Congress in the ascertainment and establishment of those titles: but claims to a very large extent remain unadjusted. The public faith, no less than the just rights of individuals and the interest of the community itself, appears to require further provision for the speedy settlement of these claims, which I therefore recommend to the care and attention of the Legislature.

In conformity with the provisions of the act of the 20th May last, to provide for erecting a Penitentiary in the District of Columbia, and for other purposes, three Commissioners were appointed to select a site for the erection of a Penitentiary for the District, and also a site in the county of Alexander for a county Jail; both of which objects have been effected. The building of the Penitentiary has been commenced, and is in such a degree of forwardness as to promise that it will be completed before the meeting of the next Congress. This consideration points to the expediency of maturing, at the present session, a system for the regulation and government of the Penitentiary, and of defining the class of offences which shall be punishable by confinement in this edifice.

In closing this communication, I trust that it will not be deemed inappropriate to the occasion and purposes upon which we are here assembled, to indulge a momentary retrospect combining in a single glance, the period of our origin as a National Confederation with that of our present existence at the precise interval of half a century from each other. Since your last meeting at this place, the Fifth Anniversary of the day when our Independence was declared, has been celebrated throughout our land; and on that day, when every heart bounding with joy, and every voice was tuned to gratulation, and the blessings of Freedom and Independence, which the sires of a former age had handed down to their children, two of the principal actors in that solemn scene, the hand that penned the ever memorable Declaration, and the voice that sustained it in debate, were, by one summons, at a distance of seven hundred miles from each other called before the Judge of all, to account for their deeds done upon earth. They departed cheered by the benedictions of their country, to whom they left the inheritance of their fame, and the memory of their bright example. If we turn our thoughts to the condition of their country, in the contrast of the first and last day of that half century, how resplendent and sublime is the transition from gloom to glory! Then, glancing through the same lapse of time, in the condition of the individuals, we see the first day marked with the fulness and vigor of youth in the pledge of their lives, their fortunes, and their sacred honor, to the cause of freedom and of mankind. And on the last, extended on the bed of death with but sense and sensibility left to breathe a last aspiration to Heaven of blessing upon their country; may we not humbly hope that to them too it was a pledge of transition from gloom to glory; and that while their mortal vestments were sinking into the clod of the valley, their emancipated spirits were ascending to the bosom of their God!

JOHN QUINCY ADAMS.

Washington, December 5, 1826.

## Indiana Legislature.

[Selected from Indianapolis papers.]

House of Representatives, Dec. 6.

Mr. Ferris presented a joint resolution on the subject of Salt Springs; read twice and referred to a committee of the whole on Friday.

On motion of Mr. Hays, a committee was appointed to inquire what alteration is necessary in the act to regulate the mode of doing county business.

Dec. 7. Mr. Bassett presented the petition of Mary Ferrand, praying for a divorce. Referred to Messrs. Bassett, Elliott and Lomax.

Dec. 8. Mr. Richardson introduced a resolution directing the judiciary committee to inquire into the expediency of authorising clerks in certain cases to take bonds of sheriffs, &c.; which was adopted.

On motion of Mr. Little, a committee was appointed to take into consideration the law for the relief of the poor.

On motion of Mr. Reed, a committee was appointed to inquire into the expediency of allowing a premium for killing wolves.

On motion of Mr. Beckes, the judiciary committee were instructed to report a bill raising the jurisdiction of justices of the peace in civil cases to \$100.

Mr. Johnston presented a bill amending the act regulating the fees of officers.

On motion of Mr. Beckes, the committee on roads were instructed to report a revised bill of all the laws on the subject.

Dec. 9. Resolutions were offered by Mr. Beckes to instruct the committee of ways and means to reduce all subjects of taxation one fourth; by Mr. Reed to instruct the judiciary committee to report a bill to reduce the fees of all state and county officers; and by Mr. Bullock to instruct the committee of ways & means to report a bill repealing the poll tax; which was read and ordered to lie on the table.

On motion of Mr. Boon, the judiciary committee were requested to inquire into the expediency of a law authorising justices of the peace to obtain evidence by deffimus in any county in the state.

On motion of Mr. Hays, the committee on military affairs were instructed to