

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 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, ebb 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 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 engagement 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 Government, political revolutions, the prosperous or decaying situation of manufacturers, 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 years 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 3d 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 ex-

change 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 Impos., 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 ex-

tended 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 unguarded security.

From the reports herewith communicated

of the secretaries of war and of the

navy, with the subsidiary documents an-

nexed 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 con-

struction of the act of Congress of 2d

March, 1821, to reduce and fix the Mil-

itary Peace Establishment of the United

States, it remains hitherto so far without

execution, that no Colonel has been ap-

pointed to command one of the regi-

ments of artillery. A supplementary or

explanatory act of the legislature ap-

pears to be the only expedient practica-

ble, for removing the difficulty of this ap-

pointment.

In a period of profound peace, the con-

duct of the mere military establishment

forms but a very inconsiderable portion

of the duties devolving upon the adminis-

tration of the department of war. It

will be seen by the returns from the sub-

ordinate 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 superinten-

dence, 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 confi-

ciently stated, that the moral character of

the army is in a state of continual im-

provement, and that all the arrangements

for the disposal of its parts have a con-

stant reference to that end.

But to the war department are attrib-

uted other duties, having indeed rela-

tion to a future possible condition of war,

but being purely defensive, and in their

tendency contributing rather to the se-

curity and permanency of peace. The

erection of the fortifications provided for

by Congress, and adapted to secure our

shores from hostile invasion. The dis-

tribution of the fund of public gratitude

and justice to the pensioners of the rev-

olutionary war. The maintenance of

our relations of peace and of protection

with the Indian tribes. And the internal

improvements and surveys for the lo-

cation of roads and canals which during

the last three sessions of Congress enga-

ged 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 predeces-

sor, the sum of thirty thousand dollars

was appropriated for the purpose of caus-

ing 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 3d 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, 1824, 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 for 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 proportion; 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 means 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. In 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.