

To regulate its conduct so as to promote equally the prosperity of these three cardinal interests, is one of the most difficult tasks of Government, and it may be regretted, that complicated restrictions which now embarrass the intercourse of nations, could not, by common consent, be abolished, and commerce allowed to flow in those channels to which individual enterprise—always its surest guide—might direct it. But we must ever expect selfish legislation in other nations, and are, therefore, compelled to adapt our own to their regulations, in the manner, best calculated to avoid serious injury, and to harmonize the conflicting interests in our agriculture, our commerce and our manufactures. Under these impressions, I invite your attention to the existing Tariff, believing that some of its provisions require modification.

The general rule to be applied in graduating the duties upon articles of foreign growth or manufacture, is that which will place our own in fair competition with those of other countries; and the inducements to advance even a step beyond this point, are controlling in regard to those articles which are of primary necessity in time of war. When we reflect upon the difficulty and delicacy of this operation, it is important that it should never be attempted but with the utmost caution. Frequent legislation in regard to any branch of industry, affecting its value and by which its capital may be transferred to new channels, must always be productive to hazardous speculation and loss.

In deliberating, therefore, on these interesting subjects, local feelings and prejudices should be merged in the patriotic determination to promote the great interests of the whole. All attempts to connect them with the party conflicts of the day, are necessarily injurious, and should be discountenanced. Our action upon them should be under the control of higher and purer motives. Legislation subjected to such influences can never be just, and will not long retain the sanction of a People, whose active patriotism, is not bounded by sectional limits, nor insensible to that spirit of concession and forbearance, which gave life to our political compact, and still sustains it. Discarding all calculations of political ascendancy, the North, the South, the East, and the West, should unite in diminishing any burthen, of which either may justly complain.

The agricultural interest of our country is so essentially connected with every other, and so superior in importance to them all, that it is scarcely necessary to invite to it your particular attention. It is principally as manufactures and commerce tend to increase the value of agricultural productions, and to extend their application to the wants and comforts of society, that they desire the fostering care of Government.

Looking forward to the period, not far distant, when a sinking fund will no longer be required, the duties on those articles of importation which cannot come in competition with our own productions, are first that should engage the attention of Congress in the modification of the tariff. Of these, tea and coffee are the most prominent: they enter largely into the consumption of the country, and become articles of necessity to all classes. A reduction, therefore, of the existing duties will be felt as a common benefit; but like all other legislation connected with commerce, to be efficacious, and not injurious, it should be gradual and certain.

The public prosperity is evinced in the increased revenue arising from the sales of public lands, and in the steady maintenance of that produced by imports and tonnage, notwithstanding the additional duties imposed by the act of 19th May, 1828, and the unusual importations in the early part of that year.

The balance in the Treasury on the 1st of January, 1829, was five millions nine hundred and seventy-two thousand four hundred and thirty-five dollars and eighty one cents. The receipts of the current year are estimated at twenty-four millions six hundred and two thousand two hundred and thirty dollars; and the expenditures for the same time at twenty-six millions one hundred and sixty-four thousand five hundred and ninety-five dollars; leaving a balance in the Treasury on the 1st of January next, of four millions four hundred & ten thousand and seventy dollars and eighty one cents.

There will have been paid, on account of the public debt, during the present year, the sum of twelve millions four hundred and five thousand and five dollars and eighty cents; reducing the whole debt of the Government, on the first of January next, to forty-eight millions five hundred and sixty-five thousand four hundred and six dollars and fifty cents, including seven millions of five per cent. stock subscribed to the bank of the United States. The payment on account of the public debt, made on the first of July last, was eight millions seven hundred and fifteen thousand four hundred and sixty-two dollars and eighty seven cents. It was apprehended that the sudden withdrawal of so large a sum from the banks in which it was deposited, at a time of unusual pressure in the

money market, might cause much injury to the interests dependent on bank accommodations. But this evil was wholly averted by an early anticipation of it at the Treasury, aided by the judicious arrangements of the officers of the Bank of the United States.

This state of the finances exhibits the resource of the nation in an aspect highly flattering to its industry, and auspicious of the ability of Government, in a very short time, to extinguish the public debt. When this shall be done, our population will be relieved from a considerable portion of its present burdens; and will find, not only new motives to patriotic exertion, but additional means for the display of individual enterprise. The fiscal power of the States will also be increased, and may be more extensively exerted in favour of education and other public objects; while ample means will remain in the Federal Government to promote the general weal, in all the modes permitted to its authority.

After the extinction of the public debt, it is not probable that any adjustment of the tariff, upon principles satisfactory to the People of the Union, will, until a remote period, if ever, leave the Government without a considerable surplus in the Treasury, beyond what may be required for its current services. As then the period approaches when the application of the revenue to the payment of debt will cease, the disposition of the surplus will present a subject for the serious deliberation of Congress; and it may be fortunate for the country that it is yet to be decided.

Considered in connection with the difficulties which heretofore attended appropriations for purposes of internal improvement, and with those which this experience tells us will certainly arise, whenever power over such subjects may be exercised by the General Government, it is hoped that it may lead to the adoption of some plan which will reconcile the diversified interests of the State, and strengthen the bonds which unite them. Every member of the Union, in peace and in war, will be benefitted by the improvement of inland navigation and the construction of highways in the several States. Let us then endeavor to attain this benefit in a mode which will be satisfactory to all. That hitherto adopted has, by many of our fellow citizens, been deprecated as an infraction of the Constitution while by others it has been viewed as inexpedient. All feel that it has been employed at the expense of harmony in the legislative councils.

To avoid these evils, it appears to me that the most safe, just, and federal disposition which could be made of the surplus revenue, would be its apportionment among the several states according to their ratio of representation; and should this measure not be found warranted by the Constitution, that it would be expedient to propose to the States an amendment authorizing it. I regard an appeal to the source of power, in case of real doubt, and where its exercise is deemed indispensable to the general welfare, as among the most sacred of all obligations. Upon this country, more than any other, has, in the providence of God, been cast the special guardianship of the great principle of adherence to written constitutions. If it fail here, all hope in regard to it will be extinguished.—That this was intended to be a government of limited and specific, & not general powers, must be admitted by all; and it is our duty to preserve for it the character intended by its framers.

If experience points out the necessity for an enlargement of these powers, let us apply for it to those for whose benefit it is to be exercised, and not undermine the whole system by a resort to overstrained constructions. The scheme has worked well. It has exceeded the hopes of those who devised it, and become an object of admiration to the world. We are responsible to our country, and to the glorious cause of self-government for the preservation of so great a good. The great mass of legislation relating to our internal affairs, was intended to be left where the Federal Convention found it—in the State Governments. Nothing is clearer, in my view, than that we are chiefly indebted for the success of the Constitution under which we are now acting, to the watchful and auxiliary operation of the State authorities. This is not the reflection of a day, but belongs to the most deeply rooted convictions of my mind. I cannot, therefore, too strongly, or too earnestly, for my own sense of its importance, warn you against all encroachments upon the legitimate sphere of State sovereignty. Sustained by its healthful and invigorating influence, the Federal system can never fall.

In the collection of the revenue, the long credits authorized on goods imported from beyond the Cape of Good Hope are the chief cause of the losses at present sustained. If these were shortened to six, nine, and twelve months, and warehouses provided by Government, sufficient to receive the goods offered in deposit for security and for debenture; and if the right of the United States to a priority of payment out of the estates of insolvent debtors, were more effectually secured, this evil would in a great measure be obviated. An authority to

construct such houses is therefore, with the proposed alteration of the credit recommended to your attention.

It is worthy of notice that the laws for the collection and the security of the revenue arising from imports were chiefly framed when the rates of duties on imported goods presented much less temptation for illicit trade than at present exists. There is reason to believe, that these laws are in some respects, quite insufficient for the proper security of the revenue and the protection of the interests of those who are disposed to observe them. The injurious and demoralizing tendency of a successful system of smuggling, is so obvious as not to require comment, and cannot be too carefully guarded against. I therefore suggest to Congress the propriety of adopting efficient measures to prevent this evil, avoiding however, as much as possible, every unnecessary infringement of individual liberty, and embarrassment of fair and lawful business.

On an examination of the records of the Treasury, I have been forcibly struck with the large amount of public money which appears to be outstanding. Of the sums thus due from individuals to the Government, a considerable portion is undoubtedly desperate; and in many instances, has been probably rendered so by remissness in the agents charged with its collection. By proper exertions, a great part however, may be recovered; and, whatever may be the portions respectively belonging to these two classes, it behoves the Government to ascertain the real state of the fact. This can be done only by the prompt adoption of judicious measures for the collection of such as may be made available. It is believed that a very large amount has been lost through the inadequacy of the means provided for the collection of debts due the public, and that this inadequacy lies chiefly in the want of legal skill, habitually and constantly employed in the direction of the agents engaged in the service. I must, I think, be admitted, that the supervisory power over suits brought by the public, which is now vested in an accounting officer of the Treasury, not selected with a view to legal knowledge, and encumbered as he is with numerous other duties, operates unfavorably to the public interest.

It is important that this branch of the public service should be subject to the supervision of such professional skill as will give it efficiency.

The expense attendant upon such a modification of the Executive Department would be justified by the soundest principles of economy. I would recommend, therefore, that the duties now assigned to the Agent of the Treasury, so far as they relate to the superintendence and management of legal proceedings, on the part of the United States, be transferred to the Attorney General, & that this officer be placed on the same footing, in all respects, as the heads of the other Departments—receiving alike compensation, and having such subordinate officers provided for his Department, as may be requisite for the discharge of these additional duties.

The professional skill of the Attorney General, employed in directing the conduct of Marshals and District Attorneys, would hasten the collection of debts now in suit, and, hereafter save much to the Government. It might be further extended to the superintendence of all criminal proceedings for offences against the United States. In making this transfer great care should be taken, however, that the power necessary to the Treasury Department be not impaired: one of its greatest securities consisting in a contral over all accounts, until they are audited or reported for suit.

In connection with the foregoing views I would suggest, also, an inquiry, whether the provisions of the act of Congress, authorizing the discharge of the persons of debtors to the Government, from imprisonment, may not, consistently with the public interest, be extended to the release of the debt, where the conduct of the debtor is wholly exempt from the imputation of fraud. Some more liberal policy than that which now prevails, in reference to this unfortunate class of citizens, is certainly due to them, and would prove beneficial to the country. The continuance of the liability, after the means to discharge it have been exhausted, can only serve to dispirit the debtor; or where his resources are but partial, the want of power in the government to compromise and release the demand, instigates to fraud, as the only resource for securing a support to his family. He thus sinks into a state of apathy, and becomes a useless drone in society, or a vicious member of it, if not a feeling witness of the rigor & inhumanity of his country. All experience proves, that oppressive debts is the bane of enterprise; and it should be the care of a republic not to exert a grinding power over misfortune and poverty.

Since the last session of Congress, numerous frauds on the Treasury have been discovered, which I thought it my duty to bring under the cognizance of the United States Court for this district, by a criminal prosecution. It was my opinion, and that of able counsel who were consulted, that the case came with

in the penalties of the act of the 17th Congress, approved 3d March, 1823, providing for the punishment of frauds committed on the Government of the U. States. Either from some defect in the law or in its administration, every effort to bring the accused to trial under its provisions proved ineffectual; and the Government was driven to the necessity of resorting to the vague and inadequate provisions of the common law. It is therefore my duty to call your attention to the laws which have been passed for the protection of the Treasury. If, indeed, there be no provision by which those who may be unworthily entrusted with its guardianship, can be punished for the most flagrant violation of duty, extending even to the most fraudulent appropriation of the public funds to their own use, it is time to remedy so dangerous an omission. Or, if the law has been prevented from its original purposes, and criminals deserving to be punished under its provisions, have been rescued by legal subtleties, it ought to be made so plain by amending provisions, as to baffle the arts of perversity, and accomplish the ends of its original enactment.

In one of the most flagrant cases the court decided that the prosecution was barred by the statute which limits prosecution for fraud to two years. In this case all the evidences of fraud, and indeed all knowledge that a fraud had been committed, were in the possession of the accused, until the two years had elapsed. Surely the statute ought not to run in favor of any man while he retains all the evidences of his crime in his own possession; and, last of all, in favor of a public officer who continues to defraud the Treasury and conceal the transaction for the brief term of two years. I would therefore recommend such an alteration of the laws as will give the injured party and the government two years after the disclosure of the fraud, or after the accused is out of office to commence their prosecutions.

In connection with this subject, I invite the attention of Congress to a general and minute inquiry into the condition of the Government; with a view to ascertain what offices can be dispensed with, what expenses retrenched, and what improvements may be made in the organization of its various parts, to secure the proper responsibility of public agents, & promote efficiency and justice in all its operations.

The report of the Secretary of War, will make you acquainted with the condition of our army, fortifications, arsenals, and Indian affairs. The proper discipline of the Army, the training and equipment of the Militia, the education bestowed at West Point, and the accumulation of the means of defence, applicable to the Naval force, will tend to prolong the peace we now enjoy, and which every good citizen—more especially those who have felt the miseries of even a successful warfare—must ardently desire to perpetuate.

The returns from the subordinate branches of this service exhibit a regularity and order highly creditable to its character; both officers and soldiers seem imbued with a perfect sense of duty, and conform to the restraints of exact discipline with that cheerfulness which becomes the profession of arms. There is need, however, of further legislation, to obviate the inconveniences specified in the report under consideration: to some of which it is proper that I should call your particular attention.

The act of Congress of the 2d March 1821, to reduce and fix the military establishment, remaining unexecuted as it regards the command of one of the regiments of artillery, cannot now be deemed a guide to the Executive in making the proper appointment. An explanatory act, designating the class of officers out of which this grade is to be filled—whether from the military list, as existing prior to the act of 1821, or from it, as it has been fixed by that act—would remove this difficulty. It is also important that the laws regulating the pay and emoluments of officers generally should be more specific than they now are. Those, for example, in relation to the Paymaster and Surgeon General, assign to them an annual salary of two thousand five hundred dollars; but are silent as to allowances which, in certain exigencies of the service, may be deemed indispensable to the discharge of their duties. This circumstance has been the authority for extending to them various allowances, at different times, under former administrations; but no uniform rule has been observed on this subject. Similar inconveniences exist in other cases, in which the construction put upon the laws by the public accountants may operate unequally; produce confusion, and expose officers to the odium of claiming what is not their due.

I recommend to your fostering care as one of our safest means of national defense, the Military Academy. This institution has already exercised the happiest influence upon the moral and intellectual character of our army, and such of the graduates as, from various causes, may not pursue the profession of arms, will be scarcely less useful as citizens. Their knowledge of the military art will be advantageously employed in the militia service; and in a measure secure to that class of troops the advantages which, in this respect, belong to standing armies.

I would also suggest a review of the Pension law, for the purpose of extending its benefits to every Revolutionary soldier who aided in establishing our liberties, and who is unable to maintain himself in comfort. These relics of the War of Independence have strong claims upon their country's gratitude & bounty. The law is defective, in not embracing within its provisions all those who were, during the last war, disabled from supporting themselves by manual labor. Such an amendment would add but little to the amount of pensions, and is called for by the sympathies of the People, as well as by considerations of sound policy. It will be perceived that a large addition to the list of pensioners has been occasioned by an order of the late administration, departing materially from the rules which had previously prevailed. Considering it an act of legislation, I suspended its operations as soon as I was informed that it had commenced. Before this period, however, applications under the new regulations had been preferred to the number of one hundred and fifty four: of which, on the 27th of March, the date of its revocation, eighty seven were admitted. For the amount, there was neither estimate nor appropriation; and besides this deficiency, the regular allowances, according to the rules which have heretofore governed the Department, exceed the estimate of its late Secretary, by about fifty thousand dollars: for which an appropriation is asked.

Your particular attention is requested to that part of the report of the Secretary of War which relates to the money held in trust for the Seneca tribe of Indians. I will be received that, without legislative aid, the Executive cannot obviate the embarrassments occasioned by the diminution of the dividends on that fund; which originally amounted to one hundred thousand dollars, and has recently been vested in United States three per cent. stock.

The condition and ultimate destiny of the Indian Tribes within the limits of some of our States, have become objects of much interest and importance. It has long been the policy of Government to introduce among them the arts of civilization, in the hope of gradually reclaiming them from a wandering life. This policy has, however, been coupled with another, wholly incompatible with its success. Professing a desire to civilize and settle them, we have, at the same time, lost no opportunity to purchase their lands, and thrust them further into the wilderness. By this means they have not only been kept in a wandering state, but been led to look upon us as unjust and indifferent to their fate. Thus, though lavish in its expenditures upon the subject, Government has constantly defeated its own policy; and the Indians, in general, receding further and further to the West, have retained their savage habits. A portion, however, of the Southern tribes, having mingled much with the whites, and made some progress in the arts of civilized life, have lately attempted to erect an independent government, within the limits of Georgia and Alabama. These States, claiming to be the only Sovereigns within their territories, extended their laws over the Indians; which induced the latter to call upon the United States for protection.

Under these circumstances, the question presented was, whether the General Government had a right to sustain those people in their pretensions? The Constitution declares, that "no new State shall be formed or erected within the jurisdiction of any other State," without the consent of its legislature. If the General Government is not permitted to tolerate the erection of a confederate State within the territory of one of the members of this Union, against her consent; much less could it allow a foreign and independent government to establish itself there. Georgia became a member of the Confederacy which eventuated in our Federal Union, as a sovereign State, always asserting her claim to certain limits; which having been originally defined in her colonial charter, and subsequently recognised in the treaty of peace, she has ever since continued to enjoy, except as they have been circumscribed by her own voluntary transfer of a portion of her territory to the United States, in the articles of cession of 1802. Alabama was admitted into the Union on the same footing with the original States, with boundaries which were prescribed by Congress. There is no constitutional, conventional, or legal provision, which allows them less power over the Indians within their borders, than is possessed by Maine or New York. Would the People of Maine permit the Penobscot tribe to erect an independent Government within their State? and unless they did, would it not be the duty of the General Government to support them in resisting such a measure? Would the People of New York permit each remnant of the Six Nations within her borders, to declare itself an independent people under the protec-