

Washington, Dec. 5, 1826.

MESSAGE

Of the President of the United States, communicated to the Senate and House of Representatives, at the commencement of the Second Session of the Nineteenth Congress.

Fellow Citizens of the Senate, and of the House of Representatives:

The assembly of the Representatives of our Union in both Houses of Congress at this time, occurs under circumstances calling for the renewed homage of our grateful acknowledgments to the giver of all good. The exceptions incidental to the most felicitous condition of human existence, we continue to be highly favoured in all the elements which contribute to individual comfort and to national prosperity. In the survey of our extensive country, we have generally to observe abodes of health and regions of plenty. In our civil and political relations, we have peace without, and tranquility within our borders. We are, as a people, increasing with unabated rapidity in population, wealth, and national resources; and, whatever differences of opinion exist among us, with regard to the mode and the means by which we shall turn the beneficence of Heaven to the improvement of our own condition, there is yet a spirit animating us all, which will not suffer the bounties of Providence to be showered upon us in vain, but will receive them with grateful hearts, and apply them with unwearied hands, to the advancement of the general good.

Of the subjects recommended to the consideration of Congress at their last session, some were then definitively acted upon. Others left unfinished, but partially matured, will recur to your attention, without needing a renewal of notice from me. The purpose of this communication will be, to present to your view the general aspect of our public affairs at this moment, and the measures which have been taken to carry into effect the intentions of the legislature as signified by the laws then and heretofore enacted.

In our intercourse with the other nations of the earth, we have still the happiness of enjoying peace and a general good understanding—qualified, however in several important instances, by collisions of interest, and by unsatisfied claims of justice, to the settlement of which, the constitutional interposition of the legislative authority may become ultimately indispensable.

By the decease of the Emperor Alexander of Russia, which occurred contemporaneously with the commencement of the last session of congress, the United States have been deprived of a long tried, steady, and faithful friend. Born to the inheritance of absolute power, and trained in the school of adversity, from which no power on earth however absolute, is exempt, that monarch, from his youth, had been taught to feel the force and value of public opinion, and to be sensible that the interests of his own government would best be promoted by a frank and friendly intercourse with this republic, as those of his people would be advanced by a liberal commercial intercourse with our country. A candid and confidential interchange of sentiments between him and the government of the United States, took place at a period not long preceding his demise, and contributed to fix that course of policy which left to the other governments of Europe no alternative but that of sooner or later recognizing the independence of our southern neighbours, of which the example had by the United States, already been set.

The ordinary diplomatic communications between his successor, the Emperor Nicholas, and the United States, have suffered some interruption by the illness, departure and subsequent decease of his minister residing here, who enjoyed, as he merited, the entire confidence of his new sovereign, as he had eminently responded to that of his predecessor. But we have had the most satisfactory assurances, that the sentiments of the reigning emperor towards the United States, are altogether conformable to those which had so long and constantly animated his imperial brothers; and we have reason to hope that they will serve to cement that harmony and good understanding between the two nations, which, founded in congenial interests, cannot but result in the advancement of the welfare and prosperity of both.

Our relations of commerce and navigation with France are, by the operation of the Convention of 24th June, 1822, with that nation, in a state of gradual and progressive improvement. Convinced by all our experience no less than by the principles of fair and liberal reciprocity which the U. States have constantly tendered to all the nations of the earth, as the rule of commercial intercourse, which they would universally prefer, that fair and equal competition is most conducive to the interests of both parties, the U. States, in the negotiation of that convention, earnestly contended for a mutual renunciation of discriminating duties, and charges in the ports of the two countries. Unable to obtain the immediate recognition of this principle in its full extent, after reducing the duties of discrimination, so far as it was found attainable, it was agreed that, at the expiration of two years, from the 1st of October, 1822, when the convention was to go into effect, unless a notice of six months on either side should be given to the other, that the convention itself must terminate, those duties should be reduced by one fourth; and that this reduction should be yearly repeated until all discrimination should cease while the convention itself should continue in force.

By the effect of this stipulation, three-fourths of the discriminating duties which had been levied by each party upon the vessels of the other in its ports have already been removed; and on the first of next October should the convention be still in force the remaining fourth will be discontinued. French vessels laden with French produce, will be received in our ports on the same terms as our own; and ours in turn, will enjoy the same advantages in the ports of France. By these approximations to an equality of duties and of charges, not only has the commerce between the two countries prospered, but friendly dispositions have been on both sides encouraged and promoted. They will continue to be cherished and cultivated on the part of the U. S. It would have been gratifying to have had it in my power to add, that the claims upon the justice of the French government,

involving the property and the comfortable subsistence of many of our fellow-citizens, and which have been so long and so earnestly urged, were in a more promising train of adjustment than at your last meeting; but their condition remains unaltered.

With the government of the Netherlands the mutual abandonment of discriminating duties had been regulated by legislative acts on both sides. The act of congress of the 24th of April, 1818, abolished all discriminating duties of import and tonnage, upon the vessels and produce of the Netherlands in the ports of the U. States, upon the assurance given by the government of the Netherlands, that all such duties operating against the shipping and commerce of the U. S. in that kingdom had been abolished. These reciprocal regulations had continued in force several years, when the discriminating principle was resumed by the Netherlands in a new and indirect form, by a bounty of ten per cent. in the shape of a return of duties to their national vessels, & in which those of the U. S. were not permitted to participate. By the act of Congress of the 7th January, 1824, all discriminating duties in the U. S. were again suspended, so far as related to the vessels and produce of the Netherlands, so long as the reciprocal exemption should be extended to the vessels and produce of the U. S. in the Netherlands. But the same act provides that in the event of a restoration of discriminating duties, to operate against the shipping and commerce of the U. S. in any of the foreign countries referred to therein, the suspension of discriminating duties in favour of the navigation of such foreign country should cease, and all the provisions of the acts imposing discriminating foreign tonnage and import duties in the U. S. should revive, & be in full force with regard to that nation.

In the correspondence with the government of the Netherlands upon this subject, they have contended that the favour shown to their own shipping by this bounty upon their tonnage, is not to be considered a discriminating duty. But it cannot be denied that it produces all the same effects. Had the mutual abolition been stipulated by treaty, such a bounty upon the national vessels could scarcely have been granted consistently with good faith. Yet as the act of congress of 7th January 1824, has not expressly authorized the executive authority, to determine what shall be considered as a revival or discriminating duties by a foreign government to the disadvantage of the U. S. and as a retaliatory measure on our part, however just and necessary, may tend rather to that conflict of legislation which we deprecate, than to that concert to which we invite all commercial nations, as most conducive to their interest and our own. I have thought it more consistent with the spirit of our institutions to refer the subject again to the paramount authority of the legislature to decide what measure the emergency may require, than abruptly by proclamation to carry into effect the minatory provision of the act of 1824.

During the last session of congress treaties of amity, navigation and commerce, were negotiated and signed at this place with the government of Denmark, in Europe, and with the federation of Central America, in this hemisphere. These treaties then received the constitutional sanction of the senate, by their advice and consent to their ratification. They were accordingly ratified on the part of the U. S. and during the recess of congress have been also ratified by the other respective contracting parties. The ratifications have been exchanged, and they have been published by proclamations, copies of which are herewith communicated to congress. These treaties have established between the contracting parties the principles of equality & reciprocity in their broadest and most liberal extent; each party admitting the vessels of the other into its ports, laden with cargoes the produce or manufacture of any quarter of the globe, upon the payment of the same duties of tonnage and import that are chargeable upon their own. They have further stipulated, that the parties shall hereafter grant no favour of navigation, or commerce to any other nation which shall not upon the same terms be granted to each other; and that neither party will impose upon articles of merchandise, the produce or manufacture of the other, any other or higher duties than upon the like articles being the produce or manufacture of any other country. To these principles there is in the convention with Denmark, an exception with regard to the colonies of that kingdom in the Arctic seas, but none with regard to her colonies in the West-Indies.

In the course of the last summer the term to which our last commercial treaty with Sweden was limited, has expired. A continuation of it is in the contemplation of the Swedish government, and it is believed to be desirable on the part of the U. S. It has been proposed by the king of Sweden, that pending the negotiation of renewal, the expired treaty should be mutually considered as still in force, a measure which will require the sanction of congress to be carried into effect on our part, and which I therefore recommend to your consideration.

With Russia, Spain, Portugal, and in general all the European powers, between whom and the U. S. relations of friendly intercourse have existed, their condition has not materially varied since the last session of congress. I regret not to be able to say the same of our commercial intercourse with the colonial possessions of Great Britain, in America. Negotiations of the highest importance to our common interests have been for several years in discussion between the two governments, and on the part of the U. S. have been invariably pursued in the spirit of candour and conciliation. Interests of great magnitude & delicacy had been adjusted by the conventions of 1815 and 1818, while that of 1822, mediated by the late Emperor Alexander, had promised a satisfactory compromise of claims which the Government of the United States, in justice to the rights of a numerous class of their citizens, was bound to sustain. But with regard to the commercial intercourse between the U. S. and the British colonies in America, it has been hitherto found impracticable to bring the parties to an understanding satisfactory to both.

The relative geographical position, and the respective products of nature cultivated by human industry, had constituted the elements of a commercial intercourse between the United States and British America, insular, and continental, important to the inhabitants of both countries. But it had been interdicted by Great Britain, upon a principle heretofore practised upon by the colonizing nations of Europe, of holding the trade of their colonies, each in exclusive monopoly to herself. After the termination of the late war, this interdic-

tion had been removed, and the British Government declined including this portion of our intercourse with her possessions in the negotiation of the convention of 1818. The trade was then carried on exclusively in British vessels, till the act of Congress concerning navigation, of 1818, and the corresponding act of 1820, and the interdict by a corresponding measure on the part of the United States. These measures, not of retaliation, but of necessary self defence, were soon succeeded by an act of Parliament, opening certain colonial ports to the vessels of the United States, coming directly from them, and to the importation from them of certain articles of our produce, burdened with heavy duties, and excluding some of the most valuable articles of our exports. The United States opened their ports to British vessels from the colonies, upon terms as exactly corresponding with those of the act of Parliament, as in the relative position of the parties could be made.

And a negotiation was commenced by mutual consent, with the hope on our part, that a reciprocal spirit of accommodation and a common sentiment of the importance of the trade to the interests of the inhabitants of the two countries, between whom it must be carried on; would ultimately bring the parties to a compromise, with which both might be satisfied. With this view the government of the U. S. had determined to sacrifice something of entire reciprocity which in all commercial arrangements with foreign powers they are entitled to demand, and to acquiesce in some inequalities disadvantageous to ourselves, rather than to forego the benefit of a final and permanent adjustment of this interest, to the satisfaction of Great Britain herself. The negotiation, repeatedly suspended by accidental circumstances, was however, by mutual agreement & express assent, considered as pending and to be speedily resumed.

In the mean time another act of parliament, so doubtful and ambiguous in its import as to have been misunderstood by the officers in the colonies who were to carry it into execution, opens again certain colonial ports, upon new conditions and terms, with a threat to close them against any nation which may not accept these terms, as prescribed by the British government. This act passed in July 1825, not communicated to the government of the U. S. nor understood by the officers of the British Customs in the Colonies, where it was to be enforced, was nevertheless submitted to the consideration of Congress at their last session. With the knowledge that a negotiation upon the subject had long been in progress, and pledges given of its resumption at an early day, it was deemed expedient to await the result of that negotiation, rather than to subscribe implicitly to terms the import of which was not clear, & which the British authorities themselves, in this hemisphere, were not prepared to explain.

Immediately after the close of the last session of Congress, one of our most distinguished citizens was despatched as Envoy Extraordinary and Minister Plenipotentiary to G. Britain, furnished with instructions which we could not doubt would lead to a conclusion of this long controverted interest, upon terms acceptable to Great Britain. Upon his arrival, and before he had delivered his letters of credence he was met by an Order of the British Council, excluding from and after the first of December, now current, the vessels of the United States from all the Colonial British ports, excepting those bordering upon our territories. In answer to his expostulations upon a measure thus unexpected, he is informed that according to the ancient maxims of policy of European nations having colonies, their trade is an exclusive possession of the mother country. That all participation in it by other nations, is a boon or favour; not forming a subject of negotiation, but to be regulated by the legislative acts of the power owning the colony. That the British government, therefore, declines negotiating concerning it; and that as the U. S. did not forthwith accept purely and simply the terms offered by the Act of Parliament of July 1825, Great Britain would not admit the vessels of the United States even upon the terms on which she has opened them to the navigation of other nations.

We have been accustomed to consider the trade which we have enjoyed with the British Colonies, rather as an interchange of mutual benefits than as a mere favour received; that under every circumstance, we have given an ample equivalent. We have seen every other nation holding colonies, negotiated with other nations, and grant them free admission to the colonies by treaty; and so far as the other colonizing nations of Europe, now from refusing to negotiate for trade with their colonies, that we ourselves have secured access to the colonies of more than one of them by Treaty. The refusal, however, of Great Britain to negotiate, leaves to the United States no other alternative than that of regulating or interdicting altogether, the trade on their part, according as either measure may affect the interests of our own country; and with that exclusive object, I would recommend the whole subject to your calm & candid deliberations.

It is hoped that our unavailing exertions to accomplish a cordial good understanding on this subject, will not have an unpropitious effect upon the other great topics of discussion

between the two governments. Our north eastern and north western boundaries are still unadjusted. The Commissioners under the 7th Article of the Treaty of Ghent, have nearly come to the close of their labours, nor can we renounce the expectation, nor feel as it is, that they may agree upon their report, to the satisfaction or acquiescence of both parties. The Commission for liquidating the claims for indemnity for slaves carried away after the close of the war, has been sitting, with doubtful prospects of success. Propositions of compromise have, however passed between the two governments, the result of which, we flatter ourselves, may yet prove satisfactory. Our own dispositions & purposes towards Great Britain are all friendly and conciliatory; nor can we abandon, but with strong reluctance, the belief that they will ultimately meet a return, not of favours, which we neither ask nor desire, but of equal reciprocity and good will.

With the American governments of this hemisphere, we continue to maintain an intercourse altogether friendly, and between their nations & ours, that commercial interchange of which mutual benefit is the source, and mutual comfort and harmony, the result, is in a continual state of improvement. The war between Spain and them, since the total expulsion of the Spanish military force from their continental territories, has been little more than nominal; and their internal tranquility, though occasionally menaced by the agitations which civil war never fail to leave behind them, has not been affected by any serious calamity.

The Congress of Ministers from several of those nations which assembled at Panama, after a short session there, adjourned to meet again, at a more favourable season, in the neighbourhood of Mexico. The decease of one of our Ministers, on his way to the Isthmus, and the impediments of the season, which delayed the departure of the others, deprived us of the advantage of being represented at the first meeting of the Congress.

There is however, no reason to believe that any of the transactions of the Congress were of a nature to affect injuriously the interests of the U. S. or to require the interposition of our Ministers, had they been present.

Their absence has indeed deprived us of the opportunity of possessing precise and authentic information of the treaties which were concluded at Panama; and the whole result has confirmed me in the conviction of the expediency to the U. S. of being represented at the congress. The surviving member of the Mission, appointed during your last session, has accordingly proceeded to his destination, and a successor to his distinguished and lamented associate will be nominated to the Senate. A Treaty of Amity, Navigation, and Commerce, has, in the course of the last summer, been concluded by our Minister Plenipotentiary at Mexico, with the U. S. of that confederacy, which will also be laid before the Senate for their advice with regard to its ratification.

In adverting to the present condition of our fiscal concerns, and to the prospects of our Revenue, the first remark that calls our attention, is that they are less exuberantly prosperous than they were at the corresponding period of the last year. The severe shock so extensively sustained by the commercial and manufacturing interests in Great Britain, has not been without a perceptible recoil upon ourselves. A reduced importation from abroad is necessarily succeeded by a reduced return to the Treasury at home. The net revenue of the present year will not equal that of the last. And the receipts of that which is to come will fall short of those in the 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 the present year, to the discharge of the principal & 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 50th 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 sums 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 debt to be paid, to balance the receipt. 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 sums to be received from the proceeds of Public Lands, the Bank Dividends, and other incidental receipts, will form an aggregate of 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 public debt, with the annual charge 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 year replenished the public coffers until they have again begun to feel the vicissitudes of a decline. To produce these alterations of fullness and exhaustion, the relative operation of abundant or of unfruitful seasons, the regulations of foreign Governments, political revolutions, the prosperous or decaying conditions 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 close of 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 little more than a year. Leaving of this amount, fifteen millions to continue at the interest 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 of the 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 will be unpropitious to the measure; but the change so soon afterwards carried, that the authority existed to redeem the nine millions now redeemable by an exchange of stocks, or a loan at 5 per cent. it is morally certain that it might have been effected with it a yearly saving of ninety thousand dollars.

With regard to the collection of Revenue of Import, certain occurrences within the last year, been distinguished in one or two of our principal ports, which engaged the attention of Congress at their last session, and may require further consideration, after the passage of the laws for raising the revenue, like that of all our other moral measures, has been insured more by the force of a jealous precaution, or of legal sanctions. Confiding in the exemplary punctuality and industry of our importing merchants, a general relax on from the provisions of the collection laws, a close adherence to which would have caused inconvenience and expense to them, had become habitual; and indulgencies 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 unguarded 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 the 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 U. States and the Senate, with regard to the construction of the act of congress of 2d of March 1821, to reduce and fix the military peace establishment of the United States, it remains hitherto 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 service, that every branch of the service is marked with order, regularity and discipline. That from the commanding general through all the regulations of superintendance, the officers feel themselves to have been citizens before they were soldiers, and that the glory of a republican army, most 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 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 have 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 6th of April 1824, suggested and approved by my predecessor, the sum of \$30,000 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 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 since been most assiduously and constantly occupied, in carrying it into effect. The first object to which their labours 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