

BY CHAPMAN & SMITH.

MESSAGE FROM THE PRESIDENT OF THE UNITED STATES TO THE TWO HOUSES OF CONGRESS, AT THE COMMENCEMENT OF THE SECOND SESSION OF THE TWENTY-FOURTH CONGRESS. (Concluded.)

The effect of an extension of bank credits and over issues of bank paper have been fully illustrated in the sales of the public lands. From the returns made by the various Registers and Receivers in the early part of last summer, it was perceived that the receipts arising from the sales of the public lands were increasing to an unprecedented amount. In effect, however, these receipts amounted to nothing more than credits in bank. The banks lent out their notes to speculators; they were paid to the Receivers, and immediately returned to the banks, to be lent out again, being more instrumental to transfer to speculators the most valuable public land, and pay the Government by credit on the books of the banks. Those credits on the books of the western banks, usually called deposits, were already beyond their immediate means of payment, and were rapidly increasing. Indeed each speculation furnished means for another; for no sooner had one individual been paid than he in turn, than they were immediately lent to another for a like purpose, and the banks were extending their business and their issues so largely, as to alarm considerable men, and render it necessary to accumulate, would ultimately be of the least value to the Government. The spirit of speculation and speculation was not confined to the deposit banks, but pervaded the whole of the banks throughout the Union, and was giving rise to new institutions to aggravate the evil.

The safety of the public funds, and the interest of the people generally, require that the operations of the banks be regulated, and that the duty of every branch of the General and State Governments to adopt all legitimate and proper means to produce that salutary effect. Under this view of my duty, I directed the issuing of orders which will be laid before you by the Secretary of the Treasury, requiring payment for the public lands sold to be made in specie, with an exception until the 15th of the present month, in favor of actual settlers. This measure has produced many salutary consequences. It checked the career of the western banks and gave them additional strength in anticipation of the pressure which has since surpassed our eastern as well as the European countries. By preventing the extension of the credit system, it measurably cut off the means of speculation, and retarded its progress in monopolizing the most valuable of the public lands. It has tended to secure the new States from a non-resident proprietor, one of the greatest obstacles to the advancement of a new country and the prosperity of an old one. It has tended to keep open the public lands for entry at a price, and to prevent the accumulation of land to purchase of speculators at double or triple prices. And it is conveying into the interior large sums in silver and gold, there to enter permanently into the currency of the country, and place it on a firmer foundation. It is confidently believed that the country will find in the motives which induce that order, and the happy consequences which have ensued, much to commend and nothing to censure.

It remains for Congress, if they approve the policy which dictated this order, to follow it up in its various bearings. Much good, in my judgment, would be produced by prohibiting sales of the public lands, except to actual settlers, at a reasonable price, and to limit the quantity of land which shall be sold to them. Although it is believed the General Government never ought to receive anything but the constitutional currency in exchange for the public lands, yet it would be better to receive the specie, and the lands were sold for immediate settlement and circulation. Indeed there is scarcely a mischief arising out of our present land system, including the accumulating surplus of revenue, which would not be remedied either by a restriction on land sales to actual settlers, and it promises other advantages to the country in general, and to the new States in particular, which cannot fail to receive the most prompt consideration.

Experiences continue to realize the expectations entertained as to the capacity of the State Banks to perform the duties of fiscal agents for the government, at the time of the removal of the deposits. It was at first apprehended that the banks of the new States would be unable to perform the duties of the State Banks, whatever might be the regulations of the Treasury Department, could not negotiate the domestic exchanges of the country. It is now well ascertained that the banks of the new States, through discounts, by the United States bank and its twenty-five branches, were at least one-third less than those of the old States for an equal period of time, and it is now ascertained that the receipts of services rendered by these institutions, on the broader basis which has been used by the advocates of the United States Bank in estimating what they consider the demand for the services of the banks of the United States that the State Banks, whatever might be the regulations of the Treasury Department, could not negotiate the domestic exchanges of the country. It is now well ascertained that the banks of the new States, through discounts, by the United States bank and its twenty-five branches, were at least one-third less than those of the old States for an equal period of time, and it is now ascertained that the receipts of services rendered by these institutions, on the broader basis which has been used by the advocates of the United States Bank in estimating what they consider the demand for the services of the banks of the United States that the State Banks, whatever might be the regulations of the Treasury Department, could not negotiate the domestic exchanges of the country.

The whole amount of public money transferred by the Bank of the United States in 1835, was \$10,000,000. The amount transferred and actually received by the bank in the year ending on the 1st of October last, was \$20,310,500; the amount transferred and paid between that period and the

16th of November, was \$3,300,000; and the amount of transfers warrants outstanding on that day was \$14,500,000, making an aggregate of \$28,168,500. These enormous sums of money first mentioned have been transferred with the greatest promptitude and regularity, and the rates at which the exchanges have been made, were generally below those charged by the Bank of the United States. Independence of these services which are far greater than those rendered by the United States Bank, and the deposit banks have a number of the deposit banks have, with a commendable zeal to aid in the improvement of the currency, imported from abroad, at their own expense, large sums of the precious metals, for coinage and circulation.

In the same manner have really all the perditions turned out in respect to the effect of the removal of the deposits—a step upon which it was foreseen that it would be unquestionably necessary, to prevent the Government, in a final struggle to procure a general of its charter. It may be thus, too, in some degree, with the further steps which may be taken to prevent the issue of bank paper; but it is to be hoped that nothing will now deter the Federal and State authorities from the firm and vigorous performance of their duties to themselves and to the people in this respect and circulation.

In reducing the revenue to the wants of the Government, your particular attention is invited to those articles which constitute the necessities of life. The duty on salt, which has been a source of great complaint, to assist in providing for the payment of the war debt. There is no article the release of which from taxation would be felt so generally and so beneficially. To this may be added all kinds of articles of domestic production and benevolence unite in favor of releasing the poor of our cities from burdens which are not necessary to the support of our Government, and tend only to increase the wants of the institutions. It will be seen by the report of the Secretary of the Treasury, and the accompanying documents, that the Bank of the United States has made no payment on account of the stock held by the Government in that institution, although used to pay any portion which might suit its convenience, and that it has given no information when payment may be expected. Nor although repeatedly requested, has it furnished the information in relation to its condition, which congress authorized the Secretary to collect, at their last session; such measures as are within the power of the Executive, have been taken to ascertain the value of the stock and to procure the payment as soon as possible.

The conduct and present condition of that bank and the great amount of capital vested in it by the United States, require your attention. Its charter expires on the 1st of March last, and it has now no power but that given in the 21st section to use the corporate name, style, and capacity, for the purpose of suits for the final settlement and liquidation of its debts, and the sale and disposal of its estate, real and personal, and mixed, but not for any other purpose, or in any other manner whatsoever, nor for a period exceeding two years after the expiration of its charter. Before the expiration of the charter, the stockholders of the bank obtained an act of incorporation from the Legislature of Pennsylvania, excluding only the United States, and its officers, and setting up their concerns, and pay over to the United States the amount due on account of the stock held by them, the president and directors of the old bank appear to have transferred the title, passed up the same, and together with the stock, cancelled and destroyed. Their re-issue is sanctioned by no law, and warranted by no necessity. If the United States be responsible in their stock for the payment of the charter, for their profit, is a fraud on the government. If the United States is not responsible, then there is no legal responsibility in any quarter, and it is a fraud on the country. They are the owners of the old bank, and its stock, but, contrary to the wishes of the retiring partner, and without his consent, are again re-issued and circulated.

It is the high and peculiar duty of Congress to decide whether any further legislation be necessary for the security of the large amount of public property now held and in use by the new bank, and for vindicating the rights of the Government, and compelling a speedy and honest settlement with all the creditors of the old bank, public and private, or whether the subject shall be left to the power now possessed by the Executive and Judiciary. It remains to be seen whether the persons, who, as managers of the bank, retained the public dividends, shall their doors upon a committee of the House of Representatives,

and filled the country with panic to accomplish their own selfish objects, may now, as managers of a new bank, continue with impunity to flood the country with a spurious currency, and the seven millions of Government stock for their own profit, and refuse to the United States all information as to the present condition of their own property, and prospect of recovering it into their own possession.

The lesson taught by the Bank of the United States cannot "will be lost upon the American people. They will take care to guard again to place so tremendous a power in irresponsible hands, and it will be fortunate if they seriously consider the consequences which are likely to result on a smaller scale from the facility with which corporate powers are granted by their State Governments.

It is believed that the law of the last session regulating the deposit banks, operates ungenerously and unjustly upon them in many respects, and it is hoped that Congress, in proper representation, will adopt the modifications which are necessary to prevent this consequence. The report of the Secretary of War and his accompanying documents, all of which are herewith laid before you, will give you a full view of the diversified and important operations of that Department during the past year.

The military movements rendered necessary by the aggressions of the hostile parties of the Seminole and Creek tribes of Indians and by other circumstances, have required the active employment of nearly our whole regular force, including the marine corps, and of large bodies of militia and volunteers. With all these events so far as they were known at the seat of Government before the termination of your last session, you are already aware that it is their duty to be useful in this place to lay before you a brief summary of what has occurred.

The war with the Seminoles, during the summer, was on our part confined to the protection of our frontier settlements, from the incursions of the enemy; and as a necessary and important means for the accomplishment of that end, to the maintenance of the post previously established. In the course of this year, several small detachments of regulars and men were conspicuously displayed, and which I have deemed it proper to notice, in respect to the former, by the granting of brevet rank for gallant services in the field. But as the forces were not so far west as the Florida territorial militia, had been temporarily invested with the command, an ample force, for the purposes of resuming offensive operations, in the month of August, was ordered to be sent to the Florida territory, and the conclusion of his Florida in the Creek country, to repair to Florida, and assume the command. I deeply sympathize for the interests of humanity, the hostilities with the Creeks were brought to a close soon after your adjournment, without that effusion of blood which at one time was apprehended as inevitable. The unconditional submission of the hostile party was followed by their speedy removal to the country assigned for their purpose. The angry and turbulent feelings of the Indians, in the purchase of the reservations of these Indians, and the causes of their hostilities requested, by the resolution of the House of Representatives of the 1st July last, to be made by the President, is now going on, through the agency of commissioners appointed for the purpose. The tranquillity may be expected during your present session.

The difficulties apprehended in the Cherokee country have been prevented, and the peace and safety of that region and its vicinity effectually secured, by the War Department, and still continued.

The discretionary authority given to General Gaines to cross the Sabine and to occupy a position as far west as Nacogdoches, in case he should deem such a step necessary to the protection of the frontier, and to the fulfillment of the stipulations contained in our treaty with Mexico, and the movement subsequently made by the volunteers, has been a happy and former part of this message. At the date of the latest intelligence from Nacogdoches, our troops were yet at that station; but the officer who has succeeded General Gaines has recently been advised that, from the facts known at the seat of Government, there would seem to be no adequate cause for any longer maintaining the position; and he was accordingly instructed, in case the troops were not already withdrawn under the discretionary powers before possessed by him, to give the requisite orders for that purpose on the receipt of the instructions which he will have in due time to possess; such information as shall satisfy him that the maintenance of the post is essential to the protection of our frontiers, and to the due execution of our treaty stipulations, as previously explained to him. Whilst the necessities existing during the present year, for the service of militia and volunteers, have not afforded new proofs of the patriotism of our fellow-citizens, they have also strongly illustrated the importance of an increase in the rank and file of the regular army. The views of this subject submitted by the Secretary of

War, in his report, meet my entire concurrence; and are earnestly commended to the deliberate attention of Congress. In this connection it is also proper to remind you, that the defects in our present militia system are rendered every day more apparent. The duty of making further provisions by law for organizing, arming and disciplining this arm of defense has been repeatedly presented to Congress by me, and by many of my predecessors. I deem it sufficient on this occasion to refer to the last annual message, and to former Executive communications, in which the subject has been discussed.

It appears from the reports of the officers charged with mustering into service the volunteers called for under the act of Congress of the last session, that more present themselves at the place of rendezvous in Tennessee than were sufficient to meet the requisition which had been made by the Secretary of War upon the Governor of that State. This was occasioned by the various calls for the different regiments of militia, so as to obtain the proper number of troops, and no more. It seems but just to the patriotic citizens who repaired to the general rendezvous, under circumstances authorizing them to believe that their services would be needed, that the expenses of the men whom they had supported at their homes, should be paid by the Government. I accordingly recommend that a law to this effect be passed by Congress, giving them a compensation which will cover their expenses on the march and at the place of rendezvous, and while there; in regular form, if it is their duty to be present to make provisions for such other equitable claims, growing out of the service of the militia, as may not be embraced in the existing laws.

On the unexpected breaking out of hostilities, in Florida, Alabama, and Georgia, it became necessary that the Government should make the property of individuals for public use. Provisions should be made by law for indemnifying the owners; and I would also respectfully suggest whether some provision may not be made, consistently with the principles of our government, for the relief of the sufferers by Indian depredations, or by the operations of our own troops.

No time was lost after the making of the requisite appropriations, in resuming the great national work of completing the unfinished fortifications on our seaboard, and of placing them in a proper state of repair, and of making the necessary repairs of the very late day at which those bills were passed, but little progress could be made during the season which has just closed. A very large amount of the remains granted at your last session, accordingly, remains unexpended; but as the work will be again resumed in the early part of the next year, the balance of the existing appropriations, and in several cases, which will be laid before you with the proper estimates, further sums for the like objects, may be usefully expended during the next year.

The recommissions of an increase in the rank of Captains, submitted to you in my last annual message, derive additional strength from the great embarrassments experienced during the present year, in those branches of the service, and under which they are now suffering. Several of the most important surveys and constructions directed by secret laws, have been suspended in consequence of the want of adequate force in these corps. The like observations may be applied to the Ordnance corps, and the General Staff, the operations of which, as they are now organized, must either be frequently interrupted, or performed by officers of inferior rank in the army, to the great prejudice of the service.

For a general view of the condition of the Military Academy, and of other branches of the military service not already noticed, as well as for full illustrations of those which have been mentioned in the accompanying documents; and among the various proposals contained therein for legislative action, I would particularly notice the suggestion of the Secretary of War for the revision of the pay of the army, as entitled to your favorable regard.

The national policy, founded alike in interest and in economy, so long and so steadily pursued by this Government, for the removal of the Indian tribes originally settled on this side of the Mississippi, to the west of that river, may be said to have been consummated by the conclusion of the late treaty with the Cherokee. The measures taken in the execution of the treaty, and in relation to our Indian affairs generally, will fully appear by referring to the accompanying papers. Without dwelling on the numerous and important topics embraced in them, I again invite your attention to the importance of providing a well digested and comprehensive system for the removal of the Indians, and the improvement of the various tribes now planted in the Indian country. The suggestions submitted by the Commissioner of Indian Affairs, and enforced by the Secretary, on this subject, and also in regard to the establish-

ment of additional military posts in the Indian country, are entitled to your profound consideration.

Both measures are necessary for the double purpose of protecting the Indians from intestine war, and in other respects complying with our engagements to them, and of securing our western frontier against incursions, which otherwise will assuredly be made. The best hope of humanity, in regard to the aboriginal race, the welfare of our rapidly extending settlements, and the honor of the United States, are all deeply involved in the relations existing between this Government and the emigrating tribes. I trust, therefore, that the various matters submitted in the accompanying documents in respect to those relations, will receive your early and mature deliberation, and that it may issue in the adoption of legislative measures, adapted to the circumstances, and duties of the present crisis.

You are referred to the report of the Secretaries of the Navy, for the details of the requisition of the operations for the Department under his charge, during the present year. In the construction of vessels at the different Navy yards, and in the employment of our ships and squadrons at sea, that branch of the service has been actively and successfully conducted. The situation of our commercial interests in the West Indies require a greater number than usual of armed vessels to be kept on that station, it is gratifying to perceive that the protection due to our commerce in other quarters of the world has not proved less successful. It is gratifying to perceive that the liberal appropriation for the purpose, and with the elevated character of the objects which are to be effected by it.

I beg leave to renew the recommendation made in my last annual message, respecting the enlistment of boys in our naval service, and to urge upon your attention the propriety of the appropriation to increase the number of ships afloat, and to enlarge generally the capacity and force of the navy. The increase of our commerce, and our position in regard to the other powers of the world, will always make it our policy and interest to cherish the great navy of our country.

The report of the Postmaster General presents a gratifying picture of the condition of the Post Office Department. Its revenues for the year ending the 30th of June last, were \$3,398,455 19, showing an increase of revenue over that of the preceding year of \$24,578 53, or more than 13 per cent. The expenditures for the same year were \$2,755,623 76, exhibiting a surplus of \$642,831 43. The Department has been maintained from embarrassment and debt, has accumulated a surplus exceeding half a million of dollars, has largely extended, and is preparing still further to extend its operations, and commends a reduction of postage equal to about 20 per cent. It is practising upon the great principle, which should control every branch of our Government, of rendering to the public the greatest good possible, with the least possible taxation to the people.

The details of postage suggested by the Postmaster General recommends itself, not only by the reduction it proposes, but by the simplicity of its arrangement, its conformity with the Federal currency, and the improvement is well introduced into the accounts of the Department and its agents.

Your particular attention is invited to the subject of mail contracts with railroad companies. The present laws, providing for the making of contracts, are based upon the presumption that competition among bidders will secure the service at a fair price, and that the public will be benefited there is no competition in that kind of transportation, and advertising is therefore useless. No contract can now be made with them except such as shall be negotiated before the time of offering, or afterwards, and the power of the Postmaster to select the route, and the price, is practically without limitation.

It would be a relief to him, and no doubt would conduce to the public interest, to prescribe, by law, some equitable basis upon which such contracts shall rest, and restrict him by a fixed rule of that sort. I have no doubt that he will be able to secure the services of most of the rail road companies, and the interest of the Department would be thus advanced.

The correspondence between the people of the United States and the European nations, and particularly with the British, has become very extensive, and requires the interposition of Congress to give it security. No obstacle is perceived to an interchange of mails between New York and Liverpool or other foreign ports, as proposed by the Postmaster General; on the contrary, it promises, by the

security it will afford, to facilitate commercial transactions, and give rise to an enlarged intercourse amongst people of different nations, which cannot but be a happy effect. Through the city of New York more of the correspondence between the Canada and Europe is now carried on, and urgent representations have been received from the head of the Provincial Post Office, respecting the interposition of the United States to prevent it from the benefits and losses to which it is now subjected. Some legislation appears to be called for, as well by our own interests, as by tonity to the adjoining British Provinces.

The expediency of providing a fire proof building for the important books and papers of the Post Office Department, is worthy of consideration. In the present condition of our Treasury, it is neither necessary nor wise to invest essential public interests exposed to so much danger, when they can so readily be made secure. The office of the Postmaster General, in the location of a new building for the Department, in favor of placing it near the other Executive buildings.

The important subjects of a survey of the coast, and a manufacture of a standard weight and measures for the different custom houses, have been under consideration for some years, under the general direction of the Executive, and the immediate superintendence of a gentleman possessing high scientific attainments. At the last session of Congress, the making of a set of weights and measures for each State in the Union was adopted, and is now being prepared.

The care and correspondence as to the subjects have been devolved on the Treasury Department during the last year. A special report from the Secretary of the Treasury will be communicated to Congress which will show what has been accomplished. Claims have been made for retrospective allowance in behalf of the superintendent, and some of his assistants, which I did not feel justified in granting; other claims have been made for large increases in compensation, which under all the circumstances of the several cases, I declined to grant without the express sanction of Congress.

In order to obtain that sanction, the subject was at the last session, on my suggestion, and by request of the immediate superintendent, submitted by the Treasury Department to the Committee of Commerce of the House of Representatives. But as the subject is of great importance, and the early attention of Congress is now invited to the enactment of some express and detailed provisions in relation to the various claims made for the past, and to the compensation and allowances deemed proper for the future.

It is further respectfully recommended that such being the inconvenience of attention to these duties by the Chief Magistrate, and such the great pressure of business on the Treasury Department, the general supervision of the coast survey, and the completion of weights and measures, and the works connected therewith, be devolved on a board of officers organized specially for that purpose, or on the Navy Board attached to the Navy Department.

All my experience and reflection confirm the conviction I have so often expressed to Congress, in favor of an amendment of the Constitution, which would, in any event, the election of President and Vice President of the United States devolving on the House of Representatives and the Senate; and I therefore beg leave again to solicit your attention to this subject. There were various other suggestions, and particularly that relating to the want of uniformity in the laws of the District of Columbia, that are deemed worthy of your consideration.

Before concluding this paper, I think it due to the various Executive Departments to bestow some expression of the confidence in, and to the ability and integrity with which they have been conducted. It has been my aim to enforce in all of them a vigilant and faithful discharge of the public business, and it is gratifying to me to believe that their is just cause of complacency, and any suggestion of the contrary which they have fulfilled the objects of their creation.

Having now finished the observations deemed proper on this, the last occasion I shall have of communicating with the two Houses of Congress at their meeting, I cannot omit an expression of the gratitude which is due to the great body of my fellow citizens, in whose partiality and indulgence I have found encouragement and support in the many difficult and trying scenes through which it has been my lot to pass during my public career. Though I have seen any suggestion of the contrary, I have been crowned with such correspondence. (Concluded on 4th page.)

(Continued from last page)
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