

to within our acknowledged limits was uninhabited and a wilderness. Since then new territory has been acquired of vast extent, comprising within it many rivers, particularly the Mississippi, the navigation of which to the ocean was of the highest importance to the original States. Over this territory our population has expanded in every direction, and new States have been established almost equal in number to those which formed the first bond of our Union. This expansion of our population and accession of new States to our Union have had the happiest effect on all its highest interests. That it has eminently augmented our resources and added to our strength and respectability as a power is admitted by all. But it is not in these important circumstances only that this happy effect is felt. It is manifest that by enlarging the basis of our system and increasing the number of States the system itself has been greatly strengthened in both its branches. Consolidation and disunion have thereby been rendered equally impracticable. Each Government, confiding in its own strength, has less to apprehend from the other, and in consequence each, enjoying a greater freedom of action, is rendered more efficient for all the purposes for which it was instituted. It is unnecessary to treat here of the vast improvement made in the system itself by the adoption of this Constitution and of its happy effect in elevating the character and in protecting the rights of the nation as well as of individuals. To what, then, do we owe these blessings? It is known to all that we derive them from the excellence of our institutions. Ought we not, then, to adopt every measure which may be necessary to perpetuate them?

EIGHTH ANNUAL MESSAGE.

WASHINGTON, December 7, 1824.

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

The view which I have now to present to you of our affairs, foreign and domestic, realizes the most sanguine anticipations which have been entertained of the public prosperity. If we look to the whole, our growth as a nation continues to be rapid beyond example; if to the States which compose it, the same gratifying spectacle is exhibited. Our expansion over the vast territory within our limits has been great, without indicating any decline in those sections from which the emigration has been most conspicuous. We have daily gained strength by a native population in every quarter—a population devoted to our happy system of government

and cherishing the bond of union with fraternal affection. Experience has already shewn that the difference of climate and of industry, proceeding from that cause, inseparable from such vast domains, and which under other systems might have a repulsive tendency, can not fail to produce with us under wise regulations the opposite effect. What one portion wants the other may supply; and this will be most sensibly felt by the parts most distant from each other, forming thereby a domestic market and an active intercourse between the extremes and throughout every portion of our Union. Thus by a happy distribution of power between the National and State Governments, Governments which rest exclusively on the sovereignty of the people and are fully adequate to the great purposes for which they were respectively instituted, causes which might otherwise lead to dismemberment operate powerfully to draw us closer together. In every other circumstance a correct view of the actual state of our Union must be equally gratifying to our constituents. Our relations with foreign powers are of a friendly character, although certain interesting differences remain unsettled with some. Our revenue under the mild system of impost and tonnage continues to be adequate to all the purposes of the Government. Our agriculture, commerce, manufactures, and navigation flourish. Our fortifications are advancing in the degree authorized by existing appropriations to maturity, and due progress is made in the augmentation of the Navy to the limit prescribed for it by law. For these blessings we owe to Almighty God, from whom we derive them, and with profound reverence, our most grateful and unceasing acknowledgments.

In adverting to our relations with foreign powers, which are always an object of the highest importance, I have to remark that of the subjects which have been brought into discussion with them during the present Administration some have been satisfactorily terminated, others have been suspended, to be resumed hereafter under circumstances more favorable to success, and others are still in negotiation, with the hope that they may be adjusted with mutual accommodation to the interests and to the satisfaction of the respective parties. It has been the invariable object of this Government to cherish the most friendly relations with every power, and on principles and conditions which might make them permanent. A systematic effort has been made to place our commerce with each power on a footing of perfect reciprocity, to settle with each in a spirit of candor and liberality all existing differences, and to anticipate and remove so far as it might be practicable all causes of future variance.

It having been stipulated by the seventh article of the convention of navigation and commerce which was concluded on the 24th of June, 1822, between the United States and France, that the said convention should continue in force for two years from the 1st of October of that year, and for an indefinite term afterwards, unless one of the parties should declare its intention to renounce it, in which event it should cease to operate at

the end of six months from such declaration, and no such intention having been announced, the convention having been found advantageous to both parties, it has since remained, and still remains, in force. At the time when that convention was concluded many interesting subjects were left unsettled, and particularly our claim to indemnity for spoliations which were committed on our commerce in the late wars. For these interests and claims it was in the contemplation of the parties to make provision at a subsequent day by a more comprehensive and definitive treaty. The object has been duly attended to since by the Executive, but as yet it has not been accomplished. It is hoped that a favorable opportunity will present itself for opening a negotiation which may embrace and arrange all existing differences and every other concern in which they have a common interest upon the accession of the present King of France, an event which has occurred since the close of the last session of Congress.

With Great Britain our commercial intercourse rests on the same footing that it did at the last session. By the convention of 1815 the commerce between the United States and the British dominions in Europe and the East Indies was arranged on a principle of reciprocity. That convention was confirmed and continued in force, with slight exceptions, by a subsequent treaty for the term of ten years from the 20th of October, 1818, the date of the latter. The trade with the British colonies in the West Indies has not as yet been arranged, by treaty or otherwise, to our satisfaction. An approach to that result has been made by legislative acts, whereby many serious impediments which had been raised by the parties in defense of their respective claims were removed. An earnest desire exists, and has been manifested on the part of this Government, to place the commerce with the colonies, likewise, on a footing of reciprocal advantage, and it is hoped that the British Government, seeing the justice of the proposal and its importance to the colonies, will ere long accede to it.

The commissioners who were appointed for the adjustment of the boundary between the territories of the United States and those of Great Britain, specified in the fifth article of the treaty of Ghent, having disagreed in their decision, and both Governments having agreed to establish that boundary by amicable negotiation between them, it is hoped that it may be satisfactorily adjusted in that mode. The boundary specified by the sixth article has been established by the decision of the commissioners. From the progress made in that provided for by the seventh, according to a report recently received, there is good cause to presume that it will be settled in the course of the ensuing year.

It is a cause of serious regret that no arrangement has yet been finally concluded between the two Governments to secure by joint cooperation the suppression of the slave trade. It was the object of the British Government in the early stages of the negotiation to adopt a plan for the suppression which should include the concession of the mutual right of

search by the ships of war of each party of the vessels of the other for suspected offenders. This was objected to by this Government on the principle that as the right of search was a right of war of a belligerent toward a neutral power it might have an ill effect to extend it by treaty, to an offense which had been made comparatively mild, to a time of peace. Anxious, however, for the suppression of this trade, it was thought advisable, in compliance with a resolution of the House of Representatives, founded on an act of Congress, to propose to the British Government an expedient which should be free from that objection and more effectual for the object, by making it piratical. In that mode the enormity of the crime would place the offenders out of the protection of their Government, and involve no question of search or other question between the parties touching their respective rights. It was believed, also, that it would completely suppress the trade in the vessels of both parties, and by their respective citizens and subjects in those of other powers, with whom it was hoped that the odium which would thereby be attached to it would produce a corresponding arrangement, and by means thereof its entire extirpation forever. A convention to this effect was concluded and signed in London on the 13th day of March, 1824, by plenipotentiaries duly authorized by both Governments, to the ratification of which certain obstacles have arisen which are not yet entirely removed. The difference between the parties still remaining has been reduced to a point not of sufficient magnitude, as is presumed, to be permitted to defeat an object so near to the heart of both nations and so desirable to the friends of humanity throughout the world. As objections, however, to the principle recommended by the House of Representatives, or at least to the consequences inseparable from it, and which are understood to apply to the law, have been raised, which may deserve a reconsideration of the whole subject, I have thought it proper to suspend the conclusion of a new convention until the definitive sentiments of Congress may be ascertained. The documents relating to the negotiation are with that intent submitted to your consideration.

Our commerce with Sweden has been placed on a footing of perfect reciprocity by treaty, and with Russia, the Netherlands, Prussia, the free Hanseatic cities, the Dukedom of Oldenburg, and Sardinia by internal regulations on each side, founded on mutual agreement between the respective Governments.

The principles upon which the commercial policy of the United States is founded are to be traced to an early period. They are essentially connected with those upon which their independence was declared, and owe their origin to the enlightened men who took the lead in our affairs at that important epoch. They are developed in their first treaty of commerce with France of 6th February, 1778, and by a formal commission which was instituted immediately after the conclusion of their Revolutionary struggle, for the purpose of negotiating treaties of commerce with every

European power. The first treaty of the United States with Prussia, which was negotiated by that commission, affords a signal illustration of those principles. The act of Congress of the 3d March, 1815, adopted immediately after the return of a general peace, was a new overture to foreign nations to establish our commercial relations with them on the basis of free and equal reciprocity. That principle has pervaded all the acts of Congress and all the negotiations of the Executive on the subject.

A convention for the settlement of important questions in relation to the northwest coast of this continent and its adjoining seas was concluded and signed at St. Petersburg on the 5th day of April last by the minister plenipotentiary of the United States and plenipotentiaries of the Imperial Government of Russia. It will immediately be laid before the Senate for the exercise of the constitutional authority of that body with reference to its ratification. It is proper to add that the manner in which this negotiation was invited and conducted on the part of the Emperor has been very satisfactory.

The great and extraordinary changes which have happened in the Governments of Spain and Portugal within the last two years, without seriously affecting the friendly relations which under all of them have been maintained with those powers by the United States, have been obstacles to the adjustment of the particular subjects of discussion which have arisen with each. A resolution of the Senate adopted at their last session called for information as to the effect produced upon our relations with Spain by the recognition on the part of the United States of the independent South American Governments. The papers containing that information are now communicated to Congress.

A chargé d'affaires has been received from the independent Government of Brazil. That country, heretofore a colonial possession of Portugal, had some years since been proclaimed by the Sovereign of Portugal himself an independent Kingdom. Since his return to Lisbon a revolution in Brazil has established a new Government there with an imperial title, at the head of which is placed a prince, in whom the regency had been vested by the King at the time of his departure. There is reason to expect that by amicable negotiation the independence of Brazil will ere long be recognized by Portugal herself.

With the remaining powers of Europe, with those on the coast of Barbary, and with all the new South American States our relations are of a friendly character. We have ministers plenipotentiary residing with the Republics of Colombia and Chile, and have received ministers of the same rank from Colombia, Guatemala, Buenos Ayres, and Mexico. Our commercial relations with all those States are mutually beneficial and increasing. With the Republic of Colombia a treaty of commerce has been formed, of which a copy is received and the original daily expected. A negotiation for a like treaty would have been commenced with Buenos Ayres had it not been prevented by the indisposition and lamented

decease of Mr. Rodney, our minister there, and to the memory the most respectful attention has been shewn by the Government of that Republic. An advantageous alteration in our treaty with Tunis has been obtained by our consular agent residing there, the official document of which when received will be laid before the Senate.

The attention of the Government has been drawn with great solicitude to other subjects, and particularly to that relating to a state of maritime war, involving the relative rights of neutral and belligerent in such wars. Most of the difficulties which we have experienced and of the losses which we have sustained since the establishment of our independence have proceeded from the unsettled state of those rights and the extent to which the belligerent claim has been carried against the neutral party. It is impossible to look back on the occurrences of the late wars in Europe, and to behold the disregard which was paid to our rights as a neutral power, and the waste which was made of our commerce by the parties to those wars by various acts of their respective Governments, and under the pretext by each that the other had set the example, without great mortification and a fixed purpose never to submit to the like in future. An attempt to remove those causes of possible variance by friendly negotiation and on just principles which should be applicable to all parties could, it was presumed, be viewed by none other than as a proof of an earnest desire to preserve those relations with every power. In the late war between France and Spain a crisis occurred in which it seemed probable that all the controvertible principles involved in such wars might be brought into discussion and settled to the satisfaction of all parties. Propositions having this object in view have been made to the Governments of Great Britain, France, Russia, and of other powers, which have been received in a friendly manner by all, but as yet no treaty has been formed with either for its accomplishment. The policy will, it is presumed, be persevered in, and in the hope that it may be successful.

It will always be recollected that with one of the parties to those wars, and from whom we received those injuries, we sought redress by war. From the other, by whose then reigning Government our vessels were seized in port as well as at sea and their cargoes confiscated, indemnity has been expected, but has not yet been rendered. It was under the influence of the latter that our vessels were likewise seized by the Governments of Spain, Holland, Denmark, Sweden, and Naples, and from whom indemnity has been claimed and is still expected, with the exception of Spain, by whom it has been rendered. With both parties we had abundant cause of war, but we had no alternative but to resist that which was most powerful at sea and pressed us nearest at home. With this all differences were settled by a treaty, founded on conditions fair and honorable to both, and which has been so far executed with perfect good faith. It has been earnestly hoped that the other would of its own accord, and from a sentiment of justice and conciliation, make to our citizens the indemnity to which they are entitled, and thereby remove from

our relations any just cause of discontent on our side.

It is estimated that the receipts into the Treasury during the current year, exclusive of loans, will exceed \$18,500,000, which, with the sum remaining in the Treasury at the end of the last year, amounting to \$9,463,922.81, will, after discharging the current disbursements of the year, the interest on the public debt, and upward of \$11,633,011.52 of the principal, leave a balance of more than \$3,000,000 in the Treasury on the 1st day of January next.

A larger amount of the debt contracted during the late war, bearing an interest of 6 per cent, becoming redeemable in the course of the ensuing year than could be discharged by the ordinary revenue, the act of the 26th of May authorized a loan of \$5,000,000 at 4½ per cent to meet the same. By this arrangement an annual saving will accrue to the public of \$75,000.

Under the act of the 24th of May last a loan of \$5,000,000 was authorized, in order to meet the awards under the Florida treaty, which was negotiated at par with the Bank of the United States at 4½ per cent, the limit of interest fixed by the act. By this provision the claims of our citizens who had sustained so great a loss by spoliations, and from whom indemnity had been so long withheld, were promptly paid. For these advances the public will be amply repaid at no distant day by the sale of the lands in Florida. Of the great advantages resulting from the acquisition of the Territory in other respects too high an estimate can not be formed.

It is estimated that the receipts into the Treasury during the year 1825 will be sufficient to meet the disbursements of the year, including the sum of \$10,000,000, which is annually appropriated by the act constituting the sinking fund to the payment of the principal and interest of the public debt.

The whole amount of the public debt on the 1st of January next may be estimated at \$86,000,000, inclusive of \$2,500,000 of the loan authorized by the act of the 26th of May last. In this estimate is included a stock of \$7,000,000, issued for the purchase of that amount of the capital stock of the Bank of the United States, and which, as the stock of the bank still held by the Government will at least be fully equal to its reimbursement, ought not to be considered as constituting a part of the public debt. Estimating, then, the whole amount of the public debt at \$79,000,000 and regarding the annual receipts and expenditures of the Government, a well-founded hope may be entertained that, should no unexpected event occur, the whole of the public debt may be discharged in the course of ten years, and the Government be left at liberty thereafter to apply such portion of the revenue as may not be necessary for current expenses to such other objects as may be most conducive to the public security and welfare. That the sums applicable to these objects will be very considerable may be fairly concluded when it is recollected that a large amount of the public revenue has been applied since the late war

to the construction of the public buildings in this country to the erection of fortifications along the coast and of arsenals in different parts of the Union; to the augmentation of the Navy; to the extinguishment of the Indian title to large tracts of fertile territory; to the acquisition of Florida; to pensions to Revolutionary officers and soldiers, and to invalids of the late war. On many of these objects the expense will annually be diminished and cease at no distant period on most of them. On the 1st of January, 1817, the public debt amounted to \$123,491,965.16, and, notwithstanding the large sums which have been applied to these objects, it has been reduced since that period \$37,446,961.78. The last portion of the public debt will be redeemable on the 1st of January, 1835, and while there is the best reason to believe that the resources of the Government will be continually adequate to such portions of it as may become due in the interval, it is recommended to Congress to seize every opportunity which may present itself to reduce the rate of interest on every part thereof. The high state of the public credit and the great abundance of money are at this time very favorable to such a result. It must be very gratifying to our fellow-citizens to witness this flourishing state of the public finances when it is recollected that no burthen whatever has been imposed upon them.

The military establishment in all its branches, in the performance of the various duties assigned to each, justifies the favorable view which was presented of the efficiency of its organization at the last session. All the appropriations have been regularly applied to the objects intended by Congress, and so far as the disbursements have been made the accounts have been rendered and settled without loss to the public. The condition of the Army itself, as relates to the officers and men, in science and discipline is highly respectable. The Military Academy, on which the Army essentially rests, and to which it is much indebted for this state of improvement, has attained, in comparison with any other institution of a like kind, a high degree of perfection. Experience, however, has shewn that the dispersed condition of the corps of artillery is unfavorable to the discipline of that important branch of the military establishment. To remedy this inconvenience, eleven companies have been assembled at the fortification erected at Old Point Comfort as a school for artillery instruction, with intention as they shall be perfected in the various duties of that service to order them to other posts, and to supply their places with other companies for instruction in like manner. In this mode a complete knowledge of the science and duties of this arm will be extended throughout the whole corps of artillery. But to carry this object fully into effect will require the aid of Congress, to obtain which the subject is now submitted to your consideration.

Of the progress which has been made in the construction of fortifications for the permanent defense of our maritime frontier, according to the plan decided on and to the extent of the existing appropriations

the report of the Secretary of War, which is herewith communicated, will give a detailed account. Their final completion can not fail to give great additional security to that frontier, and to diminish proportionably the expense of defending it in the event of war.

The provisions in the several acts of Congress of the last session for the improvement of the navigation of the Mississippi and the Ohio, of the harbor of Presqu'isle, on Lake Erie, and the repair of the Plymouth beach are in a course of regular execution; and there is reason to believe that the appropriation in each instance will be adequate to the object. To carry these improvements fully into effect, the superintendence of them has been assigned to officers of the Corps of Engineers.

Under the act of 30th April last, authorizing the President to cause a survey to be made, with the necessary plans and estimates, of such roads and canals as he might deem of national importance in a commercial or military point of view, or for the transportation of the mail, a board has been instituted, consisting of two distinguished officers of the Corps of Engineers and a distinguished civil engineer, with assistants, who have been actively employed in carrying into effect the object of the act. They have carefully examined the route between the Potomac and the Ohio rivers; between the latter and Lake Erie; between the Alleghany and the Susquehannah; and the routes between the Delaware and the Raritan, Barnstable and Buzzards Bay, and between Boston Harbor and Narraganset Bay. Such portion of the Corps of Topographical Engineers as could be spared from the survey of the coast has been employed in surveying the very important route between the Potomac and the Ohio. Considerable progress has been made in it, but the survey can not be completed until the next season. It is gratifying to add, from the view already taken, that there is good cause to believe that this great national object may be fully accomplished.

It is contemplated to commence early in the next season the execution of the other branch of the act—that which relates to roads—and with the survey of a route from this city, through the Southern States, to New Orleans, the importance of which can not be too highly estimated. All the officers of both the corps of engineers who could be spared from other services have been employed in exploring and surveying the routes for canals. To digest a plan for both objects for the great purposes specified will require a thorough knowledge of every part of our Union and of the relation of each part to the others and of all to the seat of the General Government. For such a digest it will be necessary that the information be full, minute, and precise. With a view to these important objects, I submit to the consideration of the Congress the propriety of enlarging both the corps of engineers—the military and topographical. It need scarcely be remarked that the more extensively these corps are engaged in the improvement of their country, in the execution of the powers of Congress, and in aid of the States in such improvements as lie beyond that

limit, when such aid is desired, the happier the effect will be in many views of which the subject is susceptible. By profiting of their science the works will always be well executed, and by giving to the officers such employment our Union will derive all the advantage, in peace as well as in war, from their talents and services which they can afford. In this mode, also, the military will be incorporated with the civil, and unfounded and injurious distinctions and prejudices of every kind be done away. To the corps themselves this service can not fail to be equally useful, since by the knowledge they would thus acquire they would be eminently better qualified in the event of war for the great purposes for which they were instituted.

Our relations with the Indian tribes within our limits have not been materially changed during the year. The hostile disposition evinced by certain tribes on the Missouri during the last year still continues, and has extended in some degree to those on the Upper Mississippi and the Upper Lakes. Several parties of our citizens have been plundered and murdered by those tribes. In order to establish relations of friendship with them, Congress at the last session made an appropriation for treaties with them and for the employment of a suitable military escort to accompany and attend the commissioners at the places appointed for the negotiations. This object has not been effected. The season was too far advanced when the appropriation was made and the distance too great to permit it, but measures have been taken, and all the preparations will be completed to accomplish it at an early period in the next season.

Believing that the hostility of the tribes, particularly on the Upper Mississippi and the Lakes, is in no small degree owing to the wars which are carried on between the tribes residing in that quarter, measures have been taken to bring about a general peace among them, which, if successful, will not only tend to the security of our citizens, but be of great advantage to the Indians themselves.

With the exception of the tribes referred to, our relations with all the others are on the same friendly footing, and it affords me great satisfaction to add that they are making steady advances in civilization and the improvement of their condition. Many of the tribes have already made great progress in the arts of civilized life. This desirable result has been brought about by the humane and persevering policy of the Government, and particularly by means of the appropriation for the civilization of the Indians. There have been established under the provisions of this act 32 schools, containing 916 scholars, who are well instructed in several branches of literature, and likewise in agriculture and the ordinary arts of life.

Under the appropriation to authorize treaties with the Creeks and Quaupaw Indians commissioners have been appointed and negotiations are now pending, but the result is not yet known.

For more full information respecting the principle which has been adopted for carrying into effect the act of Congress authorizing surveys,

with plans and estimates for canals and roads, and on every other branch of duty incident to the Department of War, I refer you to the report of the Secretary.

The squadron in the Mediterranean has been maintained in the extent which was proposed in the report of the Secretary of the Navy of the last year, and has afforded to our commerce the necessary protection in that sea. Apprehending, however, that the unfriendly relations which have existed between Algiers and some of the powers of Europe might be extended to us, it has been thought expedient to augment the force there, and in consequence the *North Carolina*, a ship of the line, has been prepared, and will sail in a few days to join it.

The force employed in the Gulf of Mexico and in the neighboring seas for the suppression of piracy has likewise been preserved essentially in the state in which it was during the last year. A persevering effort has been made for the accomplishment of that object, and much protection has thereby been afforded to our commerce, but still the practice is far from being suppressed. From every view which has been taken of the subject it is thought that it will be necessary rather to augment than to diminish our force in that quarter. There is reason to believe that the piracies now complained of are committed by bands of robbers who inhabit the land, and who, by preserving good intelligence with the towns and seizing favorable opportunities, rush forth and fall on unprotected merchant vessels, of which they make an easy prey. The pillage thus taken they carry to their lurking places, and dispose of afterwards at prices tending to seduce the neighboring population. This combination is understood to be of great extent, and is the more to be deprecated because the crime of piracy is often attended with the murder of the crews, these robbers knowing if any survived their lurking places would be exposed and they be caught and punished. That this atrocious practice should be carried to such extent is cause of equal surprise and regret. It is presumed that it must be attributed to the relaxed and feeble state of the local governments, since it is not doubted, from the high character of the governor of Cuba, who is well known and much respected here, that if he had the power he would promptly suppress it. Whether those robbers should be pursued on the land, the local authorities be made responsible for these atrocities, or any other measure be resorted to to suppress them, is submitted to the consideration of Congress.

In execution of the laws for the suppression of the slave trade a vessel has been occasionally sent from that squadron to the coast of Africa with orders to return thence by the usual track of the slave ships, and to seize any of our vessels which might be engaged in that trade. None have been found, and it is believed that none are thus employed. It is well known, however, that the trade still exists under other flags.

The health of our squadron while at Thompsons Island has been much better during the present than it was the last season. Some improve-

ments have been made and others are contemplated which, it is believed, will have a very salutary effect.

On the Pacific our commerce has much increased, and on that coast, as well as on that sea, the United States have many important interests which require attention and protection. It is thought that all the considerations which suggested the expediency of placing a squadron on that sea operate with augmented force for maintaining it there, at least in equal extent.

For detailed information respecting the state of our maritime force on each sea, the improvement necessary to be made on either in the organization of the naval establishment generally, and of the laws for its better government I refer you to the report of the Secretary of the Navy, which is herewith communicated.

The revenue of the Post-Office Department has received a considerable augmentation in the present year. The current receipts will exceed the expenditures, although the transportation of the mail within the year has been much increased. A report of the Postmaster-General, which is transmitted, will furnish in detail the necessary information respecting the administration and present state of this Department.

In conformity with a resolution of Congress of the last session, an invitation was given to General Lafayette to visit the United States, with an assurance that a ship of war should attend at any port of France which he might designate, to receive and convey him across the Atlantic, whenever it might be convenient for him to sail. He declined the offer of the public ship from motives of delicacy, but assured me that he had long intended and would certainly visit our Union in the course of the present year. In August last he arrived at New York, where he was received with the warmth of affection and gratitude to which his very important and disinterested services and sacrifices in our Revolutionary struggle so eminently entitled him. A corresponding sentiment has since been manifested in his favor throughout every portion of our Union, and affectionate invitations have been given him to extend his visits to them. To these he has yielded all the accommodation in his power. At every designated point of rendezvous the whole population of the neighboring country has been assembled to greet him, among whom it has excited in a peculiar manner the sensibility of all to behold the surviving members of our Revolutionary contest, civil and military, who had shared with him in the toils and dangers of the war, many of them in a decrepit state. A more interesting spectacle, it is believed, was never witnessed, because none could be founded on purer principles, none proceed from higher or more disinterested motives. That the feelings of those who had fought and bled with him in a common cause should have been much excited was natural. There are, however, circumstances attending these interviews which pervaded the whole community and touched the breasts of every age, even the youngest among us. There was not an individual present who had

not some relative who had not partaken in those scenes, nor an infant who had not heard the relation of them. But the circumstance which was most sensibly felt, and which his presence brought forcibly to the recollection of all, was the great cause in which we were engaged and the blessings which we have derived from our success in it. The struggle was for independence and liberty, public and personal, and in this we succeeded. The meeting with one who had borne so distinguished a part in that great struggle, and from such lofty and disinterested motives, could not fail to affect profoundly every individual and of every age. It is natural that we should all take a deep interest in his future welfare, as we do. His high claims on our Union are felt, and the sentiment universal that they should be met in a generous spirit. Under these impressions I invite your attention to the subject, with a view that, regarding his very important services, losses, and sacrifices, a provision may be made and tendered to him which shall correspond with the sentiments and be worthy the character of the American people.

In turning our attention to the condition of the civilized world, in which the United States have always taken a deep interest, it is gratifying to see how large a portion of it is blessed with peace. The only wars which now exist within that limit are those between Turkey and Greece, in Europe, and between Spain and the new Governments, our neighbors, in this hemisphere. In both these wars the cause of independence, of liberty and humanity, continues to prevail. The success of Greece, when the relative population of the contending parties is considered, commands our admiration and applause, and that it has had a similar effect with the neighboring powers is obvious. The feeling of the whole civilized world is excited in a high degree in their favor. May we not hope that these sentiments, winning on the hearts of their respective Governments, may lead to a more decisive result; that they may produce an accord among them to replace Greece on the ground which she formerly held, and to which her heroic exertions at this day so eminently entitle her?

With respect to the contest to which our neighbors are a party, it is evident that Spain as a power is scarcely felt in it. These new States had completely achieved their independence before it was acknowledged by the United States, and they have since maintained it with little foreign pressure. The disturbances which have appeared in certain portions of that vast territory have proceeded from internal causes, which had their origin in their former Governments and have not yet been thoroughly removed. It is manifest that these causes are daily losing their effect, and that these new States are settling down under Governments elective and representative in every branch, similar to our own. In this course we ardently wish them to persevere, under a firm conviction that it will promote their happiness. In this, their career, however, we have not interfered, believing that every people have a right to institute for themselves the government which, in their judgment, may suit them best.

Our example is before them, of the good effect of which among our neighbors, they are competent judges, and to their judgment we leave it, in the expectation that other powers will pursue the same policy. The deep interest which we take in their independence, which we have acknowledged, and in their enjoyment of all the rights incident thereto, especially in the very important one of instituting their own Governments, has been declared, and is known to the world. Separated as we are from Europe by the great Atlantic Ocean, we can have no concern in the wars of the European Governments nor in the causes which produce them. The balance of power between them, into whichever scale it may turn in its various vibrations, can not affect us. It is the interest of the United States to preserve the most friendly relations with every power and on conditions fair, equal, and applicable to all. But in regard to our neighbors our situation is different. It is impossible for the European Governments to interfere in their concerns, especially in those alluded to, which are vital, without affecting us; indeed, the motive which might induce such interference in the present state of the war between the parties, if a war it may be called, would appear to be equally applicable to us. It is gratifying to know that some of the powers with whom we enjoy a very friendly intercourse, and to whom these views have been communicated, have appeared to acquiesce in them.

The augmentation of our population with the expansion of our Union and increased number of States have produced effects in certain branches of our system which merit the attention of Congress. Some of our arrangements, and particularly the judiciary establishment, were made with a view to the original thirteen States only. Since then the United States have acquired a vast extent of territory; eleven new States have been admitted into the Union, and Territories have been laid off for three others, which will likewise be admitted at no distant day. An organization of the Supreme Court which assigns to the judges any portion of the duties which belong to the inferior, requiring their passage over so vast a space under any distribution of the States that may now be made, if not impracticable in the execution, must render it impossible for them to discharge the duties of either branch with advantage to the Union. The duties of the Supreme Court would be of great importance if its decisions were confined to the ordinary limits of other tribunals, but when it is considered that this court decides, and in the last resort, on all the great questions which arise under our Constitution, involving those between the United States individually, between the States and the United States, and between the latter and foreign powers, too high an estimate of their importance can not be formed. The great interests of the nation seem to require that the judges of the Supreme Court should be exempted from every other duty than those which are incident to that high trust. The organization of the inferior courts would of course be adapted to circumstances. It is presumed that such an one might be formed as would

secure an able and faithful discharge of their duties, and without any material augmentation of expense.

The condition of the aborigines within our limits, and especially those who are within the limits of any of the States, merits likewise particular attention. Experience has shown that unless the tribes be civilized they can never be incorporated into our system in any form whatever. It has likewise shown that in the regular augmentation of our population with the extension of our settlements their situation will become deplorable, if their extinction is not menaced. Some well-digested plan which will rescue them from such calamities is due to their rights, to the rights of humanity, and to the honor of the nation. Their civilization is indispensable to their safety, and this can be accomplished only by degrees. The process must commence with the infant state, through whom some effect may be wrought on the parental. Difficulties of the most serious character present themselves to the attainment of this very desirable result on the territory on which they now reside. To remove them from it by force, even with a view to their own security and happiness, would be revolting to humanity and utterly unjustifiable. Between the limits of our present States and Territories and the Rocky Mountains and Mexico there is a vast territory to which they might be invited with inducements which might be successful. It is thought if that territory should be divided into districts by previous agreement with the tribes now residing there and civil governments be established in each, with schools for every branch of instruction in literature and the arts of civilized life, that all the tribes now within our limits might gradually be drawn there. The execution of this plan would necessarily be attended with expense, and that not inconsiderable, but it is doubted whether any other can be devised which would be less liable to that objection or more likely to succeed.

In looking to the interests which the United States have on the Pacific Ocean and on the western coast of this continent, the propriety of establishing a military post at the mouth of Columbia River, or at some other point in that quarter within our acknowledged limits, is submitted to the consideration of Congress. Our commerce and fisheries on that sea and along the coast have much increased and are increasing. It is thought that a military post, to which our ships of war might resort, would afford protection to every interest, and have a tendency to conciliate the tribes to the northwest, with whom our trade is extensive. It is thought also that by the establishment of such a post the intercourse between our Western States and Territories and the Pacific and our trade with the tribes residing in the interior on each side of the Rocky Mountains would be essentially promoted. To carry this object into effect the appropriation of an adequate sum to authorize the employment of a frigate, with an officer of the Corps of Engineers, to explore the mouth of the Columbia River and the coast contiguous thereto, to enable the Executive to make

such establishment at the most suitable point, is recommended to Congress.

It is thought that attention is also due to the improvement of this city. The communication between the public buildings and in various other parts and the grounds around those buildings require it. It is presumed also that the completion of the canal from the Tiber to the Eastern Branch would have a very salutary effect. Great exertions have been made and expenses incurred by the citizens in improvements of various kinds; but those which are suggested belong exclusively to the Government, or are of a nature to require expenditures beyond their resources. The public lots which are still for sale would, it is not doubted, be more than adequate to these purposes.

From the view above presented it is manifest that the situation of the United States is in the highest degree prosperous and happy. There is no object which as a people we can desire which we do not possess or which is not within our reach. Blessed with governments the happiest which the world ever knew, with no distinct orders in society or divided interests in any portion of the vast territory over which their dominion extends, we have every motive to cling together which can animate a virtuous and enlightened people. The great object is to preserve these blessings, and to hand them down to the latest posterity. Our experience ought to satisfy us that our progress under the most correct and provident policy will not be exempt from danger. Our institutions form an important epoch in the history of the civilized world. On their preservation and in their utmost purity everything will depend. Extending as our interests do to every part of the inhabited globe and to every sea to which our citizens are carried by their industry and enterprise, to which they are invited by the wants of others, and have a right to go, we must either protect them in the enjoyment of their rights or abandon them in certain events to waste and desolation. Our attitude is highly interesting as relates to other powers, and particularly to our southern neighbors. We have duties to perform with respect to all to which we must be faithful. To every kind of danger we should pay the most vigilant and unceasing attention, remove the cause where it may be practicable, and be prepared to meet it when inevitable.

Against foreign danger the policy of the Government seems to be already settled. The events of the late war admonished us to make our maritime frontier impregnable by a well-digested chain of fortifications, and to give efficient protection to our commerce by augmenting our Navy to a certain extent, which has been steadily pursued, and which it is incumbent upon us to complete as soon as circumstances will permit. In the event of war it is on the maritime frontier that we shall be assailed. It is in that quarter, therefore, that we should be prepared to meet the attack. It is there that our whole force will be called into action to prevent the destruction of our towns and the desolation and pillage of the

interior. To give full effect to this policy great improvements will be indispensable. Access to those works by every practicable communication should be made easy and in every direction. The intercourse between every part of our Union should also be promoted and facilitated by the exercise of those powers which may comport with a faithful regard to the great principles of our Constitution. With respect to internal causes, those great principles point out with equal certainty the policy to be pursued. Resting on the people as our Governments do, State and National, with well-defined powers, it is of the highest importance that they severally keep within the limits prescribed to them. Fulfilling that sacred duty, it is of equal importance that the movement between them be harmonious, and in case of any disagreement, should any such occur, a calm appeal be made to the people, and that their voice be heard and promptly obeyed. Both Governments being instituted for the common good, we can not fail to prosper while those who made them are attentive to the conduct of their representatives and control their measures. In the pursuit of these great objects let a generous spirit and national views and feelings be indulged, and let every part recollect that by cherishing that spirit and improving the condition of the others in what relates to their welfare the general interest will not only be promoted, but the local advantage be reciprocated by all.

I can not conclude this communication, the last of the kind which I shall have to make, without recollecting with great sensibility and heartfelt gratitude the many instances of the public confidence and the generous support which I have received from my fellow-citizens in the various trusts with which I have been honored. Having commenced my service in early youth, and continued it since with few and short intervals, I have witnessed the great difficulties to which our Union has been exposed, and admired the virtue and intelligence with which they have been surmounted. From the present prosperous and happy state I derive a gratification which I can not express. That these blessings may be preserved and perpetuated will be the object of my fervent and unceasing prayers to the Supreme Ruler of the Universe.



John Quincy Adams

March 4, 1825 to March 4, 1829

features of our system that one of its most important securities consists in the separation of the legislative and executive powers at the same time that each is held responsible to the great source of authority, which is acknowledged to be supreme, in the will of the people constitutionally expressed. My reflection and experience satisfy me that the framers of the Constitution, although they were anxious to mark this feature as a settled and fixed principle in the structure of the Government, did not adopt all the precautions that were necessary to secure its practical observance, and that we can not be said to have carried into complete effect their intentions until the evils which arise from this organic defect are remedied.

Considering the great extent of our Confederacy, the rapid increase of its population, and the diversity of their interests and pursuits, it can not be disguised that the contingency by which one branch of the Legislature is to form itself into an electoral college can not become one of ordinary occurrence without producing incalculable mischief. What was intended as the medicine of the Constitution in extreme cases can not be frequently used without changing its character and sooner or later producing incurable disorder.

Every election by the House of Representatives is calculated to lessen the force of that security which is derived from the distinct and separate character of the legislative and executive functions, and while it exposes each to temptations adverse to their efficiency as organs of the Constitution and laws, its tendency will be to unite both in resisting the will of the people, and thus give a direction to the Government antirepublican and dangerous. All history tells us that a free people should be watchful of delegated power, and should never acquiesce in a practice which will diminish their control over it. This obligation, so universal in its application to all the principles of a republic, is peculiarly so in ours, where the formation of parties founded on sectional interests is so much fostered by the extent of our territory. These interests, represented by candidates for the Presidency, are constantly prone, in the zeal of party and selfish objects, to generate influences unmindful of the general good and forgetful of the restraints which the great body of the people would enforce if they were in no contingency to lose the right of expressing their will. The experience of our country from the formation of the Government to the present day demonstrates that the people can not too soon adopt some stronger safeguard for their right to elect the highest officers known to the Constitution than is contained in that sacred instrument as it now stands.

It is my duty to call the particular attention of Congress to the present condition of the District of Columbia. From whatever cause the great depression has arisen which now exists in the pecuniary concerns of this District, it is proper that its situation should be fully understood and such relief or remedies provided as are consistent with the powers of Congress. I earnestly recommend the extension of every

political right to the citizens of this District which their true interests require, and which does not conflict with the provisions of the Constitution. It is believed that the laws for the government of the District require revisal and amendment, and that much good may be done by modifying the penal code so as to give uniformity to its provisions.

Your attention is also invited to the defects which exist in the judicial system of the United States. As at present organized the States of the Union derive unequal advantages from the Federal judiciary, which have been so often pointed out that I deem it unnecessary to repeat them here. It is hoped that the present Congress will extend to all the States that equality in respect to the benefits of the laws of the Union which can only be secured by the uniformity and efficiency of the judicial system.

With these observations on the topics of general interest which are deemed worthy of your consideration, I leave them to your care, trusting that the legislative measures they call for will be met as the wants and the best interests of our beloved country demand.

EIGHTH ANNUAL MESSAGE.

WASHINGTON, *December 5, 1836.*

Fellow-Citizens of the Senate and House of Representatives:

Addressing to you the last annual message I shall ever present to the Congress of the United States, it is a source of the most heartfelt satisfaction to be able to congratulate you on the high state of prosperity which our beloved country has attained. With no causes at home or abroad to lessen the confidence with which we look to the future for continuing proofs of the capacity of our free institutions to produce all the fruits of good government, the general condition of our affairs may well excite our national pride.

I can not avoid congratulating you, and my country particularly, on the success of the efforts made during my Administration by the Executive and Legislature, in conformity with the sincere, constant, and earnest desire of the people, to maintain peace and establish cordial relations with all foreign powers. Our gratitude is due to the Supreme Ruler of the Universe, and I invite you to unite with me in offering to Him fervent supplications that His providential care may ever be extended to those who follow us, enabling them to avoid the dangers and the horrors of war consistently with a just and indispensable regard to the rights

and honor of our country. But although the present state of our foreign affairs, standing, without important change, as they did when you separated in July last, is flattering in the extreme, I regret to say that many questions of an interesting character, at issue with other powers, are yet unadjusted. Amongst the most prominent of these is that of our northeastern boundary. With an undiminished confidence in the sincere desire of His Britannic Majesty's Government to adjust that question, I am not yet in possession of the precise grounds upon which it proposes a satisfactory adjustment.

With France our diplomatic relations have been resumed, and under circumstances which attest the disposition of both Governments to preserve a mutually beneficial intercourse and foster those amicable feelings which are so strongly required by the true interests of the two countries. With Russia, Austria, Prussia, Naples, Sweden, and Denmark the best understanding exists, and our commercial intercourse is gradually expanding itself with them. It is encouraged in all these countries, except Naples, by their mutually advantageous and liberal treaty stipulations with us.

The claims of our citizens on Portugal are admitted to be just, but provision for the payment of them has been unfortunately delayed by frequent political changes in that Kingdom.

The blessings of peace have not been secured by Spain. Our connections with that country are on the best footing, with the exception of the burdens still imposed upon our commerce with her possessions out of Europe.

The claims of American citizens for losses sustained at the bombardment of Antwerp have been presented to the Governments of Holland and Belgium, and will be pressed, in due season, to settlement.

With Brazil and all our neighbors of this continent we continue to maintain relations of amity and concord, extending our commerce with them as far as the resources of the people and the policy of their Governments will permit. The just and long-standing claims of our citizens upon some of them are yet sources of dissatisfaction and complaint. No danger is apprehended, however, that they will not be peacefully, although tardily, acknowledged and paid by all, unless the irritating effect of her struggle with Texas should unfortunately make our immediate neighbor, Mexico, an exception.

It is already known to you, by the correspondence between the two Governments communicated at your last session, that our conduct in relation to that struggle is regulated by the same principles that governed us in the dispute between Spain and Mexico herself, and I trust that it will be found on the most severe scrutiny that our acts have strictly corresponded with our professions. That the inhabitants of the United States should feel strong prepossessions for the one party is not surprising. But this circumstance should of itself teach us great caution, lest it lead us

into the great error of suffering public policy to be regulated by partiality or prejudice; and there are considerations connected with the possible result of this contest between the two parties of so much delicacy and importance to the United States that our character requires that we should neither anticipate events nor attempt to control them. The known desire of the Texans to become a part of our system, although its gratification depends upon the reconciliation of various and conflicting interests, necessarily a work of time and uncertain in itself, is calculated to expose our conduct to misconstruction in the eyes of the world. There are already those who, indifferent to principle themselves and prone to suspect the want of it in others, charge us with ambitious designs and insidious policy. You will perceive by the accompanying documents that the extraordinary mission from Mexico has been terminated on the sole ground that the obligations of this Government to itself and to Mexico, under treaty stipulations, have compelled me to trust a discretionary authority to a high officer of our Army to advance into territory claimed as part of Texas if necessary to protect our own or the neighboring frontier from Indian depredation. In the opinion of the Mexican functionary who has just left us, the honor of his country will be wounded by American soldiers entering, with the most amicable avowed purposes, upon ground from which the followers of his Government have been expelled, and over which there is at present no certainty of a serious effort on its part being made to reestablish its dominion. The departure of this minister was the more singular as he was apprised that the sufficiency of the causes assigned for the advance of our troops by the commanding general had been seriously doubted by me, and there was every reason to suppose that the troops of the United States, their commander having had time to ascertain the truth or falsehood of the information upon which they had been marched to Nacogdoches, would be either there in perfect accordance with the principles admitted to be just in his conference with the Secretary of State by the Mexican minister himself, or were already withdrawn in consequence of the impressive warnings their commanding officer had received from the Department of War. It is hoped and believed that his Government will take a more dispassionate and just view of this subject, and not be disposed to construe a measure of justifiable precaution, made necessary by its known inability in execution of the stipulations of our treaty to act upon the frontier, into an encroachment upon its rights or a stain upon its honor.

In the meantime the ancient complaints of injustice made on behalf of our citizens are disregarded, and new causes of dissatisfaction have arisen, some of them of a character requiring prompt remonstrance and ample and immediate redress. I trust, however, by tempering firmness with courtesy and acting with great forbearance upon every incident that has occurred or that may happen, to do and to obtain justice, and thus avoid the necessity of again bringing this subject to the view of

Congress.

It is my duty to remind you that no provision has been made to execute our treaty with Mexico for tracing the boundary line between the two countries. Whatever may be the prospect of Mexico's being soon able to execute the treaty on its part, it is proper that we should be in anticipation prepared at all times to perform our obligations, without regard to the probable condition of those with whom we have contracted them.

The result of the confidential inquiries made into the condition and prospects of the newly declared Texan Government will be communicated to you in the course of the session.

Commercial treaties promising great advantages to our enterprising merchants and navigators have been formed with the distant Governments of Muscat and Siam. The ratifications have been exchanged, but have not reached the Department of State. Copies of the treaties will be transmitted to you if received before, or published if arriving after, the close of the present session of Congress.

Nothing has occurred to interrupt the good understanding that has long existed with the Barbary Powers, nor to check the good will which is gradually growing up from our intercourse with the dominions of the Government of the distinguished chief of the Ottoman Empire.

Information has been received at the Department of State that a treaty with the Emperor of Morocco has just been negotiated, which, I hope, will be received in time to be laid before the Senate previous to the close of the session.

You will perceive from the report of the Secretary of the Treasury that the financial means of the country continue to keep pace with its improvement in all other respects. The receipts into the Treasury during the present year will amount to about \$47,691,898; those from customs being estimated at \$22,523,151; those from lands at about \$24,000,000, and the residue from miscellaneous sources. The expenditures for all objects during the year are estimated not to exceed \$32,000,000, which will leave a balance in the Treasury for public purposes on the 1st day of January next of about \$41,723,959. This sum, with the exception of \$5,000,000, will be transferred to the several States in accordance with the provisions of the act regulating the deposits of the public money.

The unexpended balances of appropriation on the 1st day of January next are estimated at \$14,636,062, exceeding by \$9,636,062 the amount which will be left in the deposit banks, subject to the draft of the Treasurer of the United States, after the contemplated transfers to the several States are made. If, therefore, the future receipts should not be sufficient to meet these outstanding and future appropriations, there may be soon a necessity to use a portion of the funds deposited with the States.

The consequences apprehended when the deposit act of the last session received a reluctant approval have been measurably realized. Though

an act merely for the deposit of the surplus moneys of the United States in the State treasuries for safe-keeping until they may be wanted for the service of the General Government, it has been extensively spoken of as an act to give the money to the several States, and they have been advised to use it as a gift, without regard to the means of refunding it when called for. Such a suggestion has doubtless been made without a due consideration of the obligations of the deposit act, and without a proper attention to the various principles and interests which are affected by it. It is manifest that the law itself can not sanction such a suggestion, and that as it now stands the States have no more authority to receive and use these deposits without intending to return them than any deposit bank or any individual temporarily charged with the safe-keeping or application of the public money would now have for converting the same to their private use without the consent and against the will of the Government. But independently of the violation of public faith and moral obligation which are involved in this suggestion when examined in reference to the terms of the present deposit act, it is believed that the considerations which should govern the future legislation of Congress on this subject will be equally conclusive against the adoption of any measure recognizing the principles on which the suggestion has been made.

Considering the intimate connection of the subject with the financial interests of the country and its great importance in whatever aspect it can be viewed, I have bestowed upon it the most anxious reflection, and feel it to be my duty to state to Congress such thoughts as have occurred to me, to aid their deliberation in treating it in the manner best calculated to conduce to the common good.

The experience of other nations admonished us to hasten the extinguishment of the public debt; but it will be in vain that we have congratulated each other upon the disappearance of this evil if we do not guard against the equally great one of promoting the unnecessary accumulation of public revenue. No political maxim is better established than that which tells us that an improvident expenditure of money is the parent of profligacy, and that no people can hope to perpetuate their liberties who long acquiesce in a policy which taxes them for objects not necessary to the legitimate and real wants of their Government. Flattering as is the condition of our country at the present period, because of its unexampled advance in all the steps of social and political improvement, it can not be disguised that there is a lurking danger already apparent in the neglect of this warning truth, and that the time has arrived when the representatives of the people should be employed in devising some more appropriate remedy than now exists to avert it.

Under our present revenue system there is every probability that there will continue to be a surplus beyond the wants of the Government, and it has become our duty to decide whether such a result be consistent with the true objects of our Government.

Should a surplus be permitted to accumulate beyond the appropriations, it must be retained in the Treasury, as it now is, or distributed among the people or the States.

To retain it in the Treasury unemployed in any way is impracticable; it is, besides, against the genius of our free institutions to lock up in vaults the treasure of the nation. To take from the people the right of bearing arms and put their weapons of defense in the hands of a standing army would be scarcely more dangerous to their liberties than to permit the Government to accumulate immense amounts of treasure beyond the supplies necessary to its legitimate wants. Such a treasure would doubtless be employed at some time, as it has been in other countries, when opportunity tempted ambition.

To collect it merely for distribution to the States would seem to be highly impolitic, if not as dangerous as the proposition to retain it in the Treasury. The shortest reflection must satisfy everyone that to require the people to pay taxes to the Government merely that they may be paid back again is sporting with the substantial interests of the country, and no system which produces such a result can be expected to receive the public countenance. Nothing could be gained by it even if each individual who contributed a portion of the tax could receive back promptly the same portion. But it is apparent that no system of the kind can ever be enforced which will not absorb a considerable portion of the money to be distributed in salaries and commissions to the agents employed in the process and in the various losses and depreciations which arise from other causes, and the practical effect of such an attempt must ever be to burden the people with taxes, not for purposes beneficial to them, but to swell the profits of deposit banks and support a band of useless public officers.

A distribution to the people is impracticable and unjust in other respects. It would be taking one man's property and giving it to another. Such would be the unavoidable result of a rule of equality (and none other is spoken of or would be likely to be adopted), inasmuch as there is no mode by which the amount of the individual contributions of our citizens to the public revenue can be ascertained. We know that they contribute *unequally*, and a rule, therefore, that would distribute to them *equally* would be liable to all the objections which apply to the principle of an equal division of property. To make the General Government the instrument of carrying this odious principle into effect would be at once to destroy the means of its usefulness and change the character designed for it by the framers of the Constitution.

But the more extended and injurious consequences likely to result from a policy which would collect a surplus revenue for the purpose of distributing it may be forcibly illustrated by an examination of the effects already produced by the present deposit act. This act, although certainly designed to secure the safe-keeping of the public revenue, is

not entirely free in its tendencies from any of the objections which apply to this principle of distribution. The Government had without necessity received from the people a large surplus, which, instead of being employed as heretofore and returned to them by means of the public expenditure, was deposited with sundry banks. The banks proceeded to make loans upon this surplus, and thus converted it into banking capital, and in this manner it has tended to multiply bank charters and has had a great agency in producing a spirit of wild speculation. The possession and use of the property out of which this surplus was created belonged to the people, but the Government has transferred its possession to incorporated banks, whose interest and effort it is to make large profits out of its use. This process need only be stated to show its injustice and bad policy.

And the same observations apply to the influence which is produced by the steps necessary to collect as well as to distribute such a revenue. About three-fifths of all the duties on imports are paid in the city of New York, but it is obvious that the means to pay those duties are drawn from every quarter of the Union. Every citizen in every State who purchases and consumes an article which has paid a duty at that port contributes to the accumulating mass. The surplus collected there must therefore be made up of moneys or property withdrawn from other points and other States. Thus the wealth and business of every region from which these surplus funds proceed must be to some extent injured, while that of the place where the funds are concentrated and are employed in banking are proportionably extended. But both in making the transfer of the funds which are first necessary to pay the duties and collect the surplus and in making the retransfer which becomes necessary when the time arrives for the distribution of that surplus there is a considerable period when the funds can not be brought into use, and it is manifest that, besides the loss inevitable from such an operation, its tendency is to produce fluctuations in the business of the country, which are always productive of speculation and detrimental to the interests of regular trade. Argument can scarcely be necessary to show that a measure of this character ought not to receive further legislative encouragement.

By examining the practical operation of the ratio for distribution adopted in the deposit bill of the last session we shall discover other features that appear equally objectionable. Let it be assumed, for the sake of argument, that the surplus moneys to be deposited with the States have been collected and belong to them in the ratio of their federal representative population—an assumption founded upon the fact that any deficiencies in our future revenue from imposts and public lands must be made up by direct taxes collected from the States in that ratio. It is proposed to distribute this surplus—say \$30,000,000—not according to the ratio in which it has been collected and belongs to the people of

the States, but in that of their votes in the colleges of electors of President and Vice-President. The effect of a distribution upon that ratio is shown by the annexed table, marked A.

By an examination of that table it will be perceived that in the distribution of a surplus of \$30,000,000 upon that basis there is a great departure from the principle which regards representation as the true measure of taxation, and it will be found that the tendency of that departure will be to increase whatever inequalities have been supposed to attend the operation of our federal system in respect to its bearings upon the different interests of the Union. In making the basis of representation the basis of taxation the framers of the Constitution intended to equalize the burdens which are necessary to support the Government, and the adoption of that ratio, while it accomplished this object, was also the means of adjusting other great topics arising out of the conflicting views respecting the political equality of the various members of the Confederacy. Whatever, therefore, disturbs the liberal spirit of the compromises which established a rule of taxation so just and equitable, and which experience has proved to be so well adapted to the genius and habits of our people, should be received with the greatest caution and distrust.

A bare inspection in the annexed table of the differences produced by the ratio used in the deposit act compared with the results of a distribution according to the ratio of direct taxation must satisfy every unprejudiced mind that the former ratio contravenes the spirit of the Constitution and produces a degree of injustice in the operations of the Federal Government which would be fatal to the hope of perpetuating it. By the ratio of direct taxation, for example, the State of Delaware in the collection of \$30,000,000 of revenue would pay into the Treasury \$188,716, and in a distribution of \$30,000,000 she would receive back from the Government, according to the ratio of the deposit bill, the sum of \$306,122; and similar results would follow the comparison between the small and the large States throughout the Union, thus realizing to the small States an advantage which would be doubtless as unacceptable to them as a motive for incorporating the principle in any system which would produce it as it would be inconsistent with the rights and expectations of the large States. It was certainly the intention of that provision of the Constitution which declares that "all duties, imposts, and excises" shall "be uniform throughout the United States" to make the burdens of taxation fall equally upon the people in whatever State of the Union they may reside. But what would be the value of such a uniform rule if the moneys raised by it could be immediately returned by a different one which will give to the people of some States much more and to those of others much less than their fair proportions? Were the Federal Government to exempt in express terms the imports, products, and manufactures of some portions of the country from all duties while it imposed heavy ones on others, the injustice could not be greater.

It would be easy to show how by the operation of such a principle the large States of the Union would not only have to contribute their just share toward the support of the Federal Government, but also have to bear in some degree the taxes necessary to support the governments of their smaller sisters; but it is deemed unnecessary to state the details where the general principle is so obvious.

A system liable to such objections can never be supposed to have been sanctioned by the framers of the Constitution when they conferred on Congress the taxing power, and I feel persuaded that a mature examination of the subject will satisfy everyone that there are insurmountable difficulties in the operation of any plan which can be devised of collecting revenue for the purpose of distributing it. Congress is only authorized to levy taxes "*to pay the debts and provide for the common defense and general welfare of the United States.*" There is no such provision as would authorize Congress to collect together the property of the country, under the name of revenue, for the purpose of dividing it equally or unequally among the States or the people. Indeed, it is not probable that such an idea ever occurred to the States when they adopted the Constitution. But however this may be, the only safe rule for us in interpreting the powers granted to the Federal Government is to regard the absence of express authority to touch a subject so important and delicate as this is as equivalent to a prohibition.

Even if our powers were less doubtful in this respect as the Constitution now stands, there are considerations afforded by recent experience which would seem to make it our duty to avoid a resort to such a system.

All will admit that the simplicity and economy of the State governments mainly depend on the fact that money has to be supplied to support them by the same men, or their agents, who vote it away in appropriations. Hence when there are extravagant and wasteful appropriations there must be a corresponding increase of taxes, and the people, becoming awakened, will necessarily scrutinize the character of measures which thus increase their burdens. By the watchful eye of self-interest the agents of the people in the State governments are repressed and kept within the limits of a just economy. But if the necessity of levying the taxes be taken from those who make the appropriations and thrown upon a more distant and less responsible set of public agents, who have power to approach the people by an indirect and stealthy taxation, there is reason to fear that prodigality will soon supersede those characteristics which have thus far made us look with so much pride and confidence to the State governments as the mainstay of our Union and liberties. The State legislatures, instead of studying to restrict their State expenditures to the smallest possible sum, will claim credit for their profusion, and harass the General Government for increased supplies. Practically there would soon be but one taxing power, and that vested in a body of men

far removed from the people, in which the farming and mechanic interests would scarcely be represented. The States would gradually lose their purity as well as their independence; they would not dare to murmur at the proceedings of the General Government, lest they should lose their supplies; all would be merged in a practical consolidation, cemented by widespread corruption, which could only be eradicated by one of those bloody revolutions which occasionally overthrow the despotic systems of the Old World. In all the other aspects in which I have been able to look at the effect of such a principle of distribution upon the best interests of the country I can see nothing to compensate for the disadvantages to which I have adverted. If we consider the protective duties, which are in a great degree the source of the surplus revenue, beneficial to one section of the Union and prejudicial to another, there is no corrective for the evil in such a plan of distribution. On the contrary, there is reason to fear that all the complaints which have sprung from this cause would be aggravated. Everyone must be sensible that a distribution of the surplus must beget a disposition to cherish the means which create it, and any system, therefore, into which it enters must have a powerful tendency to increase rather than diminish the tariff. If it were even admitted that the advantages of such a system could be made equal to all the sections of the Union, the reasons already so urgently calling for a reduction of the revenue would nevertheless lose none of their force, for it will always be improbable that an intelligent and virtuous community can consent to raise a surplus for the mere purpose of dividing it, diminished as it must inevitably be by the expenses of the various machinery necessary to the process.

The safest and simplest mode of obviating all the difficulties which have been mentioned is to collect only revenue enough to meet the wants of the Government, and let the people keep the balance of their property in their own hands, to be used for their own profit. Each State will then support its own government and contribute its due share toward the support of the General Government. There would be no surplus to cramp and lessen the resources of individual wealth and enterprise, and the banks would be left to their ordinary means. Whatever agitations and fluctuations might arise from our unfortunate paper system, they could never be attributed, justly or unjustly, to the action of the Federal Government. There would be some guaranty that the spirit of wild speculation which seeks to convert the surplus revenue into banking capital would be effectually checked, and that the scenes of demoralization which are now so prevalent through the land would disappear.

Without desiring to conceal that the experience and observation of the last two years have operated a partial change in my views upon this interesting subject, it is nevertheless regretted that the suggestions made by me in my annual messages of 1829 and 1830 have been greatly misunderstood. At that time the great struggle was begun against that

latitudinarian construction of the Constitution which authorizes the unlimited appropriation of the revenues of the Union to internal improvements within the States, tending to invest in the hands and place under the control of the General Government all the principal roads and canals of the country, in violation of State rights and in derogation of State authority. At the same time the condition of the manufacturing interest was such as to create an apprehension that the duties on imports could not without extensive mischief be reduced in season to prevent the accumulation of a considerable surplus after the payment of the national debt. In view of the dangers of such a surplus, and in preference to its application to internal improvements in derogation of the rights and powers of the States, the suggestion of an amendment of the Constitution to authorize its distribution was made. It was an alternative for what were deemed greater evils—a temporary resort to relieve an overburdened treasury until the Government could, without a sudden and destructive revulsion in the business of the country, gradually return to the just principle of raising no more revenue from the people in taxes than is necessary for its economical support. Even that alternative was not spoken of but in connection with an amendment of the Constitution. No temporary inconvenience can justify the exercise of a prohibited power or a power not granted by that instrument, and it was from a conviction that the power to distribute even a temporary surplus of revenue is of that character that it was suggested only in connection with an appeal to the source of all legal power in the General Government, the States which have established it. No such appeal has been taken, and in my opinion a distribution of the surplus revenue by Congress either to the States or the people is to be considered as among the prohibitions of the Constitution. As already intimated, my views have undergone a change so far as to be convinced that no alteration of the Constitution in this respect is wise or expedient. The influence of an accumulating surplus upon the legislation of the General Government and the States, its effect upon the credit system of the country, producing dangerous extensions and ruinous contractions, fluctuations in the price of property, rash speculation, idleness, extravagance, and a deterioration of morals, have taught us the important lesson that any transient mischief which may attend the reduction of our revenue to the wants of our Government is to be borne in preference to an overflowing treasury.

I beg leave to call your attention to another subject intimately associated with the preceding one—the currency of the country.

It is apparent from the whole context of the Constitution, as well as the history of the times which gave birth to it, that it was the purpose of the Convention to establish a currency consisting of the precious metals. These, from their peculiar properties which rendered them the standard of value in all other countries, were adopted in this as well to

establish its commercial standard in reference to foreign countries by a permanent rule as to exclude the use of a mutable medium of exchange, such as of certain agricultural commodities recognized by the statutes of some States as a tender for debts, or the still more pernicious expedient of a paper currency. The last, from the experience of the evils of the issues of paper during the Revolution, had become so justly obnoxious as not only to suggest the clause in the Constitution forbidding the emission of bills of credit by the States, but also to produce that vote in the Convention which negated the proposition to grant power to Congress to charter corporations—a proposition well understood at the time as intended to authorize the establishment of a national bank, which was to issue a currency of bank notes on a capital to be created to some extent out of Government stocks. Although this proposition was refused by a direct vote of the Convention, the object was afterwards in effect obtained by its ingenious advocates through a strained construction of the Constitution. The debts of the Revolution were funded at prices which formed no equivalent compared with the nominal amount of the stock, and under circumstances which exposed the motives of some of those who participated in the passage of the act to distrust.

The facts that the value of the stock was greatly enhanced by the creation of the bank, that it was well understood that such would be the case, and that some of the advocates of the measure were largely benefited by it belong to the history of the times, and are well calculated to diminish the respect which might otherwise have been due to the action of the Congress which created the institution.

On the establishment of a national bank it became the interest of its creditors that gold should be superseded by the paper of the bank as a general currency. A value was soon attached to the gold coins which made their exportation to foreign countries as a mercantile commodity more profitable than their retention and use at home as money. It followed as a matter of course, if not designed by those who established the bank, that the bank became in effect a substitute for the Mint of the United States.

Such was the origin of a national-bank currency, and such the beginning of those difficulties which now appear in the excessive issues of the banks incorporated by the various States.

Although it may not be possible by any legislative means within our power to change at once the system which has thus been introduced, and has received the acquiescence of all portions of the country, it is certainly our duty to do all that is consistent with our constitutional obligations in preventing the mischiefs which are threatened by its undue extension. That the efforts of the fathers of our Government to guard against it by a constitutional provision were founded on an intimate knowledge of the subject has been frequently attested by the bitter experience of the country. The same causes which led them to refuse

their sanction to a power authorizing the establishment of incorporations for banking purposes now exist in a much stronger degree to urge us to exert the utmost vigilance in calling into action the means necessary to correct the evils resulting from the unfortunate exercise of the power, and it is to be hoped that the opportunity for effecting this great good will be improved before the country witnesses new scenes of embarrassment and distress.

Variableness must ever be the characteristic of a currency of which the precious metals are not the chief ingredient, or which can be expanded or contracted without regard to the principles that regulate the value of those metals as a standard in the general trade of the world. With us bank issues constitute such a currency, and must ever do so until they are made dependent on those just proportions of gold and silver as a circulating medium which experience has proved to be necessary not only in this but in all other commercial countries. Where those proportions are not infused into the circulation and do not control it, it is manifest that prices must vary according to the tide of bank issues, and the value and stability of property must stand exposed to all the uncertainty which attends the administration of institutions that are constantly liable to the temptation of an interest distinct from that of the community in which they are established.

The progress of an expansion, or rather a depreciation, of the currency by excessive bank issues is always attended by a loss to the laboring classes. This portion of the community have neither time nor opportunity to watch the ebbs and flows of the money market. Engaged from day to day in their useful toils, they do not perceive that although their wages are nominally the same, or even somewhat higher, they are greatly reduced in fact by the rapid increase of a spurious currency, which, as it appears to make money abound, they are at first inclined to consider a blessing. It is not so with the speculator, by whom this operation is better understood, and is made to contribute to his advantage. It is not until the prices of the necessities of life become so dear that the laboring classes can not supply their wants out of their wages that the wages rise and gradually reach a justly proportioned rate to that of the products of their labor. When thus, by the depreciation in consequence of the quantity of paper in circulation, wages as well as prices become exorbitant, it is soon found that the whole effect of the adulteration is a tariff on our home industry for the benefit of the countries where gold and silver circulate and maintain uniformity and moderation in prices. It is then perceived that the enhancement of the price of land and labor produces a corresponding increase in the price of products until these products do not sustain a competition with similar ones in other countries, and thus both manufactured and agricultural productions cease to bear exportation from the country of the spurious currency, because they can not be sold for cost. This is the process by which specie is banished by the paper

of the banks. Their vaults are soon exhausted to pay for foreign commodities. The next step is a stoppage of specie payment—a total degradation of paper as a currency—unusual depression of prices, the ruin of debtors, and the accumulation of property in the hands of creditors and cautious capitalists.

It was in view of these evils, together with the dangerous power wielded by the Bank of the United States and its repugnance to our Constitution, that I was induced to exert the power conferred upon me by the American people to prevent the continuance of that institution. But although various dangers to our republican institutions have been obviated by the failure of that bank to extort from the Government a renewal of its charter, it is obvious that little has been accomplished except a salutary change of public opinion toward restoring to the country the sound currency provided for in the Constitution. In the acts of several of the States prohibiting the circulation of small notes, and the auxiliary enactments of Congress at the last session forbidding their reception or payment on public account, the true policy of the country has been advanced and a larger portion of the precious metals infused into our circulating medium. These measures will probably be followed up in due time by the enactment of State laws banishing from circulation bank notes of still higher denominations, and the object may be materially promoted by further acts of Congress forbidding the employment as fiscal agents of such banks as continue to issue notes of low denominations and throw impediments in the way of the circulation of gold and silver.

The effects of an extension of bank credits and overissues of bank paper have been strikingly 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 and again, being mere instruments to transfer to speculators the most valuable public land and pay the Government by a credit on the books of the banks. Those credits on the books of some of the Western banks, usually called deposits, were already greatly beyond their immediate means of payment, and were rapidly increasing. Indeed, each speculation furnished means for another; for no sooner had one individual or company paid in the notes 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 considerate men and render it doubtful whether these bank credits if permitted to accumulate would ultimately be of the least value to the Government. The spirit of expansion and speculation was not confined to the deposit banks, but pervaded the whole multitude of 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 required that these operations should be checked; and it became 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 the order 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 pervaded our Eastern as well as the European commercial cities. 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 save the new States from a nonresident proprietorship, 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 by emigrants at Government prices instead of their being compelled 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 induced that order and the happy consequences which will have ensued much to commend and nothing to condemn.

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 reduction of price, and to limit the quantity 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, that point would be of less importance if the lands were sold for immediate settlement and cultivation. Indeed, there is scarcely a mischief arising out of our present land system, including the accumulating surplus of revenues, which would not be remedied at once 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 can not fail to receive the most profound consideration of Congress.

Experience continues 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 alleged by the advocates of the Bank of the United States that the State banks, whatever might be the regulations of the Treasury Department, could not make the transfers required by the Government or negotiate

the domestic exchanges of the country. It is now well ascertained that the real domestic exchanges performed through discounts by the United States Bank and its twenty-five branches were at least one-third less than those of the deposit banks for an equal period of time; and if a comparison be instituted between the amounts of service 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 domestic exchanges transacted by it, the result will be still more favorable to the deposit banks.

The whole amount of public money transferred by the Bank of the United States in 1832 was \$16,000,000. The amount transferred and actually paid by the deposit banks in the year ending the 1st of October last was \$39,319,899; the amount transferred and paid between that period and the 6th of November was \$5,399,000, and the amount of transfer warrants outstanding on that day was \$14,450,000, making an aggregate of \$59,168,894. 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 negotiated previously to the passage of the deposit act were generally below those charged by the Bank of the United States. Independently of these services, which are far greater than those rendered by the United States Bank and its twenty-five branches, 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 nearly all the predictions turned out in respect to the effect of the removal of the deposits—a step unquestionably necessary to prevent the evils which it was foreseen the bank itself would endeavor to create in a final struggle to procure a renewal of its charter. It may be thus, too, in some degree with the further steps which may be taken to prevent the excessive issue of other 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.

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 was laid as a war tax, and was no doubt continued 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 fuel and provisions. Justice 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 destitute.

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 urged 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 procure the payment as early 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 careful attention. Its charter expired on the 3d day of March last, and it has now no power but that given in the twenty-first section, "to use the corporate name, style, and capacity for the purpose of suits for the final settlement and liquidation of the affairs and accounts of the corporation, and for the sale and disposition of their estate—real, 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 the said term of incorporation." 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. Instead of proceeding to wind 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 books, papers, notes, obligations, and most or all of its property to this new corporation, which entered upon business as a continuation of the old concern. Amongst other acts of questionable validity, the notes of the expired corporation are known to have been used as its own and again put in circulation. That the old bank had no right to issue or reissue its notes after the expiration of its charter can not be denied, and that it could not confer any such right on its substitute any more than exercise it itself is equally plain. In law and honesty the notes of the bank in circulation at the expiration of its charter should have been called in by public advertisement, paid up as presented, and, together with those on hand, canceled and destroyed. Their reissue is sanctioned by no law and warranted by no necessity. If the United States be responsible in their stock for the payment of these notes, their reissue by the new corporation for their own 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 redeemed notes of a dissolved partnership, but, contrary to the wishes of the retiring partner and without his consent, are again reissued 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 settle-

ment 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 old bank undertook to control the Government, retained the public dividends, shut their doors upon a committee of the House of Representatives, and filled the country with panic to accomplish their own sinister objects may now as managers of a new bank continue with impunity to flood the country with a spurious currency, use 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 the prospect of recovering it into their own possession.

The lessons taught by the Bank of the United States can not easily be lost upon the American people. They will take care never 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 onerously and unjustly upon them in many respects, and it is hoped that Congress, on proper representations, will adopt the modifications which are necessary to prevent this consequence.

The report of the Secretary of War *ad interim* and the accompanying documents, all 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 portions 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 acquainted, and it is therefore only needful in this place to lay before you a brief summary of what has since occurred.

The war with the Seminoles during the summer was on our part chiefly confined to the protection of our frontier settlements from the incursions of the enemy, and, as a necessary and important means to the accomplishment of that end, to the maintenance of the posts previously established. In the course of this duty several actions took place in which the bravery and discipline of both officers 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 service in the field. But as the force of the Indians was not so far weakened by these partial successes as to lead them to submit, and as their depredations were frequently repeated, early measures were taken for placing at the disposal of Governor Call, who as commander in chief of the

militia had been temporarily invested with the command, an ample force for the purpose of resuming offensive operations in the most efficient manner so soon as the season should permit. Major-General Jesup was also directed, on the conclusion of his duties in the Creek country, to repair to Florida and assume the command.

The result of the first movement made by the forces under the direction of Governor Call in October last, as detailed in the accompanying papers, excited much surprise and disappointment. A full explanation has been required of the causes which led to the failure of that movement, but has not yet been received. In the meantime, as it was feared that the health of Governor Call, who was understood to have suffered much from sickness, might not be adequate to the crisis, and as Major-General Jesup was known to have reached Florida, that officer was directed to assume the command, and to prosecute all needful operations with the utmost promptitude and vigor. From the force at his disposal and the dispositions he has made and is instructed to make, and from the very efficient measures which it is since ascertained have been taken by Governor Call, there is reason to hope that they will soon be enabled to reduce the enemy to subjection. In the meantime, as you will perceive from the report of the Secretary, there is urgent necessity for further appropriations to suppress these hostilities.

Happily 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 them west of the Mississippi. The inquiry as to alleged frauds 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 of July last to be made by the President, is now going on through the agency of commissioners appointed for that purpose. Their report 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 timely measures taken 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 that officer have been alluded to in the 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 that 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, unless he shall then have in his possession 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 furnished 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 every day rendered more apparent. The duty of making further provision by law for organizing, arming, and disciplining this arm of defense has been so repeatedly presented to Congress by myself and my predecessors that 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 in the service the volunteers called for under the act of Congress of the last session that more presented 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 omission of the governor to apportion the requisition to 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 were needed and would be accepted that the expenses incurred by them while absent from their homes should be paid by the Government. I accordingly recommend that a law to that effect be passed by Congress, giving them a compensation which will cover their expenses on the march to and from the place of rendezvous and while there; in connection with which it will also be proper to make provision 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 in some cases to take the property of individuals for public use. Provision should be made by law for indemnifying the owners; and I would also respectfully suggest whether such provision may not be made, consistently with the principles of our Government, for the relief of the sufferers by Indian depredations or by

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 defense. In consequence, however, 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 moneys granted at your last session accordingly remains unexpended; but as the work will be again resumed at the earliest moment in the coming spring, 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 recommendations of an increase in the Engineer Corps and for a reorganization of the Topographical Corps, 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 recent 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 to the general staff, the operations of which as they are now organized must either be frequently interrupted or performed by officers taken from the line of 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 fuller illustrations of those which have been mentioned, I refer you to 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, entitled to your favorable regard.

The national policy, founded alike in interest and in humanity, 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 Cherokees. The measures taken in the execution of that 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 draw your attention to the importance of providing a well-digested and comprehensive system for the protection, supervision, and improvement of the various tribes now planted in the Indian country. The suggestion submitted by the Commissioner of Indian Affairs, and enforced by the Secretary, on this subject, and also in regard to the establishment of additional military posts in the Indian country, are entitled to your prompt consideration. Both measures are necessary, for the double pur-

pose 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 on it. The best hopes 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 Secretary of the Navy for a satisfactory view of the operations of 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 usefully employed. While the situation of our commercial interests in the West Indies required 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 insufficient. Every effort has been made to facilitate the equipment of the exploring expedition authorized by the act of the last session, but all the preparation necessary to enable it to sail has not yet been completed. No means will be spared by the Government to fit out the expedition on a scale corresponding with the liberal appropriations 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 necessity of further appropriations 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 naval resources 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 June last were \$3,398,455.19, showing an increase of revenue over that of the preceding year of \$404,878.53, 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 redeemed from embarrassment and debt, has accumulated a surplus exceeding half a million of dollars, has largely extended and is preparing still further to extend the mail service, and recommends a reduction of postages equal to about 20 per cent. It is practicing 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 scale of postages 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 it will introduce 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; but on most of the railroad lines 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-General to pay them high prices 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 allowance. Under a liberal act of that sort he would undoubtedly be able to secure the services of most of the railroad 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 Islands, 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 among the people of different nations, which can not but have a happy effect. Through the city of New York most of the correspondence between the Canadas and Europe is now carried on, and urgent representations have been received from the head of the provincial post-office asking the interposition of the United States to guard it from the accidents and losses to which it is now subjected. Some legislation appears to be called for as well by our own interest as by comity to the adjoining British provinces.

The expediency of providing a fireproof 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 leave essential public interests exposed to so much danger when they can so readily be made secure. There are weighty considerations in the location of a new building for that Department in favor of placing it near the other executive buildings.

The important subjects of a survey of the coast and the manufacture of a standard of weights and measures for the different custom-houses have been in progress 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 added to the others by a joint resolution.

The care and correspondence as to all these subjects have been devolved on the Treasury Department during the last year. A special report from the Secretary of the Treasury will soon be communicated to Congress which will show what has been accomplished as to the whole, the number and compensation of the persons now employed in these duties, and the progress expected to be made during the ensuing year, with a copy of the various correspondence deemed necessary to throw light on the subjects which seem to require additional legislation. Claims have been made for retrospective allowances 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 making 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 on Commerce of the House of Representatives. But no legislative action having taken place, the early attention of Congress is now invited to the enactment of some express and detailed provision 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 the weights and measures, if the works are kept united, should 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 will prevent in any event the election of the 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 the subject. There were various other suggestions in my last annual message not acted upon, particularly that relating to the want of uniformity in the laws of the District of Columbia, that are deemed worthy of your favorable consideration.

Before concluding this paper I think it due to the various Executive Departments to bear testimony to their prosperous condition 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 there is no just

cause of complaint from any quarter at the manner in 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 can not 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 deeply sensible that my exertions have not been crowned with a success corresponding to the degree of favor bestowed upon me, I am sure that they will be considered as having been directed by an earnest desire to promote the good of my country, and I am comforted by the persuasion that whatever errors have been committed will find a corrective in the intelligence and patriotism of those who will succeed us. All that has occurred during my Administration is calculated to inspire me with increased confidence in the stability of our institutions; and should I be spared to enter upon that retirement which is so suitable to my age and infirm health and so much desired by me in other respects, I shall not cease to invoke that beneficent Being to whose providence we are already so signally indebted for the continuance of His blessings on our beloved country.

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THE PAPERS OF WOODROW WILSON

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From the Diary of Josephus Daniels

December Tuesday 7 1920

Solicitor of State Department¹ brought over agreement between the lawyer in Miami cable case by which suit would be withdrawn to enjoin me, the WU Tel Co would agree not to connect with cable to Barbadoes unless Congress, the executive or the courts should grant permission. In it I promised to secure revocation of order from the President. I said I could not sign but would put it up to the President. At cabinet meeting the President declined to compromise, saying the paper by implication surrendered the right of the executive to deny permission to land cable in this country. Baker, Burleson & Davis thought WW was wrong but he would not compromise.

Went to Capitol to hear President's Message. It was well read, but it was a great contrast to the days when he delivered it in person. It was unlike any other

WW said he could not understand how Lodge could have the effrontery to come to the White House, said he stood all the while and did not shake hands with any because he would not shake hands with Lodge.

¹ That is, Fred Kenelm Nielsen.

An Annual Message on the State of the Union

The White House, 7 December, 1920.

Gentlemen of the Congress: When I addressed myself to performing the duty laid upon the President by the Constitution to present to you an annual report on the state of the Union. I found my thought dominated by an immortal sentence of Abraham Lincoln's,

"Let us have faith that right makes might, and in that faith let us dare to do our duty as we understand it,"—

a sentence immortal because it embodies in a form of utter simplicity and purity the essential faith of the nation, the faith in which it was conceived and the faith in which it has grown to glory and power. With that faith and the birth of a nation founded upon it came the hope into the world that a new order would prevail throughout the affairs of mankind, an order in which reason and right would take precedence of covetousness and force, and I believe that I express the wish and purpose of every thoughtful American when I say that this sentence marks for us in the plainest manner the part we should play alike in the arrangement of our

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domestic affairs and in our exercise of influence upon the affairs of the world. By this faith, and by this faith alone, can the world be lifted out of its present confusion and despair. It was this faith which prevailed over the wicked force of Germany. You will remember that the beginning of the end of the war came when the German people found themselves face to face with the conscience of the world and realized that right was everywhere arrayed against the wrong that their government was attempting to perpetrate. I think, therefore, that it is true to say that this was the faith which won the war. Certainly this is the faith with which our gallant men went into the field and out upon the seas to make sure of victory.

This is the mission upon which democracy came into the world. Democracy is an assertion of the right of the individual to live and to be treated justly as against any attempt on the part of any combination of individuals to make laws which will overburden him or which will destroy his equality among his fellows in the matter of right or privilege, and I think we all realize that the day has come when democracy is being put upon its final test. The old world is just now suffering from a wanton rejection of the principle of democracy and a substitution of the principle of autocracy as asserted in the name but without the authority and sanction of the multitude. This is the time of all others when democracy should prove its purity and its spiritual power to prevail. It is surely the manifest destiny of the United States to lead in the attempt to make this spirit prevail.

There are two ways in which the United States can assist to accomplish this great object: First, by offering the example within her own borders of the will and power of democracy to make and enforce laws which are unquestionably just and which are equal in their administration,—laws which secure its full right to labor and yet at the same time safeguard the integrity of property, and particularly of that property which is devoted to the development of industry and the increase of the necessary wealth of the world. Second, by standing for right and justice as towards individual nations. The law of democracy is for the protection of the weak, and the influence of every democracy in the world should be for the protection of the weak nation, the nation which is struggling towards its right and towards its proper recognition and privilege in the family of nations. The United States cannot refuse this rôle of champion without putting the stigma of rejection upon the great and devoted men who brought its government into existence and established it in the face of almost universal opposition and intrigue; even in the face of wanton force, as, for example, against the Orders in Council of Great Britain and the arbitrary Napoleonic

Decrees which involved us in what we know as the War of 1812. I urge you to consider that the display of an immediate disposition on the part of the Congress to remedy any injustices or evils that may have shown themselves in our own national life will afford the most effectual offset to the forces of chaos and tyranny which are playing so disastrous a part in the fortunes of the free peoples of more than one part of the world. The United States is of necessity the sample democracy of the world, and the triumph of democracy depends upon its success.

Recovery from the disturbing and sometimes disastrous effects of the late war has been exceedingly slow on the other side of the water and has given promise, I venture to say, of early completion only in our own fortunate country; but even with us the recovery halts and is impeded at times and there are immediately serviceable acts of legislation which it seems to me we ought to attempt, to assist that recovery and prove the indestructible recuperative force of a great government of the people. One of these is to prove that a great democracy can keep house as successfully and in as businesslike a fashion as any other government. It seems to me that the first step towards proving this is to supply ourselves with a systematic method of handling our estimates and expenditures and bringing them to the point where they will not be an unnecessary strain upon our income or necessitate unreasonable taxation, in other words, a workable budget system, and I respectfully suggest that two elements are essential to such a system; namely, not only that the proposal of appropriations should be in the hands of a single body, such as a single appropriations committee in each house of the Congress, but also that this body should be brought into such cooperation with the departments of the Government and with the Treasury of the United States as would enable it to act upon a complete conspectus of the needs of the Government and the resources from which it must draw its income. I reluctantly vetoed the Budget Bill passed by the last session of the Congress because of a Constitutional objection.¹ The House of Representatives subsequently modified the Bill in order to meet this objection. In the revised form I believe that the Bill, coupled with action already taken by the Congress to revise its rules and procedure, furnishes the foundations for an effective national budget system. I earnestly hope, therefore, that one of the first steps taken by the present session of the Congress will be to pass the Budget Bill.

The nation's finances have shown marked improvement during

¹ Wilson's veto message is printed at June 4, 1920, Vol. 65.

the past year. The total ordinary receipts of \$6,694,000,000 for the fiscal year 1920 exceeded those for 1919 by \$1,542,000,000, while the total net ordinary expenditures decreased from \$18,514,000,000 to \$6,403,000,000. The gross public debt, which reached its highest point on 31 August, 1919, when it was \$26,596,000,000, had dropped on 30 November, 1920, to \$24,175,000,000. There has also been a marked decrease in holdings of government war securities by the banking institutions of the country, as well as in the amount of bills held by the Federal Reserve Banks secured by government war obligations. This fortunate result has relieved the banks and left them freer to finance the needs of agriculture, industry and commerce. It has been due in large part to the reduction of the public debt, especially of the floating debt, but more particularly to the improved distribution of government securities among permanent investors. The cessation of the Government's borrowings except through short-term certificates of indebtedness has been a matter of great consequence to the people of the country at large, as well as to the holders of Liberty bonds and Victory notes, and has had an important bearing on the matter of effective credit control. The year has been characterized by the progressive withdrawal of the Treasury from the domestic credit market and from a position of dominant influence in that market. The future course will necessarily depend upon the extent to which economies are practiced and upon the burdens placed upon the Treasury, as well as upon industrial developments and the maintenance of tax receipts at a sufficiently high level.

The fundamental fact which at present dominates the Government's financial situation is that seven and a half billions of its war indebtedness mature within the next two and a half years. Of this amount, two and a half billions are floating debt and five billions Victory notes and War Savings certificates. The fiscal programme of the Government must be determined with reference to these maturities. Sound policy demands that government expenditures be reduced to the lowest amount which will permit the various services to operate efficiently and that government receipts from taxes and salvage be maintained sufficiently high to provide for current requirements, including interest and sinking fund charges on the public debt, and at the same time retire the floating debt and part of the Victory Loan before maturity. With rigid economy, vigorous salvage operations and adequate revenues from taxation, a surplus of current receipts over current expenditures can be realized and should be applied to the floating debt. All branches of the Government should cooperate to see that this programme is realized.

I cannot overemphasize the necessity of economy in government

appropriations and expenditures and the avoidance by the Congress of practices which take money from the Treasury by indefinite or revolving fund appropriations. The estimates for the present year show that over a billion dollars of expenditures were authorized by the last Congress in addition to the amounts shown in the usual compiled statements of appropriations. This strikingly illustrates the importance of making direct and specific appropriations. The relation between the current receipts and current expenditures of the Government during the present fiscal year, as well as during the last half of the last fiscal year, has been disturbed by the extraordinary burdens thrown upon the Treasury by the Transportation Act, in connection with the return of the railroads to private control. Over \$600,000,000 has already been paid to the railroads under this Act,—\$350,000,000 during the present fiscal year; and it is estimated that further payments aggregating possibly \$650,000,000 must still be made to the railroads during the current year. It is obvious that these large payments have already seriously limited the Government's progress in retiring the floating debt.

Closely connected with this, it seems to me, is the necessity for an immediate consideration of the revision of our tax laws. Simplification of the income and profits taxes has become an immediate necessity. These taxes performed an indispensable service during the war. The need for their simplification, however, is very great, in order to save the taxpayer inconvenience and expense and in order to make his liability more certain and definite. Other and more detailed recommendations with regard to taxes will no doubt be laid before you by the Secretary of the Treasury and the Commissioner of Internal Revenue.

It is my privilege to draw to the attention of Congress for very sympathetic consideration the problem of providing adequate facilities for the care and treatment of former members of the military and naval forces who are sick or disabled as the result of their participation in the war. These heroic men can never be paid in money for the service they patriotically rendered the nation. Their reward will lie rather in realization of the fact that they vindicated the rights of their country and aided in safeguarding civilization. The nation's gratitude must be effectively revealed to them by the most ample provision for their medical care and treatment as well as for their vocational training and placement. The time has come when a more complete programme can be formulated and more satisfactorily administered for their treatment and training, and I earnestly urge that the Congress give the matter its early consideration. The Secretary of the Treasury and the Board for Vocational Education

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will outline in their annual reports proposals covering medical care and rehabilitation which I am sure will engage your earnest study and command your most generous support.

Permit me to emphasize once more the need for action upon certain matters upon which I dwelt at some length in my message to the Second Session of the Sixty-sixth Congress:² the necessity, for example, of encouraging the manufacture of dyestuffs and related chemicals; the importance of doing everything possible to promote agricultural production along economic lines, to improve agricultural marketing and to make rural life more attractive and healthful; the need for a law regulating cold storage in such a way as to limit the time during which goods may be kept in storage, prescribing the method of disposing of them if kept beyond the permitted period, and requiring goods released from storage in all cases to bear the date of their receipt. It would also be most serviceable if it were provided that all goods released from cold storage for interstate shipment should have plainly marked upon each package the selling or market price at which they went into storage, in order that the purchaser might be able to learn what profits stood between him and the producer or the wholesale dealer. Indeed, it would be very serviceable to the public if all goods destined for interstate commerce were made to carry upon every packing case whose form made it possible a plain statement of the price at which they left the hands of the producer. I respectfully call your attention, also, to the recommendations of the message referred to with regard to a federal license for all corporations engaged in interstate commerce.

In brief, the immediate legislative need of the time is the removal of all obstacles to the realization of the best ambitions of our people in their several classes of employment and the strengthening of all instrumentalities by which difficulties are to be met and removed and justice dealt out, whether by law or by some form of mediation and conciliation. I do not feel it to be my privilege at present to suggest the detailed and particular methods by which these objects may be attained, but I have faith that the inquiries of your several committees will discover the way and the method.

In response to what I believe to be the impulse of sympathy and opinion throughout the United States, I earnestly suggest that the Congress authorize the Treasury of the United States to make to the struggling Government of Armenia such a loan as was made to several of the Allied Governments during the war; and I would also suggest that it would be desirable to provide in the legislation itself

² That is, Wilson's Annual Message, printed at Dec. 2, 1919, Vol. 64.

DECEMBER 7, 1920

that the expenditure of the money thus loaned should be under the supervision of a commission, or at least a commissioner, from the United States, in order that revolutionary tendencies within Armenia itself might not be afforded by the loan a further tempting opportunity.

Allow me to call your attention to the fact that the people of the Philippine Islands have succeeded in maintaining a stable government since the last action of the Congress in their behalf, and have thus fulfilled the condition set by the Congress as precedent to a consideration of granting independence to the Islands. I respectfully submit that this condition precedent having been fulfilled, it is now our liberty and our duty to keep our promise to the people of those Islands by granting them the independence which they so honorably covet.

I have not so much laid before you a series of recommendations, gentlemen, as sought to utter a confession of faith, of the faith in which I was bred and which it is my solemn purpose to stand by until my last fighting day. I believe this to be the faith of America, the faith of the future, and all the victories which await national action in the days to come, whether in America or elsewhere.

Woodrow Wilson.³

Printed in Message of the President of the United States . . . December 7, 1920 (Washington, 1920).

³ The first draft of this message, which Swem typed up in sections and pasted together, and on which Wilson made one handwritten change, is a T MS in the C. L. Swem Coll., NJP, as is a portion of the final typed draft, with Wilson's handwritten emendations.

To Norman Hezekiah Davis

My dear Mr. Secretary: The White House 7 December, 1920

I agree with you¹ that I ought at once to name the person who is to act as my deputy in the Armenian matter, in order that he may take part in the preliminary discussions and considerations of the subject, and I write to say that my choice falls upon Mr. Henry Morgenthau, in whose skill and good sense in such matters I have the highest confidence.

Cordially and faithfully yours, Woodrow Wilson

TLS (SDR, RG 59, 760j.67/84, DNA).

¹ Wilson was replying to NHD to WW, Dec. 6, 1920 (first letter of that date).

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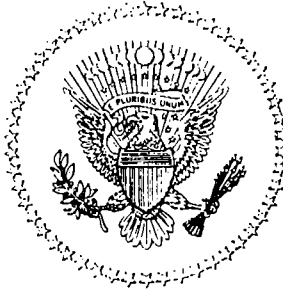
PUBLIC PAPERS OF THE PRESIDENTS
OF THE UNITED STATES

Harry S. Truman

*Containing the Public Messages, Speeches and
Statements of the President*

JANUARY 1, 1952, TO JANUARY 20, 1953

1952-53



UNITED STATES GOVERNMENT PRINTING OFFICE
WASHINGTON : 1966

after long and careful negotiation, has brought 5,642 acres into public ownership, and I am incorporating this into the park. This insures the preservation of the 250-foot Sitka spruces of the Bogachiel Valley.

The Olympic National Park, established for the benefit and enjoyment of the Amer-

ican people, now becomes the only park in the world to extend from snowcapped mountains to ocean beaches.

NOTE: The President issued Proclamation 3003 "Enlarging the Olympic National Park Washington" (3 CFR, 1949-1953 Comp., p. 178).

366 Annual Message to the Congress on the State of the Union. January 7, 1953

To the Congress of the United States:

I have the honor to report to the Congress on the state of the Union.

This is the eighth such report that, as President, I have been privileged to present to you and to the country. On previous occasions, it has been my custom to set forth proposals for legislative action in the coming year. But that is not my purpose today. The presentation of a legislative program falls properly to my successor, not to me, and I would not infringe upon his responsibility to chart the forward course. Instead, I wish to speak of the course we have been following the past eight years and the position at which we have arrived.

In just two weeks, General Eisenhower will be inaugurated as President of the United States and I will resume—most gladly—my place as a private citizen of this Republic. The Presidency last changed hands eight years ago this coming April. That was a tragic time: a time of grieving for President Roosevelt—the great and gallant human being who had been taken from us; a time of unrelieved anxiety to his successor, thrust so suddenly into the complexities and burdens of the Presidential office.

Not so this time. This time we see the normal transition under our democratic system. One President, at the conclusion of his term, steps back to private life; his successor, chosen by the people, begins his tenure of the office. And the Presidency of the United States continues to function without a moment's break.

Since the election, I have done my best to

assure that the transfer from one Administration to another shall be smooth and orderly. From General Eisenhower and his associates, I have had friendly and understanding collaboration in this endeavor. I have not sought to thrust upon him—nor has he sought to take—the responsibility which must be mine until twelve o'clock noon on January twentieth. But together, I hope and believe we have found means whereby the incoming President can obtain the full and detailed information he will need to assume the responsibility the moment he takes the oath of office.

The President-elect is about to take up the greatest burdens, the most compelling responsibilities, given to any man. And I, with you and all Americans, wish for him all possible success in undertaking the tasks that will so soon be his.

What are these tasks? The President is Chief of State, elected representative of all the people, national spokesman for them and to them. He is Commander-in-Chief of our armed forces. He is charged with the conduct of our foreign relations. He is Chief Executive of the Nation's largest civilian organization. He must select and nominate all top officials of the Executive Branch and all Federal judges. And on the legislative side, he has the obligation and the opportunity to recommend, and to approve or veto legislation. Besides all this, it is to him that a great political party turns naturally for leadership, and that, too, he must provide as President.

This bundle of burdens is unique; there is nothing else like it on the face of the earth.

Each task could be a full-time job. Together, they would be a tremendous undertaking in the easiest of times.

But our times are not easy; they are hard—as hard and complex, perhaps as any in our history. Now, the President not only has to carry on these tasks in such a way that our democracy may grow and flourish and our people prosper, but he also has to lead the whole free world in overcoming the communist menace—and all this under the shadow of the atomic bomb.

This is a huge challenge to the human being who occupies the Presidential office. But it is not a challenge to him alone, for in reality he cannot meet it alone. The challenge runs not just to him but to his whole Administration, to the Congress, to the country.

Ultimately, no President can master his responsibilities, save as his fellow citizens—indeed, the whole people—comprehend the challenge of our times and move, with him, to meet it.

It has been my privilege to hold the Presidential office for nearly eight years now, and much has been done in which I take great pride. But this is not personal pride. It is pride in the people, in the Nation. It is pride in our political system and our form of government—balky sometimes, mechanically deficient perhaps, in many ways—but enormously alive and vigorous; able through these years to keep the Republic on the right course, rising to the great occasions, accomplishing the essentials, meeting the basic challenge of our times.

There have been misunderstandings and controversies these past eight years, but through it all the President of the United States has had that measure of support and understanding without which no man could sustain the burdens of the Presidential office, or hope to discharge its responsibilities.

For this I am profoundly grateful—grateful to my associates in the Executive Branch—most of them non-partisan civil servants; grateful—despite our disagreements—to the Members of the Congress on both sides of the aisle; grateful especially to

the American people, the citizens of this Republic, governors of us all.

We are still so close to recent controversies that some of us may find it hard to understand the accomplishments of these past eight years. But the accomplishments are real and very great, not as the President's, not as the Congress', but as the achievements of our country and all the people in it.

Let me remind you of some of the things we have done since I first assumed my duties as President of the United States.

I took the oath of office on April 12, 1945. In May of that same year, the Nazis surrendered. Then, in July, that great white flash of light, man-made at Alamogordo, heralded swift and final victory in World War II—and opened the doorway to the atomic age.

Consider some of the great questions that were posed for us by sudden, total victory in World War II. Consider also, how well we as a Nation have responded.

Would the American economy collapse, after the war? That was one question. Would there be another depression here—a repetition of 1921 or 1929? The free world feared and dreaded it. The communists hoped for it and built their policies upon that hope.

We answered that question—answered it with a resounding “no.”

Our economy has grown tremendously. Free enterprise has flourished as never before. Sixty-two million people are now gainfully employed, compared with 51 million seven years ago. Private businessmen and farmers have invested more than 200 billion dollars in new plant and equipment since the end of World War II. Prices have risen further than they should have done—but incomes, by and large, have risen even more, so that real living standards are now considerably higher than seven years ago. Aided by sound government policies, our expanding economy has shown the strength and flexibility for swift and almost painless reconversion from war to peace, in 1945 and 1946; for quick reaction and re-

covery—well before Korea—from the beginnings of recession in 1949. Above all, this live and vital economy of ours has now shown the remarkable capacity to sustain a great mobilization program for defense, a vast outpouring of aid to friends and allies all around the world—and still to produce more goods and services for peaceful use at home than we have ever known before.

This has been our answer, up to now, to those who feared or hoped for a depression in this country.

How have we handled our national finances? That was another question arising at war's end. In the administration of the Government, no problem takes more of the President's time, year in and year out, than fashioning the Budget, and the related problem of managing the public debt.

Financing World War II left us with a tremendous public debt, which reached 279 billion dollars at its peak in February, 1946.

Beginning in July, 1946, when war and reconversion financing had ended, we have held quite closely to the sound standard that in times of high employment and high national income, the Federal Budget should be balanced and the debt reduced.

For the four fiscal years from July 1, 1946, to June 30, 1950, we had a net surplus of 4.3 billion dollars. Using this surplus, and the Treasury's excess cash reserves, the debt was reduced substantially, reaching a low point of 251 billion dollars in June, 1949, and ending up at 257 billion dollars on June 30, 1950.

In July of 1950, we began our rapid rearmament, and for two years held very close to a pay-as-we-go policy. But in the current fiscal year and the next, rising expenditures for defense will substantially outrun receipts. This will pose an immediate and serious problem for the new Congress.

Now let me turn to another question we faced at the war's end. Would we take up again, and carry forward, the great projects of social welfare—so badly needed, so long overdue—that the New Deal had intro-

duced into our national life? Would our Government continue to have a heart for the people, or was the progress of the New Deal to be halted in the aftermath of war as decisively as the progress of Woodrow Wilson's New Freedom had been halted after the first world war?

This question, too, we have answered. We have answered it by doubling old age insurance benefits and extending coverage to ten million more people. We have answered it by increasing our minimum wage. We have answered by the three million privately constructed homes that the Federal Government has helped finance since the war—and the 155 thousand units of low rent public housing placed under construction since 1949.

We have answered with the 42 thousand new hospital beds provided since 1946 through the joint efforts of the Federal Government and local communities.

We have answered by helping eight million veterans of World War II to obtain advanced education, 196 thousand to start in business, and 64 thousand to buy farms.

We have answered by continuing to help farmers obtain electric power, until today nearly 90 per cent of our farms have power line electric service.

In these and other ways, we have demonstrated, up to now, that our democracy has not forgotten how to use the powers of the Government to promote the people's welfare and security.

Another of the big post-war questions was this: What we would do with the Nation's natural resources—its soils and water, forests and grasslands. Would we continue the strong conservation movement of the 1930's, or would we, as we did after the First World War, slip back into the practices of monopoly, exploitation, and waste?

The answer is plain. All across our country, the soil conservation movement has spread, aided by Government programs, enriching private and public lands, preserving them from destruction, improving them

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for future use. In our river basins, we have invested nearly 5 billion dollars of public funds in the last eight years—invested them in projects to control floods, irrigate farmlands, produce low-cost power and get it to the housewives and farmers and businessmen who need it. We have been vigilant in protecting the people's property—lands and forests and oil and minerals.

We have had to fight hard against those who would use our resources for private greed; we have met setbacks; we have had to delay work because of defense priorities, but on the whole we can be proud of our record in protecting our natural heritage, and in using our resources for the public good.

Here is another question we had to face at the war's close: Would we continue, in peace as well as war, to promote equality of opportunity for all our citizens, seeking ways and means to guarantee for all of them the full enjoyment of their civil rights?

During the war we achieved great economic and social gains for millions of our fellow citizens who had been held back by prejudice. Were we prepared, in peacetime, to keep on moving toward full realization of the democratic promise? Or would we let it be submerged, wiped out, in post-war riots and reaction, as after World War I?

We answered these questions in a series of forward steps at every level of government and in many spheres of private life. In our armed forces, our civil service, our universities, our railway trains, the residential districts of our cities—in stores and factories all across the Nation—in the polling booths as well—the barriers are coming down. This is happening, in part, at the mandate of the courts; in part, at the insistence of Federal, State and local governments; in part, through the enlightened action of private groups and persons in every region and every walk of life.

There has been a great awakening of the American conscience on the issues of civil rights. And all this progress—still far from

complete but still continuing—has been our answer, up to now, to those who questioned our intention to live up to the promises of equal freedom for us all.

There was another question posed for us at the war's end, which equally concerned the future course of our democracy: Could the machinery of government and politics in this Republic be changed, improved, adapted rapidly enough to carry through, responsibly and well, the vast, new complicated undertakings called for in our time?

We have answered this question, too, answered it by tackling the most urgent, most specific, problems which the war experience itself had brought into sharp focus. The reorganization of the Congress in 1946; the unification of our armed services, beginning in 1947; the closer integration of foreign and military policy through the National Security Council created that same year; and the Executive reorganizations, before and after the Hoover-Acheson Commission Report in 1949—these are landmarks in our continuing endeavor to make government an effective instrument of service to the people.

I come now to the most vital question of all, the greatest of our concerns: Could there be built in the world a durable structure of security, a lasting peace for all the nations, or would we drift, as after World War I, toward another terrible disaster—a disaster which this time might be the holocaust of atomic war?

That is still the overriding question of our time. We cannot know the answer yet; perhaps we will not know it finally for a long time to come. But day and night, these past eight years, we have been building for peace, searching out the way that leads most surely to security and freedom and justice in the world for us and all mankind.

This, above all else, has been the task of our Republic since the end of World War II, and our accomplishment so far should give real pride to all Americans. At the very least, a total war has been averted, each day up to this hour. And at the most, we may

already have succeeded in establishing conditions which can keep that kind of war from happening, for as far ahead as man can see.

The Second World War radically changed the power relationships of the world. Nations once great were left shattered and weak, channels of communication, routes of trade, political and economic ties of many kinds were ripped apart.

And in this changed, disrupted, chaotic situation, the United States and the Soviet Union emerged as the two strongest powers of the world. Each had tremendous human and natural resources, actual or potential, on a scale unmatched by any other nation.

Nothing could make plainer why the world is in its present state—and how that came to pass—than an understanding of the diametrically opposite principles and policies of these two great powers in a war-ruined world.

For our part, we in this Republic were—and are—free men, heirs of the American Revolution, dedicated to the truths of our Declaration of Independence:

"... That all men are created equal, that they are endowed by their Creator with certain unalienable rights... That to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed."

Our post-war objective has been in keeping with this great idea. The United States has sought to use its pre-eminent position of power to help other nations recover from the damage and dislocation of the war. We held out a helping hand to enable them to restore their national lives and to regain their positions as independent, self-supporting members of the great family of nations. This help was given without any attempt on our part to dominate or control any nation. We did not want satellites but partners.

The Soviet Union, however, took exactly the opposite course.

Its rulers saw in the weakened condition of the world not an obligation to assist in the great work of reconstruction, but an

opportunity to exploit misery and suffering for the extension of their power. Instead of help, they brought subjugation. They extinguished, blotted out, the national independence of the countries that the military operations of World War II had left within their grasp.

The difference stares at us from the map of Europe today. To the west of the line that tragically divides Europe we see nations continuing to act and live in the light of their own traditions and principles. On the other side, we see the dead uniformity of a tyrannical system imposed by the rulers of the Soviet Union. Nothing could point up more clearly what the global struggle between the free world and the communists is all about.

It is a struggle as old as recorded history; it is freedom versus tyranny.

For the dominant idea of the Soviet regime is the terrible conception that men do not have rights but live at the mercy of the state.

Inevitably this idea of theirs—and all the consequences flowing from it—collided with the efforts of free nations to build a just and peaceful world. The "cold war" between the communists and the free world is nothing more or less than the Soviet attempt to checkmate and defeat our peaceful purposes, in furtherance of their own dread objective.

We did not seek this struggle, God forbid. We did our utmost to avoid it. In World War II, we and the Russians had fought side by side, each in our turn attacked and forced to combat by the aggressors. After the war, we hoped that our wartime collaboration could be maintained, that the frightful experience of Nazi invasion, of devastation in the heart of Russia, had turned the Soviet rulers away from their old proclaimed allegiance to world revolution and communist dominion. But instead, they violated, one by one, the solemn agreements they had made with us in wartime. They sought to use the rights and privileges they had obtained in the United Nations, to

frustrate its powers as aggress and th

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frustrate its purposes and cut down its powers as an effective agent of world progress and the keeper of the world's peace.

Despite this outcome, the efforts we made toward peaceful collaboration are a source of our present strength. They demonstrated that we believed what we proclaimed, that we actually sought honest agreements as the way to peace. Our whole moral position, our leadership in the free world today, is fortified by that fact.

The world is divided, not through our fault or failure, but by Soviet design. They, not we, began the cold war. And because the free world saw this happen—because men know we made the effort and the Soviet rulers spurned it—the free nations have accepted leadership from our Republic, in meeting and mastering the Soviet offensive.

It seems to me especially important that all of us be clear, in our own thinking, about the nature of the threat we have faced—and will face for a long time to come. The measures we have devised to meet it take shape and pattern only as we understand what we were—and are—up against.

The Soviet Union occupies a territory of 8 million square miles. Beyond its borders, East and West, are the nearly five million square miles of the satellite states—virtually incorporated into the Soviet Union—and of China, now its close partner. This vast land mass contains an enormous store of natural resources sufficient to support an economic development comparable to our own.

That is the Stalinist world. It is a world of great natural diversity in geography and climate, in distribution of resources, in population, language, and living standards, in economic and cultural development. It is a world whose people are not all convinced communists by any means. It is a world where history and national traditions, particularly in its borderlands, tend more toward separation than unification, and run counter to the enforced combination that has been made of these areas today.

But it is also a world of great man-made uniformities, a world that bleeds its population white to build huge military forces; a world in which the police are everywhere and their authority unlimited; a world where terror and slavery are deliberately administered both as instruments of government and as means of production; a world where all effective social power is the state's monopoly—yet the state itself is the creature of the communist tyrants.

The Soviet Union, with its satellites, and China are held in the tight grip of communist party chieftains. The party dominates all social and political institutions. The party regulates and centrally directs the whole economy. In Moscow's sphere, and in Peiping's, all history, philosophy, morality and law are centrally established by rigid dogmas, incessantly drummed into the whole population and subject to interpretation—or to change—by none except the party's own inner circle.

And lest their people learn too much of other ways of life, the communists have walled off their world, deliberately and uniformly, from the rest of human society.

That is the communist base of operation in their cold war. In addition, they have at their command hundreds and thousands of dedicated foreign communists, people in nearly every free country who will serve Moscow's ends. Thus the masters of the Kremlin are provided with deluded followers all through the free world whom they can manipulate, cynically and quite ruthlessly, to serve the purposes of the Soviet state.

Given their vast internal base of operations, and their agents in foreign lands, what are the communist rulers trying to do?

Inside their homeland, the communists are trying to maintain and modernize huge military forces. And simultaneously, they are endeavoring to weld their whole vast area and population into a completely self-contained, advanced industrial society. They aim, some day, to equal or better the production levels of Western Europe and North

America combined—thus shifting the balance of world economic power, and war potential, to their side.

They have a long way to go and they know it. But they are prepared to levy upon living generations any sacrifice that helps strengthen their armed power, or speed industrial development.

Externally, the communist rulers are trying to expand the boundaries of their world, whenever and wherever they can. This expansion they have pursued steadfastly since the close of World War II, using any means available to them.

Where the Soviet army was present, as in the countries of Eastern Europe, they have gradually squeezed free institutions to death.

Where post-war chaos existed in industrialized nations, as in Western Europe, the local Stalinists tried to gain power through political processes, politically-inspired strikes, and every available means for subverting free institutions to their evil ends.

Where conditions permitted, the Soviet rulers have stimulated and aided armed insurrection by communist-led revolutionary forces, as in Greece, Indo-China, the Philippines, and China, or outright aggression by one of their satellites, as in Korea.

Where the forces of nationalism, independence, and economic change were at work throughout the great sweep of Asia and Africa, the communists tried to identify themselves with the cause of progress, tried to picture themselves as the friends of freedom and advancement—surely one of the most cynical efforts of which history offers record.

Thus, everywhere in the free world, the communists seek to fish in troubled waters, to seize more countries, to enslave more millions of human souls. They were, and are, ready to ally themselves with any group, from the extreme left to the extreme right, that offers them an opportunity to advance their ends.

Geography gives them a central position. They are both a European and an Asian

power, with borders touching many of the most sensitive and vital areas in the free world around them. So situated, they can use their armies and their economic power to set up simultaneously a whole series of threats—or inducements—to such widely dispersed places as Western Germany, Iran, and Japan. These pressures and attractions can be sustained at will, or quickly shifted from place to place.

Thus the communist rulers are moving, with implacable will, to create greater strength in their vast empire, and to create weakness and division in the free world, preparing for the time their false creed teaches them must come: the time when the whole world outside their sway will be so torn by strife and contradictions that it will be ripe for the communist plucking.

This is the heart of the distorted Marxist interpretation of history. This is the glass through which Moscow and Peiping look out upon the world, the glass through which they see the rest of us. They seem really to believe that history is on their side. And they are trying to boost "history" along, at every opportunity, in every way they can.

I have set forth here the nature of the communist menace confronting our Republic and the whole free world. This is the measure of the challenge we have faced since World War II—a challenge partly military and partly economic, partly moral and partly intellectual, confronting us at every level of human endeavor and all around the world.

It has been and must be the free world's purpose not only to organize defenses against aggression and subversion, not only to build a structure of resistance and salvation for the community of nations outside the iron curtain, but in addition to give expression and opportunity to the forces of growth and progress in the free world, to so organize and unify the cooperative community of free men that we will not crumble but grow stronger over the years, and the Soviet empire, not the free world, will eventually have to change its ways or fall.

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Our whole program of action to carry out this purpose has been directed to meet two requirements.

The first of these had to do with security. Like the pioneers who settled this great continent of ours, we have had to carry a musket while we went about our peaceful business. We realized that if we and our allies did not have military strength to meet the growing Soviet military threat, we would never have the opportunity to carry forward our efforts to build a peaceful world of law and order—the only environment in which our free institutions could survive and flourish.

Did this mean we had to drop everything else and concentrate on armies and weapons? Of course it did not: side-by-side with this urgent military requirement, we had to continue to help create conditions of economic and social progress in the world. This work had to be carried forward alongside the first, not only in order to meet the non-military aspects of the communist drive for power, but also because this creative effort toward human progress is essential to bring about the kind of world we as free men want to live in.

These two requirements—military security and human progress—are more closely related in action than we sometimes recognize. Military security depends upon a strong economic underpinning and a stable and hopeful political order; conversely, the confidence that makes for economic and political progress does not thrive in areas that are vulnerable to military conquest.

These requirements are related in another way. Both of them depend upon unity of action among the free nations of the world. This, indeed, has been the foundation of our whole effort, for the drawing together of the free people of the world has become a condition essential not only to their progress, but to their survival as free people.

This is the conviction that underlies all the steps we have been taking to strengthen and

unify the free nations during the past seven years.

What have these steps been? First of all, how have we gone about meeting the requirement of providing for our security against this world-wide challenge?

Our starting point, as I have said on many occasions, has been and remains the United Nations.

We were prepared, and so were the other nations of the free world, to place our reliance on the machinery of the United Nations to safeguard peace. But before the United Nations could give full expression to the concept of international security embodied in the Charter, it was essential that the five permanent members of the Security Council honor their solemn pledge to cooperate to that end. This the Soviet Union has not done.

I do not need to outline here the dreary record of Soviet obstruction and veto and the unceasing efforts of the Soviet representatives to sabotage the United Nations. It is important, however, to distinguish clearly between the principle of collective security embodied in the Charter and the mechanisms of the United Nations to give that principle effect. We must frankly recognize that the Soviet Union has been able, in certain instances, to stall the machinery of collective security. Yet it has not been able to impair the principle of collective security. The free nations of the world have retained their allegiance to that idea. They have found the means to act despite the Soviet veto, both through the United Nations itself and through the application of this principle in regional and other security arrangements that are fully in harmony with the Charter and give expression to its purposes.

The free world refused to resign itself to collective suicide merely because of the technicality of a Soviet veto.

The principle of collective measures to forestall aggression has found expression in the Treaty of Rio de Janeiro, the North

Atlantic Treaty, now extended to include Greece and Turkey, and the several treaties we have concluded to reinforce security in the Pacific area.

But the free nations have not this time fallen prey to the dangerous illusion that treaties alone will stop an aggressor. By a series of vigorous actions, as varied as the nature of the threat, the free nations have successfully thwarted aggression or the threat of aggression in many different parts of the world.

Our country has led or supported these collective measures. The aid we have given to people determined to act in defense of their freedom has often spelled the difference between success and failure.

We all know what we have done, and I shall not review in detail the steps we have taken. Each major step was a milepost in the developing unity, strength and resolute will of the free nations.

The first was the determined and successful effort made through the United Nations to safeguard the integrity and independence of Iran in 1945 and 1946.

Next was our aid and support to embattled Greece, which enabled her to defeat the forces threatening her national independence.

In Turkey, cooperative action resulted in building up a bulwark of military strength for an area vital to the defenses of the entire free world.

In 1949, we began furnishing military aid to our partners in the North Atlantic Community and to a number of other free countries.

The Soviet Union's threats against Germany and Japan, its neighbors to the West and to the East, have been successfully withstood. Free Germany is on its way to becoming a member of the peaceful community of nations, and a partner in the common defense. The Soviet effort to capture Berlin by blockade was thwarted by the courageous Allied airlift. An independent and democratic Japan has been brought back into the community of free nations.

In the Far East, the tactics of communist imperialism have reached heights of violence unmatched elsewhere—and the problem of concerted action by the free nations has been at once more acute and more difficult.

Here, in spite of outside aid and support, the free government of China succumbed to the communist assault. Our aid has enabled the free Chinese to rebuild and strengthen their forces on the island of Formosa. In other areas of the Far East—in Indo-China, Malaya, and the Philippines—our assistance has helped sustain a staunch resistance against communist insurrectionary attacks.

The supreme test, up to this point, of the will and determination of the free nations came in Korea, when communist forces invaded the Republic of Korea, a state that was in a special sense under the protection of the United Nations. The response was immediate and resolute. Under our military leadership, the free nations for the first time took up arms, collectively, to repel aggression.

Aggression was repelled, driven back, punished. Since that time, communist strategy has seen fit to prolong the conflict, in spite of honest efforts by the United Nations to reach an honorable truce. The months of deadlock have demonstrated that the communists cannot achieve by persistence, or by diplomatic trickery, what they failed to achieve by sneak attack. Korea has demonstrated that the free world has the will and the endurance to match the communist effort to overthrow international order through local aggression.

It has been a bitter struggle and it has cost us much in brave lives and human suffering, but it has made it plain that the free nations will fight side by side, that they will not succumb to aggression or intimidation, one by one. This, in the final analysis, is the only way to halt the communist drive to world power.

At the heart of the free world's defense

is the military strength of the United States.

From 1945 to 1949, the United States was sole possessor of the atomic bomb. That was a great deterrent and protection in itself.

But when the Soviets produced an atomic explosion—as they were bound to do in time—we had to broaden the whole basis of our strength. We had to endeavor to keep our lead in atomic weapons. We had to strengthen our armed forces generally and to enlarge our productive capacity—our mobilization base. Historically, it was the Soviet atomic explosion in the fall of 1949, nine months before the aggression in Korea, which stimulated the planning for our program of defense mobilization.

What we needed was not just a central force that could strike back against aggression. We also needed strength along the outer edges of the free world, defenses for our allies as well as for ourselves, strength to hold the line against attack as well as to retaliate.

We have made great progress on this task of building strong defenses. In the last two and one half years, we have more than doubled our own defenses, and we have helped to increase the protection of nearly all the other free nations.

All the measures of collective security, resistance to aggression, and the building of defenses, constitute the first requirement for the survival and progress of the free world. But, as I have pointed out, they are interwoven with the necessity of taking steps to create and maintain economic and social progress in the free nations. There can be no military strength except where there is economic capacity to back it. There can be no freedom where there is economic chaos or social collapse. For these reasons, our national policy has included a wide range of economic measures.

In Europe, the grand design of the Marshall Plan permitted the people of Britain and France and Italy and a half dozen other countries, with help from the United States, to lift themselves from stagnation and find

again the path of rising production, rising incomes, rising standards of living. The situation was changed almost overnight by the Marshall Plan; the people of Europe have a renewed hope and vitality, and they are able to carry a share of the military defense of the free world that would have been impossible a few years ago.

Now the countries of Europe are moving rapidly towards political and economic unity, changing the map of Europe in more hopeful ways than it has been changed for 500 years. Customs unions, European economic institutions like the Schuman Plan, the movement toward European political integration, the European Defense Community—all are signs of practical and effective growth toward greater common strength and unity. The countries of Western Europe, including the free Republic of Germany are working together, and the whole free world is the gainer.

It sometimes happens, in the course of history, that steps taken to meet an immediate necessity serve an ultimate purpose greater than may be apparent at the time. This, I believe, is the meaning of what has been going on in Europe under the threat of aggression. The free nations there, with our help, have been drawing together in defense of their free institutions. In so doing, they have laid the foundations of a unity that will endure as a major creative force beyond the exigencies of this period of history. We may, at this close range, be but dimly aware of the creative surge this movement represents, but I believe it to be of historic importance. I believe its benefits will survive long after communist tyranny is nothing but an unhappy memory.

In Asia and Africa, the economic and social problems are different but no less urgent. There hundreds of millions of people are in ferment, exploding into the twentieth century, thrusting toward equality and independence and improvement in the hard conditions of their lives.

Politically, economically, socially, things cannot and will not stay in their pre-war

mold in Africa and Asia. Change must come—is coming—fast. Just in the years I have been President, 12 free nations, with more than 600 million people, have become independent: Burma, Indonesia, the Philippines, Korea, Israel, Libya, India, Pakistan and Ceylon, and the three Associated States of Indo-China, now members of the French Union. These names alone are testimony to the sweep of the great force which is changing the face of half the world.

Working out new relationships among the peoples of the free world would not be easy in the best of times. Even if there were no Communist drive for expansion, there would be hard and complex problems of transition from old social forms, old political arrangements, old economic institutions to the new ones our century demands—problems of guiding change into constructive channels, of helping new nations grow strong and stable. But now, with the Soviet rulers striving to exploit this ferment for their own purposes, the task has become harder and more urgent—terribly urgent.

In this situation, we see the meaning and the importance of the Point IV program, through which we can share our store of know-how and of capital to help these people develop their economies and reshape their societies. As we help Iranians to raise more grain, Indians to reduce the incidence of malaria, Liberians to educate their children better, we are at once helping to answer the desires of the people for advancement, and demonstrating the superiority of freedom over communism. There will be no quick solution for any of the difficulties of the new nations of Asia and Africa—but there may be no solution at all if we do not press forward with full energy to help these countries grow and flourish in freedom and in cooperation with the rest of the free world.

Our measures of economic policy have already had a tremendous effect on the course of events. Eight years ago, the Kremlin thought post-war collapse in Western Europe and Japan—with economic dislocation in America—might give them the signal to ad-

vance. We demonstrated they were wrong. Now they wait with hope that the economic recovery of the free world has set the stage for violent and disastrous rivalry among the economically developed nations, struggling for each other's markets and a greater share of trade. Here is another test that we shall have to meet and master in the years immediately ahead. And it will take great ingenuity and effort—and much time—before we prove the Kremlin wrong again. But we can do it. It is true that economic recovery presents its problems, as does economic decline, but they are problems of another order. They are the problems of distributing abundance fairly, and they can be solved by the process of international cooperation that has already brought us so far.

These are the measures we must continue. This is the path we must follow. We must go on, working with our free associates, building an international structure for military defense, and for economic, social, and political progress. We must be prepared for war, because war may be thrust upon us. But the stakes in our search for peace are immensely higher than they have ever been before.

For now we have entered the atomic age, and war has undergone a technological change which makes it a very different thing from what it used to be. War today between the Soviet empire and the free nations might dig the grave not only of our Stalinist opponents, but of our own society, our world as well as theirs.

This transformation has been brought to pass in the seven years from Alamogordo to Eniwetok. It is only seven years, but the new force of atomic energy has turned the world into a very different kind of place.

Science and technology have worked so fast that war's new meaning may not yet be grasped by all the peoples who would be its victims; nor, perhaps, by the rulers in the Kremlin. But I have been President of the United States, these seven years, responsible for the decisions which have brought our science and our engineering to their

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present place. I know what this development means now. I know something of what it will come to mean in the future.

We in this Government realized, even before the first successful atomic explosion, that this new force spelled terrible danger for all mankind unless it were brought under international control. We promptly advanced proposals in the United Nations to take this new source of energy out of the arena of national rivalries, to make it impossible to use it as a weapon of war. These proposals, so pregnant with benefit for all humanity, were rebuffed by the rulers of the Soviet Union.

The language of science is universal, the movement of science is always forward into the unknown. We could not assume that the Soviet Union would not develop the same weapon, regardless of all our precautions, nor that there were not other and even more terrible means of destruction lying in the unexplored field of atomic energy.

We had no alternative, then, but to press on, to probe the secrets of atomic power to the uttermost of our capacity, to maintain, if we could, our initial superiority in the atomic field. At the same time, we sought persistently for some avenue, some formula, for reaching an agreement with the Soviet rulers that would place this new form of power under effective restraints—that would guarantee no nation would use it in war. I do not have to recount here the proposals we made, the steps taken in the United Nations, striving at least to open a way to ultimate agreement. I hope and believe that we will continue to make these efforts so long as there is the slightest possibility of progress. All civilized nations are agreed on the urgency of the problem, and have shown their willingness to agree on effective measures of control—all save the Soviet Union and its satellites. But they have rejected every reasonable proposal.

Meanwhile, the progress of scientific experiment has outrun our expectations. Atomic science is in the full tide of develop-

ment; the unfolding of the innermost secrets of matter is uninterrupted and irresistible. Since Alamogordo we have developed atomic weapons with many times the explosive force of the early models, and we have produced them in substantial quantities. And recently, in the thermonuclear tests at Eniwetok, we have entered another stage in the worldshaking development of atomic energy. From now on, man moves into a new era of destructive power, capable of creating explosions of a new order of magnitude, dwarfing the mushroom clouds of Hiroshima and Nagasaki.

We have no reason to think that the stage we have now reached in the release of atomic energy will be the last. Indeed, the speed of our scientific and technical progress over the last seven years shows no signs of abating. We are being hurried forward, in our mastery of the atom, from one discovery to another, toward yet unforeseeable peaks of destructive power.

Inevitably, until we can reach international agreement, this is the path we must follow. And we must realize that no advance we make is unattainable by others, that no advantage in this race can be more than temporary.

The war of the future would be one in which man could extinguish millions of lives at one blow, demolish the great cities of the world, wipe out the cultural achievements of the past—and destroy the very structure of a civilization that has been slowly and painfully built up through hundreds of generations.

Such a war is not a possible policy for rational men. We know this, but we dare not assume that others would not yield to the temptation science is now placing in their hands.

With that in mind, there is something I would say, to Stalin: You claim belief in Lenin's prophecy that one stage in the development of communist society would be war between your world and ours. But Lenin was a pre-atomic man, who viewed society and history with pre-atomic eyes. Some-

thing profound has happened since he wrote. War has changed its shape and its dimension. It cannot now be a "stage" in the development of anything save ruin for your regime and your homeland.

I do not know how much time may elapse before the communist rulers bring themselves to recognize this truth. But when they do, they will find us eager to reach understandings that will protect the world from the danger it faces today.

It is no wonder that some people wish that we had never succeeded in splitting the atom. But atomic power, like any other force of nature, is not evil in itself. Properly used, it is an instrumentality for human betterment. As a source of power, as a tool of scientific inquiry, it has untold possibilities. We are already making good progress in the constructive use of atomic power. We could do much more if we were free to concentrate on its peaceful uses exclusively.

Atomic power will be with us all the days of our lives. We cannot legislate it out of existence. We cannot ignore the dangers or the benefits it offers.

I believe that man can harness the forces of the atom to work for the improvement of the lot of human beings everywhere. That is our goal. As a nation, as a people, we must understand this problem, we must handle this new force wisely through our democratic processes. Above all, we must strive, in all earnestness and good faith, to bring it under effective international control. To do this will require much wisdom and patience and firmness. The awe-inspiring responsibility in this field now falls on a new Administration and a new Congress. I will give them my support, as I am sure all our citizens will, in whatever constructive steps they may take to make this newest of man's discoveries a source of good and not of ultimate destruction.

We cannot tell when or whether the attitude of the Soviet rulers may change. We do not know how long it may be before they show a willingness to negotiate effective

control of atomic energy and honorable settlements of other world problems. We cannot measure how deep-rooted are the Kremlin's illusions about us. We can be sure, however, that the rulers of the communist world will not change their basic objectives lightly or soon.

The communist rulers have a sense of time about these things wholly unlike our own. We tend to divide our future into short spans, like the two-year life of this Congress, or the four years of the next Presidential term. They seem to think and plan in terms of generations. And there is, therefore, no easy, short-run way to make them see that their plans cannot prevail.

This means there is ahead of us a long hard test of strength and stamina, between the free world and the communist domain—our politics and our economy, our science and technology against the best they can do—our liberty against their slavery—our voluntary concert of free nations against their forced amalgam of "people's republics"—our strategy against their strategy—our nerve against their nerve.

Above all, this is a test of the will and the steadiness of the people of the United States.

There has been no challenge like this in the history of our Republic. We are called upon to rise to the occasion, as no people before us.

What is required of us is not easy. The way we must learn to live, the world we have to live in, cannot be so pleasant, safe or simple as most of us have known before, or confidently hoped to know.

Already we have had to sacrifice a number of accustomed ways of working and of living, much nervous energy, material resources, even human life. Yet if one thing is certain in our future, it is that more sacrifice still lies ahead.

Were we to grow discouraged now, were we to weaken and slack off, the whole structure we have built, these past eight years, would come apart and fall away. Never then, no matter by what stringent means,

could our time. The move. New and improved new structure desert the step back to start the mess that toward the and wait.

If we life and want the change stick to our

I have see them ing in the basic pieces. The answer, tinue to our world, more attract iron curtain a time of world. We will come sion in the lution, by by some such as the

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could our free world regain the ground, the time, the sheer momentum, lost by such a move. There can and should be changes and improvements in our programs, to meet new situations, serve new needs. But to desert the spirit of our basic policies, to step back from them now, would surely start the free world's slide toward the darkness that the communists have prophesied—toward the moment for which they watch and wait.

If we value our freedom and our way of life and want to see them safe, we must meet the challenge and accept its implications, stick to our guns and carry out our policies.

I have set out the basic conditions, as I see them, under which we have been working in the world, and the nature of our basic policies. What, then, of the future? The answer, I believe, is this: As we continue to confound Soviet expectations, as our world grows stronger, more united, more attractive to men on both sides of the iron curtain, then inevitably there will come a time of change within the communist world. We do not know how that change will come about, whether by deliberate decision in the Kremlin, by coup d'état, by revolution, by defection of satellites, or perhaps by some unforeseen combination of factors such as these.

But if the communist rulers understand they cannot win by war, and if we frustrate their attempts to win by subversion, it is not too much to expect their world to change its character, moderate its aims, become more realistic and less implacable, and recede from the cold war they began.

Do not be deceived by the strong face, the look of monolithic power that the communist dictators wear before the outside world. Remember their power has no basis in consent. Remember they are so afraid of the free world's ideas and ways of life, they do not dare to let their people know about them. Think of the massive effort they put forth to try to stop our Campaign of Truth from reaching their people with its message of freedom.

The masters of the Kremlin live in fear their power and position would collapse were their own people to acquire knowledge, information, comprehension about our free society. Their world has many elements of strength, but this one fatal flaw: the weakness represented by their iron curtain and their police state. Surely, a social order at once so insecure and so fearful, must ultimately lose its competition with our free society.

Provided just one thing—and this I urge you to consider carefully—provided that the free world retains the confidence and the determination to outmatch the best our adversary can accomplish and to demonstrate for uncertain millions on both sides of the iron curtain the superiority of the free way of life.

That is the test upon all the free nations; upon none more than our own Republic.

Our resources are equal to the task. We have the industry, the skills, the basic economic strength. Above all, we have the vigor of free men in a free society. We have our liberties. And while we keep them, while we retain our democratic faith, the ultimate advantage in this hard competition lies with us, not with the communists.

But there are some things that could shift the advantage to their side. One of the things that could defeat us is fear—fear of the task we face, fear of adjusting to it, fear that breeds more fear, sapping our faith, corroding our liberties, turning citizen against citizen, ally against ally. Fear could snatch away the very values we are striving to defend.

Already the danger signals have gone up. Already the corrosive process has begun. And every diminution of our tolerance, each new act of enforced conformity, each idle accusation, each demonstration of hysteria—each new restrictive law—is one more sign that we can lose the battle against fear.

The communists cannot deprive us of our liberties—fear can. The communists cannot stamp out our faith in human dignity—fear can. Fear is an enemy within our-

selves, and if we do not root it out, it may destroy the very way of life we are so anxious to protect.

To beat back fear, we must hold fast to our heritage as free men. We must renew our confidence in one another, our tolerance, our sense of being neighbors, fellow citizens. We must take our stand on the Bill of Rights. The inquisition, the star chamber, have no place in a free society.

Our ultimate strength lies, not alone in arms, but in the sense of moral values and moral truths that give meaning and vitality to the purposes of free people. These values are our faith, our inspiration, the source of our strength and our indomitable determination.

We face hard tasks, great dangers. But we are Americans and we have faced hardships and uncertainty before, we have adjusted before to changing circumstances. Our whole history has been a steady training for the work it is now ours to do.

No one can lose heart for the task, none can lose faith in our free ways, who stops to remember where we began, what we have sought, and what accomplished, all together as Americans.

I have lived a long time and seen much happen in our country. And I know out of my own experience, that we can do what must be done.

When I think back to the country I grew up in—and then look at what our country has become—I am quite certain that having done so much, we can do more.

After all, it has been scarcely fifteen years since most Americans rejected out-of-hand the wise counsel that aggressors must be "quarantined". The very concept of col-

lective security, the foundation-stone of all our actions now, was then strange doctrine, shunned and set aside. Talk about adapting; talk about adjusting; talk about responding as a people to the challenge of changed times and circumstances—there has never been a more spectacular example than this great change in America's outlook on the world.

Let all of us pause now, think back, consider carefully the meaning of our national experience. Let us draw comfort from it and faith, and confidence in our future as Americans.

The Nation's business is never finished. The basic questions we have been dealing with, these eight years past, present themselves anew. That is the way of our society. Circumstances change and current questions take on different forms, new complications, year by year. But underneath, the great issues remain the same—prosperity, welfare, human rights, effective democracy, and above all, peace.

Now we turn to the inaugural of our new President. And in the great work he is called upon to do he will have need for the support of a united people, a confident people, with firm faith in one another and in our common cause. I pledge him my support as a citizen of our Republic, and I ask you to give him yours.

To him, to you, to all my fellow citizens, I say, Godspeed.

May God bless our country and our cause.

HARRY S. TRUMAN

NOTE: The President's message was read aloud by clerks in both Houses of Congress and was broadcast to foreign countries.

367 Annual Budget Message to the Congress: Fiscal Year 1954. January 9, 1953

To the Congress of the United States:

I am transmitting, with this Message, the Budget of the United States Government for the fiscal year ending June 30, 1954.

This Budget represents my judgment as to the amount of funds needed to carry forward our programs for the security and welfare of our people and for world peace.

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Dwight D. Eisenhower

January 20, 1953 to January 20, 1961

tionships we have weathered the storms of the past 5 years. For this I am deeply grateful.

My deep concern in the next 12 months, before my successor takes office, is with our joint congressional-executive duty to our own and to other nations. Acting upon the beliefs I have expressed here today, I shall devote my full energies to the tasks at hand, whether these involve travel for promoting greater world understanding, negotiations to reduce international discord, or constant discussions and communications with the Congress and the American people on issues both domestic and foreign.

In pursuit of these objectives, I look forward to, and shall dedicate myself to, a close and constructive association with the Congress.

Every minute spent in irrelevant interbranch wrangling is precious time taken from the intelligent initiation and adoption of coherent policies for our national survival and progress.

We seek a common goal—brighter opportunity for our own citizens and a world peace with justice for all.

Before us and our friends is the challenge of an ideology which, for more than four decades, has trumpeted abroad its purpose of gaining ultimate victory over all forms of government at variance with its own.

We realize that however much we repudiate the tenets of imperialistic communism, it represents a gigantic enterprise. Its leaders compel its subjects to subordinate their freedom of action and spirit and personal desires for some hoped-for advantage in the future.

The Communists can present an array of material accomplishments over the past 15 years that lends a false persuasiveness to many of their glittering promises to the uncommitted peoples.

The competition they provide is formidable. We so recognize it.

But in our scale of values we place freedom first. Our whole national existence and development have been geared to that basic concept and is responsible for the position of free-world leadership to which we have succeeded. It is the highest prize that any nation can possess; it is one that communism can never offer. And America's record of material accomplishment in freedom is written not only in the unparalleled prosperity of our own Nation, but in the many billions we have devoted to the reconstruction of free-world economies wrecked by World War II and in the effective help of many more billions we have given in saving the independence of many others threatened by outside domination. Assuredly we have the capacity for handling the problems in the new era of the world's history we are now entering.

But we must use that capacity intelligently and tirelessly, regardless of personal sacrifice.

The fissure that divides our political planet is deep and wide.

We live, moreover, in a storm of semantic disorder in which old labels no longer faithfully describe.

Police states are called "people's democracies."

Armed conquest of free people is called "liberation."

Such slippery slogans make difficult the problem of communicating to our faith, facts, and beliefs.

We must make clear our peaceful intentions, our aspirations for a better world. To do so, we must use language to enlighten the mind, not as the instrument of the studied innuendo and distorter of truth.

And we must live by what we say.

On my recent visit to distant lands I found one statesman after another eager to tell me of the elements of their government that had been borrowed from our American Constitution, and from the indestructible ideals set forth in our Declaration of Independence.

As a nation we take pride that our own constitutional system, and the ideals which sustain it have been long viewed as a fountainhead of freedom.

By our every word and action we must strive to make ourselves worthy of this trust, ever mindful that an accumulation of seemingly minor encroachments upon freedom gradually could break down the entire fabric of a free society.

So persuaded, we shall get on with the task before us.

So dedicated, and with faith in the Almighty, humanity shall one day achieve the unity in freedom to which all men have aspired from the dawn of time.

NINTH ANNUAL MESSAGE

THE WHITE HOUSE, January 12, 1961.

To the Congress of the United States:

Once again it is my constitutional duty to assess the state of the Union.

On each such previous occasion during these past 8 years I have outlined a forward course designed to achieve our mutual objective—a better America in a world of peace. This time my function is different.

The American people, in free election, have selected new leadership which soon will be entrusted with the management of our Government. A new President shortly will lay before you his proposals to shape the future of our great land. To him, every citizen, whatever his political beliefs, prayerfully extends best wishes for good health and for wisdom and success in coping with the problems that confront our Nation.

For my part, I should like, first, to express to you of the Congress, my appreciation of your devotion to the common good and your friendship over these difficult years. I will carry with me pleasant memories of this association in endeavors profoundly significant to all our people.

We have been through a lengthy period in which the control over the executive and legislative branches of Government has been divided between our two great political parties. Differences, of course, we have had, particularly in domestic affairs. But in a united determina-

tion to keep this Nation strong and free and to utilize our vast resources for the advancement of all mankind, we have carried America to unprecedented heights.

For this cooperative achievement I thank the American people and those in the Congress of both parties who have supported programs in the interest of our country.

I should also like to give special thanks for the devoted service of my associates in the executive branch and the hundreds of thousands of career employees who have implemented our diverse Government programs.

My second purpose is to review briefly the record of these past 8 years in the hope that, out of the sum of these experiences, lessons will emerge that are useful to our Nation. Supporting this review are detailed reports from the several agencies and departments, all of which are now or will shortly be available to the Congress.

Throughout the world the years since 1953 have been a period of profound change. The human problems in the world grow more acute hour by hour; yet new gains in science and technology continually extend the promise of a better life. People yearn to be free, to govern themselves; yet a third of the people of the world have no freedom, do not govern themselves. The world recognizes the catastrophic nature of nuclear war; yet it sees the wondrous potential of nuclear peace.

During the period, the United States has forged ahead under a constructive foreign policy. The continuing goal is peace, liberty, and well-being—for others as well as ourselves. The aspirations of all peoples are one—peace with justice in freedom. Peace can only be attained collectively as peoples everywhere unite in their determination that liberty and well-being come to all mankind.

Yet while we have worked to advance national aspirations for freedom, a divisive force has been at work to divert that aspiration into dangerous channels. The Communist movement throughout the world exploits the natural striving of all to be free and attempts to subjugate men rather than free them. These activities have caused and are continuing to cause grave troubles in the world.

Here at home these have been times for careful adjustment of our economy from the artificial impetus of a hot war to constructive growth in a precarious peace. While building a new economic vitality without inflation, we have also increased public expenditures to keep abreast of the needs of a growing population and its attendant new problems, as well as our added international responsibilities. We have worked toward these ends in a context of shared responsibility—conscious of the need for maximum scope to private effort and for State and local, as well as Federal, governmental action.

Success in designing and executing national purposes, domestically and abroad, can only come from a steadfast resolution that integrity in the operation of Government and in our relations with each other be fully maintained. Only in this way could our spiritual goals be fully advanced.

FOREIGN POLICY

On January 20, 1953, when I took office, the United States was at war. Since the signing of the Korean armistice in 1953, Americans have lived in peace in highly troubled times.

During the 1956 Suez crisis, the U.S. Government strongly supported United Nations action—resulting in the ending of the hostilities in Egypt.

Again in 1958, peace was preserved in the Middle East despite new discord. Our Government responded to the request of the friendly Lebanese Government for military help, and promptly withdrew American forces as soon as the situation was stabilized.

In 1958 our support of the Republic of China during the all-out bombardment of Quemoy restrained the Communist Chinese from attempting to invade the offshore islands.

Although, unhappily, Communist penetration of Cuba is real and poses a serious threat, Communist-dominated regimes have been deposed in Guatemala and Iran. The occupation of Austria has ended and the Trieste question has been settled.

Despite constant threats to its integrity, West Berlin has remained free.

Important advances have been made in building mutual security arrangements—which lie at the heart of our hopes for future peace and security in the world. The Southeast Asia Treaty Organization has been established; the NATO alliance has been militarily strengthened; the Organization of American States has been further developed as an instrument of inter-American cooperation; the Anzus treaty has strengthened ties with Australia and New Zealand, and a mutual security treaty with Japan has been signed. In addition, the CENTO Pact has been concluded, and while we are not officially a member of this alliance we have participated closely in its deliberations.

The atoms-for-peace proposal to the United Nations led to the creation of the International Atomic Energy Agency. Our policy has been to push for enforceable programs of inspection against surprise attack, suspension of nuclear testing, arms reduction, and peaceful use of outer space.

The United Nations has been vigorously supported in all of its actions, including the condemnations of the wholesale murder of the people of Tibet by the Chinese Communists and the brutal Soviet repression of the people of Hungary, as well as the more recent U.N. actions in the Congo.

The United States took the initiative in negotiating the significant treaty to guarantee the peaceful use of vast Antarctica.

The U.S. Information Agency has been transformed into a greatly improved medium for explaining our policies and actions to audiences overseas, answering the lies of Communist propaganda, and projecting a clearer image of American life and culture.

Cultural, technological, and educational exchanges with the Soviet Union have been encouraged, and a comprehensive agreement was made which authorized, among other things, the distribution of our Russian language magazine *Amerika* and the highly successful American exhibition in Moscow.

This country has continued to withhold recognition of Communist China and to oppose vigorously the admission of this belligerent and unrepentant nation into the United Nations. Red China has yet to demonstrate that it deserves to be considered a peace-loving nation.

With Communist imperialism held in check, constructive actions were undertaken to strengthen the economies of free world nations. The U.S. Government has given sturdy support to the economic and

technical assistance activities of the U.N. This country stimulated a doubling of the capital of the World Bank and a 50-percent capital increase in the International Monetary Fund. The Development Loan Fund and the International Development Association were established. The United States also took the lead in creating the Inter-American Development Bank.

Vice President Nixon, Secretaries of State Dulles and Herter, and I traveled extensively through the world for the purpose of strengthening the cause of peace, freedom, and international understanding. So rewarding were these visits that their very success became a significant factor in causing the Soviet Union to wreck the planned summit conference of 1960.

These vital programs must go on. New tactics will have to be developed, of course, to meet new situations, but the underlying principles should be constant. Our great moral and material commitments to collective security, deterrence of force, international law, negotiations that lead to self-enforcing agreements, and the economic interdependence of free nations should remain the cornerstone of a foreign policy that will ultimately bring permanent peace with justice in freedom to all mankind. The continuing need of all free nations today is for each to recognize clearly the essentiality of an unbreakable bond among themselves based upon a complete dedication to the principles of collective security, effective cooperation and peace with justice.

NATIONAL DEFENSE

For the first time in our Nation's history we have consistently maintained in peacetime, military forces of a magnitude sufficient to deter and if need be to destroy predatory forces in the world.

Tremendous advances in strategic weapons systems have been made in the past 8 years. Not until 1953 were expenditures on long-range ballistic missile programs even as much as a million dollars a year; today we spend 10 times as much each day on these programs as was spent in all of 1952.

No guided ballistic missiles were operational at the beginning of 1953. Today many types give our Armed Forces unprecedented effectiveness. The explosive power of our weapons systems for all purposes is almost inconceivable.

Today the United States has operational Atlas missiles which can strike a target 5,000 miles away in a half hour. The Polaris weapons system became operational last fall and the Titan is scheduled to become so this year. Next year, more than a year ahead of schedule, a vastly improved ICBM, the solid-propellant Minuteman, is expected to be ready.

Squadrons of accurate intermediate range ballistic missiles are now operational. The Thor and Jupiter IRBM's based in forward areas can hit targets 1,500 miles away in 18 minutes.

Aircraft which fly at speeds faster than sound were still in a developmental stage 8 years ago. Today American fighting planes go twice the speed of sound. And either our B-58 medium-range jet bomber or our B-52 long-range jet bomber can carry more explosive power than was used by all combatants in World War II—Allies and Axis combined.

Eight years ago we had no nuclear-powered ships. Today 49 nuclear warships have been authorized. Of these, 14 have been com-

missioned, including 3 of the revolutionary Polaris submarines. Our nuclear submarines have cruised under the North Pole and circumnavigated the earth while submerged. Sea warfare has been revolutionized, and the United States is far and away the leader.

Our tactical air units overseas and our aircraft carriers are alert; Army units, guarding the frontiers of freedom in Europe and the Far East, are in the highest state of readiness in peacetime history; our Marines, a third of whom are deployed in the Far East, are constantly prepared for action; our Reserve Establishment has maintained high standards of proficiency, and the Ready Reserve now numbers over 2½ million citizen-soldiers.

The Department of Defense, a young and still evolving organization, has twice been improved and the line of command has been shortened in order to meet the demands of modern warfare. These major reorganizations have provided a more effective structure for unified planning and direction of the vast Defense Establishment. Gradual improvements in its structure and procedures are to be expected.

U.S. civil defense and nonmilitary defense capacity has been greatly strengthened and these activities have been consolidated in one Federal agency.

The defense forces of our allies now number 5 million men, several thousand combatant ships, and over 25,000 aircraft. Programs to strengthen these allies have been consistently supported by the administration. U.S. military assistance goes almost exclusively to friendly nations on the rim of the Communist world. This American contribution to nations who have the will to defend their freedom, but insufficient means, should be vigorously continued. Combined with our allies, the free world now has a far stronger shield than we could provide alone.

Since 1953, our defense policy has been based on the assumption that the international situation would require heavy defense expenditures for an indefinite period to come, probably for years. In this protracted struggle, good management dictates that we resist overspending as resolutely as we oppose underspending. Every dollar uselessly spent on military mechanisms decreases our total strength and, therefore, our security. We must not return to the crash-program psychology of the past when each new feint by the Communists was responded to in panic. The "bomber gap" of several years ago was always a fiction, and the "missile gap" shows every sign of being the same.

The Nation can ill afford to abandon a national policy which provides for a fully adequate and steady level of effort, designed for the long pull; a fast adjustment to new scientific and technological advances; a balanced force of such strength as to deter general war, to effectively meet local situations and to retaliate to attack and destroy the attacker; and a strengthened system of free world collective security.

THE ECONOMY

The expanding American economy passed the half-trillion-dollar mark in gross national product early in 1960. The Nation's output of goods and services is now nearly 25 percent higher than in 1952.

In 1959, the average American family had an income of \$6,520, 15 percent higher in dollars of constant buying power than in 1952,

and the real wages of American factory workers have risen 20 percent during the past 8 years. These facts reflect the rising standard of individual and family well-being enjoyed by Americans.

Our Nation benefits also from a remarkable improvement in general industrial peace through strengthened processes of free collective bargaining. Time lost since 1952 because of strikes has been half that lost in the 8 years prior to that date. Legislation now requires that union members have the opportunity for full participation in the affairs of their unions. The administration supported the Landrum-Griffin Act, which I believe is greatly helpful to the vast bulk of American labor and its leaders, and also is a major step in getting racketeers and gangsters out of labor-management affairs.

The economic security of working men and women has been strengthened by an extension of unemployment insurance coverage to 2.5 million ex-servicemen, 2.4 million Federal employees, and 1.2 million employees of small businesses, and by a strengthening of the Railroad Unemployment Insurance Act. States have been encouraged to improve their unemployment compensation benefits, so that today average weekly benefits are 40 percent higher than in 1953.

Determined efforts have improved workers' safety standards. Enforceable safety standards have been established for longshoremen and ship repair workers; Federal safety councils have been increased from 14 to over 100; safety awards have been initiated, and a national construction safety program has been developed.

A major factor in strengthening our competitive enterprise system, and promoting economic growth, has been the vigorous enforcement of antitrust laws over the last 8 years and a continuing effort to reduce artificial restraints on competition and trade and enhance our economic liberties. This purpose was also significantly advanced in 1953 when, as one of the first acts of this administration, restrictive wage and price controls were ended.

An additional measure to strengthen the American system of competitive enterprise was the creation of the Small Business Administration in 1953 to assist existing small businesses and encourage new ones. This agency has approved over \$1 billion in loans, initiated a new program to provide long-term capital for small businesses, aided in setting aside \$3¼ billion in Government contracts for award to small business concerns, and brought to the attention of individual businessmen, through programs of information and education, new developments in management and production techniques. Since 1952, important tax revisions have been made to encourage small businesses.

Many major improvements in the Nation's transportation system have been made:

After long years of debate, the dream of a great St. Lawrence Seaway, opening the heartland of America to ocean commerce, has been fulfilled.

The new Federal Aviation Agency is fostering greater safety in air travel.

The largest public construction program in history—the 41,000-mile National System of Interstate and Defense Highways—has been pushed rapidly forward. Twenty-five percent of this system is now open to traffic.

Efforts to help every American build a better life have included

also a vigorous program for expanding our trade with other nations. A 4-year renewal of the Reciprocal Trade Agreements Act was passed in 1958, and a continuing and rewarding effort has been made to persuade other countries to remove restrictions against our exports. A new export expansion program was launched in 1960, inaugurating improvement of export credit insurance and broadening research and information programs to awaken Americans to business opportunities overseas. These actions and generally prosperous conditions abroad have helped push America's export trade to a level of \$20 billion in 1960.

Although intermittent declines in economic activity persist as a problem in our enterprise system, recent downturns have been moderate and of short duration. There is, however, little room for complacency. Currently our economy is operating at high levels, but unemployment rates are higher than any of us would like, and chronic pockets of high unemployment persist. Clearly, continued sound and broadly shared economic growth remains a major national objective toward which we must strive through joint private and public efforts.

If Government continues to work to assure every American the fullest opportunity to develop and utilize his ability and talent, it will be performing one of its most vital functions, that of advancing the welfare and protecting the dignity, rights, and freedom of all Americans.

GOVERNMENT FINANCE AND ADMINISTRATION

In January 1953 the consumer's dollar was worth only 52 cents in terms of the food, clothing, shelter, and other items it would buy compared to 1939. Today the inflationary spiral which had raised the cost of living by 36 percent between 1946 and 1952 has all but ceased and the value of the dollar virtually stabilized.

In 1954 we had the largest tax cut in history, amounting to \$7.4 billion annually, of which over 62 percent went to individuals mostly in the small income brackets.

This administration has directed constant efforts toward fiscal responsibility. Balanced budgets have been sought when the economy was advancing, and a rigorous evaluation of spending programs has been maintained at all times. Resort to deficit financing in prosperous times could easily erode international confidence in the dollar and contribute to inflation at home. In this belief, I shall submit a balanced budget for fiscal 1962 to the Congress next week.

There has been a firm policy of reducing Government competition with private enterprise. This has resulted in the discontinuance of some 2,000 commercial industrial installations and in addition the curtailment of approximately 550 industrial installations operated directly by Government agencies.

Also an aggressive surplus disposal program has been carried on to identify and dispose of unneeded Government-owned real property. This has resulted in the addition of a substantial number of valuable properties to local tax rolls, and a significant monetary return to the Government.

Earnest and persistent attempts have been made to strengthen the position of State and local governments and thereby to stop the dangerous drift toward centralization of governmental power in Washington.

Significant strides have been made in increasing the effectiveness of Government. Important new agencies have been established, such as the Department of Health, Education, and Welfare, the Federal Aviation Agency, and the National Aeronautics and Space Administration. The Council of Economic Advisers was reconstituted.

The operation of our postal system has been modernized to get better and more efficient service. Modernized handling of local mail now brings next-day delivery to 168 million people in our population centers, expanded carrier service now accommodates 9.3 million families in the growing suburbs, and 1.4 million families have been added to the rural delivery service. Commonsense dictates that the postal service should be on a self-financing basis.

The concept of a trained and dedicated Government career service has been strengthened by the provision of life and health insurance benefits, a vastly improved retirement system, a new merit promotion program, and the first effective incentive awards program. With no sacrifice in efficiency, Federal civilian employment since 1953 has been reduced by over a quarter of a million persons.

I am deeply gratified that it was under the urging of this administration that Alaska and Hawaii became our 49th and 50th States.

AGRICULTURE

Despite the difficulties of administering congressional programs which apply outmoded prescriptions and which aggravate rather than solve problems, the past 8 years brought notable advances in agriculture.

Total agricultural assets are approximately \$200 billion—up \$36 billion in 8 years.

Farmowner equities are at the near record high of \$174 billion.

Farmownership is at a record high with fewer farmers in a tenant and sharecropper status than at any time in our Nation's history.

The food-for-peace program has demonstrated how surplus of American food and fiber can be effectively used to feed and clothe the needy abroad. Aided by this humanitarian program, total agricultural exports have grown from \$2.8 billion in 1953 to an average of about \$4 billion annually for the past 3 years. For 1960, exports are estimated at \$4.5 billion, the highest volume on record. Under the food-for-peace program, the largest wheat transaction in history was consummated with India in 1960.

The problems of low-income farm families received systematic attention for the first time in the rural development program. This program has gone forward in 39 States, yielding higher incomes and a better living for rural people most in need.

The Rural Electrification Administration has helped meet the growing demand for power and telephones in agricultural areas. Ninety-seven percent of all farms now have central station electric power. Dependence upon Federal financing should no longer be necessary.

The Farm Credit Administration has been made an independent agency more responsive to the farmer's needs.

The search for new uses for our farm abundance and to develop new crops for current needs has made major progress. Agricultural research appropriations have increased by 171 percent since 1953.

Farmers are being saved approximately \$80 million a year by the repeal in 1956 of Federal taxes on gasoline used in tractors and other machinery.

Since 1953, appropriations have been doubled for county agents, home agents and the Extension Service.

Eligibility for social security benefits has been extended to farmers and their families.

Yet in certain aspects our agricultural surplus situation is increasingly grave. For example, our wheat stocks now total 1.3 billion bushels. If we did not harvest 1 bushel of wheat in this coming year, we would still have all we could eat, all we could sell abroad, all we could give away, and still have a substantial carryover. Extraordinary costs are involved just in management and disposal of this burdensome surplus. Obviously important adjustments must still come. Congress must enact additional legislation to permit wheat and other farm commodities to move into regular marketing channels in an orderly manner and at the same time afford the needed price protection to the farmer. Only then will agriculture again be free, sound, and profitable.

NATURAL RESOURCES

New emphasis has been placed on the care of our national parks. A 10-year development program of our national park system—Mission 66—was initiated and 633,000 acres of park land have been added since 1953.

Appropriations for fish and wildlife operations have more than doubled. Thirty-five new refuges, containing 11,342,000 acres, have been added to the national wildlife management system.

Our Nation's forests have been improved at the most rapid rate in history.

The largest sustained effort in water resources development in our history has taken place. In the field of reclamation alone, over 50 new projects, or project units, have been authorized since 1953—including the billion dollar Colorado River storage project. When all these projects have been completed they will have a storage capacity of nearly 43 million acre-feet—an increase of 50 percent over the Bureau of Reclamation's storage capacity in mid-1953. In addition, since 1953 over 450 new navigation flood control and multiple-purpose projects of the Corps of Engineers have been started, costing nearly \$6 billion.

Soil and water conservation has been advanced as never before. One hundred forty-one projects are now being constructed under the watershed protection program.

Hydroelectric power has been impressively developed through a policy which recognizes that the job to be done requires comprehensive development by Federal, State, and local governments and private enterprise. Teamwork is essential to achieve this objective.

The Federal Columbia River power system has grown from 2 multipurpose dams with a 2.6 million kilowatt capacity to 17 multipurpose projects completed or under construction with an ultimate installed capacity of 8.1 million kilowatts. After years of negotiation, a Columbia River storage development agreement with Canada now opens the way for early realization of unparalleled power, flood-

control, and resource conservation benefits for the Pacific Northwest. A treaty implementing this agreement will shortly be submitted to the Senate.

A farsighted and highly successful program for meeting urgent water needs is being carried out by converting salt water to fresh water. A 75-percent reduction in the cost of this process has already been realized.

Continuous resource development is essential for our expanding economy. We must continue vigorous, combined Federal, State and private programs, at the same time preserving to the maximum extent possible our natural and scenic heritage for future generations.

EDUCATION, SCIENCE, AND TECHNOLOGY

The National Defense Education Act of 1958 is already a milestone in the history of American education. It provides broad opportunities for the intellectual development of all children by strengthening courses of study in science, mathematics, and foreign languages, by developing new graduate programs to train additional teachers, and by providing loans for young people who need financial help to go to college.

The administration proposed on numerous occasions a broad new 5-year program of Federal aid to help overcome the classroom shortage in public elementary and secondary schools. Recommendations were also made to give assistance to colleges and universities for the construction of academic and residential buildings to meet future enrollment increases.

This administration greatly expanded Federal loans for building dormitories for students, teachers, and nurses training, a program assisting in the construction of approximately 200,000 living accommodations during the past 8 years.

There has been a vigorous acceleration of health, resource, and education programs designed to advance the role of the American Indian in our society. Last fall, for example, 91 percent of the Indian children between the ages of 6 and 18 on reservations were enrolled in school. This is a rise of 12 percent since 1953.

In the field of science and technology, startling strides have been made by the new National Aeronautics and Space Administration. In little more than 2 years, NASA has successfully launched meteorological satellites, such as Tiros I and Tiros II, that promise to revolutionize methods of weather forecasting; demonstrated the feasibility of satellites for global communications by the successful launching of Echo I; produced an enormous amount of valuable scientific data, such as the discovery of the Van Allen radiation belt; successfully launched deep-space probes that maintained communication over the greatest range man has ever tracked; and made real progress toward the goal of manned space flights.

These achievements unquestionably make us preeminent today in space exploration for the betterment of mankind. I believe the present organizational arrangements in this area, with the revisions proposed last year, are completely adequate for the tasks ahead.

Americans can look forward to new achievements in space exploration. The near future will hold such wonders as the orbital flight of an astronaut, the landing of instruments on the moon, the launching of

the powerful giant Saturn rocket vehicles, and the reconnaissance of Mars and Venus by unmanned vehicles.

The application of atomic energy to industry, agriculture, and medicine has progressed from hope and experiment to reality. American industry and agriculture are making increasing use of radioisotopes to improve manufacturing, testing, and crop raising. Atomic energy has improved the ability of the healing professions to combat disease, and holds promise for an eventual increase in man's lifespan.

Education, science, technology, and balanced programs of every kind—these are the roadways to progress. With appropriate Federal support, the States and localities can assure opportunities for achieving excellence at all levels of the educational system; and with the Federal Government continuing to give wholehearted support to basic scientific research and technology, we can expect to maintain our position of leadership in the world.

CIVIL RIGHTS

The first consequential Federal civil rights legislation in 85 years was enacted by Congress on recommendation of the administration in 1957 and 1960.

A new Civil Rights Division in the Department of Justice has already moved to enforce constitutional rights in such areas as voting and the elimination of Jim Crow laws.

Greater equality of job opportunity in Federal employment and employment with Federal contractors has been effectively provided through the President's Committees on Government Contracts and Government Employment Practices.

The Civil Rights Commission has undertaken important surveys in the fields of housing, voting, and education.

Segregation has been abolished in the Armed Forces, in Veterans' hospitals, in all Federal employment, and throughout the District of Columbia—administratively accomplished progress in this field that is unmatched in America's recent history.

This pioneering work in civil rights must go on. Not only because discrimination is morally wrong, but also because its impact is more than national—it is worldwide.

HEALTH AND WELFARE

Federal medical research expenditures have increased more than fourfold since 1954.

A vast variety of the approaches known to medical science has been explored to find better methods of treatment and prevention of major diseases, particularly heart diseases, cancer, and mental illness.

The control of air and water pollution has been greatly strengthened. Americans now have greater protection against harmful, unclean, or misrepresented foods, drugs, or cosmetics through a strengthened Food and Drug Administration and by new legislation which requires that food additives be proved safe for human consumption before use.

A newly established Federal Radiation Council, along with the Department of Health, Education, and Welfare, analyzes and coordinates information regarding radiological activities which affect the public health.

Medical manpower has been increased by Federal grants for teaching and research.

Construction of new medical facilities has been stepped up and extended to include nursing homes, diagnostic and treatment centers, and rehabilitation facilities.

The vocational rehabilitation program has been significantly expanded. About 90,000 handicapped people are now being rehabilitated annually so they are again able to earn their own living with self-respect and dignity.

New legislation provides for better medical care for the needv aged, including those older persons, who, while otherwise self-sufficient, need help in meeting their health care costs. The administration recommended a major expansion of this effort.

The coverage of the Social Security Act has been broadened since 1953 to make 11 million additional people eligible for retirement, disability or survivor benefits for themselves or their dependents, and the social security benefits have been substantially improved.

Grants to the States for maternal and child welfare services have been increased.

The States, aided by Federal grants, now assist some 6 million needy people through the programs of old-age assistance, aid to dependent children, aid to the blind, and aid to the totally and permanently disabled.

HOUSING AND URBAN DEVELOPMENT

More houses have been built during the past 8 years—over 9 million—than during any previous 8 years in history.

An historic new approach—urban renewal—now replaces piecemeal thrusts at slum pockets and urban blight. Communities engaged in urban renewal have doubled and renewal projects have more than tripled since 1953. An estimated 68 projects in 50 cities will be completed by the end of the current fiscal year; another 577 projects will be underway, and planning for 310 more will be in process. A total of \$2 billion in Federal grants will ultimately be required to finance these 955 projects.

New programs have been initiated to provide more and better housing for elderly people. Approximately 25,000 units especially designed for the elderly have been built, started, or approved in the past 3 years.

For the first time, because of Federal help and encouragement, 90 metropolitan areas and urban regions and 1,140 smaller towns throughout the country are making comprehensive development plans for their future growth and development.

American communities have been helped to plan water and sanitation systems and schools through planning advances for 1,600 public works projects with a construction cost of nearly \$2 billion.

Mortgage insurance on individual homes has been greatly expanded. During the past 8 years, the Federal Housing Administration alone insured over 2½ million home mortgages valued at \$27 billion, and in addition, insured more than 10 million property improvement loans.

The Federal Government must continue to provide leadership in order to make our cities and communities better places in which to live,

work, and raise families, but without usurping rightful local authority, replacing individual responsibility, or stifling private initiative.

IMMIGRATION

Over 32,000 victims of Communist tyranny in Hungary were brought to our shores, and at this time our country is working to assist refugees from tyranny in Cuba.

Since 1953, the waiting period for naturalization applicants has been reduced from 18 months to 45 days.

The administration also has made legislative recommendations to liberalize existing restrictions upon immigration while still safeguarding the national interest. It is imperative that our immigration policy be in the finest American tradition of providing a haven for oppressed peoples and fully in accord with our obligation as a leader of the free world.

VETERANS

In discharging the Nation's obligation to our veterans, during the past 8 years there have been:

- The readjustment of World War II veterans was completed, and the 5 million Korean conflict veterans were assisted in achieving successful readjustment to civilian life;

- Increases in compensation benefits for all eligible veterans with service-connected disabilities;

- Higher non-service-connected pension benefits for needy veterans;

- Greatly improved benefits to survivors of veterans dying in or as a result of service;

- Authorization, by Presidential directive, of an increase in the number of beds available for sick and disabled veterans;

- Development of a 12-year, \$900 million construction program to modernize and improve our veterans hospitals;

- New modern techniques brought into the administration of veterans' affairs to provide the highest quality service possible to those who have defended us.

CONCLUSION

In concluding my final message to the Congress, it is fitting to look back to my first—to the aims and ideals I set forth on February 2, 1953: To use America's influence in world affairs to advance the cause of peace and justice, to conduct the affairs of the executive branch with integrity and efficiency, to encourage creative initiative in our economy, and to work toward the attainment of the well-being and equality of opportunity of all citizens.

Equally, we have honored our commitment to pursue and attain specific objectives. Among them, as stated 8 years ago: strengthening of the mutual security program; development of world trade and commerce; ending of hostilities in Korea; creation of a powerful deterrent force; practicing fiscal responsibility; checking the menace of inflation; reducing the tax burden; providing an effective internal security program; developing and conserving our natural resources; reducing governmental interference in the affairs of the farmer;

strengthening and improving services by the Department of Labor, and the vigilant guarding of civil and social rights.

I do not close this message implying that all is well—that all problems are solved. For progress implies both new and continuing problems and, unlike Presidential administrations, problems rarely have terminal dates.

Abroad, there is the continuing Communist threat to the freedom of Berlin, an explosive situation in Laos, the problems caused by Communist penetration of Cuba, as well as the many problems connected with the development of the new nations in Africa. These areas, in particular, call for delicate handling and constant review.

At home, several conspicuous problems remain: promoting higher levels of employment, with special emphasis on areas in which heavy unemployment has persisted; continuing to provide for steady economic growth and preserving a sound currency; bringing our balance of payments into more reasonable equilibrium and continuing a high level of confidence in our national and international financial systems; eliminating heavily excessive surpluses of a few farm commodities; and overcoming deficiencies in our health and educational programs.

Our goal always has been to add to the spiritual, moral, and material strength of our Nation. I believe we have done this. But it is a process that must never end. Let us pray that leaders of both the near and distant future will be able to keep the Nation strong and at peace, that they will advance the well-being of all our people, that they will lead us on to still higher moral standards, and that, in achieving these goals, they will maintain a reasonable balance between private and governmental responsibility.



John F. Kennedy

January 20, 1961 to November 22, 1963

Administration of Ronald Reagan, 1988 / Jan. 25

**Address Before a Joint Session of the
Congress on the State of the Union
January 25, 1988**

Mr. Speaker, Mr. President, and distinguished Members of the House and Senate:

When we first met here 7 years ago—many of us for the first time—it was with the hope of beginning something new for America. We meet here tonight in this historic Chamber to continue that work. If anyone expects just a proud recitation of the accomplishments of my administration, I say let's leave that to history; we're not finished yet. So, my message to you tonight is put on your workshoes; we're still on the job.

History records the power of the ideas that brought us here those 7 years ago—ideas like the individual's right to reach as far and as high as his or her talents will permit; the free market as an engine of economic progress. And as an ancient Chinese philosopher, Lau-tzu, said: "Govern a great nation as you would cook a small fish; do not overdo it." *[Laughter]*

Well, these ideas were part of a larger notion, a vision, if you will, of America herself—an America not only rich in opportunity for the individual but an America, too, of strong families and vibrant neighborhoods; an America whose divergent but harmonizing communities were a reflection of a deeper community of values: the value of work, of family, of religion, and of the love of freedom that God places in each of us

and whose defense He has entrusted in a special way to this nation.

All of this was made possible by an idea I spoke of when Mr. Gorbachev was here—the belief that the most exciting revolution ever known to humankind began with three simple words: "We the People," the revolutionary notion that the people grant government its rights, and not the other way around.

And there's one lesson that has come home powerfully to me, which I would offer to you now. Just as those who created this Republic pledged to each other their lives, their fortunes, and their sacred honor, so, too, America's leaders today must pledge to each other that we will keep foremost in our hearts and minds not what is best for ourselves or for our party but what is best for America.

In the spirit of Jefferson, let us affirm that in this Chamber tonight there are no Republicans, no Democrats, just Americans. Yes, we will have our differences, but let us always remember what unites us far outweighs whatever divides us. Those who sent us here to serve them—the millions of Americans watching and listening tonight—expect this of us. Let's prove to them and to ourselves that democracy works even in an election year.

We've done this before. And as we have worked together to bring down spending, tax rates, and inflation, employment has climbed to record heights; America has created more jobs and better, higher paying jobs; family income has risen for 4 straight years, and America's poor climbed out of poverty at the fastest rate in more than 10 years.

Our record is not just the longest peacetime expansion in history but an economic and social revolution of hope based on work, incentives, growth, and opportunity; a revolution of compassion that led to private sector initiatives and a 77-percent increase in charitable giving; a revolution that at a critical moment in world history reclaimed and restored the American dream.

In international relations, too, there's only one description for what, together, we have achieved: a complete turnabout, a revolution. Seven years ago, America was weak, and freedom everywhere was under siege.

Today America is strong, and democracy is everywhere on the move. From Central America to East Asia, ideas like free markets and democratic reforms and human rights are taking hold. We've replaced "Blame America" with "Look up to America." We've rebuilt our defenses. And of all our accomplishments, none can give us more satisfaction than knowing that our young people are again proud to wear our country's uniform.

And in a few moments, I'm going to talk about three developments—arms reduction, the Strategic Defense Initiative, and the global democratic revolution—that, when taken together, offer a chance none of us would have dared imagine 7 years ago, a chance to rid the world of the two great nightmares of the postwar era. I speak of the startling hope of giving our children a future free of both totalitarianism and nuclear terror.

Tonight, then, we're strong, prosperous, at peace, and we are free. This is the state of our Union. And if we will work together this year, I believe we can give a future President and a future Congress the chance to make that prosperity, that peace, that freedom not just the state of our Union but the state of our world.

Toward this end, we have four basic objectives tonight. First, steps we can take this year to keep our economy strong and growing, to give our children a future of low inflation and full employment. Second, let's check our progress in attacking social problems, where important gains have been made, but which still need critical attention. I mean schools that work, economic independence for the poor, restoring respect for family life and family values. Our third objective tonight is global: continuing the exciting economic and democratic revolutions we've seen around the world. Fourth and finally, our nation has remained at peace for nearly a decade and a half, as we move toward our goals of world prosperity and world freedom. We must protect that peace and deter war by making sure the next President inherits what you and I have a moral obligation to give that President: a national security that is unassailable and a national defense that takes full advantage of new technology and is fully funded.

This is a full agenda. It's meant to be. You see, my thinking on the next year is quite simple: Let's make this the best of 8. And that means it's all out—right to the finish line. I don't buy the idea that this is the last year of anything, because we're not talking here tonight about registering temporary gains but ways of making permanent our successes.

And that's why our focus is the values, the principles, and ideas that made America great. Let's be clear on this point. We're for limited government, because we understand, as the Founding Fathers did, that it is the best way of ensuring personal liberty and empowering the individual so that every American of every race and region shares fully in the flowering of American prosperity and freedom.

One other thing we Americans like—the future—like the sound of it, the idea of it, the hope of it. Where others fear trade and economic growth, we see opportunities for creating new wealth and undreamed-of opportunities for millions in our own land and beyond. Where others seek to throw up barriers, we seek to bring them down. Where others take counsel of their fears, we follow our hopes. Yes, we Americans like the future and like making the most of it. Let's do that now.

And let's begin by discussing how to maintain economic growth by controlling and eventually eliminating the problem of Federal deficits. We have had a balanced budget only eight times in the last 57 years. For the first time in 14 years, the Federal Government spent less in real terms last year than the year before. We took \$73 billion off last year's deficit compared to the year before. The deficit itself has moved from 6.3 percent of the gross national product to only 3.4 percent. And perhaps the most important sign of progress has been the change in our view of deficits. You know, a few of us can remember when, not too many years ago, those who created the deficits said they would make us prosperous and not to worry about the debt, because we owe it to ourselves. Well, at last there is agreement that we can't spend ourselves rich.

Our recent budget agreement, designed to reduce Federal deficits by \$76 billion

over the next 2 years, builds on this consensus. But this agreement must be adhered to without slipping into the errors of the past: more broken promises and more unchecked spending. As I indicated in my first State of the Union, what ails us can be simply put: The Federal Government is too big, and it spends too much money. I can assure you, the bipartisan leadership of Congress, of my help in fighting off any attempt to bust our budget agreement. And this includes the swift and certain use of the veto power.

Now, it's also time for some plain talk about the most immediate obstacle to controlling Federal deficits. The simple but frustrating problem of making expenses match revenues—something American families do and the Federal Government can't—has caused crisis after crisis in this city. Mr. Speaker, Mr. President, I will say to you tonight what I have said before and will continue to say: The budget process has broken down; it needs a drastic overhaul. With each ensuing year, the spectacle before the American people is the same as it was this Christmas: budget deadlines delayed or missed completely, monstrous continuing resolutions that pack hundreds of billions of dollars worth of spending into one bill, and a Federal Government on the brink of default.

I know I'm echoing what you here in the Congress have said, because you suffered so directly. But let's recall that in 7 years, of 91 appropriations bills scheduled to arrive on my desk by a certain date, only 10 made it on time. Last year, of the 13 appropriations bills due by October 1st, none of them made it. Instead, we had four continuing resolutions lasting 41 days, then 36 days, and 2 days, and 3 days, respectively.

And then, along came these behemoths. This is the conference report—1,053 pages report weighing 14 pounds. Then this—a reconciliation bill 6 months late that was 1,186 pages long, weighing 15 pounds. And the long-term continuing resolution—this one was 2 months late, and it's 1,057 pages long, weighing 14 pounds. That was a total of 43 pounds of paper and ink. You had 3 hours—yes, 3 hours—to consider each, and it took 300 people at my Office of Management and Budget just to read the bill so the Government wouldn't shut down. Congress

shouldn't send another one of these. No. And if you do, I will not sign it.

Let's change all this. Instead of a Presidential budget that gets discarded and a congressional budget resolution that is not enforced, why not a simple partnership, a joint agreement that sets out the spending priorities within the available revenues? And let's remember our deadline is October 1st, not Christmas. Let's get the people's work done in time to avoid a footrace with Santa Claus. *[Laughter]* And, yes, this year—to coin a phrase—a new beginning: 13 individual bills, on time and fully reviewed by Congress.

I'm also certain you join me in saying: Let's help ensure our future of prosperity by giving the President a tool that, though I will not get to use it, is one I know future Presidents of either party must have. Give the President the same authority that 43 Governors use in their States: the right to reach into massive appropriation bills, pare away the waste, and enforce budget discipline. Let's approve the line-item veto.

And let's take a partial step in this direction. Most of you in this Chamber didn't know what was in this catchall bill and report. Over the past few weeks, we've all learned what was tucked away behind a little comma here and there. For example, there's millions for items such as cranberry research, blueberry research, the study of crawfish, and the commercialization of wildflowers. And that's not to mention the five or so million [\$5 million] that—so that people from developing nations could come here to watch Congress at work. *[Laughter]* I won't even touch that. *[Laughter]* So, tonight I offer you this challenge. In 30 days I will send back to you those items as rescissions, which if I had the authority to line them out I would do so.

Now, review this multibillion-dollar package that will not undercut our bipartisan budget agreement. As a matter of fact, if adopted, it will improve our deficit reduction goals. And what an example we can set: that we're serious about getting our financial accounts in order. By acting and approving this plan, you have the opportunity to override a congressional process that is out of control.

There is another vital reform. Yes, Gramm-Rudman-Hollings has been profoundly helpful, but let us take its goal of a balanced budget and make it permanent. Let us do now what so many States do to hold down spending and what 32 State legislatures have asked us to do. Let us heed the wishes of an overwhelming plurality of Americans and pass a constitutional amendment that mandates a balanced budget and forces the Federal Government to live within its means.

Reform of the budget process—including the line-item veto and balanced budget amendment—will, together with real restraint on government spending, prevent the Federal budget from ever again ravaging the family budget.

Let's ensure that the Federal Government never again legislates against the family and the home. Last September I signed an Executive order on the family requiring that every department and agency review its activities in light of seven standards designed to promote and not harm the family. But let us make certain that the family is always at the center of the public policy process not just in this administration but in all future administrations. It's time for Congress to consider, at the beginning, a statement of the impact that legislation will have on the basic unit of American society, the family.

And speaking of the family, let's turn to a matter on the mind of every American parent tonight: education. We all know the sorry story of the sixties and seventies—soaring spending, plummeting test scores—and that hopeful trend of the eighties, when we replaced an obsession with dollars with a commitment to quality, and test scores started back up. There's a lesson here that we all should write on the blackboard a hundred times: In a child's education, money can never take the place of basics like discipline, hard work, and, yes, homework.

As a nation we do, of course, spend heavily on education—more than we spend on defense. Yet across our country, Governors like New Jersey's Tom Kean are giving classroom demonstrations that how we spend is as important as how much we spend. Opening up the teaching profession to all qualified candidates, merit pay—so

that good teachers get A's as well as apples—and stronger curriculum, as Secretary Bennett has proposed for high schools—these imaginative reforms are making common sense the most popular new kid in America's schools.

How can we help? Well, we can talk about and push for these reforms. But the most important thing we can do is to reaffirm that control of our schools belongs to the States, local communities and, most of all, to the parents and teachers.

My friends, some years ago, the Federal Government declared war on poverty, and poverty won. [Laughter] Today the Federal Government has 59 major welfare programs and spends more than \$100 billion a year on them. What has all this money done?

Well, too often it has only made poverty harder to escape. Federal welfare programs have created a massive social problem. With the best of intentions, government created a poverty trap that wreaks havoc on the very support system the poor need most to lift themselves out of poverty: the family. Dependency has become the one enduring heirloom, passed from one generation to the next, of too many fragmented families.

It is time—this may be the most radical thing I've said in 7 years in this office—it's time for Washington to show a little humility. There are a thousand sparks of genius in 50 States and a thousand communities around the Nation. It is time to nurture them and see which ones can catch fire and become guiding lights.

States have begun to show us the way. They've demonstrated that successful welfare programs can be built around more effective child support enforcement practices and innovative programs requiring welfare recipients to work or prepare for work. Let us give the States more flexibility and encourage more reforms. Let's start making our welfare system the first rung on America's ladder of opportunity, a boost up from dependency, not a graveyard but a birthplace of hope.

And now let me turn to three other matters vital to family values and the quality of family life. The first is an untold American success story. Recently, we released our annual survey of what graduating high

school seniors have to say about drugs. Cocaine use is declining, and marijuana use was the lowest since surveying began. We can be proud that our students are just saying no to drugs. But let us remember what this menace requires: commitment from every part of America and every single American, a commitment to a drug-free America. The war against drugs is a war of individual battles, a crusade with many heroes, including America's young people and also someone very special to me. She has helped so many of our young people to say no to drugs. Nancy, much credit belongs to you, and I want to express to you your husband's pride and your country's thanks. Surprised you, didn't I? [Laughter]

Well, now we come to a family issue that we must have the courage to confront. Tonight, I call America—a good nation, a moral people—to charitable but realistic consideration of the terrible cost of abortion on demand. To those who say this violates a woman's right to control of her own body: Can they deny that now medical evidence confirms the unborn child is a living human being entitled to life, liberty, and the pursuit of happiness? Let us unite as a nation and protect the unborn with legislation that would stop all Federal funding for abortion and with a human life amendment making, of course, an exception where the unborn child threatens the life of the mother. Our Judeo-Christian tradition recognizes the right of taking a life in self-defense.

But with that one exception, let us look to those others in our land who cry out for children to adopt. I pledge to you tonight I will work to remove barriers to adoption and extend full sharing in family life to millions of Americans so that children who need homes can be welcomed to families who want them and love them.

And let me add here: So many of our greatest statesmen have reminded us that spiritual values alone are essential to our nation's health and vigor. The Congress opens its proceedings each day, as does the Supreme Court, with an acknowledgment of the Supreme Being. Yet we are denied the right to set aside in our schools a moment each day for those who wish to pray. I believe Congress should pass our school prayer amendment.

Now, to make sure there is a full nine-member Supreme Court to interpret the law, to protect the rights of all Americans, I urge the Senate to move quickly and decisively in confirming Judge Anthony Kennedy to the highest Court in the land and to also confirm 27 nominees now waiting to fill vacancies in the Federal judiciary.

Here then are our domestic priorities. Yet if the Congress and the administration work together, even greater opportunities lie ahead to expand a growing world economy, to continue to reduce the threat of nuclear arms, and to extend the frontiers of freedom and the growth of democratic institutions.

Our policies consistently received the strongest support of the late Congressman Dan Daniel of Virginia. I'm sure all of you join me in expressing heartfelt condolences on his passing.

One of the greatest contributions the United States can make to the world is to promote freedom as the key to economic growth. A creative, competitive America is the answer to a changing world, not trade wars that would close doors, create greater barriers, and destroy millions of jobs. We should always remember: Protectionism is destructionism. America's jobs, America's growth, America's future depend on trade—trade that is free, open, and fair.

This year, we have it within our power to take a major step toward a growing global economy and an expanding cycle of prosperity that reaches to all the free nations of this Earth. I'm speaking of the historic free trade agreement negotiated between our country and Canada. And I can also tell you that we're determined to expand this concept, south as well as north.

Next month I will be traveling to Mexico, where trade matters will be of foremost concern. And over the next several months, our Congress and the Canadian Parliament can make the start of such a North American accord a reality. Our goal must be a day when the free flow of trade, from the tip of Tierra del Fuego to the Arctic Circle, unites the people of the Western Hemisphere in a bond of mutually beneficial exchange, when all borders become what the U.S.-Canadian border so long has been: a meeting place rather than a dividing line. *

This movement we see in so many places toward economic freedom is indivisible from the worldwide movement toward political freedom and against totalitarian rule. This global democratic revolution has removed the specter, so frightening a decade ago, of democracy doomed to permanent minority status in the world. In South and Central America, only a third of the people enjoyed democratic rule in 1976. Today over 90 percent of Latin Americans live in nations committed to democratic principles.

And the resurgence of democracy is owed to these courageous people on almost every continent who have struggled to take control of their own destiny. In Nicaragua the struggle has extra meaning, because that nation is so near our own borders.

The recent revelations of a former high-level Sandinista major, Roger Miranda, show us that, even as they talk peace, the Communist Sandinista government of Nicaragua has established plans for a large 600,000-man army. Yet even as these plans are made, the Sandinista regime knows the tide is turning, and the cause of Nicaraguan freedom is riding at its crest. Because of the freedom fighters, who are resisting Communist rule, the Sandinistas have been forced to extend some democratic rights, negotiate with church authorities, and release a few political prisoners.

The focus is on the Sandinistas, their promises and their actions. There is a consensus among the four Central American democratic Presidents that the Sandinistas have not complied with the plan to bring peace and democracy to all of Central America. The Sandinistas again have promised reforms. Their challenge is to take irreversible steps toward democracy.

On Wednesday my request to sustain the freedom fighters will be submitted, which reflects our mutual desire for peace, freedom, and democracy in Nicaragua. I ask Congress to pass this request. Let us be for the people of Nicaragua what Lafayette, Pulaski, and Von Steuben were for our forefathers and the cause of American independence.

So, too, in Afghanistan, the freedom fighters are the key to peace. We support the Mujahidin. There can be no settlement unless all Soviet troops are removed and the Afghan people are allowed genuine self-

determination. I have made my views on this matter known to Mr. Gorbachev. But not just Nicaragua or Afghanistan—yes, everywhere we see a swelling freedom tide across the world: freedom fighters rising up in Cambodia and Angola, fighting and dying for the same democratic liberties we hold sacred. Their cause is our cause: freedom.

Yet even as we work to expand world freedom, we must build a safer peace and reduce the danger of nuclear war. But let's have no illusions. Three years of steady decline in the value of our annual defense investment have increased the risk of our most basic security interests, jeopardizing earlier hard-won goals. We must face squarely the implications of this negative trend and make adequate, stable defense spending a top goal both this year and in the future.

This same concern applies to economic and security assistance programs as well. But the resolve of America and its NATO allies has opened the way for unprecedented achievement in arms reduction. Our recently signed INF treaty is historic, because it reduces nuclear arms and establishes the most stringent verification regime in arms control history, including several forms of short-notice, on-site inspection. I submitted the treaty today, and I urge the Senate to give its advice and consent to ratification of this landmark agreement. *[Applause]* Thank you very much.

In addition to the INF treaty, we're within reach of an even more significant START agreement that will reduce U.S. and Soviet long-range missile, or strategic, arsenals by half. But let me be clear. Our approach is not to seek agreement for agreement's sake but to settle only for agreements that truly enhance our national security and that of our allies. We will never put our security at risk—or that of our allies—just to reach an agreement with the Soviets. No agreement is better than a bad agreement.

As I mentioned earlier, our efforts are to give future generations what we never had: a future free of nuclear terror. Reduction of strategic offensive arms is one step; SDI another. Our funding request for our Strategic Defense Initiative is less than 2 percent of