self to the topics embraced in his original letter. He has extended them, and now for the first time, and in a sarcastic and no kindly spirit, refers to the alleged stealing of public arms by Secretary Floyd and their transportation to the South in anticipation of the rebellion. The most conclusive answer forthis allegation is that notwithstanding the boasting of Mr. Floyd at Richmond, evidently with the view of conciliating his new allies, cited by the General as his authority, no public arms were ever stolen. This fact is established by the report of the Committee on Military Affairs of the House of Representatives, now before me, made by Mr. Stanton, of Ohio, their chairman, on the 18th of February, 1861, and to be found in the second volume of the Reports of Committees of the House for the session of 18-60-61. This report and the testimony before the committee established;—

"I"That the Southern States received in 1860 less instead of more than the quota of arms to which they were entitled by law; and that three of them-North Carolina, Mississippi, and Kentucky-received no arms whatever, and this simply because they did not ask for them. Well may Mr. Stanton have said in the House, "that there are a good deal of rumors and speculations and misapprehension as to of the country now, nor did they the true state of facts in regard to this matter.

2. Secretary Floyd, under suspicious circumstances, on the 22d December, 18 60, and but a few days before he left the Department, had, without the knowledge of the President, ordered one hundred and thirteen (113) columbiads and eleven (11) thirty-two pounders to be transported from Pittsburg to Ship Island and Galves was brought to the knowledge of the President by a communication from Pittsburg; and Secretary Holt immediately thereafter countermanded the order of his predecessor, and the cannon were never sent. The promptitude with which we acted elicited a vote of thanks, dated on the 4th of January, 1861, from the Select acting Secretary of War,; (Mr. Holt.) After this statement how shall we account for the explicit declaration of General Scott ment of these guns had commenced, I communicated the fact to Secretary Holt (acting for Secretary Cameron,) just in him. time to defeat the robbery?" And this is the same Secretary Holt who had countermanded "the posthumous order" in December. And strange to say, these guns, Scott, were about to be sent so late as March from the loyal States, in those over which Jefferson Davis had then for some time presided!

printed document and my (his) own official papers.'

3. The Government had on hand muskets, which had been condemned more right to call a Congressional "as unsuitable to public service," under the act of 3d of March, 1825 .-They were of such a character that, private sale for \$2 50 each, purcha. sers could not be obtained at that of administration, and without reference to the President. It is but jusbefore the committee there is no real be the result. son to suspect that Secretary Floyd issued this order from any sinister was still an avowed opponent of secession. Indeed, the testimony of evil intention on his part.

And yet these "condemned mus. tion." This is the first time I have heard-certainly there was nothing of the kind before the committeethat ammunition was sent with these condemned and inferior arms to their places of storage—just as though they had been intended not for sale but for immediate use in the field. The truth is, that it is impossible to steal and served as the law directs lawarms and transport them from one depository to another without the knowledge and active participation of the officers of the Ordnance Bureau, both in Washington and at these depositories. It may be observed that Colonel Craig, the head of honest a man as exists in the country. Yours, very respectfully,

JAMES BUCHANAN. Wheatland, near Lancaster, Nov. 17.

More Money Wanted .- The Wash. ington correspondence of the Boston Herald states that the Commission ers under the act emancipating the slaves in the District of Columbia have completed their labors. Over three thousand slaves have been freed by them, and while the price paid for give us battle on the Rappahannock, ments, 17,214 in Washington and vieach is on an average only about one and that Jackson, Hill and Stuart are | cinity, and the remainder in the varihalf or two thirds their estimated val- to form his left wing. Gen. Burnside ue, the appropriation of one million is said to be prepared for the work dollars has fallen far short of the before him. The rebels are said to amount required, and nearly half a be well clothed and provisioned, and million more will have to be appropri- 80,000 strong, at Fredericksburg. ated for that object. Rump Con. gress now in session will have no hesitation in voting the same.

for soldiers, Vanity Fair thinks they 400 majority on Collector. The entire cific and New Mexico, those at home would not be of much service, except Democratic ticket is elected for the first and in regimental, brigade, division in the case of another Indian out time in the fall for twenty years. break when it would be quite the At the charter election in Norwalk, the there is no doubt that the number thing to send a brigade of Blacklegs entire Democratic ticket was also elected would be swelled to 100,000.—Amerito fight the Blackfeet.

Lebanon Adbertiser.



WHEN DEMOCRATIC PRINCIPLES CEASE TO LEAD, WE CEASE TO FOLLOW,"

WM. M. BRESLIN, Editor and Proprietor.

LEBANON, PA. WEDNESDAY, DECEMBER 3, 1862.

The Courier says, "when Abranam Lincoln came into power the found the terrible rebellion fully organized and propared for the destruction of the Government."

Abraham Lincoln said when he came into power that there is "nothing going wrong; that there is nothing that really hurts anybody; that nobody is suffering anything."

We await an explanation from one or both of these parties. To our mind applaud the act; and to outdo their neither knows anything of the state

The drafted militia of this state are all oredred to Washington.

The War Department has ordered the release of all civilians in the military prisons of Forts Warren, Lafayette, &c. Their imprisonment fight wrong, and assign both to Me- Milwaukee News. ton, in Mississippi and Texas. This fact was as arbitrary an act as ever dis Clellan and his detractors the places graced this country, and now they were only released from fear of Dem. ocratic thunder. Justice will yet overtake the Despots.

Anothen Emancipation Procla MATION.-On the first of January, and Common Councils of that city "to the next, with the installation of Gov. President, the Atiorney General, and the Seymour, arbitrary arrests and imprisonment, will be abolished in the State of New York, unless some one that, "accidentally hearing early in March that under this posthumous order (that of Mr Floyd of the 22d Decrmber) the shipwill be suspended in his case for the slamber. It has been our unceasing endeavor to purpose of hindering the dogs biting awake them throughout the nation.

"We were the first to tell our readers of its suc-

Military Governor hand issued a Proclamatical che loyal citizens of the but for the alleged interposition of Gen. Congressional districts of Foursiana to send representatives to Congress The third of December is set apart as election day. This is a scheme Had Gen Scott reflected for a moment to foist some Yankce fanatic upon Butler. he could not have fallen into this blunder. | the National Treasury to draw \$3,000 It is quite manifest he was "without a a year, and help to put through some more of the nigger schemes of the Administration. Legally, the militain the year 1859, about 500,000 old ry Governor of Louisiana has no

election than we have. There is a great deal of troualthough offered both at public and ble at Harrisburg, with the drafted men. Three companies of provost rate, except for a comparatively guards are on duty to prevent their small number. On the 30th of No- escape: Desertions take place every vember, 1859, Secretary Floyd order | night, and it is supposed that the ed one-fifth of the whole number whole number of desertions up to this (105,000) to be sent from the Spring time is not less than 2000. On Fri Washington City, and while there the beginning of on domestic difficulties, them will soon be in a condition to be or the beginning of on domestic difficulties, them will soon be in a condition to be or "in proportion to their respective escape, when he was shot in the leg, things which, to us, seemed very sug-recognized the insurgents as a belligerent. means of proper storage." This or- and it is feared that the injured limb gestive evidence of the extraordina- would soon recedefrom that position, which der was carried into effect by the will have to be amputated. This Ordnance Bureau in the usual course shooting created intense indignation tice to say that from the testimony at one time that a general riot would morning, and the care taken to keep

The Republicans want men motive. Its date was months before sent to congress from Florida, Louis-Mr. Lincoln's nomination for the lana, and other States who "will sus-Presidency, and nearly a year before tain the principles and the policy Home, where he has resided for ma-Colonel Craig and Capt. Maynodier, to sustain the principles and policy of was as follows: About half past five of the Ordnance, before the committee the Constitution and free government. in the afternoon a mounted guard, tee is wholly inconsistent with any The present administration will not and connot be sustained; its princibres, extensive spears, dangling and kets," with a few thousand ancient ples and policy are subversive of all rattling scal bards, fierce beards. rifles of a calibre then no longer us true government. For proof thereof and revolvers stuck in their holsters. ed, are transformed by General Scott | see the misserable condition to which | dashed furiously through the streets. into 115,000 extra muskets and rifles, it has brought the country by its President's house. At the steps in mis government.

> John Van Buren declares the New York State, who sets his foot on the soil of that state, will be arrested breakers generally to be served.

Among the principle lessons taught by the late elections is this, the Bureau, at this period was as cor- tration; and that bastiles and bayo. reet an officer and as loyal and as nets are not weapons in a free government to make a free people support a tyranical administration.

> The latest news from the Arthat "all is quiet along the lines."-Gen. Burnside was in Washington, on Friday consulting with the President. New rebel earthworks are appearing daily at Fredericksburg. It is said that Gen. Lee has been ordered to

Democratic Triumphs in Connecticut. -The Democrats carried the town election at Hartford last Monday by 224 Concerning the drafting gamblers clear majority on the first Selectman, and

by a large majority,

McClellan's Disobedience. It appears that McClellan did diso-

bey orders, under the following cir. instructions from Washington that graving is said to be even worse.tack Washington with the main body duced by what is called a "rose," an

to the defence of the Capital ! army destroyed, and the rebels in pos- here by chemists, and found to be of

tle, drove the enemy from Maryland,

and saved the Capital.

For this, little men at Washington removed him, and their toadies and dependents throughout the country insult to injury by denouncing Mebeen made to put a yoke upon their when they will assert their power,

to which they properly belong. The following appears among the late batch of news received from New Orleans:

A DISLOYAL NEWSPAPER SUPPRESSED.

HEADQUARTERS DEPARTMENT OF THE GULF, NEW ORLEANS, November, 4, 1862. Special Orders No 518 .- The Daily Advocate having, after warning, pub. lished the following article:

"THE BALLOT BOX. "This palladium of our liberties this charter

cess in Pennsylvania, Ohio and Indiana, and now we have gratifying reports from Illinois, New Jersey, and New York. If these reports are confrued, an armistice will soon follow. Negotia-tions being once commenced, there will not be any more fighting. Whether an armistice results from the democratic success, or from foreign in tervention, we shall hall it as a peace measure to

The publication of that journal wil be discontinued from this date. By command of Major General

GEO. C. STRONG, A. A. General. One half of the fellows now in power, if not scamps, are fools-among the latter Gen. Butler ranks promi nently. As long as he was a Demo. crat he was a pretty sensible man, but since he has got into the Abolition throng he must have got crazy.

Apeing Royalty.

The Military Escort of the President The Chicago Post gives the follow. the President:

day night a conscript attempted to saw many things and heard many so unwisely and unnecessarily, as we think, ganized as States, and be constitutionally rushing onward in its history. The among the militia, and it was feared gates of the Executive Mansion every strangers outside of the approaches to the building, was to us something new. Upon inquiry, we ascertained that this guard was only employed to keep strangers out until the President should arrive from the Soldier's (the nigger) of the present administry months. We saw him leave on tration." They had better send men Sunday afternoon, and the manner numbering some thirty or more troopers, all armed with drawn safront of the door, and under the archway, was a carriage. The officer, or the first man, (whether Secretary or guard, allighted and entered the one of the officers of the mounted otherwise,) who had a hand in the ar- house. In about ten minutes he apbitrary arrests and imprisonments in peared at the door, and giving the signal, the carriage door was opened, the guards put themselves in martial attitudes, commands were given, and then the President, appeared with a portfolio under his arm, and, with one or more soldiers at each side, walked rapidly to the carriage and entered it. The officers jumped in that the people are loyal to their gov- also, the door was slammed, the guard ernment, but opposed to the adminis- galloped into position, and the carriage containing the President of the ried into full effect under the act of Con-United States was driven off, prece. gress for that purpose. ded by troopers, followed by troopers, and flanked on both sides by troopers. At a very rapid pace, the party left the ground, and upon reaching the Avenue proceeded at a hand my of the Petomae are to the effect gallop out Rourteenth street towards the Soldiers' Home.

Number of Sick & Wounded There are now in the 150 general hospitals of the United States, 60,515. sick and wounded soldiers, of these 12,655 are in the Western Departous general hospitals throughout the Atlantic and Gulf States. To attend these properly it is necessary to keep employed a force of 400 stewards, 600 ward masters, 6051 male and female nurses, 3025 launddresses, and 2017 cooks, making a total of 72,308 noncombatants, although medical officers the sick in the Department of the Paarmy corps and private hospitals, can Medical Times, November 15th,

FRAUD IN PRINTING U. S. TREAS-URY NOTES .- Serious charges have been preferred against the contraccumstances. The Albany Argus says: and small surrency. They received While engaged in the battle of An- the highest prices for paper, and are of the rebel army. McClellan was instrument in the hands of every nstructed to fall back immediately counterfeiter and jeweler. Many of the designs are from old dies, which colonization as was contemplated in re-If he had followed the order-be have been multiplied by thousands.gotton of ignorance and panic-he The ink is claimed to be patent, but home and abroad-some from interested would have fallen back only to find on most of the notes is not green, as motives, others upon patriotic considerahis retread converted to a rout, his is the genuine, and as has been tested structions, fought and won the bat velopements. - Phil. Inquirer.

Who knows to what amount counterfeiting may be done, or to what extent government money may be in circulation that is not accounted for at the department?

masters in the little business of pull. what are Abolitionists loyal? To the ject to the advice and consent of the Sening down truly great men, are adding Constitution They have suspended it! To the Union? They bold-Ciellan as a semi traitor. But, the Union as it was. To the States? people are yet the supreme power in They propose to plot out State lines! the land, despite the efforts that have Too the Government? They ignore go with certainty of being received and the laws of Congress, and scorn the necks, and the time is not far distant the President? They propose to de decisions of the Supreme Court! To such persons as contemplate colonization, pose him if he does not obey them !-

ANOTHER CONSPIRACY.—The radical papers charge that since the recent elections a conspiracy has been set on foot to restore the Union.

OF We observe by the Washington Correspondent of the Herald, that Mrs. Lincoln has presented the runaway negloes, now in Washington, with \$201, to buy clothing and food for winter.

The 2d session of the 37th Congress met at Washington on Monday. The President's anecdote was sent in yesterday (Tesday.) We shall publish it next week. If the country can survive the legislation of the next three months, we will have some hope for the future,

P. S.—It was sent in on Monday, and here it is:

PRESIDENT'S MESSAGE.

Fellow-Citizens f the Senate

and House of Representatives: Since your last annual assembling another year of health and bountiful harvests has passed. Anil while it has not pleased the Almighty to less us with a return of peace, we can but press on, guided by the best light He gives us, trusting that in His own good time, and wise way, all will

fairs which bas then place during the last report. year is herewith submitted, in virtual com-

ing account of the military escort of unhappily distracted as we are might re-son- with unimportant exceptions, have remainry progress with which the nation is has proved only less injurious to themselves than to our own country. But the presence of an armed guard at the fell the national arms, and which were extemporary reverses which afterwards beaggerated by our own disloyal citizens abroad, have hitherto delayed that act of

simple justice. The civil war which has so radically changed for the moment the occupations and habits of the American people, has necessarily disturbed the social condition. and affected very deeply the prosperity of the nations with which we have carried on a commerce that has been steadily increasing throughout a period of half a century. It has, at the same time, excited political ambitions and apprehensions which have produced a profound agitation througout the civlized world. In this unusual agitation we have forborne from taking part in any controversy between foreign States, and between parties or factions in such States. We have attempted no propagundism, and acknowledged no revolution. But we have left to every nation the exclusive conduct and management of its own affairs. Our struggle has been, of course, contemplated: by foreign nations with reference less to its own merits than to its supposed, and often exaggerated, effects and consequences resulting to those nations themselves .-Nevertheless, complaint on the part of this government, even if it were just, would certainly be unwise.

The treaty with Great Britain for the suppression of the slave trade has been put into operation, with a good prospect of complete success. It is an occasion of special pleasure to acknowledge that the execution of it on the part of Her Majesty's government has been marked with a jealous respect for the authority of the United States, and the rights of their moral and loyal citizens.

The Convention with Hanover for the abolition of the Stadt dues has been gar-

A blockade of three thousand miles of sea-coast could not be established and rigorously enforced in a season of great commercial activity like the present without committing occasional mistakes and inflicting unintentional injuries upon foreign na-

tions and their subjects. A civil war occurring in a country where foreigners reside and carry on trade under treaty stipulations, is necessarily fruitful of complaints of the violation of neutral rights. All such collisions tend to excite misapprehensions, and possibly to produce mutual recriminations between nations which have a common interest in preserving peace and friendship. In clear cases of this kind I have, so far as possible, heard and redressed complaints which have been presented by friendly powers. There is still, however, a large and augmenting number of doubtful cases upon which the Government is unable to agree with the governments whose protection is demanded by the claimants. There are, moreover, many cases in which the United States, or their citizens, suffer wrongs from the naval or military authorities of foreign nations, which are not included. It to these are added the governments of those states are not at once prepared to redress. I have proposed to some of the foreign states thus interested. mutual conventions to examine and adjust such complaints. This proposition has been made especially to Great Britain, to France, to Spain and to Prussia. In each case it has been kindly received, but has not yet been formally adopted.

I deem it my duty to recommend an appropriation in behalf of the owners of the Norwegian bark Admiral P. Tordinskield, which vessel was, in May, 1861 prevented by the commander of the blockading force off Charleston from leaving that port with While engaged in the battle of Anthe highest prices for paper, and are a cargo, not withstanding a similar privilege bad, shortly before, been granted to an English vessel. I have directed the Sec-Lee's movement in his front was but Some of it, which is contracted to be retary of State to cause the papers in the a feint, and that his design was to at done on the "cocentric lathe," is pro- case to be communicated to the proper committees. Applications have been made to me by

tions, and still others influenced by philanthropic sentiments-have suggested simisession of Maryland, with the solat a spurious nature—a great saving to eral of the Spanish American republics the contractors. When Congress have protested against the sending of such He disregarded these unwise in- meets we may have some strange de- colonies to their respective territories. Under these circumstances, I have declined to m ve any such colony to any state, without first obtaining the consent of its government, with an agreement on its part to receive and protect such emigrants in all the rights of freemen; and I have, at the same time, offered to the several states To WHAT ARE THEY LOYAL?—To colonies there, to negotiate with them, subare, to favor the voluntary emigration of persons of that class to their respective territories, upon conditions that shall be equal, just and humane. Liberia and Hayti are, as yet, the only countries to which colonies of African descent from here could adopted as citizens; and I regret to say that do not seem so willing to migrate to those

> siderable emigration to both these countries from the United States. The new commercial treaty between the United States and the Sultan of Turkey has veen carried into execution.

as I think their interest demands. I be-

lieve, however, the opinion among them, in

A commercial and consular treaty has been negotiated, subject to the Senate's consent, with Liberia : and a similar negotiation is now pending with the Republic of Hayti. A considerable improvement of the national commerce is expected to result from these measures.

Our relations with Great Britain, France, Spain, Portugal, Russia, Prussia, Denmark, Sweden, Austria, the Netherlands, Italy, Rome, and the other European states, remain undisturbed. Very favorable relations also continue to be maintained with

Turkey, Morocco, China, and Japan. During the last year there has not only been no change of our previous relations with the independent States of our own continent, but more friendly sentiments than have heretofore existed are believed to be entertained by these neighbors, whose safely and progress are so intimately connected with our own. This statement es pecially applies to Mexico, Nicaragua, Josta Rica, Honduras, Peru, and Obili.

The commission under the convention with the Republic of New Granada closed. ts session without having audited and passed upon all the claims which were submitted to it. A proposition is pending to revive the convention, that it may be able to do more completé justice.

The joint commission between the United States and the Republic of Costa Rica The correspondence touching foreign af. has completed its labors and submitted its

I have favored the project for connecpliance with a request to that effect, made | ting the United States with Europe by an by the House of Representatives near the Atlantic telegraph, and a similar project to close of the last design of Congress.

If the condition of our relations with other nations is resignatifying than it has usually been at logicer periods, it is certainly more satisficatory than a nation so

The Territories of the United States,

The Territories of the United States, ably have apprehended. In the month of ed undisturbed by the civil war, and they June last, there were some grounds to ex- are exhibiting such evidence of prosperity

ganized as States, and be constitutionally admitted into the Federal Union.

The immense unineral resources of some of these Territories ought to be developed as rapidly as possible. Every step in that direction would have a tendericy it improve the revenues of the thyermment and diminish the budges of the people. It is worthy of your serious consideration whether some automordiary measures to promote that end cannot be adopted. The means which sungests itself as most likely to be effective, fau scientifies exploration of the unineral regions in these Territories, with a view to the publication of its results at home and in foreign countries—results which can include to be assignated. not fail to be suspicious

The condition of the finances will claim your most di-

The condition of the finances will claim your most diligent consideration. The wast expenditures incident to the militry and naval operations, required for the suppression of the rebellion, have hitherto been met with a promittude and certainty unusual in similar circumstances; and the public credit has been fully militatived. This continuance of the war, however, and the increase of about sements under necessary by the authented orders now in the field, domaind your best reflections as to the best modes of providing the necessary revenue, without injury to raincess, and with the loast possible burdens upon labor.

The suspension of specie payments by the banks, soon after the commencement of your last session made large issues of the United States notes unavoidable. In an other way could the payment of the troops.

have large issues of the United States notes unavoidable. In an other way could the payment of the troops, and the satisfaction of other just domands be occommically, or so well provided for The judicious logistation of Congress, scuring the receivedity of these potes for loans and internal daties, and making them must of congress, securing the receivability of those netse for leans and internal daties, and making them a legal sunder for their dabts, has made them a universal currency; and has satisfied, partially, at least and for the time, the long felt want of an uniform circulating medium, saving thereby to the people, immense sums in discount and exchanges.

A return to specie pryments, however, at the earliest period compatible with due regard to all the interests occeared should ever be kept in view. Finetiations in the almost currency are always bejurious, and to reduce these finetiations to the lowest possible point will always be a leading purpose in wise legislation. Convertiblity, prompt and certain convertibility into coin, is generally acknowledged to be the best and surger safeguard against them; and it is extremely doubtful whether a circulation of United States notes payable in coin, and suffi dently large for the wan s of the people, can be permanently, usefully and safely was failined. Is there, then, any other mode in which the necessary provisions for the public wants can be made, and the great advantages of a safel and uniform currency secured?

I know of none of which promises such certain results.

great advantiges of a safe and uniform currency secured?

I know of none of which promises such certain results and is, at the same time, so unoidectionatic, as the or ganization of banking associations in due to general act of Congress, well guarded in its provisions. To such associations the gevernment might furnish circulating notes on the security of United States bonds deposited in the trea cry. These notes, prepared under the supervision of the proper officers, being uniform in appearance and security, and concertible always into coin, would at once protect labor against the svis of a vicious currency, and facilitate commerce by chengand safe exchanges.

A moderate reservation from the interest on the bonds would compensate the United States for the preparation and distribution of the notes, and a general supervision of the system, and would lighten the burden of that part of the public credit, moreover, would be greatly improved, and the negativation of new

would be greatly improved, and the negitiation of new oans greatly ficilitated by the steady market demand-

proposed system would create.

It is an additional recommendation of the It is an additional recommendation or the measure, of considerable weight, in my judgment, that it would reconsile, as farms possible, all existing interests, by the opportunity affered to existing institutions is reor.

There is no line, straight or crooked, suitable to the required of the records of the records. an'ze under the act, substituting only the necured irculations, secured and unsecured, now issued by The receipts into the treasury from all sources inclu-

ived f.om customs, \$1,795.331.73 from the direct tax; from public lands. \$152.203.77; from mitsbellaneous source, \$931.787 04; from losus in all forms, \$520.692, 655.50. The remainder, \$2,287,055.80, was the balance rom last year.

The disbursements during the same period were:
For Congressional, Executive and Ju-

ling loans, and balance from the preceding year, for the fiscal year ending on the 30th of June. 1862, were 5583.885,247.66; of which sum\$49.056,879.62 were de-

14,129,771 50 42,674,561 69 13,19) 324 45

\$570 841,700 25 Making an aggregate of....

ing the reimbursement of the tempo-

rary loan and redemptious

be found in the report of the Secretary of the Treasury is, it would have more than seventy five millions to whose statements and views I invite your most can of people. A glance at the map shows that, terbe found in the report of the Secretary of the Treasury to whose statements and views I invite your most candid said considerate attention.

The reports of the Secretaries of War and of the Navy are horswith transmitted. These reports though lengthy, are scatcaly more than brief abstracts of the very numerous and extensive transactions and operations conducted through these departments.

Nor could kelvy a summary of them here upon any principle which would amnit of it being much shorter than the reports themselves. I therefore content my self with laying the reports before you, and asking your attention to them.

It gives me pleasure to report a decided improvement in the financial condition of the Post Office Department, as compared with several preceding years. The receipts

as compared with several preceding years. The receipts for the fiscal year 1861 amounted to \$3,349,296 40, which embraced the revense from all the States of the Union many free Americans of African descent to favor their emigration, with a view to such cent acts of Congress. Other parties, at

for the fiscal year 1861 amounted to \$3,340,296 40, which embraced the reven re from all the States of the Union for three-quarters of that year. Norwithstanding the cessation of revenue from the so-called seceded States during the last fiscal year, the increase of the correspondence of the loyal States has been sufficient to produce a revenue during the saine year of \$3,29,3.0.09, being only \$50,000 less than was derived from all the States of the Union-during the previous year. The expenditures show a still more favorable-result. They amount expended in 1861 was \$15,000,758 14. For the last year the amount has been reduced to \$11,125,364 15, showing a decrease of about 2,481,000 in the expenditures as compared with the preciding year, and about \$3,7-0,000 as compared with the preciding year, and about \$3,7-0,000 as compared with the previous year was \$1551,966 98. For the last fiscal year it was reduced to \$2,11,3 4 87.

These favorable results are in part owing to the cessation of mail service in the insurrectionary States, and in part to a careful review of all expenditures in that department in the interest of economy. The efficiency of the pestal service, it is believed, last also them funch improved. The Postmister General has also defined a correspondence, through the Department of State, with for eign governments, proposition, a convention of post al representatives for the purpose of simplifying the rates of foreign postage, and to expedite the foreign mails. This proposition, equally important to our adopted citizens, and to the commercial interests of this country, has been favorably entertained, and agreed to, by all the governments from whoin replies have been received.

proposition, equally important to our adopted citizens, and to the commercial interests of this country, has been favorably entertained, and agreed to, by all the governments from whom replies have been received.

I ask the attention of Congress to the suggestions of the Postmaster-General in his report respecting the further legislation required, in his opinion, for the benefit of the postal service.

The Sucretary of the Interior reports as follows in regard to the public lands:

'The public lands haveceased to be a source of reverence, 1862, the entire cash receips from the sale of lands were \$137,476.26.—a sum magh less than the expenses of our land-system during the same period. The homestead law, which will take effect or the 1st of January, next, offers such inducements to settlers, that sales for cash cannot be expected tran extent sufficient to meet the expenses of the University of the sum of the cost of surveying and bringing the land into market."

The discrepancy between the sum here stated as arrived from the sales of the public lands, and the sum derived from the sales of the public lands, and the sum derived from the sales of the public lands, and the fact that the periods of time; though apparently, were not really coincident at the beginning polyt—the Treasury report including a considerable sum now which land previously been reported from the treir entire incoming the past car, manifested a spirit of insubordination, and, at several points, have engaged in open hostilities aga not the wear and not by the Secretary of the Treasury. countries as to some others, nor so willing

this respect, is improving, and that ere ong there will be an augmented and conseveral points, have engaged in open hostilities aga as the white settlements in their vicinity. The tribes oc cupying the indian country south of Kansas, renounced their allegiance to the United States and entered int merr anegrance to the United States and entered int-trenties with the insurgents. Those who remained loval to the United States were driven from the country. The chief of the Cherokees has visited this city for the pur-pose of restoring the former relations of the tribe with the United States. He alleges that they were constrained by superior force to allow first treation.

pose of restoring the former relations of the tribe with the United States. He alleges that they were constrained by superior force, to enter into treaties with the insurgents, and that he United States neglected to furnish the protection which their treaty stipulations required. In the month of August last, the Sioux Indians, in Minnesata, attacked the settlements in sheir vicinity with extreme ferocity, killing fudiscriminately, then, women and children. This attack was wholly unexpected, and, therefore, no means of defence had been provided. It is estimated than notiess than eight hundred persons were killed by the Indians, and a large amount of property was destroyed. How this outbreak was indeed is not definitely known, and suepicious, which may be unjust, need not be stated.

Information was received by the Indian Bureau, from different sources, about the time hostilities were commouced, that a simultaneous attack was to be made upon the white settlements by all the tribes between the Mississippi river and the Rocky Mountains. The State of Minnesota has suffered great injury from this Indian war. A large portion of her torritory has been depopulated, and a severe loss has been sustained by the destruction of property.

The needs of that State monifest much a price to a superior of that a state of the state of the property.

A large portion of her forritory has been depopulated, and a severe loss has been sustained by the destruction of property.

The people of that State manifest much anxiety for the removal of the tribes beyond the limits of the State, as a guarantee against future hostilities. The Commissioner of Indian Affairs will furnish tull details.

I submit for your especial consideration whether our Indian system shall not be remodeled. Many wise and good men have impressed me with the belief that this can be profitably done.

I submit a statement of the proceedings of the commissioners, which shows the progress that has been made in the enterprise of constructing the Pedific Railroad and this suggests the earliest completion of this road, and also the favorable notion of Congress upon the projects now pending before them for enlarging the capacities of the great canals in New York and Illinois, as being of vital and rapidly, increasing importance to the whole nation, and especially to the vast interior region is reinafter to be noticed at some greater length. I purpose having prepared and laid before yon, at an early day, some interesting and valuable statistical information upon this subject.

The military and commercial importance of enlarging the Illinois and widehone canal, and widehing the Illinois and widehing the Illinois and widehing canal, and widehing the Illinois and widehing the Illinois and widehing canal, and widehing the Illinois and widehing the Illinoi

apon this subject.

The military and commercial importance of enlarging the Itlinois and Michigan canal, and widening the Itlinois river, is presented in the report of Colonel Webster of the Secre ary of War, and now transmitted to Congress. I respectfully ask attention to it.

of new products, and in the collection of the agricu tural statistics of the different States. Also, that it will soon be prepared to distribute largely seeds, cereals, plants, and cuttings, and has already published and liberally diffused much va value information, in anticipation of more elaborato report, which will in due time be furnished, embracing some valuable tests in chemical scluce, now in progress in the laboratory.

The creation of this department was for the more impudies hought of a large close of our post valuable citi-

The creation of this department was for the more immediate bonefit of a large class of our most valuable citizens, and I trust that the liberal basis upon which it has been organized will not only meet your approbation, but that it will sailize, at no distant day, all the fondest anticipations of its mast sanguine friends, and become the fruitful source of advantage to all our people.

On the 22d day of December bear, a proclamation was issued by the Executive, a copy of which is herewith submitted. In accordance with the purisse expressed in the second paragraph of that paper, I now respectfully all your attention to what may be called "Compensitive Emancination."

It is of the lifer importance to only consuer and estimate this ever-enduring part. That portion of the earth's surface which is owned and jubabited by the people of the United States is well, adapted to be those of one national family, and it is not well adapted for two or more. Its vast extent and its variety of time. They will feel that it gives too little to the now living slaves. But it really gives them

Physically speaking, we cannot separate. We cannot remove our respective sections from each other, nor build an impassable wall between them. A husband and wife may be divorced, and go out of the presence, and beyond the reach of each other; but the different parts of our country cannot do this. They cannot but remain face to face; and intercourse, either amicable or hostile, must continue between them Is it possible, then, to make that intercourse more advantageous or more satisfactory after separation than before? Can aliens make treaties easier than friends can make laws? Can treaties be more faithfully enforced between a liens than laws can among friends? Suppose you go to war, you cannot fight always; and when, a ter much loss on both sides, and no gain on eith or, you cease fighting, the indentical old quest

for a national boundary, upon which to divide. Trace through, from east to west, upon the line between the free and slave country, and we shall find a little more than one third of its length are rivers, easy to be crossed, and populated, or soon to be populated, thickly on both sides; while nearly all its remaining length are merely surveyors' lines, over which people may walk back and forth without any consciousness of their presence. No part of this line can be made more difficult to pass, by writing it down on paper or parchment, as a national boundary. The fact of separation, if it comes, gives up, on the part of the secoding section, the fugitive slave bonds even, any faster than the emancipation gations upon the section secoded from, while I would not, close before the end of the thirty. of separation, if it comes, gives up, on the

be made to take its place. But there is another difficulty. The great in. terior region, bounded east by Alleghenies, north by the British dominions, west by the Pocky f people, and will have fifty millions within fif. nd expenditures, leaving the actual receipts for the country owned by the United States—certainly more than one million of square miles.

Other information on the subject of the finances will once half as populous as Massachusetts already

of people. A glance at the map shows that; ter-ritorially speaking, it is the great body of the Republic. The other parts are but margical bor-ders to it, the magnificent region sloping week from the Rocky Mountains to the Pacific being the deepest and also the richest in undeveloped resources. In the production of provisions, grains, grasses and all which proceed from them, this great interior region is naturally one of the most important in the world. Ascertain from the statistics the small proportion of the region which as yet, been brought into cultivation, and also the large and rapidly increasing amount of its products, and we shall be overwhelmed with the magnitude of the prespect presented. As yet the region has no sea coast, touches no ocean anywhere. A part of one nation, its people now find, and may forever find their way to Europe by New York, to South America and Africa by w Orleans, and to Asia by San Francisco. But separate our common country linto two na tions, as designed by the present rebellion, and every man of this great interior region is thereby cut off from some one or more of these outlets, ot, perhaps, by a physical barrier, but by em

barrassing and onerous regulations. And this is true, wherever a dividing, or boundary line may be fixed. Place it between the now free and slave country, or place it south of Kentucky, or north of Ohio, and still the triff remains, that none south of it can trade to any port or place north of it, and none north of it can trade to any port or place south of it except on terms dictated by a government foreign to them. These outlets east west and south are them. These outlets, east, west and south, are indispensable to the well being of the people in habiting, and to inhabit, this vast interior region Which of the three may be the best, is no proper question. All are better than either; and all, of right, belong to the people, and to their successors forever. True to themselves, they will not ask where a line of separation shall be, but will yow, rather, that there shall be no such line. Nor are the marginal regions less interested in these communications to, and through them to the great dutate world. They too, and each of them, must have access to this Egypt of the West, without paying toll at the crossing of any national boundary.

without paying toil at the crossing of any national boundary.

Ournational strife springs not from our permanent parts; not from the land we inhabit; not from our national homestoad. There is no possible severing of this but would multiply, and not mitigate, evils among us. In all its adaptations and antitudes it demands with a said aptations and antitudes it demands are not as in a said antitudes. tations and aptitudes, it demands union and abforce re union, however much of blood and treasure the separation might have cost,
Our strife pertains to ourselves to the pass-

ing generations of men: and it can, without con-vulsion, be hushed forever with the passing of one generation. In this view, I recommend the adoption of the following resolution and articles amendatory to

the Constitution of the United States:

the Constitution of the United States:

"Resolved by the Senate and Honse of Representatives of the United States of America in Congress assemble: (two-thirds of both houses concurring.) That the following articles be proposed to the Legislatures (or conventions) of the several States as amendments to the Constitution of the United States, all or any of which articles when ratified by three fourths, of the said Legislatures (or conventions) are to be valid as part or parts of the said Constitution, viz:

"Every State, wherein slavery now, exists, which shall abolish the same therein at any time or times before the first day of January, in the year of our Louione thousand and nice hundred, shall receive compensation from the United States shall deliver to every such States, bearing interest at the rate of per cent, per annum, to an amount equal to the aggregate sum of for each stave shown to have been therein, by the eighth census of the United States, said bonds to be delivered to such State by instalments, our in one parcel, at the completion of the abolishment accordingly as the same shall have been gradual, or, at one time, within such State, and interest shall begin to run upon any such bond, only from the properatures of its delivery as aforesaid. Any State having received to run upon any such bond, only from the propers of its delivery as aforesaid. Any State having rec bonds as aforesaid, and afterwards reintro incir erating slavery therein, shall refund to the States the bonds so received, or the value ther

all interest paid thereon.

"ARTICLE —.

"All slaves who shall have enjoyed actual freedom." "All slaves who shall have enjoyed actual freedom by the chances of the war, at any time brore the end of the rebellion, shall be forever free; but all owners of such, who shall not have been disloyal, shall be compensated for them, at the same rate as is provided for States adopting abolishment of slavery, but in such way that no slave shall be twice accounted for. A RTICLE—
"Gongress may appropriate money, and otherwise provide, for colonizing free colored persons, with their own consent, at any place or places without the United States."

I beg indulgence to discuss these proposed articles at some length. Without slavery the re-bellion could never have existed; without slavery it could not continue.

To carry out the previsions of the act of Congress of the 15th of May last, I have caused the Department of Commissioner toforms me that within the period of a few months this Department has esta lished an extensive system of correspondence and exchanges, both thome and abroad, which promises to effect highly beneficial results in agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the introduction of new products, and in the collection of the agriculture, in the co nize and act together. This would be compromise; but it would be compromise, among the friends, and not with the enemies, of the Unix on. These articles are intended to embody a plan of such mutual concessions. If the plan shall be adopted, it is assumed that emancipa-tion will follow—at least; in several of the

As to the first article, the main points are: first, the emancipation; secondly, the length of time for consummating it—thirty seven years;

and thirdly, the compensation.

The emancipation will be upsalisfactory to the advocates of perpetual slavery, but the length of time should grearly mitigate their its puramentation.

A nation may be said to consist of its territory, its people, and it saws. The territory is the only part which is of certain durability. One generation passeth away and another generation cometh, but the earth abideth most of those whose habitual course of thought will be disturbed by the measure will have passive consummation. They will home of one untional family, and it is not well adapted for two or more. Its vast extent and its variety of climate and productions are or advantage in this age for one people, whatever they might have been in former ages.

Steam, telegraphs, and intelligence have brought these to be an advantageous combination for one united people. In the imageral address, I bri-fly pointed out the total inadequacy of disanton as a remody for the differences between the people of the trock and which, therefore, I beg leave to repeat:

"One section of our country believes therer is right, and ought to be extended, while the only substantial dispute. The fugitive slaves it is wrong, and enght not to be extended. This is the only substantial dispute. The fugitive slaves chause of the foreign slave trade are each as well renored, perbaps, as any laws can ever be in-a community where the moral james of the people imperfectly supports the law itself. The great body of the people abide by the dry legal obligations in both cases, after the separation of the sections than before. The foreign can be therefore, and a faw break over in each. This I think counts be perfectly cured, and it would be worse in both cases, after the separation of the sections than before. The foreign slave trade, now singerfectly suppressed would be ultimately revived without restration in the localities where their numbers are very great; and it gives the inspiring assurance that their posterity shall be free forever—

The plan leaves to each State chosing to act under it, to abolish slavery now, or at the entury, or at any intermediate-time, or by degrees extending over the whole or any part of the generally the mode of making it. This, it would seem, must further mitigate the dissatisfaction of those who are to receive will object. Yet the measure is both just and eccivity the destroction, while togrity slaves and the would be consent before. The home people abide by the dry legal obligations in both case, after the separation of the sections than before. T

Is is no less true for having been said, that the people of the South are not more respon-sible for the original introduction of this prop-erty than are the North; and when it is remem-bered how unbesitatingly we all use cotton and sugar, and share the profits of dealing in them, it may not be quite safe to say that the South has been more responsible than the North for its continuance. If, then, for a common object, this property is to be sacrificed, is it not just that it be done at a common charge? And if, with less money, or money more en-sily paid, we can preserve the benefits of the. Union by this means, than we can by the waralone, is it not also economical to do it? Let us consider it then. Let us ascertain the sum we bave expended in the war since compensated emancipation was proposed last March, and conaccepted by even some of the slave States, the same sum would not have done mare to chose the war than has been otherwise done.

the war than has been otherwise done.

If so, the measure would save money, and, in that view, would be a prudent and economical measure. Certainly it is not so, easy, to pay something as it is to pay nothing; but it is, er sier to pay a large sum than it is to pay a large one. And it is easier to pay any sur ger one. And it is easier to pay any sur when we are able, than it is to pay it before we are we are able, than it is to pay to some re we are able. The war requires large sums and requires them at once. The aggregate sum necessary for compensated emancipation, of course, would

But it would require no ready cash; nor the seven years. At that time we shall probably have a hundred in filious of people to share the ourden, instead of thirty one millious, as now.

And not only so, but the increase of our population may be a small to continue for a long terior region, bounded east by Alleghenies, nor the by the British dominions, west by the Rocky Mountains, and south by the line along which the culture of corn and cotton meats, and which includes part of Virginie, part of Tennessee, all of Kentucky, Ohio, Indiana, Michigan, Wisconsin, Illinois, Missouri, Kansas, Iowa, Minesota, and the Territories of Dakota, Nebraska, and part of Colorado, already has above ten millions of poople, and will have fifty millions within fif. people, and will have fifty millions within fig. way we not continue that ratio far bayond that y years, if not prevented by any political folly period. Our abundant room—our broad nation-runstake. It contains more than one-third of all homestend—is our ample resource. Were