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FOUR O'CLOCK, A. M.

PRESIDENT'S MESSAGE.

(By Telegraph to the Pittsburgh Gazette.)

WASHINGTON, December 6, 1869.

CONGRATULATORY.

To the Senate and House of Representatives:

In coming before you for the first time as Chief Magistrate of this great nation, it is with gratitude to the Giver of all good for the many benefits we enjoy. We are blessed with peace at home and are without entangling alliances abroad to foretode trouble. With a territory unsurpassed in fertility; of an area equal to the abundant support of fifty millions of people, and abounding in every variety of useful material, in quantity sufficient to supply the world for generations with abundant crops; with variety of climate adapted to the production of every species of earth's riches, and suited to the habits, tastes and requirements of every living thing; with a population of forty millions of free people, all speaking one language; with facilities for every mortal to acquire an education; with institutions closing to none the avenues to fame or any blessing of fortune that may be coveted; with freedom of the pulpit, the press and the school; with a revenue flowing into the National Treasury beyond the requirements of the Government; with perfect harmony being rapidly restored within our own border; manufactures, hitherto unknown in our country, are springing up in all directions, producing a degree of National independence, unequaled by that of any other Power; these blessings and countless others are entrusted to your care and mine for safe keeping for the brief period of our tenure-of-office. In a short time we must each of us return to the people who have conferred upon us our honors, and account to them for our stewardship. I earnestly desire that neither you or I may be condemned by a free and enlightened constituency, nor by our own consciences.

THE PAST SITUATION.

Emerging from a rebellion of gigantic magnitude, aided, as it was, by the sympathy and assistance of Nations with which we are at peace, eleven States of the Union were, four years ago, left without legal State governments, a debt had been contracted, American commerce was almost driven from the seas, the industry of one-half of the country had been taken from the control of the capitalist and placed it where all labor rightfully belongs, in the keeping of the laborer.

WHAT HAS BEEN ACCOMPLISHED.

The work of restoring the State Governments loyal to the Union, of protecting and fostering free labor, and providing means for paying the interest on the public debt has received ample attention from Congress. Although your efforts have not met with the success in all particulars that might have been desired, yet on the whole, they have been more successful than could have been reasonably anticipated. Seven States which passed ordinances of secession have been fully restored to their places in the Union.

THE CASE OF GEORGIA.

The eighth—Georgia—held an election at which she ratified a Constitution republican in form, elected a Governor, members of Congress, State Legislature, and all other officers required. The Governor was duly installed and the Legislature met and performed all the acts then required of them by the reconstruction acts of Congress. Subsequently, however, in violation of the Constitution which they had just ratified, as since decided by the Supreme Court of the State, they unseated the colored members of the Legislature, and admitted to seats some members who are disqualified by the third clause of the Fourteenth Amendment to the Constitution, an article which they themselves had contributed to ratify. Under these circumstances, I would submit to you whether it would not be wise, without delay, to enact a law authorizing the Governor of Georgia to convene the members rightfully elected to the Legislature, requiring each member to take the oath presented by the Reconstruction Act, and none to be admitted who are ineligible.

THE FREEDMEN.

Under the third clause of the Fourteenth Amendment the freedmen under the protection which they have received are making rapid progress in learning, and no complaints are heard of lack of industry on their part when they receive fair remuneration for their labor.

ABLE TO PAY OUR DEBTS.

The means provided for paying the interest on the public debt, with all the other expenses of the Government, are more than ample.

DECLINE OF SHIPPING INTERESTS.

The loss of our commerce is the only result of the late rebellion which has not received sufficient attention from you. To this subject I call your earnest attention. I will not now suggest plans by which this object may be effected, but will, if necessary, make it the subject of a special message during the session of Congress.

VIRGINIA.

At the March term, Congress, by joint resolution, authorized the Executive to order elections in the States of Virginia, Mississippi and Texas to submit to them the constitutions which each had previously, in convention, framed, and submit the constitution, either entire, or in separate parts, to be voted upon at the discretion of the Executive. Under this authority elections were called. In Virginia the election took place on the 6th of July, 1869. The Governor and Lieutenant Governor elect have been installed. The Legislature met, and did all required by the resolution and by all the reconstruction acts of Congress, and abstained from all doubtful authority. I recommend that her Senators and Representatives be received, and that the State be fully restored to its place in the family of States.

TEXAS AND MISSISSIPPI.

Elections were called in Mississippi and Texas, to commence on the 30th of November, 1869, and to last two days in Mississippi and four days in Texas. The elections have taken place, and the result is not known. It is to be hoped that the acts of the Legislatures in those States, when they meet, will be such as to receive your approval, and thus close the work of reconstruction.

THE STATE OF THE CURRENCY.

Among evils growing out of the rebellion and not yet referred to is that of an irredeemable currency. It is an evil which I hope will receive your most earnest attention. It is a duty and one of the highest duties of the Government to secure to the citizens a medium of exchange of fixed unvarying value. This implies a return to a specie basis and no substitute for it can be devised. It should be commenced now, and reached at the earliest practicable moment consistent with a fair regard to the interests of the debtor class.

GRADUAL APPROACH TO RESUMPTION.

Immediate resumption, if practicable, would not be desirable. It would compel the debtor class to pay beyond their contracts the premium on gold at the date of their purchase, and would bring ruin and bankruptcy to thousands. Fluctuations, however, in the paper value of the measure of all values—gold—is detrimental to the interests of trade. It makes the man of business an involuntary gambler, for in all sales where future payment is to be made, both parties speculate as to what will be the value of the currency to be paid and received. I earnestly recommend to you, then such legislation as will insure a speedy return to specie payments and put an immediate stop to fluctuations in the value of currency. The methods to secure these results are as various as the speculations on political economy. To secure the latter I see but one way, and that is: To authorize the Treasury to redeem its own paper at a fixed price, with money, whenever presented, and to withhold from circulation all such currency redeemed, until sold again for gold.

OUR BONDED DEBT.

The vast resources of this Nation, both developed and undeveloped, ought to make our credit the best on earth. With a less burden of taxation than the citizen has endured for six years past, the entire public debt could be paid in ten years: but it is not desirable that the people should be taxed to pay it in that time. Year by year the ability to pay increases in a rapid ratio, but the burden of interest ought to be reduced as rapidly as can be done without the violation of a contract. The public debt is represented in a great part by bonds having from five to twenty and from ten to forty years to run, bearing interest at the rate of six per cent. and five per cent. respectively. It is optional with the Government to pay their bonds at any period after the expiration of the last time mentioned upon their face. The time has already expired when a great part of them may be taken up. The time is rapidly approaching when all may be.

FUNDING AT A LOWER RATE.

It is believed that all which are now due may be replaced by bonds bearing a rate of interest not exceeding four and one half per centum, and as rapidly as the remainder becomes due that they may be replaced in the same way. To accomplish this it may be necessary to authorize the interest to be paid at either three or four of the money centres of Europe, or by any assistant treasurer, at the option of the holder of the bond. I suggest this subject for the consideration of Congress; also, simultaneously with this, the propriety of redeeming our currency, as before suggested, at its market value, at the time the law goes into effect increasing the rate at which currency will be bought and sold, from day to day, or week to week, at the same rate of interest as the Government pays upon its bonds.

NO TINKERING WITH THE TARIFF.

The subject of the tariff and internal taxation will necessarily receive your attention. The revenue from the country are greater than the requirements, and may with safety be reduced. But as the funding of the debt in a four, or four and a half per cent. bond, would reduce the annual current expenses largely, thus after funding, justify a greater reduction of taxation than would now seem expedient. I suggest a postponement of this subject until the next meeting of Congress. It may be advisable to modify taxation and the tariff in instances where unjust or burdensome discriminations are made by the present laws, but a general revision of the laws regulating these subjects I recommend a postponement for the present.

THE INCOME TAX.

I suggest the renewal of the tax on income, but at a reduced rate, say at three per cent., and this tax to expire in three years with the funding of the National debt as here suggested.

REDUCTION IN IMPORTS.

I feel safe in saying that the taxes and revenue for imports may be reduced safely from sixty to eighty millions per annum at once, and still further reduced from year to year, as the resources of the country are developed.

THE TREASURY.

The report of the Secretary of the Treasury shows the receipts of the Government for the fiscal year ending June 30th, 1869, to be $370,943,747, and the expenditures, including interest, bounties, &c., to be $321,490,597. The estimates for the ensuing year are more favorable to the Government and will no doubt show a large decrease of the public debt. The receipts in the Treasury, beyond expenditures, have exceeded the amount necessary to place to the credit of the sinking fund as provided by law. To lock up the surplus in the Treasury and withold from circulation would lead to such contraction of currency as to cripple trade and seriously affect the prosperity of the country.

PURCHASE OF BONDS.

Under these circumstances, the Secretary of the Treasury and myself heartily concurred in the propriety of using all the surplus currency in the Treasury in the purchase of Government Bonds, thus reducing the interest-bearing debt of the country, and of submitting to Congress the question of the disposition to be made of bonds so purchased. The bonds now held by the Treasury amount to about $75,000,000, including those belonging to the sinking fund. I recommend that the whole be placed to the credit of the sinking fund.

NEW OFFICES—BANK CIRCULATION, &c.

Your attention is respectfully invited to the recommendations of the Secretary of the Treasury for the creation of the offices of Commissioner of Customs and Revenue, for an increase of salary to certain classes of officials and the substitution of increased national bank circulation to replace the existing seven three per cent. certificates, and most especially to his recommendation for the repeal of laws allowing shares of fines, penalties, forfeitures, &c., to officers of the Government or to informers. The office of Commissioner of Internal Revenue is one of the most arduous and responsible under the Government. It falls but little, if any, short of a cabinet position, and in its importance and responsibility it would ask for it, therefore, such legislation as in your judgment will place the office on a footing of dignity commensurate with its importance and with the character and qualifications of the class of men required to fill it properly.

NEUTRALITY.

As the United States is the freest of all nations, so too its people sympathize with all peoples struggling for liberty and self-government, but while so sympathizing, it is due to our honor that we should abstain from enforcing our views upon unwilling nations, and from taking all interested part without invitation in the quarrels between different nations, or between governments and their subjects. Our course should always be in conformity with strict justice and law, international and local. Such has been the policy of the Administration in dealing with these questions.

CUBAN BELLIGERENT RIGHTS.

For more than a year a valuable province of Spain, and a near neighbor of ours, in whom all our people cannot but feel a deep interest, has been struggling for independence and freedom. The people of the Government of the United States entertain the same warm feeling and sympathies for the people of Cuba in their pending struggle that they manifested throughout the previous struggles between Spain and former colonies in behalf of the latter; but the contest at no time has assumed the conditions which amount to a war, in the sense of international law, which would show the existence, *de facto* political organization of the insurgents, sufficient to justify a recognition of belligerency. The principle is maintained, however, that this nation is its own judge when to accord the right of belligerency, either to a people struggling to free themselves from a government they believe to be oppressive, or to independent nations at war with each other.

COLONIAL RELATIONS.

The United States have no disposition to interfere with the existing relations of Spain to her colonial possessions on this continent. They believe that in due time Spain and the other European powers will find their interest in terminating those relations and establishing their present dependencies as independent powers, members of the family of nations. These dependencies are no longer regarded as subject to transfer from one European power to another. When the present relations of colonies cease, they are to become independent powers, exercising the right of choice and of self control in the determination of their future condition and relations with other powers.

INTERMEDIATION OFFERED.

The United States, in order to put a stop to bloodshed in Cuba, and in the interest of a neighboring people, proposed their good offices to bring the existing contest to a termination. The offer not being accepted by Spain on a basis which we believed could be received by Cuba, was withdrawn. It is hoped that the good offices of the United States may yet prove advantageous for the settlement of this unhappy strife.

FILIBUSTERING EXPEDITIONS.

Meanwhile a number of illegal expeditions against Cuba have been broken up. It has been the endeavor of the Administration to execute the neutrality laws in good faith, no matter how unpleasant the task, made so by the suffering we have endured from lack of good faith towards us by other nations.

SEIZURE OF VESSELS.

The United States schooner Lizzie Major was arrested on the high seas by a Spanish frigate and two passengers taken from it and carried as prisoners to Cuba. Representations of these facts were made to the Spanish Government as soon as official information of them reached Washington. The two passengers were set at liberty and the Spanish Government assured the United States that the Captain of the frigate in making the capture had acted without law; that he had been reprimanded for the irregularity of his conduct, and that the Spanish authorities in Cuba would not sanction any act that could violate the rights or treat with disrespect the sovereignty of this nation.

The question of the seizure of the brig Mary Lowell, at one of the Bahama Islands, by the Spanish authorities, is more the subject of correspondence between this Government and those of Spain and Great Britain. The Captain General of Cuba, about May last, issued a proclamation authorizing search to be made of vessels on the high seas. Immediate remonstrance was made against this, whereupon the Captain General issued a new proclamation, limiting the right of search of vessels of the United States so far as authorized under the treaty of 1795. This proclamation, however, was immediately withdrawn.

FOREIGN RELATIONS.

I have always felt that the most intimate relations should be cultivated between the Republic of the United States and all independent nations on this Continent. It may be well worth considering whether new treaties between us and them may not be profitably entered into to secure intimate relations, commercial and otherwise.

THE DARIEN CANAL.

The subject of an inter-oceanic canal to connect the Atlantic and Pacific Oceans through the Isthmus of Darien is one in which commerce is greatly interested. Representations have been made to our Minister to the Republic of the United States of Colombia to endeavor to obtain authority to make a survey by this Government, in order to determine the practicability of such an undertaking, and a charter for the right of way to build by private enterprise, if it be now, if the survey proves it to be practicable.

APPROPRIATION ASKED.

In order to comply with the agreement of the United States as to a mixed Commission at Lima for the adjustment of claims, it became necessary to send a Commissioner to Lima in August last. No appropriation having been made by Congress for this purpose, it is now asked that one be made covering the past and future expenses of the Commission.

PEACE CONGRESS.

The good offices of the United States to bring about a peace between Spain and South American republics, with which she is at war, having been accepted by Spain, Peru and Chili, a Congress has been invited to be held in Washington during the present winter.

NICARAGUA TRANSIT.

A grant has been given to Europeans of an exclusive right of transit over the Territory of Nicaragua, to which Costa Rica has given its assent, which it is said confines within the vested rights of citizens of the United States. The Department of State has now the subject under consideration.

THE SPANISH GUNBOATS.

The Minister to Peru having made representations that there was a state of war between Peru and Spain, and that Spain was constructing, in and near New York, thirty gunboats which it claimed to be used by Spain in such a way as to release the naval force of Cuba, so as to operate against Peru, orders were given to prevent their departure. Further steps having been taken by the representative of the Peruvian Government to prevent the departure of these vessels, and I not feeling authorized to detain the property of a nation with which we are at peace, on a mere Executive order, the matter has been referred to the Courts to decide.

SOUTH AMERICAN WAR.

The conduct of the war between the allies and Republic of Paraguay has been marked by such barbarity as to render it so difficult that it has been deemed advisable to withdraw our representative from that country.

THE ALABAMA CLAIMS.

Towards the close of the last administration a convention was signed at London for the settlement of all outstanding claims between Great Britain and the United States, which failed to receive the advice and consent of the Senate to its ratification. The time and the circumstances call for your serious attention to the treaty were favorable to its acceptance by the people of the United States, but its rejection was generally indicative of a desire for the settlement of the grave wrongs that had been sustained by this Government, as well as by its citizens. The action of the people of the United States by reason of the course adopted by Great Britain during our late civil war, increased rates of insurance, in the direction of exports and imports and other obstructions to domestic industry and productions, in its effect upon the foreign commerce and to the extent, in the decrease and transfer to Great Britain of our commercial marine, in the prolongation of the war and of increased cost both in money and lives by its duration, could not be adjusted and satisfied as ordinary commercial claims, which consist of a simple money consideration. The character and qualifications of the class of men required to fill it properly.

NEUTRALITY.

As the United States is the freest of all nations, so too its people sympathize with all peoples struggling for liberty and self-government, but while so sympathizing, it is due to our honor that we should abstain from enforcing our views upon unwilling nations, and from taking an