Pittsburgh Gazette.

WEDNESDAY MORNING, DEC. 4, 1861.

For Hotel Arrivals see fourth page.

The President's Message.

After we shall have time to gather up the fragments of our indignation, we have a word to say in regard to the manner in which we have been treated by the agents of the Associate Press, in reference to the President's Message. It is enough, at present, to state that, while we pay the Associate Press double the price they recieve from any other city paper, which should entitle us to receive all the Telegrams they send, according to our agreement, yet when an important document like this comes along, the association makes it a matter of private speculation, and lets one of the city papers monopolize the whole, to the exclusion of the rest. We desire, here, to enter our indignant protest against this treatment.

The Crack of the Lash.

Slavery is imperious, savage and revengeful, find it where you will. It manifests its peculiar characteristics quite as much in a professed loyalist as in an open secessionist. This is seen in the savage fury, with which Mr. CAMERON has been assailed by professedly loyal papers in the slave States, on account of his views in regard to using slaves to crush the rebellion. The following specimen we extract from a late number of the Louisville *Democrat:*

"If we are to have emancipation, we insist that some part of the continent shall be surrendered to the Abolitionists and the negroes, and that they shall inhabit it together, and that non-intercourse shall be established between them and the white people of the United States. On these terms emancipation may be practicable. On any other it is not.

"That is a dissolution of the Union. While we would feel that the moral condition of the negro would be degraded by association with the Abolitionist, yet we could see no other means by which the scheme of Cameron & Co. could be carried out."

Such language is a gross insult to the large majority of the people of the Northern States; to a majority of the soldiers from Pennsylvania, Ohio, Indiana and Illinois, who are now defending Kentucky from the inroads of secessionists, and to a majority of the people of those States, who have sent their friends to fight Kentucky's battles; for what is understood by the term Abolitionist, in slaveholders' parlance, is every man who does not hold the doctrine of the righteousness of slavery. Every paper opposed to the extension of slavery is an abolition paper. Every man who voted for Lincoln is an Abolitionist, and is universally so called.

Our armies are called "abolition hordes" by the secessionists. In fact, every Northern man who would limit the power of slavery, and work and pray for the removal of the curse from our country, however remotely, is an Abolitionist, and all such are classed with the lowest grades of humanity; even a negro slave is degraded by such associations.

We wonder how long the people of the mighty Free States, on whom the burden of this war falls, are to submit to the "crack of the lash," and be the humble servants of the slave masters. "Off with Cameron's Head" is now the imperious demand, because he sustains a policy which will shorten the war, subdue rebellion completely, and open up a remote prospect of a final relief from an incubus and a disgrace.

Mr. Cameron's Plan, as Revealed by the New-York Herald.

The article we give in another column, from the New York *Herald*, purporting to be a synopsis of the Report of the Secretary of War, has this remarkable statement:

"But it will be seen that Secretary Cameron does not in the remotest degree express himself in favor of arming the slaves. His plan merely amounts to *emancipating* the slaves of rebels and employing them in military and other works."

The whole article reads as if approving of the Report, and the Secretary is complimented for not being in favor of arming the slaves. "His plan," says the *Herald*, "MERELY AMOUNTS TO EMANCIPATING THE SLAVES OF REBELS, and employing them." It MERELY amounts to this, as if this was but little, and rather to be commended. Wonders will never cease. Is the *Herald* really to stand by this? Why, we do not ask for more. If Gen. CAMERON has done so much, we shall be greatly gratified. This is only Gen. FREMONT's proclamation revamped, and the *Herald*, and kindred presses have not ceased to denounce FREMONT for this very thing ever since he issued his noble proclamation. General CAMERON's plan "*merely* amounts to *emancipation of the slaves of rebels!*" What could have come over the *Herald* for one day. To-morrow it will undo all. Its goodness will be as evanescent as the early dew.

THE TREASURY REPORT.—It is intimated in the eastern papers, that Mr. Chase will recommend the establishment of a National Bank; and will also recommend a higher duty on all articles of luxury, such as silks, laces, dress goods, costly carpets, jewelry, fine wines, &c. The object is to prevent the importation of such luxuries in time of war, and to make those who will have them, pay largely to support the Government.

Railroad Censors.

Mr. David Tod, President of the Cleveland and Mahoning Railroad, and also Governor elect of the State of Ohio, has stopped the transmission of the Cleveland *Herald* over that road, and the sale of the paper on the cars, because, as he writes to the proprietors, "the course of the *Herald* for the past few weeks has been highly destructive of the best interests of our government"; and he adds, "so long as its proprietors see proper to continue the same line of policy, I hope Mr. Rhodes (who since my election has had committed to his hands the entire management of the road) will use all legitimate means in his power to suppress its circulation."

We do not know anything of the course of the Cleveland *Herald*, but the act of Governor Tod and his subordinates is not justifiable on any pretext. A railroad is a common carrier, and the superintendent might as well refuse to sell the editor or proprietor a passage-ticket. A railroad superintendent may properly prohibit the circulation, on his cars, of indecent publications, but the Cleveland *Herald* does not come under that head. He had no right to discriminate for any other cause. We trust the proprietors of the journal will hold the railroad authorities accountable at law for their unwarrantable interference, and if the case comes to trial, a jury should give exemplary damages against those persons who are foolish enough to attempt to set up a private censorship of the press.—*N. Y. Evening Post.*

President's Message.

Fellow Citizens of the Senate and House of Representatives:

In the midst of unprecedented political troubles, we have cause of great gratitude to God for unusual good health and most abundant harvests. You will not be surprised to learn that in the peculiar exigencies of the times our intercourse with foreign nations has been attended with profound solicitude, chiefly turning upon our own domestic affairs. A disloyal portion of the American people have, during the whole year, been engaged in an attempt to divide and destroy the Union. A nation which endures factious domestic divisions is exposed to disrespect abroad, and one party, if not both, is sure, sooner or later, to invoke foreign intervention. Nations thus tempted to interfere are not always able to resist the counsels of seeming expediency and ungenerous ambition, although measures adopted under such influences seldom fail to be unfortunate and injurious to those adopting them.

The disloyal citizens of the United States, who have offered the ruin of our country in return for the aid and comfort which they have invoked abroad, have received less patronage and encouragement than they probably expected. If it were just to suppose, as the insurgents have seemed to assume, that foreign nations, in this case, discarding all moral, social and treaty obligations, would act solely and selfishly for the most speedy restoration of commerce, including especially the acquisition of cotton, those nations appear, as yet, not to have seen their way to their object more directly or clearly through the destruction than through the preservation of the Union. If we could dare to believe that foreign nations are actuated by no higher principle than this, I am quite sure a sound argument could be made to show them that they can reach their aim more readily and easily by aiding to crush this rebellion than by giving encouragement to it. The principal lever relied on by the insurgents for exciting foreign nations to hostility against us, as already intimated, is the embarrassment of commerce. Those nations, however, not improbably, saw from the first that it was the Union which made as well our foreign as our domestic commerce. They can scarcely have failed to perceive that the effort for disunion produce the existing difficulty, and that one strong nation promises more durable peace and a more extensive, valuable and reliable commerce than can the same nation broken into hostile fragments. It is not my purpose to review our discussions with foreign states, because whatever might be their wishes or dispositions, the integrity of our country and the stability of government mainly depend, not upon them, but on the loyalty, virtue, patriotism and intelligence of the American people. The correspondence itself, with the usual reservations, is herewith submitted. I venture to hope that it will appear that we have practiced prudence and liberality towards foreign powers, averting causes of irritation, and with firmness maintaining our own rights and honor. Since, however, it is apparent that here, as in every other state, foreign dangers necessarily attend domestic difficulties, I recommend that adequate and ample measures be adopted for maintaining the public defenses on every side. While under this general recommendation, provision for defending our sea coast line already occurs to the mind, I also, in the same connection, ask the attention of Congress to our great lakes and rivers. It is believed that some fortifications, and depots of arms and munitions, with harbor and navigation improvements, all at well selected points upon these, would be of great importance to the national defence and preservation.

I ask attention to the views of the Secretary of War, expressed in his report upon the same general subject. I deem it of importance that the loyal regions of East Tennessee and Western North Carolina should be connected with Kentucky and other faithful parts of the Union by railroad. I therefore recommend, as a military measure, that Congress provide for the construction of such a road as speedily as possible. Kentucky, no doubt, will co-operate, and through her Legislature make the most judicious selection of a line. The northern terminus must connect with some existing railroad, and whether the route shall be from Lexington or Nicholsville to the Cumberland Gap, or from Lebanon to the Tennessee line, in the direction of Knoxville, or on some still different line, can easily be determined. Kentucky and the general government co-operating, the work can be completed in a very short time, and when done it will be not only of vast present usefulness, but also a valuable permanent improvement, worth its cost in all the temporary future.

Some treaties, designed chiefly for the interests of commerce, and having no grave political importance, have been negotiated and will be submitted to the Senate for their consideration. Although we have failed to induce some of the commercial powers to adopt desirable melioration of the rigor of maritime war, we have removed all obstructions from the way of this humane reform, except such as are merely of and accidental occurrence.

I invite your attention to the correspondence between Her Brittanic Majesty's Minister, accredited to this Government, and the Secretary of State, relative the detention of the British ship *Perthshire*, in June last, by the United States steamer *Massachusetts*, for a supposed breach of the blockade. As this detention was occasioned by an obvious misapprehension of the facts, and as justice requires that we should commit no belligerent act founded on strict right, as sanctioned by public law, I recommend that an appropriation be made to satisfy the reasonable demands of the owners of the vessel, for her detention.

I repeat the recommendation of my predecessor in his annual message to Congress in December last, in regard to the disposition of the surplus which will probably remain after satisfying the claims of American cieizens against China, pursuant to the awards of the commissioners under the act of the 3d of March, 1859. If, however, it should not be deemed advisable to carry that recommendation into effect, I would suggest that authority be given for investing the principal over the proceeds of the surplus referred to, in good securities, with a view to the satisfaction of such other just claims of our citizens against China as are not unlikely to arise hereafter in the course of our extensive trade with that Empire.

By the Act of the 5th of August last, Congress authorized the President to instruct the commanders of suitable vessels to defend themselves against and to capture pirates. This authority has been exercised in a single instance only. For the more effectual protection of our extensive and valuable commerce, in the Eastern seas especially, it seems to me that it would also be advisable to authorize the commanders of sailing vessels to recapture any prizes which pirates may make of United States vessels and their cargoes, and the Consular Courts now established by law in Eastern countries to adjudicate the cases in event that this should not be objected to by the local authorities.

If any good reason exists why we should persevere longer in withholding our recognition of the independence and sovereignty of Hayti and Liberia, I am unable to discern it—unwilling, however, to inaugurate a novel policy in regard to them without the approbation of Congress.

I submit, for your consideration, the expediency of an appropriation for maintaining a Charge-de-affairs near each of those new States. It does not admit of doubt that important commercial advantages might be secured by favorable treaties with them.

The operations of the Treasury during the period which has elapsed since your adjournment have been conducted with signal success. The patriotism of the people has placed at the disposal of the Government the large means demanded by the public exigencies. Much of the National Loan has been taken by citizens of the industrial classes, whose confidence in their country's faith and zeal for their country's deliverance from present peril have induced them to contribute to the support of the Government the whole of their limited acquisitions. This fact imposes peculiar obligations to economy in disbursement, and energy in action.

The revenue from all sources for the financial year ending on the 30th of June, 1861, was eighty-six millions eight hundred and thirty-five thousand nine hundred dollars and twenty-seven cents, and the expenditures for the same period, including payments on account of the public debt, were eighty-four million five hundred and seventy-eight thousand eight hundred and thirty-four dollars and forty-seven cents, leaving a balance in the treasury on the 1st of July, of two million two hundred and fifty-seven thousand and sixty-five dollars and eighty cents. For the first quarter of the financial year, ending on the 30th of September, 1861, the receipts from all sources, including the balance of 1st July, were one hundred and two million five hundred and nine dollars and twenty-seven cents, and the expenses ninety-eight millions two hundred and thirty-nine thousand seven hundred and thirty-three dollars and nine cents, leaving a balance on the 1st of October, 1861, of four million two hundred and ninety-two thousand seven hundred and seventy-six dollars and eighteen cents.

Estimates for the remaining three-quarters of the year, and for the financial year of 1863, together with his views of ways and means for meeting the demands contemplated by them, will be submitted to Congress by the Secretary of the Treasury. It is gratifying to know that the expenditures, made necessary by the rebellion, are not beyond the resources of the loyal people, and to believe that the same patriotism which has thus far sustained the government, will continue to sustain it till peace and union shall again bless the land.

I respectfully refer to the report of the Secretary of War for information respecting the numerical strength of the army, and for recommendations having in view an increase of its efficiency, and the well being of the various branches of the service entrusted to his care.

It is gratifying to know that the patriotism of the people has proved equal to the occasion, and that the number of troops tendered greatly exceeded the force which Congress authorized me to call into the field. I refer with pleasure to these portions of his report which make allusion to the credible degree of discipline already attained by our troops, and to the excellent sanitary condition of the entire army. The recommendation of the Secretary for an organization of the militia upon a uniform basis is a subject of vital importance to the future safety of the country, and is commended to the serious attention of Congress. The large addition to the regular army, in connection with the defection that has so considerably diminished the number of its officers, gives peculiar importance to his recommendation for increasing the corps of cadets to the greatest capacity of the military academy. By mere omission, I presume, Congress has failed to provide chaplains for hospitals occupied by volunteers. This subject was brought to my notice, and I was induced to draw up the form of a letter, one copy of which, properly addressed, has been delivered to each of the persons, and at the dates respectively named, and stated in a schedule containing also the form of the letter marked A, and herewith transmitted. These gentlemen, I understand, entered upon the duties designated at the times respectively stated in the schedule, and have labored faithfully therein ever since, and therefore recommend that they be compensated at the same rate as chaplains in the army, and further suggest that general provision be made for chaplains to serve at hospitals as well as with regiments.

The report of the Secretary of the Navy presents in detail the operations of that branch of the service; the activity and energy which have characterized its administration, and the results of measures to increase its efficiency and power. Such have been the additions, by construction and purchase, that it may almost be said a navy has been created and brought into service since our difficulties commenced. Besides blockading our extensive coast, squadrons larger than ever before assembled under our flag have been put afloat, and performed deeds which have increased our naval renown.

I would invite special attention to the recommendation of the Secretary for a more perfect organization of the navy, by introducing additional grades in the service. The present organization is defective and unsatisfactory, and the suggestions submitted by the Department will, it is believed, if adopted, obviate the difficulties alluded to; promote harmony, and increase the efficiency of the navy.

There are three vacancies on the bench of the Supreme Court, two by the decease of Justices Daniel and McLean and one by the resignation of Justice Campbell. I have so far forborne making nominations to fill these vacancies, for reasons which I will now state. Two of the outgoing Judges resided within the States now overrun by revolt, so that if successors were appointed in the same localities they could not now serve upon their circuits, and many of the most competent men of the District, and the restoration of the original boundaries thereof, through negotiations with the State of Virginia.

The report of the Secretary of the Interior, with the accompanying documents, exhibits the condition of the several branches of the public business pertaining to the Department. The depressing influences of the insurrection have been especially felt in the operations of the Patent and General Land Offices. The cash receipts from the sale of public lands during the past year have exceeded the expenses of our land system only about two hundred thousand dollars. The sales have been entirely suspended in the Southern States, while the interruptions to the business of the country, and the diversion of large numbers of men from labor to military service have obstructed settlements in the new States and Territories of the North-West.

The receipts of the Patent Office have declined, in nine months, about one hundred thousand dollars, rendering a large reduction of the force employed necessary to make itself sustaining.

The demand upon the Pension Office will be largely increased by the insurrection. Numerous applications for pensions, based upon the casualties of the existing war, have already been made. There is reason to believe that many who are now upon the pension rolls, and in receipt of the bounty of the Government, are in the ranks of the insurgent army, or giving them aid and comfort. The Secretary of the Interior has directed a suspension of the payment of the pensions of such persons, upon proof of their disloyalty. I recommend that Congress authorize that officer to cause the names of such persons to be stricken from the pension rolls.

The relations of the Government with the Indian tribes have been greatly disturbed by the insurrection, especially in the Southern superintendency and in that of New Mexico. The Indian country south of Kansas is in the possession of insurgents from Texas and Arkansas. Agents of the United States, appointed since the 4th of March for this superintendency, have been unable to reach their posts, while the most of those who were in office before that time have espoused the insurrectionary cause, and assume to exercise the powers of agents, by virtue of commissions from the insurrectionists. It has been stated in the public press that a portion of those Indians have been organized as a military force, and are attached to the army of the Insurgents. Although the Government has no official information upon this subject, letters have been written to the Commissioner of Indian Affairs, by several prominent chiefs, giving assurance of their loyalty to the United States, and expressing a wish for the presence of Federal troops to protect them. It is believed that upon the re-possession of the country by the Federal forces, the Indians will readily cease all hostile demonstrations and resume their former relations to the Government.

Agriculture, confessedly the largest interest of the nation, has not a department nor a bureau, but a clerkship assigned to it in the government. While it is fortunate that this great interest is so independent in its nature as to not have demanded and extorted more from the government, I respectfully ask Congress to consider whether something more cannot be given voluntarily with general advantage.

Annual reports exhibiting the condition of our agriculture, commerce and manufactures would present a fund of information of great practical value to the country. While I make no suggestion as to details, I venture the opinion that an agricultural and statistical bureau might profitably be organized. The execution of the laws for the suppression of the African slave trade has been confined to the Department of the Interior. It is a subject of gratulation that the efforts which have been made for the suppression of this infamous traffic have been recently attended with unusual success. Five vessels being fitted out for the slave trade have been seized and condemned. Two mates of vessels engaged in the trade and one person in equipping a vessel as a slaver have been convicted and subjected to the penalty of fine and imprisonment, and one captain taken with a cargo of Africans on board his vessel has been convicted of the highest grade of offence under our laws, the punishment of which is death. The territories of Colorado, Dakotah and Nevada, created by the last Congress, have been organized, and civil administration has been inaugurated therein, under auspices especially gratifying, when it is considered that the leaven of treason was found existing in some of these new countries when the Federal officers arrived there. The abundant natural resources of these Territories, with the security and protection afforded by organized government, will doubtless invite to them a large immigration when peace shall restore the business of the country to its accustomed channels.

I submit the resolutions of the Legislature of Colorado, which evidence the patriotic spirit of the people of the Territory. So far, the authority of the United States has been upheld in all the Territories, as it is hoped it will be in future. I commend their interests and defence to the enlightened and generous care of Congress. I recommend to the favorable consideration of Congress the interests of the District of Columbia. The insurrection has been the cause of much suffering and sacrifice to its inhabitants, and, as they have no representative in Congress, that body should not overlook their just claims upon the Government.

At your late session a joint resolution was adopted, authorizing the President to take measures for facilitating a proper representation of the industrial interests of the United States at the exhibition of the industry of all nations, to be holden at London, in the year 1862.

I regret to say I have been unable to give personal attention to this subject—a subject at once so interesting in itself and so extensively and intimately connected with the material prosperity of the world. Through the Secretaries of State and of the Interior a plan or system has been devised and partly matured, and which will be laid before you. under and by virtue of the act of Congress entitled "an act to confiscate property used for insurrectionary purposes"—approved August 6th, 1861, the legal claims of certain persons to the labor and service of certain other persons, have become forfeited, and numbers of the latter, thus liberated, are already dependent on the United States and must be provided for in some way. Besides this it is not impossible that some of the States will pass similar enactments for their own benefits respectively; and by operation of which persons of the same class will be thrown upon them for disposal. In such case I recommend that Congress provide for accepting such persons from such States, according to some mode of valuation in lieu pro tanto of direct taxes or upon some other plan to be agreed on with such States respectively that such persons, on such acceptance by the General Government, be at once declared free, and that in any event, steps be taken for colonizing both classes, or the one first mentioned, if the other shall not be brought into existence, at some other place or places in a climate congenial to them. It might be well to consider too, whether the free colored people already in the United States could not, so far as individuals may desire, be included in such colonization. To carry out the plan of colonization may involve the acquiring of territory, and also the appropriation of money beyond that to be expended in the territorial acquisition. Having practiced the acquisition of territory for nearly sixty years, the question of constitutional power to do so is no longer an open one. With us the power was questioned at first by Mr. Jefferson, who, however, in the purchase of Louisiana, yielded his scruples on the plea of great expediency. If it be said that the only legitimate object of acquiring territory is to furnish homes for white men, this measure effects that object, for the emigration of colored men leaves additional room for white men remaining or coming here. Mr. Jefferson, however, placed the importance of procuring Louisiana more on political and commercial grounds than procuring room for population.

On the whole proposition, including the appropriation of money, with the acquisition of territory, does not the expediency amount to absolute necessity, that without which the government itself cannot be perpetuated?

The war continues. In considering the policy to be adopted for suppressing the insurrection, I have been anxious and careful that the inevitable conflict for the purpose shall not degenerate into a violent and remorseless revolutionary struggle. I have, therefore, in every case, thought it proper to keep the integrity of the Union prominent as the primary object of the contest on our part, leaving all questions which are not of vital military importance to the more deliberate action of the Legislature. In the exercise of my best discretion I have adhered to the blockade of the ports held by the insurgents instead of putting in force by proclamation the law of Congress enacted at the late session for closing those ports. So also obeying the dictates of prudence, as well as the obligations of law, instead of transcending, I have adhered to the act of Congress to confiscate property used for insurrectionary purposes. If a new law upon the same subject shall be proposed, its propriety will be duly considered. The Union must be preserved, and hence, all indispensible means must be employed. We should not be hasty nor easily diverted from radical and extreme measures, which may reach the loyal as well as the disloyal, are indispensible. The Inaugural Address, at the beginning of the administration, and the message to Congress at the late special session, were both mainly devoted to the domestic controversy out of which the insurrection and consequent war have sprung. Nothing now occurs to add or subtract from the country generally has outgrown our present judiciary.

If uniformity was at all intended, the system requires that all the States shall be accommodated with Circuit Courts, attended by Supreme Judges; while, in fact, Wisconsin, Minnesota, Iowa, Kansas, Florida, Texas, California and Oregon have never had any such Courts. Nor can this well be remedied without a change of the system, because the adding of Judges to the Supreme Court, enough for the accommodation of all parts of the country with Circuit Courts, would create a Court altogether too numerous for a judicial body of any sort—and the evil of it be one which will increase as new States come into the Union. Circuit Courts, too, are useful or they are not useful. If useful, no State should be denied them. If not useful, no State should have them. Let them be provided for all or abolished as to all. Three modifications occur to me, either of which, I think, would be an improvement upon our present system: Let the Supreme Court be of convenient number in every event; then, 1st, let the whole country be divided into Circuits of convenient size, the Supreme Judges to serve in a number of them corresponding to their own number, and independent Circuit Judges be provided for all the rest; or, secondly, let the Supreme Judges be relieved from Circuit duties, and Circuit Judges be provided for all the Circuits; or, thirdly, dispense with Circuit Courts altogether, leaving the judicial function wholly to the District Courts and an independent Supreme Court.

I respectfully recommend to the consideration of Congress the present condition of the statute laws, with the hope that Congress will be able to find an easy remedy for many of the inconveniences and evils which constantly embarrass those engaged in the practical administration of them. Since the organization of the government Congress has enacted some five thousand acts and joint resolutions, which make more than a thousand closely printed pages, and are scattered through many volumes. Many of these acts have been drawn in, and without sufficient caution, so that their provisions are often obscure in themselves or in conflict with each other, or at least so doubtful as to render it very difficult for even the best informed person to ascertain precisely what the statute law really is. It seems to me very important that the statute laws should be made as plain and intelligible as possible, and be reduced to as small a compass as may consist with the fullness and precision of the will of the Legislature, and the perspicuity of its language. This, well done, would, I think, greatly facilitate the labors of those whose duty it is to assist in the administration of the laws, and would be a lasting benefit to the people by placing before them in a more accessible form the laws which so deeply concern their interest and their duties. I am informed by some whose opinions I respect that all the Acts of Congress now in force, and of a permanent and general nature, might be revised and rewritten so as to be embraced in one volume, or at most two volumes, of ordinary and convenient size, and I respectfully recommend to Congress to consider the subject, and if my suggestion be approved, to devise such plan as to their wisdom shall seem most proper for the attainment of the end proposed.

One of the unavoidable consequences of the present insurrection is the entire suppression, in many places, of all ordinary means of administering civil justice by the officers, and in the forms of existing law. This is the case, in whole or in part, in all the insurgent States, and as our armies advance upon and take possession of parts of those States, the practical evil becomes more apparent. There are no courts or officers to whom the citizens of other States may apply for the enforcement of their lawful claims against citizens of the insurgent States, and there is a vast amount of debt constituting such claims. Some have estimated it as high as two hundred million dollars, due, in a large part, from insurgents in open rebellion, to loyal citizens, who are even now making great sacrifice in the discharge of their patriotic duty to support the Government. Under these circumstances, I have been urgently solicited to establish, by military power, courts to administer summary justice in such cases. I have thus far declined to do it, not because I had any doubt that the end proposed, the collection of the debts, was just and right in itself, but because I have been unwilling to go beyond the pressure of necessity in the unusual exercise of powers; but the powers of Congress, I suppose, are equal to the anomalus occasion, and therefore I refer the whole matter to Congress, with the hope that a plan may be devised for the administration of justice in all such parts of the insurgent States and Territories as may be under the control of this Government, whether by a voluntary return to allegiance and order, or by the power of our arms. This, however, is not to be a permanent institution, but a temporary substitute, and to cease as soon as the ordinary courts can be re-established in peace.

It is important that some more convenient means should be provided, if possible, for the adjustment of claims against the Government, especially in view of the increased number by reason of the war. It is as much the duty of Government to render prompt justice against itself in favor of citizens as it is to administer the same between private individuals. The investigation and adjudication of claims, in their nature, belong to the Judicial department; besides it is apparent that the attention of Congress will be more than usually engaged for some time to come with great National questions. It was intended by the organization of the Court of Claims mainly to remove this branch of business from the Halls of Congress, but while the Court has proved to be an effective and valuable means of investigation, it in a great degree fails to effect the object of its creation, for want of power to make its judgments final. Fully aware of the delicacy, not to say the danger of the subject, I commend to your careful consideration, whether this power of making judgments final may not properly be given to the Court, reserving the right of appeal on questions of law to the Supreme Court, with such other provisions as experience may have shown to be necessary.

I ask attention to the report of the Postmaster General, the following being a summary statement of the condition of the Department: The revenue from all sources, during the fiscal year ending June 30, 1861, including the annual permanent appropriation of seven hundred thousand dollars for the transportation of free mail matter, was nine million forty-nine thousand two hundred and ninety-six dollars and forty cents, being about two per cent. less that the revenue for 1860. In the same time the expenditures were thirteen million six hundred and six thousand seven hundred and fifty-nine dollars and eleven cents, showing a decrease of more than eight per cent. as compared with those of the previous year, and leaving an excess of expenditures over the revenue for the last fiscal year of four million five hundred and fifty-seven thousand four hundred and sixty-two dollars and seventy-one cents. The gross revenue for the year ending June 30th, 1863, is estimated at an increase of four per cent. on that of 1861, making six million six hundred and eighty-three thousand dollars, to which should be added the earning of the department in carrying free matter, viz—Seven hundred thousand dollars, making nine million three hundred and eighty-three thousand dollars. The total expenditures for 1863 are estimated at twelve million five hundred and twenty-eight thousand dollars, leaving an estimated deficiency of three million one hundred and forty-five thousand dollars, to be supplied from the Treasury in addition to the permanent appropriation. The present insurrection shows, I think, that the extension of this District across the Potomac river at the time of establishing the Capitol here was eminently wise, and consequently that the relinquishment of that portion of it which lies within the State of Virginia, was unwise and dangerous. I submit for your consideration the expediency of acquiring that part of the District, and the restoration of the original boundaries thereof, through negotiations with the State of Virginia.

Fellow Citizens of the Senate and House of Representatives:

In the midst of unprecedented political troubles, we have cause of great gratitude to God for unusual good health and most abundant harvests. You will not be surprised to learn that in the peculiar exigencies of the times our intercourse with foreign nations has been attended with profound solicitude, chiefly turning upon our own domestic affairs. A disloyal portion of the American people have, during the whole year, been engaged in an attempt to divide and destroy the Union. A nation which endures factious domestic divisions is exposed to disrespect abroad, and one party, if not both, is sure, sooner or later, to invoke foreign intervention. Nations thus tempted to interfere are not always able to resist the counsels of seeming expediency and ungenerous ambition, although measures adopted under such influences seldom fail to be unfortunate and injurious to those adopting them.

The disloyal citizens of the United States, who have offered the ruin of our country in return for the aid and comfort which they have invoked abroad, have received less patronage and encouragement than they probably expected. If it were just to suppose, as the insurgents have seemed to assume, that foreign nations, in this case, discarding all moral, social and treaty obligations, would act solely and selfishly for the most speedy restoration of commerce, including especially the acquisition of cotton, those nations appear, as yet, not to have seen their way to their object more directly or clearly through the destruction than through the preservation of the Union. If we could dare to believe that foreign nations are actuated by no higher principle than this, I am quite sure a sound argument could be made to show them that they can reach their aim more readily and easily by aiding to crush this rebellion than by giving encouragement to it. The principal lever relied on by the insurgents for exciting foreign nations to hostility against us, as already intimated, is the embarrassment of commerce. Those nations, however, not improbably, saw from the first that it was the Union which made as well our foreign as our domestic commerce. They can scarcely have failed to perceive that the effort for disunion produce the existing difficulty, and that one strong nation promises more durable peace and a more extensive, valuable and reliable commerce than can the same nation broken into hostile fragments. It is not my purpose to review our discussions with foreign states, because whatever might be their wishes or dispositions, the integrity of our country and the stability of government mainly depend, not upon them, but on the loyalty, virtue, patriotism and intelligence of the American people. The correspondence itself, with the usual reservations, is herewith submitted. I venture to hope that it will appear that we have practiced prudence and liberality towards foreign powers, averting causes of irritation, and with firmness maintaining our own rights and honor. Since, however, it is apparent that here, as in every other state, foreign dangers necessarily attend domestic difficulties, I recommend that adequate and ample measures be adopted for maintaining the public defenses on every side. While under this general recommendation, provision for defending our sea coast line already occurs to the mind, I also, in the same connection, ask the attention of Congress to our great lakes and rivers. It is believed that some fortifications, and depots of arms and munitions, with harbor and navigation improvements, all at well selected points upon these, would be of great importance to the national defence and preservation.

I ask attention to the views of the Secretary of War, expressed in his report upon the same general subject. I deem it of importance that the loyal regions of East Tennessee and Western North Carolina should be connected with Kentucky and other faithful parts of the Union by railroad. I therefore recommend, as a military measure, that Congress provide for the construction of such a road as speedily as possible. Kentucky, no doubt, will co-operate, and through her Legislature make the most judicious selection of a line. The northern terminus must connect with some existing railroad, and whether the route shall be from Lexington or Nicholsville to the Cumberland Gap, or from Lebanon to the Tennessee line, in the direction of Knoxville, or on some still different line, can easily be determined. Kentucky and the general government co-operating, the work can be completed in a very short time, and when done it will be not only of vast present usefulness, but also a valuable permanent improvement, worth its cost in all the temporary future.

Some treaties, designed chiefly for the interests of commerce, and having no grave political importance, have been negotiated and will be submitted to the Senate for their consideration. Although we have failed to induce some of the commercial powers to adopt desirable melioration of the rigor of maritime war, we have removed all obstructions from the way of this humane reform, except such as are merely of and accidental occurrence.

I invite your attention to the correspondence between Her Brittanic Majesty's Minister, accredited to this Government, and the Secretary of State, relative the detention of the British ship *Perthshire*, in June last, by the United States steamer *Massachusetts*, for a supposed breach of the blockade. As this detention was occasioned by an obvious misapprehension of the facts, and as justice requires that we should commit no belligerent act founded on strict right, as sanctioned by public law, I recommend that an appropriation be made to satisfy the reasonable demands of the owners of the vessel, for her detention.

I repeat the recommendation of my predecessor in his annual message to Congress in December last, in regard to the disposition of the surplus which will probably remain after satisfying the claims of American cieizens against China, pursuant to the awards of the commissioners under the act of the 3d of March, 1859. If, however, it should not be deemed advisable to carry that recommendation into effect, I would suggest that authority be given for investing the principal over the proceeds of the surplus referred to, in good securities, with a view to the satisfaction of such other just claims of our citizens against China as are not unlikely to arise hereafter in the course of our extensive trade with that Empire.

By the Act of the 5th of August last, Congress authorized the President to instruct the commanders of suitable vessels to defend themselves against and to capture pirates. This authority has been exercised in a single instance only. For the more effectual protection of our extensive and valuable commerce, in the Eastern seas especially, it seems to me that it would also be advisable to authorize the commanders of sailing vessels to recapture any prizes which pirates may make of United States vessels and their cargoes, and the Consular Courts now established by law in Eastern countries to adjudicate the cases in event that this should not be objected to by the local authorities.

If any good reason exists why we should persevere longer in withholding our recognition of the independence and sovereignty of Hayti and Liberia, I am unable to discern it—unwilling, however, to inaugurate a novel policy in regard to them without the approbation of Congress.

I submit, for your consideration, the expediency of an appropriation for maintaining a Charge-de-affairs near each of those new States. It does not admit of doubt that important commercial advantages might be secured by favorable treaties with them.

The operations of the Treasury during the period which has elapsed since your adjournment have been conducted with signal success. The patriotism of the people has placed at the disposal of the Government the large means demanded by the public exigencies. Much of the National Loan has been taken by citizens of the industrial classes, whose confidence in their country's faith and zeal for their country's deliverance from present peril have induced them to contribute to the support of the Government the whole of their limited acquisitions. This fact imposes peculiar obligations to economy in disbursement, and energy in action.

The revenue from all sources for the financial year ending on the 30th of June, 1861, was eighty-six millions eight hundred and thirty-five thousand nine hundred dollars and twenty-seven cents, and the expenditures for the same period, including payments on account of the public debt, were eighty-four million five hundred and seventy-eight thousand eight hundred and thirty-four dollars and forty-seven cents, leaving a balance in the treasury on the 1st of July, of two million two hundred and fifty-seven thousand and sixty-five dollars and eighty cents. For the first quarter of the financial year, ending on the 30th of September, 1861, the receipts from all sources, including the balance of 1st July, were one hundred and two million five hundred and nine dollars and twenty-seven cents, and the expenses ninety-eight millions two hundred and thirty-nine thousand seven hundred and thirty-three dollars and nine cents, leaving a balance on the 1st of October, 1861, of four million two hundred and ninety-two thousand seven hundred and seventy-six dollars and eighteen cents.

Estimates for the remaining three-quarters of the year, and for the financial year of 1863, together with his views of ways and means for meeting the demands contemplated by them, will be submitted to Congress by the Secretary of the Treasury. It is gratifying to know that the expenditures, made necessary by the rebellion, are not beyond the resources of the loyal people, and to believe that the same patriotism which has thus far sustained the government, will continue to sustain it till peace and union shall again bless the land.

I respectfully refer to the report of the Secretary of War for information respecting the numerical strength of the army, and for recommendations having in view an increase of its efficiency, and the well being of the various branches of the service entrusted to his care.

It is gratifying to know that the patriotism of the people has proved equal to the occasion, and that the number of troops tendered greatly exceeded the force which Congress authorized me to call into the field. I refer with pleasure to these portions of his report which make allusion to the credible degree of discipline already attained by our troops, and to the excellent sanitary condition of the entire army. The recommendation of the Secretary for an organization of the militia upon a uniform basis is a subject of vital importance to the future safety of the country, and is commended to the serious attention of Congress. The large addition to the regular army, in connection with the defection that has so considerably diminished the number of its officers, gives peculiar importance to his recommendation for increasing the corps of cadets to the greatest capacity of the military academy. By mere omission, I presume, Congress has failed to provide chaplains for hospitals occupied by volunteers. This subject was brought to my notice, and I was induced to draw up the form of a letter, one copy of which, properly addressed, has been delivered to each of the persons, and at the dates respectively named, and stated in a schedule containing also the form of the letter marked A, and herewith transmitted. These gentlemen, I understand, entered upon the duties designated at the times respectively stated in the schedule, and have labored faithfully therein ever since, and therefore recommend that they be compensated at the same rate as chaplains in the army, and further suggest that general provision be made for chaplains to serve at hospitals as well as with regiments.

The report of the Secretary of the Navy presents in detail the operations of that branch of the service; the activity and energy which have characterized its administration, and the results of measures to increase its efficiency and power. Such have been the additions, by construction and purchase, that it may almost be said a navy has been created and brought into service since our difficulties commenced. Besides blockading our extensive coast, squadrons larger than ever before assembled under our flag have been put afloat, and performed deeds which have increased our naval renown.

I would invite special attention to the recommendation of the Secretary for a more perfect organization of the navy, by introducing additional grades in the service. The present organization is defective and unsatisfactory, and the suggestions submitted by the Department will, it is believed, if adopted, obviate the difficulties alluded to; promote harmony, and increase the efficiency of the navy.

There are three vacancies on the bench of the Supreme Court, two by the decease of Justices Daniel and McLean and one by the resignation of Justice Campbell. I have so far forborne making nominations to fill these vacancies, for reasons which I will now state. Two of the outgoing Judges resided within the States now overrun by revolt, so that if successors were appointed in the same localities they could not now serve upon their circuits, and many of the most competent men of the District, and the restoration of the original boundaries thereof, through negotiations with the State of Virginia.

The report of the Secretary of the Interior, with the accompanying documents, exhibits the condition of the several branches of the public business pertaining to the Department. The depressing influences of the insurrection have been especially felt in the operations of the Patent and General Land Offices. The cash receipts from the sale of public lands during the past year have exceeded the expenses of our land system only about two hundred thousand dollars. The sales have been entirely suspended in the Southern States, while the interruptions to the business of the country, and the diversion of large numbers of men from labor to military service have obstructed settlements in the new States and Territories of the North-West.

The receipts of the Patent Office have declined, in nine months, about one hundred thousand dollars, rendering a large reduction of the force employed necessary to make itself sustaining.

The demand upon the Pension Office will be largely increased by the insurrection. Numerous applications for pensions, based upon the casualties of the existing war, have already been made. There is reason to believe that many who are now upon the pension rolls, and in receipt of the bounty of the Government, are in the ranks of the insurgent army, or giving them aid and comfort. The Secretary of the Interior has directed a suspension of the payment of the pensions of such persons, upon proof of their disloyalty. I recommend that Congress authorize that officer to cause