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BY S. J. ROW. CLEARFIELD, PA., WEDNESDAY, DECEMBER 10, 1862. VOL. 9.—NO. 15.

SECOND ANNUAL MESSAGE OF

ABRAHAM LINCOLN,

President of the United States.

Fellow citizens of the Senate and House of Representatives:—Since your last annual assembling, another year of health and bountiful harvests has passed; and while it has not pleased the Almighty to bless 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 yet be well.

The correspondence touching foreign affairs, which has taken place during the last year, is herewith submitted, in virtual compliance with a request to that effect made by the House of Representatives near the close of the last session of Congress. If the condition of our relations with other nations is less gratifying than it has usually been at former periods, it is certainly more satisfactory than a nation so unhappily distracted as we are, might reasonably have apprehended.

In the month of June last there were some grounds to expect that the martime Powers which at the beginning of our domestic difficulties so unwisely and unnecessarily, as we think, recognised the insurgents as a belligerent, would soon recede from that position, which has proved only less injurious to themselves than to our own country. But the temporary reverses which afterward befel the National arms, and which were exaggerated 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 throughout the civilized 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 propagandism, and acknowledge 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 carried into full effect under the act of Congress for that purpose.

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 nations 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 reclamations between nations which have a common interest in preserving peace and friendship. In clear cases of these kinds I have, so far as possible, heard and redressed complaints which have been presented by friendly Powers. There is still, however, a large and an 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 the Governments of these 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. Tordinskiold, which vessel was, in May, 1861, prevented by the commander of the blockading force off Charleston from leaving that port with a cargo, notwithstanding a similar privilege had, shortly before, been granted to an English vessel. I have directed the Secretary of State to cause the papers in the case to be communicated to the proper committees.

Applications have been made to me by many free Americans of African descent to favor their emigration, with a view to such colonization as was contemplated in recent acts of Congress. Other parties at home and abroad—some from interested motives, others upon patriotic considerations, and still others influenced by philanthropic sentiments—have suggested similar measures; while, on the other hand, several of the Spanish-American Republics have protested against the sending of such colonies to their respective territories. Under these circumstances I have declined to move 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, situated within the tropics, or having colonies there, to negotiate with them, subject to the advice and consent of the Senate, to favor the voluntary emigration of persons of that class to their respective territories, upon conditions which shall be equal, just, and humane. Liberia and Hayti are as yet the only countries to which colonists of African descent from here could go with certainty of being received and adopted as citizens, and I regret to say that such persons as contemplate colonization do not seem so willing to migrate to those countries as to some others, nor so willing as, I think, their interest demands. I believe, however, the opinion among them in this respect is improving, and that ere long there will be an augmented and considerable emigration to both these countries from the United States.

The new commercial treaty between the United States and the Sultan of Turkey has been carried into execution. 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, Sweeden, 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 safety and progress are so intimately connected with our own. This statement especially applies to Mexico, Nicaragua, Costa Rica, Honduras, Peru, and Chili. The commission under the convention with the Republic of New Granada closed its 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 complete justice. The joint commission between the United States and the Republic of Costa Rica has completed its labors and submitted its report.

I have favored the project for connecting the United States with Europe by an Atlantic telegraph, and a similar project to extend the telegraph from San Francisco to connect by a Pacific telegraph with the line which is being extended across the Russian Empire.

The Territories of the United States, with unimportant exceptions, have remained undisturbed by the civil war, and they are exhibiting such evidence of prosperity as justifies an expectation that some of them will soon be in a condition to be organized as States, and be constitutionally admitted into the Federal Union. The immense mineral resources of some of these Territories ought to be developed as rapidly as possible. Every step in that direction would have a tendency to improve the revenues of the Government, and diminish the burdens of the people. It is worthy of your serious consideration whether some extraordinary measures to promote that end cannot be adopted. The means which suggests itself as most likely to be effective is a scientific exploration of the mineral regions in those Territories, with a view to the publication of its result at home and in foreign countries—results which cannot fail to be auspicious.

The condition of the finances will claim your most diligent consideration. The vast expenditures incident to the military and naval operations required for the suppression of the rebellion, have hitherto been met with a promptitude and certainty unusual in similar circumstances, and the public credit has been fully maintained. The continuance of the war, however, and the increased disbursements made necessary by the augmented forces now in the field, demand your best reflections as to the best modes of providing the necessary revenue, without injury to business, and with the least possible burdens on labor. The suspension of specie payments by the banks, soon after the commencement of your last session, made large issues of United States notes unavoidable. In no other way could the payment of the troops and the satisfaction of other just demands be so economically or so well provided for. The judicious legislation of Congress, securing the receivability of these notes for loans and internal duties, and making them a legal tender for other debts, has made them a universal currency, and has satisfied, partially, at least, and for the time, the long-felt want of a uniform circulating medium, saving thereby to the people immense sums in discounts and exchanges. A return to specie payments, however, at the earliest period compatible with due regard to all the interests concerned, should ever be kept in view. Fluctuations in the value of currency are always injurious, and to reduce these fluctuations to the lowest possible point will always be a leading purpose in wise legislation. Convertibility, prompt and certain convertibility into coin, is generally acknowledged to be the best and surest safeguard against them, and it is extremely doubtful whether a circulation of United States notes, payable in coin, and sufficiently large for the wants of the people, can be permanently, usefully, and safely maintained. Is there any other mode in which the necessary provision for the public wants can be made, and the great advantages of a safe and uniform currency secured? I know of none which promises such certain results, and is at the same time so unobjectionable, as the organization of banking associations under a general act of Congress, well guarded in its provisions. To such associations the Government might furnish circulating notes or the security of United States bonds, deposited in the Treasury. These notes, prepared under the supervision of proper officers, being uniform in appearance and security, and convertible always into coin, would at once protect labor against the evils of a vicious currency, and facilitate commerce by cheap and 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 debt employed as securities. The public credit, moreover, would be greatly improved, and the negotiation of new loans greatly facilitated by the steady market demand for Government bonds which the adoption of the proposed system would create. It is an additional recommendation of the measure, of considerable weight in my judgment, that it would reconcile, as far as possible, all existing interests by the opportunity offered to existing institutions to reorganize under the act, substituting only the secured, uniform, National circulation, secured and unsecured, now issued by them.

The receipts into the Treasury from all sources, including loans and the balance from the preceding year, for the fiscal year ending on the 30th of June, 1862, were $583,885,247.06; of which sum $49,056,379.62 were derived from customs; $1,795,331.73 from the direct tax; from public lands, $152,203.77; from miscelaneous sources, $931,787.64; from loans in all forms, $529,692,465.50—the remainder, $2,281,065.80, was the balance from last year. The disbursements during the same period were: For Congressional, Executive and Judicial purposes, $5,939,009.29; For foreign intercourse, $1,339,710.35; For miscellaneous expenses, (including the mints, loans, postoffice deficiencies, collection of revenue, and other like charges) $14,129,771.50; Expenses under the Interior department, $3,102,985.52; Under the War department, $394,368,407.36, Under the Navy department, $42,674,569.69; For interest on the public debt, $13,190,324.45; For payment of the public debt, including the reimbursement of the temporary loan and redemptions, $96,096,922.09; making an aggregate of $570,841,700 25—and leaving a balance in the Treasury on the 1st day of July 1862, of $13,043,546.81. It should be observed that the sum of $96,096,922.09 expended for the reimbursement and redemption of the public debt, being included also in the loans made, may be properly deducted both from the receipts and expenditures, leaving the actual receipts for the year $487,788,324.97, and the expenditures $474,744,778.16. Other information on the subject of the finances will be found in the report of the Sec'y of the Treasury, to whose statement and views I invite your most candid and conscientious attention.

The reports of the Secretaries of War and of the Navy are herewith transmitted. These reports, though lengthy, are scarcely more than brief abstracts of the very numerous and extensive transactions and operations conducted through these Departments. Nor could I give a summary of them here upon any principle which would admit of it being much shorter than the reports themselves. I therefore content myself 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 for the fiscal year 1861 amounted to $8,349,296.40, which embraced the revenue from all the States of the Union for three-quarters of that year. Notwithstanding 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 same year of $8,299,820.90, 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. The amount expended in 1861 was $13,606,759.11 For the last year the amount has been reduced to $11,125,364 13, showing a decrease of about $2,481,000 in the expenditures, as compared with the preceding year, and about $3,750,000 as compared with the fiscal year 1860. The deficiency in the department for the previous year was $4,551,966 98. For the last fiscal year it was reduced to $2,112,011 52. 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 expendatures in that department in the interest of economy. The efficiency of the postal service, it is believed, has also been much improved. The Postmaster General has opened a correspondence, through the Department of State, with foreign Governments, proposing a convention of postal 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 whom replies have been received. I ask the attention of Congress to the suggestion of the Postmaster General in his report respecting the further legislation required in his opinion for the benefit of the postal service.

The Secretary of the Interior reports as follows in regard to the public lands: "The public lands have ceased to be a source of revenue. From the 1st of July, 1861, to the 30th of September, 1862, the entire cash receipts from the sale of lands were $137,476.26, a sum much less than the expenses of our land system during the same period." "The homestead law, which will take effect on the 1st of January next, offers such inducements to settlers that sales for cash cannot be expected to an extent sufficient to meet the expenses of the General Land Office, and the cost of surveying and bringing the land into market." The discrepancy between the sum here stated as arising from the sales of the public lands, and the sums derived from the same source, as reported from the Treasury Department, arises, as I understand, from the fact that the periods of time, though apparently, were not really, coincident at the beginning point; the Treasury report including a considerable sum now, which had previously been reported from the Interior, sufficiently large to greatly overreach the sum derived from the three-months now, reported upon by the Secretary of the Interior, and not by the Secretary of the Treasury.

The Indian tribes upon our frontiers have, during the past year, manifested a spirit of insubordination, and at several points have engaged in open hostilities against the white settlements in their vicinity. The tribes occupying the Indian country south of Kansas renounced their allegiance to the United States, and entered into treaties with the insurgents. Those who remained loyal to the United States were driven from the country. The chief of the Cherokees has visited this city for the purpose 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 the United States neglected to furnish the protection which their treaty stipulations required. In the month of August last the Sioux Indians, in Minnesota, attacked the settlements in their vicinity with extreme ferocity, killing, indiscriminately, men, women, and children. This attack was wholly unexpected, and, therefore, no means of defense had been provided. It is estimated that not less than eight hundred persons were killed by the Indians, and a large amount of property was destroyed. How this outbreak was induced is not definitely known, and suspicions, which may be unjust, need not be stated. Information was received by the Indian Bureau, from different sources, about the time hostilities were commenced, 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 territory 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 full 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 Pacific Railroad; and this suggests the earliest completion of this road, and also the favorable action 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 hereinafter to be noticed at some greater length. I purpose having prepared and laid before you, at an early day some interesting and valuable statistical information upon this subject. The military and commercial importance of enlarging the Illinois and Michigan canal and widening the Illinois river, is presented in the report of Colonel Webster to the Secretary of War and now transmitted to Congress. I respectfully ask atention to it.

To carry out the provisions of the act of Congress of 15th of May last, I have caused the Department of Agriculture of the United States to be organized. The Commissioner informs me that within the period of a few months this Department has established an extensive system of correspondence and exchange both at home and abroad, which promises to effect highly beneficial results in the development of correct knowledge of recent improvement in agriculture, in the introduction of new products and in the collection of the agricultural 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 valuable information, in anticipation of a more elaborate report, which will in due time be furnished, embracing some valuable tests in chemical science, now in progress in the laboratory. The creation of this department was for the more immediate benefit 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 realize, at no distant day, all the fondest anticipations of its most sanguine friends, and become the fruitful source of advantage to all our people.

On the 22d day of September last, a proclamation was issued by the Executive, a copy of which is herewith submitted. In accordance with the purpose expressed in the second paragraph of that paper, I now respectfully call your attention to what may be called "Compensation, Emancipation, and Colonization."

Human society is of slow growth and development. Its laws are of the slowest. Human life is short, and the ripening of any fruit we plant and cultivate is uncertain. Some of the fruit of the tree of civil war we now have at our table, others are ripening, and will be ripe, if we and our children live and care for them, through years and even generations. Among the fruits of war we count and reckon the loss of treasure, the destruction of property, the waste of productive labor, the demoralization of society, the distraction of the public mind, the alienation of friends, the hardening of foes, the mortgaging of the future earnings of the country, the sacrifice of the best blood of the land, and the bereavement of hearts and homes throughout the length and breadth of the land. These are the ripe fruits we shall have to eat, let the war cease to-day. There are other fruits which we can not see so plainly maturing, but which we know are germinating and growing, and which we shall have to eat, some of them, at least, before the tree can be cut down and cast into the fire of final destruction. Among these latent germs of future evil are the permanent disturbance of the balance of power between the States and sections, the exhaustion of the public lands by the slaves, instead of their being, as they should be, a source of revenue to the Government, the necessity of a standing army and navy, and the ever-growing military power and influence of the country, the necessity of a vastly enlarged taxation to pay the interest on the public debt, and the ever-recurring necessity of borrowing more money to pay the interest on the money already borrowed. These are some of the germs of future evil which we can see ripening in the present time. We can not see how they are to be avoided, but we can see how they may be greatly mitigated by a timely application of the proper remedy. We can not see how we are to be, as we should be, a great, free, and prosperous people, for ages to come, without the application of some such remedy. We can not see how we can be, even for a short time, a united people, without the application of some such remedy. We can not see how we can be, even for a short time, a united people, without the application of some such remedy. We can not see how we can be, even for a short time, a united people