

PRESIDENT'S MESSAGE.

Fellow-citizens of the Senate and House of Representatives:

Another year of health and of sufficiently abundant harvests has passed. For these, and especially for the improved condition of our National affairs, our renewed and profound gratitude to God is due.

We remain in peace and friendship with foreign powers.

The efforts of disloyal citizens of the United States to involve us in foreign wars to aid in a successful insurrection, have been unavailing. The British Majesty's Government, as was justly expected, have exercised their authority to prevent the departure of new hostile expeditions from British ports.

The Supplementary Treaty between the United States and Great Britain for the suppression of African Slave Trade, made on the 17th day of February last, has been duly ratified and carried into execution.

I shall submit for the consideration of the Senate a convention for the adjustment of Possessory Claims, in Washington Territory, arising out of the treaty of the 15th of June, 1846, between the United States and Great Britain, and which have been the source of some dissatisfaction among the citizens of that Territory.

A novel and important question, involving the extent of the maritime jurisdiction of Spain in the waters which surround the island of Cuba, has been debated without reaching an agreement, and it is proposed, in an amicable spirit, to refer it to the arbitration of a friendly power.

I have thought it proper, subject to the approval of the Senate, to concur with the interested Commercial Powers in an arrangement for the liquidation of the Scheldt dues upon the principles which have been heretofore adopted in regard to the imposts upon navigation, in the waters of Denmark.

The joint commission under the act of the last session for carrying into effect the convention with Peru on the subject of claims has been organized at Lima, and is engaged in the business entrusted to it.

The difficulties concerning inter-oceanic transit through Nicaragua are in the course of amicable adjustment.

In conformity with the principles set forth in my last annual message, I have received a representative from the United States of Colombia, and have credited a minister to that Republic.

Incidents occurring in the progress of our civil war have forced upon my attention the uncertain state of international questions touching the rights of foreigners in this country, and of United States citizens abroad.

In regard to some governments these rights are at least partially defined by treaties. In no instance, however, is it expressly stipulated that in the event of civil war a foreigner residing in this country, within the lines of the insurgents, is to be exempted from the rule which classes him as a belligerent.

There is reason to believe that many persons born in foreign countries who have declared their intention to become citizens of our country, have been fully naturalized, have evaded the military duty required of them by evading the fact, and thereby, throwing upon the Government the burden of proof.

These measures have been in operation all demands on the Treasury, including the pay of the army and the navy, have been promptly met and fully satisfied.

The receipts during the year from all sources, including loans and the balance in the Treasury at its commencement, were \$901,125,674 86—the aggregate disbursements \$895,796,630 65, leaving a balance on the 1st of July, 1863, of \$5,329,044 21.

Of these receipts there were derived from Customs, \$69,069,642 40. From Internal Revenue, \$37,640,787 95. From direct taxes, \$1,486,103 61. From Loans, \$167,617 17. From miscellaneous sources, \$8,046,615 35, and from Loans \$776,682,861 67, making the aggregate \$901,125,674 86.

The disbursements there were for the civil service, \$282,539 22; for pensions and Indians, \$4,216,820 59; for interest on public debt, \$24,729,846 51; for the War Department, \$599,298,690 83; for the Navy Department \$63,211,105 27; for payment of funded and temporary debt, \$181,085,635 07; making the aggregate \$895,796,630 65, and leaving the balance of \$5,329,044 21.

But the payments of the funded and temporary debt having been paid from monies borrowed during the year, must be regarded as merely nominal payment, and the monies borrowed to make them so, merely nominal receipts, and their amount \$181,085,635 07, should therefore, be deducted both from the receipts and disbursements.

lied will result in effecting a continuous line of telegraph through that Empire from our Pacific Coast. I recommend to your favorable consideration the subject of an international telegraph across the Atlantic Ocean, and also of a telegraph between this Capital and the National ports along the Atlantic Seaboard and the Gulf of Mexico.

Such communications established with any reasonable outlay would be economical as well as effective aids to the diplomatic, military and naval service.

The consular system of the United States under the enactments of the last Congress begins to be self-sustaining, and there is reason to hope that it may become entirely so with the increase of trade which will ensue whenever peace is restored.

Our ministers abroad have been faithful in defending American rights. In protecting our commercial interests, our consuls have necessarily had to encounter increased labors and responsibilities growing out of the war.

These they have for the most part, met and discharged with zeal and efficiency. This acknowledgment justly includes those consuls who, residing in Morocco, Egypt, Turkey, Japan, China, and other oriental countries, are charged with complex functions and extraordinary powers.

The condition of the several organized territories is generally satisfactory, although the Indian disturbances in New Mexico have not been entirely suppressed. The mineral resources of Colorado, Nevada, Idaho, New Mexico and Arizona, requiring farther than heretofore understood, I lay before you a communication on this subject from the Governor of New Mexico.

Again submit to your consideration the expediency of establishing a system for the encouragement of immigration. Although this source of national wealth and strength is again flowing with greater freedom than for several years before the insurrection occurred, there is still a great deficiency of laborers in every field of industry, especially in agriculture and in our mines, as well of iron and coal, as of the precious metals.

While the demand for labor is thus increased here, tens of thousands of persons, destitute of remunerative occupation, are thronging our foreign consulates and offering to emigrate to the United States if afforded them.

It is easy to see that under the sharp discipline of civil war, the people are beginning a new life. This noble effort demands the aid and ought to receive the attention and support of the Government.

Injuries unforeseen by the Government, and unintended, may in some cases have been inflicted upon the subjects or citizens of foreign countries, both at sea and on land, by persons in the service of the United States.

As this Government expects redress from other powers when similar injuries are inflicted by persons in their service upon citizens of the United States, we must be prepared to do justice to foreigners.

If the existing judicial tribunals are inadequate for this purpose a special court may be authorized, with power to hear and decide such claims of the character referred to, as may have arisen under treaties and the public law. Conventions for adjusting the claim by joint commission have been proposed to some governments, but no definite answer to the proposition has yet been received from any.

In the course of the session I shall probably have occasion to request you to provide indemnification to claimants where decrees of restitution have been rendered, and damages awarded by the Admiralty Courts. And in other cases where this Government may be acknowledged to be liable in principle, and where the amount of that liability has been ascertained by an informal arbitration, the proper officers of the Treasury have deemed themselves required by the law of the United States upon the subject, to demand a tax upon the incomes of Foreign Consuls in this country.

While such a demand may not, in strictness, be a derogation of public law, or perhaps, of any existing treaties between the United States and a foreign country, the expediency of so far modifying the act as to exempt from tax the income of such consuls as are not citizens of the United States, derived from the emoluments of their office or from property not situated in the United States, is submitted to your serious consideration.

I make this suggestion upon the ground that a comity which ought to be reciprocated exempts our consuls in all other countries from taxation. To the extent thus indicated, the United States, I think, ought not to be exceptionally illiberal to international trade and commerce.

The operations of the Treasury during the last year have been successfully conducted. The enactment by Congress of a National Banking Law has provided a valuable support of the public credit, and the general legislation in relation to loans has fully answered the expectations of its favorers.

Some amendments may be required to perfect existing laws, but no change in their principles or general scope is believed to be needed.

state of the finances less favorable to the country than the estimates of that officer heretofore submitted, while it is confidently expected that at the close of the year both disbursements and debts will be found very considerably less than has been anticipated.

The report of the Secretary of War is a document of general interest. It consists of First.—The military operations of the year, detailed in the report of the General-in-Chief.

Second.—The organization of colored persons into the war service.

Third.—The exchange of prisoners fully set forth in the letter of General Hitchcock.

Fourth.—The operations under the act for enrolling and calling out the national forces detailed in the report of the Provost Marshal General.

Fifth.—The organization of the Invalid Corps, and

Sixth.—The operation of the several departments of the Quartermaster General, Commissary General, Paymaster General, Chief of Engineers, Chief of Ordnance, and Surgeon General.

It has appeared impossible to make a reliable summary of this report, except such as would be too extended for this place, and hence I content myself by referring your attention to the report itself.

The duties devolving on the naval branch of the service during the year and throughout the whole of this unhappy contest, have been discharged with fidelity and eminent success.

The extensive blockade has been constantly increasing in efficiency, as the Navy has expanded; yet on so long a line it has so far been impossible to entirely suppress illicit trade.

From the returns received at the Navy Department it appears that more than one thousand vessels have been captured since the Blockade was instituted, and that the value of prizes already sent in for adjudication amounts to over \$13,000,000.

The naval force of the United States consists at this time of 583 vessels completed and in the course of completion, and of these 75 are iron-clad or armored steamers.

The armored vessels in our navy completed and in service, or which are under contract and approaching completion, are believed to exceed in number those of any other power; but while these may be relied upon for harbor defence and coast service, others of greater strength and capacity will be necessary for cruising purposes, and to maintain our rightful position on the ocean.

The change that has taken place in naval vessels and naval warfare since the introduction of steam as a motive power for ships of war, demands either a corresponding change in some of our existing Navy Yards or the establishment of new ones for the construction and necessary repairs of modern naval vessels.

No inconsiderable embarrassment, delay, and public injury have been experienced from the want of such Government establishments.

The necessity of such a Navy Yard so far as it is concerned, has been so fully demonstrated by the Atlantic sea board has, on repeated occasions, been brought to the attention of Congress by the Navy Department, and is again presented in the report of the Secretary, which accompanies this communication.

I think it my duty to invite your special attention to this subject, and also to that of establishing a yard and depot for naval purposes upon one of the Western rivers.

uniform international charges at reduced rates of postage, and cannot fail to produce beneficial results.

I refer you to the report of the Secretary of the Interior, which is herewith laid before you, for useful and varied information in relation to the Public Lands, Indian Affairs, Patents, Pensions, and other matters of public concern, pertaining to his Department.

The quantity of land disposed of during the last and the first quarter of the present fiscal year was three millions eight hundred and forty-one thousand, five hundred and forty-nine acres, of which 161,711 acres were sold for cash, 1,456,514 acres were taken up under the Homestead Law, and the residue disposed of under laws granting lands for military bounties, for railroad and other purposes.

It also appears that the sale of the public lands is largely on the increase. It has long been a cherished opinion of some of our wisest statesmen that the people of the United States had a higher and more enduring interest in the early settlement and substantial cultivation of the public lands, than in the amount of direct revenue to be derived from the sale of them.

This opinion has had a controlling influence in shaping legislation upon the subject of our national domain. I may cite as evidence of this the liberal measures adopted in reference to actual settlers.

The grant to the States of the overland lands within their limits, in order that they might reclaim and render fit for cultivation, the grant to Bell Bond Companies of alternate sections of land upon the contemplated lines of their road; when completed, will largely multiply the facilities for reaching our distant possessions.

This policy has received its most signal and beneficent illustration in the recent enactment granting homesteads to actual settlers. Since the first of January last, the before mentioned quantity of one million four hundred and fifty thousand five hundred and fourteen acres of land have been taken up under its provisions.

This fact and the amount of sales furnish gratifying evidence of increasing settlement upon the public lands, notwithstanding the great struggle in which the energies of the Nation have been engaged and which has required so long and arduous a contest for their accustomed position.

I cordially concur in the recommendation of the Secretary of the Interior, suggesting a modification of the act in favor of those engaged in the military and naval service of the United States. I doubt not that Congress will cheerfully adopt such measures as will, without essentially changing the general features of the system, secure to the greatest practicable extent the benefits to those who have left their homes in the defence of the country in his arduous crisis.

I invite your attention to the views of the Secretary as to the propriety of raising by appropriate legislation a revenue from the mineral lands of the United States.

The measures proposed at your last session, for the removal of certain Indian tribes have been carried into effect. Sundry treaties have been negotiated which will, in due time, be submitted for the constitutional action of the Senate. They contain stipulations for extinguishing the possessory rights of the Indians, to large and valuable tracts of land.

It is probable that the effects of these treaties will result in the establishment of a permanent friendly relation with such of these tribes as have been brought into frequent and bloody collisions with our outlying settlements and emigrants. Sound policy and our imperative duty to the Government, demand that we should maintain our anxious and constant attention to their material well being, to their progress in the arts of civilization, and, above all, to that moral training, which, under blessing of Divine Providence, will confer upon them the elevated and sanctifying influence, the hope and consolation of the Christian faith.

I suggested, in my last annual message, the propriety of remodeling our Indian system. But subsequent events have satisfied me of its necessity. The details set forth in the report of the Secretary will evince the urgent need for immediate legislative action.

I commend the excellent institutions established for the benefit of the Government in this District to your generous and fostering care.

The attention of Congress during the last session was engaged to some extent with a proposition for enlarging the water communications between the Mississippi river and the Northeastern seaboard, which proposition, however, failed for the time. Since then upon a call of the greatest respectability a Convention has been called at Chicago upon the same subject a summary of these views is contained in a memorial addressed to the President and Congress, and which I now have the honor to lay before you.

That this interest is one which ere long will force its own way I do not entertain a doubt, while it is submitted entirely to your wisdom as to when and in what manner.

Augmented interest is given to the subject by the actual commencement of work upon the Pacific Railroad, under auspices so favorable to its rapid progress and completion. Enlarged navigation becomes a palpable need to the great road.

their respective States. Of those States not included in the emancipation, Maryland and Missouri—neither of which, three years ago, would tolerate any restraint upon the extension of slavery into new Territories—only dispute now as to the best mode of removing it within their own limits.

Of those who were slaves at the beginning of the rebellion, full one hundred thousand are now in the United States military service—about one-half of which number actually bear arms in the ranks—thus giving the double advantage of taking so much labor from the insurgent cause and supplying the places which otherwise must be filled with so many white men.

So far as tested, it is difficult to say that they are not as good soldiers as any. No servile insurrection or tendency to violence or cruelty has marked the measures of emancipation and arming the blacks. These measures have been much discussed in foreign countries, and contemporary with such discussion the tone of public sentiment there, is much improved.

At home the same measures have been fully discussed, supported, criticised, and denounced, and the annual elections following are highly encouraging to those whose official duty it is to bear the country through this great trial.

This we have the new reckoning. The crisis which threatened to divide the friends of the Union is past.

Looking now to the present and future, and with reference to a resumption of the national authority within the States wherein that authority has been suspended, I have thought fit to issue a proclamation, a copy of which is herewith transmitted.

On examination of this proclamation it will appear, as is believed, that nothing is attempted beyond what is amply justified by the Constitution. True, the form of oath is given, but no man is coerced to take it. A man is only promised a pardon in case he voluntarily takes the oath.

The Constitution authorizes the Executive to grant or withhold the pardon at his own absolute discretion, and this includes the power to grant on such terms as he fully established by judicial and other authorities. It is also professed that if "in any of the States named, a State Government shall be in the mode prescribed set up, such government shall be recognized and guaranteed by the United States, and that under it the State shall, on the constitutional conditions, be protected against invasion and domestic violence."

The constitutional obligation of the United States to guarantee to every State in the Union a republican form of government, and to protect the State in the cases stated, is explicit and full. But why tender the benefits of this provision only to a State Government set up in this particular way? This section of the Constitution contemplates a case wherein the element within a State favorable to a republican form of government in the Union may be too feeble for an opposing and hostile element, too weak to stand and even within the State; and such are precisely the cases which we are now dealing.

An attempt to guarantee and protect a revived State Government, constructed in whole or in preponderating part from the very element against whose hostility and violence it is to be protected is simply absurd. There must be a test by which to separate the opposing elements, so as to build only from the sound; and that test is a sufficiently liberal one which accepts as sound whoever will make a sworn recantation of his former unsoundness.

But if it be proper to require as a test of admission to the political body on oath of allegiance to the Constitution of the United States, and to the Union under it, why not also demand precisely the same in regard to slavery? These laws and proclamations were enacted and put forth for the purpose of aiding in the suppression of the rebellion. To give them their fullest effect, there had to be a pledge for their maintenance.

In my judgment they have aided, and will further aid, the cause for which they were enlisted.

To give up this principle would be not only to relinquish a lever of power, but would also be a cruel and astounding breach of faith. I may add at this point, that while I remain in my present position I shall not attempt to retract, or modify the emancipation proclamation, nor shall I return to slavery any person who is free by the terms of the proclamation or by any act of Congress.

For these and other reasons, it is thought best that the support of these measures shall be included in the oath, and it is believed the Executive may lawfully claim it in return for pardon and restoration of forfeited rights which he has a clear constitutional power to withhold altogether, or grant upon the terms which he shall deem wisest for the public interest.

It should be observed, also, that this part of the oath is subject to the modifying and abrogating power of legislative and supreme judicial decision.

The proposed acquiescence of the National Executive in any reasonable temporary State arrangement for the freed people is made with a view of possibly ending the confusion and destruction which must at least attend all classes by a total revolution of labor throughout the States. It is hoped that the already deeply afflicted people in those States may be somewhat more ready to give up the cause of their affliction, if, to this extent, this vital matter be left to themselves, while no power of the National Executive to prevent an abuse is bridged by the proposition.

The suggestion in the proclamation, as to maintaining the political framework of the States on what was called reconstruction, is made in the hope that it may be good, without the danger of harm. It will save labor and avoid great confusion. But why any proclamation now upon the subject? This question is beset by the conflicting views that the step might be delayed too long or taken too soon.

have thus far borne their harder part so nobly and well. And it may be esteemed fortunate that, in giving the greatest efficiency to those indispensable arms, we do also honorably recognize the gallant men, from commander to sentinel, who compose them, and to whom, more than to others, the world must stand indebted for freedom, enlarged, and perpetuated.

ABRAHAM LINCOLN, December 8, 1863.

PROCLAMATION OF THE PRESIDENT. The following Proclamation is appended to the Message:

PROCLAMATION: Whereas, in and by the Constitution of the United States, it is provided that the President shall have power to grant reprieves and pardons for offenses against the United States except in cases of impeachment; and whereas rebellion now exists against the loyal State Governments of several States;

And whereas for a long time subverted, and many persons have committed and are now guilty of treason against the United States, and whereas laws have been enacted by Congress declaring forfeiture and confiscation of property and liberation of slaves all upon terms and conditions therein stated, and also declaring that the President was thereby authorized, at any times thereafter, by Proclamation, to extend to persons who may have participated in the existing rebellion in any State, or part thereof, pardon and amnesty, with such exceptions and at such terms and on such conditions as he may deem expedient for the public welfare and limited and conditional pardon according to well established judicial exposition of the pardoning power; and

Whereas, With reference to said rebellion the President of the United States has issued several Proclamations with provisions in regard to the liberation of slaves; and

Whereas, It is now desired by some persons heretofore engaged in said rebellion to resume their allegiance to the United States, and to reorganize loyal State Governments, within and for their respective States;

Therefore, I, Abraham Lincoln, President of the United States, do proclaim, declare, and make known to all persons who have directly, or by implication, participated in the existing rebellion, except as hereinafter excepted, that a full pardon is hereby granted to them, and each of them, with the restoration of all rights of property except as to slaves, and in property cases when the rights of third parties shall have intervened; and upon the condition that every such person shall take and subscribe an oath, and thereupon keep and maintain said oath inviolate; and which oath shall be registered for permanent preservation, and shall be of the tenor and effect following, to wit:

I do solemnly swear, in the presence of Almighty God, that I will henceforth faithfully support, protect, and defend the Constitution of the United States and the Union of the States thereunder; and that I will, in like manner, abide by and faithfully support all acts of Congress passed during the existing rebellion with reference to slaves, so long and so far as not repealed, modified, or held void by Congress, or by decision of the Supreme Court; and that I will, in like manner, abide by and faithfully support all proclamations of the President made during the existing rebellion having reference to slaves, so long and so far as not modified or declared void by the decision of the Supreme Court, so help me God.

The persons excepted from the benefits of the foregoing provisions of this pardon, or shall have been, civil or diplomatic officers or agents of the so called Confederate Government; all who have left judicial stations under the United States to aid the rebellion; all who are or shall have been military or naval officers of said Confederate Government above the rank of colonel in the army or of lieutenant in the navy; all who left seats in the United States Congress to aid in the rebellion; all who resigned their commissions in the army or navy of the United States, and afterwards aided in any way in treating about persons, or white persons, in charge of such persons, than lawfully as prisoners of war, and which persons shall be found in the United States service as soldiers, seamen, or in any other capacity. And I do further proclaim, declare, and make known, that whenever in any of the States of Arkansas, Texas, Louisiana, Mississippi, Tennessee, Alabama, Georgia, Florida, South Carolina, and North Carolina, a number of persons not less than one tenth number of the vote cast in such State, at the Presidential election in the year of our Lord 1860, shall having taken the oath aforesaid, and not having since violated it, and being a qualified voter by the election law of the State, existing immediately before the so called act of secession, and excluding all others, shall establish a State Government which shall be republican, and in no wise contravening said oath, such shall be recognized as the true government of the State, and the State thereunder shall receive the benefits of the constitutional provision which declares that the United States shall guarantee to every State in this Union a republican form of government, and shall protect each of them against invasion, and, on application of the Legislature, or the Executive when the Legislature cannot be convened, against domestic violence.

And I do further proclaim, declare, and make known, that any provision which may be adopted by such State Government, in relation to the freed people of such State, which shall recognize and declare their permanent freedom, provide for their education, and which may yet be consistent, as a temporary arrangement, with their present condition, as a laboring landless, and a homeless class, will not be objected to by the National Executive.

And it is suggested as not improper that, in constructing a loyal State Government in any State, the name of the State, the boundary, the subdivisions, the Constitution, and the general code of laws as before the rebellion, be maintained subject only to the modifications made necessary by the condition hereinbefore stated, and that, if any act contravening the said conditions, and which may be deemed expedient by those framing the new State Government.

To avoid misunderstanding, it may be proper to say that this proclamation, so far as it relates to State Governments, has no reference to the States wherein loyal State Governments have all the while been maintained.

And for the same reason it may be proper to further say that, whether members of Congress from any State shall be admitted to their seats constitutionally rests exclusively with the respective Houses, and not to any extent with the Executive. And still further, that this proclamation is intended to present to the people of the States wherein the national authority has been suspended, and the loyal State Governments may be re established within the said States, or in any of them; and while the mode presented is the best the Executive can suggest with his present impressions, it must not be understood that no other possible mode would be acceptable.

Given under my hand at the city of Washington, the eighth day of December, A.D. one thousand eight hundred and sixty three, and of the Independence of the United States, the sixteenth day.

ABRAHAM LINCOLN, By the President: Wm. H. Seward, Secretary of State.