THE NEW ORLEANS BEE.

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NEW ORLEANS:
SATURDAY MORNING, DEC 19, 1863.

Sales at Auction To-Day.

By F. F. Tribbard, at 10 o'clock, at his auction sales rooms, No. 42 Gravier street, cast oil, brandy, tobacco, candles, cubes, &c.

By McCarren & Landry, at 11 o'clock, at their auction mart, Masonic Hall, shares of the Crescent City Bank; also, at the same time and place, household furniture.

By S. F. Montgomery, at 11 o'clock, at No. 71 Tchoupitoulas street, sugar-cured hams.

By D. E. Murphy, at 11 o'clock, at store No. 117 Magazine street, manilla rope; at the same hour, at No 47 Magazine street, coal.

By E. M. Jacobs, at 12 o'clock, at the Merchants and Auctioneers' Exchange, a lot of ground in Second District, one in Third District, and the privilege of a levee.

By J. B. Cozzi, at 12 o'clock, at the Merchants and Auctioneers' Exchange, a lot of ground in First District, and one in Third District.

R. T. Montgomery will sell, at 11 o'clock this day, at the store 71 Tchoupitoulas street, 20 Clarens fair sugar-cured hams.

See McCarren & Landry's advertisement. They sell at their mart, this day, bank stock, furniture, &c

On our second page will be found auction sales this day, and several other advertisements, to which we refer our readers.

We are requested to call the attention of buyers and speculators in coal to the auction sale advertised by D. E. Murphy, auctioneer, for this day, at 11 o'clock A. M., in store No. 47 Magazine street. See advertisement.

A NEW PLAY AT THE VARIETIES.—This evening will be performed at the Varieties a new play called *Look the Fire at him*, by Augustin J. Daly of New York. This play has had a great success in the North and in London. It is taken from a novel, by Spindler, called *The Jew*, dramatized originally by Madame Charlotte Birch-Pfeiffer, whose work, when it appeared on the German stage, was received with an hounded applause. It will be as popular here as it was in New York, and will fill the Varieties for consecutive nights.

Messrs. Carroll and Woodruff, clerks of the steamer War Eagle, from St. Louis, have our thanks for valuable newspaper favors.

By the arrival of the steamer War Eagle from St. Louis, we have Western papers to the 9th inst., and Memphis papers to the 10th inst., also New York papers to the 7th.

The United States mail steamship George Washington, E. V. Ogier, Commanding, will leave her wharf this morning, at 8 o'clock, for New York direct, with a full freight, $100 000 in Gold, the United States mails and the following passengers:

G W Parsons, F B Knapp, J J Levy, S Hicks, Mrs. Kastens children and servant, Miss Kastens child and servant, Miss Breckinridge, Miss O'Meyer, W Fowler and wife, R Nash, Dr C Metcalfe, John Jackson, R B Montgomery and son, S Jones, C Ward, T D Cremen, E Espitalie, J D Wessing, E P Castonedyke, George G Strong, Colonel Hawkins, H H Culver, H Map ewhite and child, Owen and servant, Miss Hayward, D Hasson, H Steele, J Schuchardt, C D F Welan, J F Keene, J C Davidson, M Nolan, wife and two children.

The Latest News from the North.

VIA THE RIVER.

ARRIVAL OF THE STEAMER WAR EAGLE

Important from Washington.

THE PRESIDENT'S MESSAGE.

PROCLAMATION APPENDED TO MESSAGE.

The Army of the Potomac.

NEWS FROM EAST TENNESSEE.

Decline of Gold in New York.

From East Tennessee.

[Special Dispatches to the Chicago Times.]

Cumberland Gap, December 8—The road is clear between this point and Knoxville.

Operators here this morning to repair the roads between the Gap and Knoxville.

[Special Dispatch to the Chicago Times.]

Washington, December 8—General Sherman has been placed in command of all the Federal forces in East Tennessee by order of General Grant, and the order is approved by the War Department. General Foster will retain command of the troops in East Tennessee previous to General Sherman's arrival.

Cincinnati, December 8—General Cox and staff leave for Knoxville to-morrow, A. M.

General Burnside is expected here during the latter part of the present week, *en route* for Washington. He has been relieved by General Foster.

The Command of the Army of the Potomac.

Washington, December 8—Rumors generally credited but unconfirmed, are in circulation that General Pleasonton has been appointed to the command of the Army of the Potomac. It is reported that Generals Sedgwick and Warren were personally tendered the command, but declined to accept the appointment.

ARMY OF THE POTOMAC.

Washington, December 8—Advices from the Army of the Potomac, up to last night, state that all was quiet, our troops working like bees on their camps, to make them comfortable.

Major General French has been relieved from his command in the Army of the Potomac, and placed under arrest. His arrest was preliminary to charges of misconduct in the affairs at Mine Run.

New York, December 8.—The *Herald's* army dispatch, dated Culpeppor, yesterday, says:

Our batteries are apparently going into winter quarters, but our cavalry are busier than ever scouting after guerrillas.

It is rumored that Meade will be relieved by Pleasanton.

38th Congress—First Session.

SENATE.—*Washington*, December 8th.—Mr. Davis, of Kentucky, submitted the following resolution:

"That the refusal of the rebel authorities to exchange negro soldiers and their white officers should not prevent the exchanges of other soldiers and officers in rebel prisons, on just terms, such as will prevent suffering to our brave officers and soldiers in the hands of the enemy," laid over.

HOUSE.—*Washington*, December 8.—A committee was appointed to wait on the Senate and President, and inform them that the House was ready for business.

Mr. McPherson was elected Clerk, receiving 101 votes against 69 for Etheridge.

Mr. Washburne, of Illinois, offered a resolution presenting the thanks of Congress to Major-General Grant and the officers and soldiers who have fought under him during the rebellion, and providing that the President cause a medal to be struck for General Grant in the name of the people of the United States. It passed unanimously, without a word of debate or explanation.

Mr. Cox said he desired to offer a resolution, respectfully requesting the President to take immediate steps for the exchange of our prisoners in the prisons of the South; and that he communicate all correspondence in the War Department relative to exchange of prisoners—After discussion, the resolution was laid over.

Mr. Arnold gave notice of bills to prohibit slavery forever in the Territories modified in the President's Emancipation Proclamation; also, to repeal so much of the Enrollment Act as authorizes the discharge of a person drafted on payment of $300.

Much time was occupied in the selection of seats, and the House then adjourned.

New York Money Market.

Money.—The market is more active at 7 per cent. for Loans on call. Sterling Exchange is shade easier; sales at 164 to 164¼ for first class Bills. Gold is irregular and lower, opening at 49, declining to 48¾, advancing to 50, and closing steady at 49¾ per cent premium. Government Stocks firm; United States Bikes of 1861, Coupons, 100; 7 3-10 Treasury Notes, 106¾.

The Glasgow *Herald* reports that the naval authorities in the Clyde are instructed to detain the war vessels suspected to be building for the Confederates.

Why is a lawyer like a crow?—Because he wishes the cawse to be heard. (Since giving vent to the above, the author has become rather mad.)

President's Message.

Fellow-Citizens of the Senate and House of Representatives:

Another year of health and of unbounded abundant harvests has passed. For these, and especially for the improved condition of our national affairs, our renewed and profoundest gratitude is due to God in Christ. We remain in peace and in friendship with foreign powers; the efforts of disloyal citizens of the United States to involve us in foreign wars and to aid in inexcusable insurrection, have been unavailing. Her Britannic Majesty's Government, as justly expected, have exercised their authority to prevent the departure of ships and warlike expeditions from British ports. The Emperor of France has by a like proceeding promptly indicated the neutrality which he proclaimed at the beginning of the contest. Questions of great interest and importance have arisen out of the blockade and other belligerent operations between the Government and several of the maritime Powers, but have been discussed, and, so far as was possible, accommodated in a spirit of friendship, justice, and mutual good-will. It is especially gratifying that our prize courts, by the adjudication of their condemnations, have commanded the respect and confidence of maritime powers.

Foreign Affairs and Foreigners.

The supplemental treaty between the United States and Great Britain, for the suppression of the African slave trade, made on the 17th day of February last, has been duly ratified and carried into execution. It is believed that as far as American ports and American citizens are concerned, that this inhuman and barbarous traffic has been brought to an end.

I shall submit for the consideration of the Senate a convention for the adjustment of growing claims in Washington Territory, arising out of the treaty of the 15th of June 1846, between the United States and Great Britain, and which has been the source of some discomfort among the citizens of that now rapidly improving part of the country. 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 arbitrament of a friendly power. A correspondence for that purpose will be submitted to the Senate. I have thought it a proper subject to submit to the approval of the Senate, to concur with the Interoceanic Commercial powers in an arrangement for the liquidation of the Scheldt dues, upon the principles which have been favorable adopted in regard to the imports upon navigation to the waters of Denmark.

The long and pending controversy between this Government and that of Chili, touching the seizure at Juan de Fuca, by Chilian officers, of a large amount of treasury belonging to citizens of the United States, has been brought to a close by awards of His Majesty, the King of Belgium, to whom arbitrament of the question was referred, and the subject was thoroughly and patriotically examined by that just and respected magistrate. Although the sum awarded by the claimants may at once become they expected, there is no reason to mistrust the wisdom of His Majesty's decision, which was promptly complied with by Chili, which unwillingness in regard to it manifest that contingency. The joint commission under the act of the last session, for carrying into effect the claims with Peru on the subject of claims, has been organized at Lima, and has engaged in the business entrusted to it. The difficulties concerning the inter-oceanic transit through Nicaragua, are all in course of amicable arrangement, in conformity with the principles set forth on my last message.

I have received the representatives from the United States of Colombia, and have credited a minister to that Republic.

Incidents occurring in the progress of our civil war, have turned upon my attention the uncertain state of the international question touching the rights of foreigners in this country and of United States citizens abroad. In regard to the home Government, their rights are at least partially benefitted by treaties. In no instance, however, is it expressly stipulated that, on the occurrence of a civil war, a foreigner residing in the country within the lines of the insurgents is to be exempted from the rule which clothes him as a belligerent, to whom behalf the Government of his country cannot expressly gain rights or immunities distinct from that character. I regret to say, however, that such claims have been put forward in behalf of persons in behalf of foreigners who have lived in the United States the greater part of their lives. There is reason to believe that many persons born in foreign countries, who have declared their intention to become citizens, or who have been fully naturalized, have evaded the military duty required of them, by denying the fact and thereby throwing upon the government the burden of proof.

It has been found difficult or impracticable to obtain this proof, from want of guides to the proper sources of information. Means must be supplied by requiring the clerks of courts where declarations of intention may be made or naturalization effected, to send periodically lists of the names of persons naturalized or declaring their intention to become citizens, to the Secretary of the Interior, in whose department those lists must be arranged and printed for general information. There is also reason to believe that foreigners frequently become citizens of the United States for the sole purpose of evading the laws of their own country, to which, on becoming naturalized here, they at once repair, and though never returning to the United States, they still claim the interposition of the Government as citizens. Many altercations and great trouble have heretofore arisen out of this abuse. It is therefore submitted to your consideration whether provision should not be made for the punishment of such fraudulent proceedings.

It might be advisable to fix a limit beyond which no citizen of the United States residing abroad may claim the interposition of the Government. The right of suffrage has often been exercised by aliens under promise of naturalization, which they have disavowed when drafted into the military service. I submit the expediency of such an amendment of the laws as will make the fact of voting an estoppel against any plea of exemption from military service, or other civil obligations on grounds of alienage.

In common with other Western powers, our relations with Japan have been brought into serious jeopardy through the perverse opposition of the hereditary aristocracy of the empire to the enlightened and liberal policy of the Tycoon, designed to bring the country into the comity of nations. It is to be hoped, although not with entire confidence, that these difficulties may be peacefully overcome. I ask your attention to the Minister residing there, for the damages he sustained in the destruction by fire of the residence of the Legation at Jeddo. Satisfactory arrangements have been made with the Emperor of Russia, which, it is believed, will result in effecting a continuous line of telegraph through the Empire from our Pacific coast. I recommend to your favorable consideration the subject of an international telegraph line across the Atlantic ocean, and also of a telegraph line between this Capital and the national forts along the Atlantic seaboard and the Gulf of Mexico. Such enterprises, established with any reasonable guaranty, would be economical as well as effective aids to diplomatic, military and naval service. The ocean penny system of the United States, under the enactments of the last Congress, begins to be satisfactorily, 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 generally had to encounter increased labors and responsibilities growing out of the war, that they have for the most part met and discharged with zeal and efficiency. The acknowledgement justly includes those consuls, who, residing in Morocco, Egypt, China and other central countries, are charged with complicated and extraordinary powers.

The condition of the several organized territories, is generally satisfactory, although the Indians in New Mexico have not been entirely suppressed. The mineral resources of Colorado, Nevada, Idaho, New Mexico and Arizona, are proving far richer than heretofore understood. I lay before you a communication on this subject.

I call submit to your consideration the expediency of establishing a system for the encouragement of migration although this source of national wealth is now following with greater freedom than for several years before the insurrection occurred, but there is still a great deficiency in every field of industry, especially in agricultural, and all our mines, as well of iron and coal, as of precious metal. While demand for labor is thus increased here, tens of thousands of persons destitute of remunerative occupation, are thronging our foreign countries, and offering to emigrate to the United States if essential, but very cheap assistance can be afforded them. It is easy to see that under the sharp discipline of civil war, the nation is beginning a new life. This noble effort demands the aid and ought to receive the attention and support of the Government. Injuries, endorsed by the Government, and unprovoked, may in some cases have been inflicted upon the subjects or citizens of foreign countries, both at sea and land, by persons in the service of the United States. As the Government expects redress from other powers when similar injuries are inflicted by persons in their service, or citizens of the United States, we must be prepared to do justice to foreigners. If the existing criminal code is inadequate for this purpose, a special course may be authorized, with power to hear and decide such claims of the character referred to, as may have arisen under treaties and public law. Conventions for adjusting claims by commissioners have been proposed to some governments, but no definite answers to the proposition has as yet been received from any. In the course of the session I shall probably have occasion to request you to provide indemnification to consulates. These decrees of restitution have been rendered, and damages awarded by the admiralty court, and in other cases where this Government may be unbound edged 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 such upon the income of foreign consuls in the country. With such a demand in my not instructions to be an infraction of public law, or perhaps of any existing treaty 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 that country, which ought to be reciprocated, exempts our consuls in all countries from taxations to the extent that it is indicated. The United States, I think, ought not to be exception ally 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 proved a valuable support of the public credit, and the general legislation in relation to loans has fully answered the expectations of its framers. Some amendments may be required to perfect existing laws, but no change in their principle or general scope is believed to be needed. Since these important laws have in operation all demands on the Treasury, including those of the Army and Navy, have been promptly met and fully satisfied. No complaints by public creditors, it is believed, were ever more amply provided, and more liberally and promptly paid, and it may be added, that by no people were the burdens incident to a great war ever more cheerfully borne.

The receipts during the year, from all sources, including loans and balance in Treasury at its commencement, were $901,125,074 86, the aggregate disbursements were $895,796,633 65, leaving a balance on the 1st of July, 1863, of $5,328,441 21 of the receipts. Those were derived from customs $69,059,673 40; from internal revenue, $37,640,787 95; from direct taxes $475,649 96; from lands, $167,617 17; from miscellaneous sources, $931 661,333, and from loans $776,682,816 52, making the aggregate, $901,125,074 86; of the disbursements there were $320,935 07, for pensions, etc., $24 051,959 for interest on public debt, $24,224,346 51, for the War Department, $599,705,066 85, for the Navy Department, $63,211,927, for the payment of funded and temporary debt, $130,056,632 20, and leaving a balance of $5,328,441 21, but the payment of the funded and temporary debt having been made from moneys borrowed during the year must be regarded as merely nominal payments, and the moneys borrowed to make them are merely nominal receipts, and the amount of $288,233,655 07 should therefore be deducted from the receipts and disbursements. This being done, there remains as actual receipts $71,479,990,588, leaving the balance already stated. The actual receipts for the fiscal quarter and the estimated receipts and disbursements for the remaining fiscal year of 1864, will be shown in detail by the report of the Treasurer, to which I invite your attention. It is sufficient to say here that it is not believed that the final results will exhibit a state of the finances less favorable to the country than the statements of this official have been submitted, while it is confidently expected that at the close of the year both disbursements and debts will be found very considerable less than has been anticipated.

The report of the Secretary of War is a document of great interest. It consists of lists, the military operations of the year, details in the reports of the Generals-in-Chief, second, the organization of colored persons into the war service, third, the exchanges of prisoners, so fully set forth in the order of General Hitchcock, fourth, operations under the act of enrolling and calling out the national forces, detailed in the report of the Provost Marshal General; fifth, the organization of the medical corps; and sixth, the separate reports of the several departments of the Quartermaster General, Commissary General, Postmaster General, Chief of Engineers, Chief of Ordnance, and Surgeon General.

It has appeared impossible to make a sufficient summary of these reports, except such as would be too extended for this place, and hence I content myself in referring your attention to the reports itself. The views of the Naval branch of the service, during the year, and throughout the whole of this unhappy contest, have been unchanged 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 of late been impossible to entirely suppress illicit trade. From the reports received at the Navy Department, it appears that more than a thousand vessels have been captured since the blockade was instituted, and that the amount of prizes already sent in for adjudication, amount to $13,000,000. The naval force of the United States consists, at this time, of 588 vessels, completed, and in the course of completion, and of these 75 are ironclad steamers. The events of the war have given an increased interest and importance to the Navy, which will probably extend beyond the war itself. The armored vessels in our Navy, completed and in the service, or which are under construction, and of powerful completion, are believed to be equal to any by those of any other power, but while they may be relied upon for harbor defense, and sea coast service, others of greater strength and capacity will be necessary for cruising purposes and to maintaining our rightful position on the ocean. The change that has taken place in Navy vessels and Navy warfare, since the introduction of steam, as a motive power for ships of war, demand either a corresponding change in some of our existing navy yards, or the establishment of new ones for the construction and necessary repair of modern war vessels. No unquestionable enlightenment and delay of public injury has been experienced from the want of such government establishments, and the necessity of such a navy yard to be furnished at some suitable place on the Atlantic seaboard, 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 attention to this subject, and also that of establishing a yard and department for naval purposes upon one of the Western rivers. A naval force can be created on those interior waters, in much more than two years' reading in number of the whole naval force of the country, at the commencement of the present Administration. Satisfactory and important as has been the performance of the heroic men of the Navy at this interesting period, they are scarcely more wonderful than the services of our mechanics in the production of war vessels which had created a new form of naval power. Our country has no vantage superior in any other nation, in our resources of iron and timber, with inexhaustible quantities of coal in the immediate vicinity of both, and all available, and in close proximity to navigable waters. The resources of the nation have been thus developed, and its power displayed in the construction of a Navy of such magnitude, which has at the very period of its construction rendered signal service to the Union. The increase of the number of seamen in the public service, from 7,000 men, in the spring of 1861, to about 24,000 as the present time, has been accomplished without especial legislation, and extraordinary bounties have been paid to promote that increase. It has been found, indeed, that the operations of the draft, with high bounties paid for army recruits, is beginning to effect injuriously the naval service, and will, if not counteracted, be likely to impair its efficiency by destroying the present organization. The judicious exemption from draft of seamen, and inducing them to enter the navy. I, therefore, respectfully suggest that Congress might add both the army and naval service by adequate provision, on this subject, which would at some time be more equitable in these especially interested. I recommend to your consideration the expediency of establishing a system for the encouragement of immigration although this source of national wealth is now following with greater freedom than for several years before the insurrection occurred, but there is still a great deficiency in every field of industry, especially in agricultural, and all our mines, as well of iron and coal, as of precious metal. While demand for labor is thus increased here, tens of thousands of persons destitute of remunerative occupation, are thronging our foreign countries, and offering to emigrate to the United States if essential, but very cheap assistance can be afforded them. It is easy to see that under the sharp discipline of civil war, the nation is beginning a new life. This noble effort demands the aid and ought to receive the attention and support of the Government. Injuries, endorsed by the Government, and unprovoked, may in some cases have been inflicted upon the subjects or citizens of foreign countries, both at sea and land, by persons in the service of the United States. As the Government expects redress from other powers when similar injuries are inflicted by persons in their service, or citizens of the United States, we must be prepared to do justice to foreigners. If the existing criminal code is inadequate for this purpose, a special course may be authorized, with power to hear and decide such claims of the character referred to, as may have arisen under treaties and public law. Conventions for adjusting claims by commissioners have been proposed to some governments, but no definite answers to the proposition has as yet been received from any. In the course of the session I shall probably have occasion to request you to provide indemnification to consulates. These decrees of restitution have been rendered, and damages

During the present fiscal year the financial condition of the Postoffice department has been one of increasing prosperity, and I am gratified in being able to state that the amounts of the postal revenue has nearly equalled the entire expenditures. The latter amounting to $11,314,000 24, and the former to $11,163,789 59, leaving a deficiency of but $150,210 65 in 1863. The year immediately preceding the rebellion the deficiency amounted to $1,656,780 49, the postal receipts of that year being $2,645,722 49 less than those of 1863. The decrease since during the annual amount of transportation has been only about twenty five per centum, but the annual expenditures on account of the same has been reduced 25 per cent. It is manifest, therefore, that the Postoffice department may soon be self-sustaining in a few years, even with the restoration of the whole service. The international convention of postal delegates from the principal countries of Europe and America, which was called at the suggestion of the Postmaster-General, met at Paris on the 1st of May last, and concluded its deliberations on the 8th of June. The principles established by the convention are better adapted to facilitate postal intercourse between nations, and, as a basis for future operations, inaugurate a general system of 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 public lands, Indian affairs, patents and other public interests pertaining to the department. The quarterly returns of lands disposed of during the last of the last quarter of the present fiscal year, were fifteen million eight hundred and forty nine thousand five hundred and sixty nine acres, of which 1,901,944 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 railroads and other purposes. It also appears that the sale of public lands is largely on the increase. It has been a cherished opinion of our wisest statesmen that the people of the United States had a higher and more enduring interest in the early settlement and substantial culture 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 on the subject of our national domain, in evidence of that, the liberal measures adopted in reference to actual settlers, the grant to the States of the swamp-lowed lands, within their limits, in order to secure their being reclaimed and rendered fit for cultivation, the grant of alternate sections of land upon the contemplated lines of three railroads when completed will afford a largely multiply the facilities for reaching our distant possessions. This policy has received its most signal and beneficial illustration in a recent enactment granting homesteads to actual settlers. Since the first of January last, the above mentioned quantity of one million four hundred and ninety nine thousand five hundred and four teen acres of land have been taken up under its provisions. This fact, and the amount of sales, furnish gratifying evidence of the increasing settlement upon public lands, notwithstanding the great struggle in which the energies of the nation have been engaged, and has required no large a withdrawal of our citizens from their accustomed pursuits. 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, and doubt not that Congress will cheerfully adopt such measures, as it will, probably essentially changing the general features of the system, grant the greatest practicable extent of benefits to those who have left their homes in defense of the country in this serious crisis.

I invite your attention to the views of the Secretary of War, as to the propriety of raising, by appropriation of the legislature, a revenue from the mineral lands of the United States.

The measures provided 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 consideration and action of the Senate. These contain stipulations for the payment of considerable sums of the Indians for land and valuable tracts of land, which will result in the establishment of a permanent and friendly relation with each of those tribes as have been brought into frequent and bloody collisions with our outlying settlements and emigrants. Sound policy and our imperative duty to those wards of the Government, demand our cautious and constant attention to their material well-being, to their progress in the arts of civilization, and, above all, to their moral training which, under the blessing of Divine Providence, will secure unto them everlasting and enduring influences, and the hopes and consolations of the Christian faith. I suggested in my last annual message the propriety of remedying our Indian system, 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 benevolence of the institutions established or patronized by 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 communication between the Mississippi river and the Northern lakes, by the way of Lake Michigan. That proposition, however, waited for further time. Since then a convention has been called at Chicago to act upon the same subject, a summary of whose 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 what can be done now. Augmented interest is going to the subject by the actual commencement of work on the Pacific Railroad. Under auspices so favorable to its rapid progress and completion, enlarged navigation becomes a palpable need to the present relief.

I transmit the second annual report of the Commissioner of the Department of Agriculture, asking your attention to the developments in that rising interest of the nation. When Congress assembled a year ago, the war had already lasted nearly twenty months, and there had been many conflicts on both land and sea, with alternating results. The rebellion had been pressed back into reduced limits, yet the hope of public loaning at home and abroad was not satisfactory. With other signs, the popular elections then just passed indicated uneasiness among ourselves, while much which was cold and menacing, the kind we were coming from Europe were entered in accounts of gun that we were too blind to exercise our commerce, which was suffering greatly from a few armed vessels built upon and furnished from foreign shores, and we were threatened with such additions from the same quarter as would sweep our trade from the sea and raise our blockade. We had failed to elicit from European governments anything hopeful upon this subject.

The Question of Slavery, and of the Manner of Recognizing Rebellious States.

The Emancipation Proclamation, which was issued in September, was running its assigned period to the beginning of the new year. A month elapsed, and the full proclamation came, including the amendment that colored men of suitable condition would be received into the war service. The policy of emancipation and employment of black soldiers gave to the future a new aspect, about which hopes, fears and doubts contended in uncertain conflict. According to our political system, as a matter of civil administration, the General Government has no lawful power to effect emancipation in any State, and for a long time it had been hoped that the rebellion would be suppressed without resorting to it as a military measure. It was all the while deemed possible that a necessity for it might come, and that if it should, the crisis of the contest would then be presented. It came, and as indicated, it was followed by dark and doubtful days. Eleven months having been passed, we are permitted to take another review. The rebel leaders are pressed further back, and by the complete opening of the Mississippi river the rebellion is divided into distinct parts. Practical communication between them and Tennessee and Arkansas has been so substantially cleared that homeward coasting, and trade and intercourse with each, and part of slaves, and with consent of slavery at the beginning of the rebellion, have declared openly for emancipation in their respective States. Of those States not included in the emancipation proclamation, Maryland and Missouri, neither of which, years ago, would tolerate any restraint upon the extension of slavery into their territories, only dispute now as to the best means of removing it from within their own limits. Of those who were slaves at the beginning of the rebellion, fully 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 they are not as good soldiers as any. No servile insurrection or tendency to violence or cruelty has marked the course of emancipation and arming the blacks. These measures have been much decreased in foreign countries, and contemporary with such discussions the tone of the public sentiment there is much improved, where the same measures have been fully discussed, supported, enacted, and denounced. The annual elections are highly encouraging to those whose special duty it is to bear the country through this great trial. Thus we have the reckoning. The elections 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 it right to issue a proclamation, a copy of which is herewith transmitted. On examination of the proclamation, it will appear, as is believed, amply justified by the Constitution. True, the form of an oath is given, but no man is forced to take it. A man is only promised a pardon in case he voluntarily take the oath. The Constitution authorizes the Executive to grant it on terms as fully established by judicial and other authority. It is also profered that if any of the States named set up a government, as shall be in the mode prescribed there government shall be recognized and guaranteed by the United States, and that under it the State shall, on subscribing to the oaths and 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 case as 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 government in the Union may be too feeble for an opposite and hostile element external to and even within the State, and such are precisely the cases with 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 hostilities and violence it is to be protected, is simply absurd. There must be a test by which to separate opposing elements so as to build firmly from the ground, and that test applied in such a manner as to secure admission to the political body with as little as possible of danger and harm. That test, it seems to me, is simply the unconditional support, submit only to such indications made necessary by the conditions hereinbefore stated, and such others, if any, possessing still equal efficacy, which may be deemed expedient for those denuding the new State government. To avoid misunderstanding, it may be proper to say that this proclamation, so far as it refers to State governments, has no reference to States wherein loyal State governments have been maintained, and which remain in full force. It was the same purpose that no new State should be formed or admitted into the Union by the division of existing States without the consent of the Legislatures of the States concerned as well as of Congress. Finally, I have thought fit to say that the policy of the Government, as to the free colored people, is set forth in the Emancipation Proclamation. Most of the free colored people constitute a portion of the laboring class, and as such will be encouraged and protected in their efforts to support themselves at reasonable wages. Benevolence and charity will relieve the helpless among them, without resort to the Army, as the deserving white man is relieved. Whether colored persons shall be received into the war service, is a question which has given me much anxiety. Large numbers of persons of African descent have already entered the service, and with an excellent result, as I think. To shut the door against them now, would be to throw away the substantial fruits already gathered, and relinquish a powerful auxiliary, which is rapidly becoming indispensable. Steps taken in this direction have my approval, and hence I recommend that Congress provide for accepting such persons, and for their support and education, as may be best calculated to render them useful to the country, and to themselves. Upon this subject, as upon that of compensated emancipation, I respectfully refer to my former annual message and to the reports of the Secretaries of War and the Interior, hereto appended.

I deem it my duty to add that I remain in my present position, I shall not attempt to retract or modify the Emancipation Proclamation, nor shall I return to slavery any persons who is made 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 persons shall be included in the oath, so it is believed the Executive may lawfully claim such regard for pardon and restoration of property 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 the part of the oath in subject to the modifying and abrogating power of legislation. The proposed acquiescence of the National Executive in any temporary State arrangement for the freed people is made with a view of the possibility of modifying the continuous and distressed destitution which must at least attend all classes by a total cessation of labor throughout the entire 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, and to this extent this vital matter is left to themselves, while the power of the National Executive is reserved in advance to be abridged by this proposition. The suggestion in the proclamation as to maintaining the political framework of the States on what is called reconstruction is made in the hope that it may do good without harm. It will favor labor and avoid great confusion. But why any proclamation now upon this subject? This question is beset with the conflicting views that the step might be delayed too long or be taken too soon. In some States the elements for reorganization have been ready for action, and remain inactive apparently for want of rallying point—a plan in action. Why shall A adopt the plan of B, rather than the plan of A? And if A and B should agree, how can they know but the General Government here will respect their plan? By the proclamation, a plan is presented which may be accepted by them as a rallying point, and which they are assured in advance will not be rejected. This may bring them to act sooner than they otherwise would. The objection to a premature presentation of a plan by the Executive consists in the danger of committing errors on points which could be more safely left to further developments. Care has been taken to so shape the documents as to avoid embarrassment from this source. In saying that on certain terms certain classes will be pardoned with their rights restored, it is not said other classes on other terms will ever be included. In saying a reconstruction will be accepted in a specified way, it is not said it will never be accepted in any other way.

The movements by State actions for emancipation in several of the States not included in the emancipation proclamation, are matters of profound gratification, and while I do not repeat in detail what I have heretofore so earnestly urged upon this subject, my general views and feelings remain unchanged, and I trust that Congress will speak with favor opportunity of aiding these important steps to the great consummation. In the midst of other cares, however important, we must not lose sight of the fact that the war power is still our main reliance. To that power alone can we look yet for a time, to give confidence to people in contested regions; that insurgent power will not again overrun them. Until that confidence shall be established, little can be done anywhere for what is called reconstruction. Hence, our chief care must still be directed to our Army and Navy, who have thus far won their and deserved great credit, and well, and it may be esteemed fortunate that in giving the greatest efficiency to these indispensable arms, we do also materially encourage gallant men, from commander to sentinel, who compose them, and to whom, more than all others, the world stands indebted for the form of freedom, disenthralled, regenerated, enlarged and perpetuated.

ABRAHAM LINCOLN.

Washington, December, 8 1863.

Proclamation Appended to the Message.

Whereas, Or 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, A rebellion now exists, whereby the loyal States and governments of several States have for a long time been subverted, and many persons have committed and are now guilty of treason against the United States; and

Whereas, With reference to said rebellion and treason, laws have been enacted by Congress declaring the forfeiture and confiscation of property and the liberation of slaves, all upon terms and conditions therein stated, and also declaring that the President was thereby authorized at any time 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

Whereas, The Congressional declaration for limited and conditional pardon, accorded with 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 deemed by some persons heretofore engaged in said rebellion to resume their allegiance to the United States, and to inaugurate 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 granted to them and each of them, with restoration of all rights, of the said persons shall have—, and upon the condition that every such person shall take and subscribe an oath and thenceforward 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 yet 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 decision of the Supreme Court—so help me God."

The persons excepted from the benefits of the foregoing proclamation, are all that are or may have been civil or diplomatic officers, or agents of the so called Confederacy; or all who have left judicial stations under the United States to aid the rebellion; all who shall have been military or naval officers of the rank of colonel in the army or 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 and navy of the United States and afterward aided the rebellion, and all who have engaged in any way in treating colored persons or white persons in charge of such otherwise than lawfully as prisoners of War, and which persons may 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, Alabama, Georgia, Florida, South Carolina, and North Carolina, a number of persons, not less than one-tenth of the number of the votes cast in such State at the Presidential election of the year of our Lord, 1860, each having taken the oath aforesaid, and not having since violated it, and being a qualified voter by the election laws of the State, existing immediately before the so called act of secession, and excluding all others, shall be established a State government, which shall be republican, and no others contravening said oath; such shall be recognized as the true government of the State, and the State shall receive thereunder the benefits of the constitutional provision, which declares that the United States shall guarantee every State in the Union a republican form of government; I shall proceed such 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 and provide for their education, and which may yet be consistent as a temporary arrangement with their present condition as a laboring, landless and 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 names of the individuals, the composition and the Federal code of laws at before the rebellion, be inserted, subject only to modification made necessary by the conditions hereinbefore stated, and such others, if