

STATE OF THE UNION ADDRESSES OF ABRAHAM LINCOLN

ABRAHAM LINCOLN*

Fellow-Citizens of the Senate and House of Representatives:

In the midst of unprecedented political troubles we have cause of great gratitude to God for unusual good health and most abundant harvests.

You will not be surprised to learn that in the peculiar exigencies of the times our intercourse with foreign nations has been attended with profound solicitude, chiefly turning upon our own domestic affairs.

A disloyal portion of the American people have during the whole year been engaged in an attempt to divide and destroy the Union. A nation which endures factious domestic division is exposed to disrespect abroad, and one party, if not both, is sure sooner or later to invoke foreign intervention.

Nations thus tempted to interfere are not always able to resist the counsels of seeming expediency and ungenerous ambition, although measures adopted under such influences seldom fail to be unfortunate and injurious to those adopting them.

The disloyal citizens of the United States who have offered the ruin of our country in return for the aid and comfort which they have invoked abroad have received less patronage and encouragement than they probably expected. If it were just to suppose, as the insurgents have seemed to assume, that foreign nations in this case, discarding all moral, social, and treaty obligations, would act solely and selfishly for the most speedy restoration of commerce, including especially the acquisition of cotton, those nations appear as yet not to have seen their way to their object more directly or clearly through the destruction than through the preservation of the Union. If we could dare to believe that foreign nations are actuated by no higher principle than this, I am quite sure a sound argument could be made to show them that they can reach their aim more readily and easily by aiding to crush this rebellion than by giving encouragement to it.

The principal lever relied on by the insurgents for exciting foreign nations to hostility against us, as already intimated, is the embarrassment of commerce. Those nations, however, not improbably saw from the first that

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it was the Union which made as well our foreign as our domestic commerce. They can scarcely have failed to perceive that the effort for disunion produces the existing difficulty, and that one strong nation promises more durable peace and a more extensive, valuable, and reliable commerce than can the same nation broken into hostile fragments.

It is not my purpose to review our discussions with foreign states, because, whatever might be their wishes or dispositions, the integrity of our country and the stability of our Government mainly depend not upon them, but on the loyalty, virtue, patriotism, and intelligence of the American people. The correspondence itself, with the usual reservations, is herewith submitted.

I venture to hope it will appear that we have practiced prudence and liberality toward foreign powers, averting causes of irritation and with firmness maintaining our own rights and honor.

Since, however, it is apparent that here, as in every other state, foreign dangers necessarily attend domestic difficulties, I recommend that adequate and ample measures be adopted for maintaining the public defenses on every side. While under this general recommendation provision for defending our seacoast line readily occurs to the mind, I also in the same connection ask the attention of Congress to our great lakes and rivers. It is believed that some fortifications and depots of arms and munitions, with harbor and navigation improvements, all at well-selected points upon these, would be of great importance to the national defense and preservation. I ask attention to the views of the Secretary of War, expressed in his report, upon the same general subject.

I deem it of importance that the loyal regions of east Tennessee and western North Carolina should be connected with Kentucky and other faithful parts of the Union by railroad. I therefore recommend, as a military measure, that Congress provide for the construction of such road as speedily as possible. Kentucky no doubt will cooperate, and through her legislature make the most judicious selection of a line. The northern terminus must connect with some existing railroad, and whether the route shall be from Lexington or Nicholasville to the Cumberland Gap, or from Lebanon to the Tennessee line, in the direction of Knoxville, or on some still different line, can easily be determined. Kentucky and the General Government cooperating, the work can be completed in a very short time, and when done it will be not only of vast present usefulness, but also a valuable permanent improvement, worth its cost in all the future.

Some treaties, designed chiefly for the interests of commerce, and having no grave political importance, have been negotiated, and will be submitted to the Senate for their consideration.

Although we have failed to induce some of the commercial powers to adopt a desirable melioration of the rigor of maritime war, we have removed all

obstructions from the way of this humane reform except such as are merely of temporary and accidental occurrence.

I invite your attention to the correspondence between Her Britannic Majesty's minister accredited to this Government and the Secretary of State relative to the detention of the British ship *Perthshire* in June last by the United States steamer *Massachusetts* for a supposed breach of the blockade. As this detention was occasioned by an obvious misapprehension of the facts, and as justice requires that we should commit no belligerent act not rounded in strict right as sanctioned by public law, I recommend that an appropriation be made to satisfy the reasonable demand of the owners of the vessel for her detention.

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

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

If any good reason exists why we should persevere longer in withholding our recognition of the independence and sovereignty of Hayti and Liberia, I am unable to discern it. Unwilling, however, to inaugurate a novel policy in regard to them without the approbation of Congress, I submit for your consideration the expediency of an appropriation for maintaining a charge' d'affaires near each of those new States. It does not admit of doubt that important commercial advantages might be secured by favorable treaties with them.

The operations of the Treasury during the period which has elapsed since your adjournment have been conducted with signal success. The patriotism of the people has placed at the disposal of the Government the large means demanded by the public exigencies. Much of the national loan has been taken by citizens of the industrial classes, whose confidence in their country's faith and zeal for their country's deliverance from present peril have

induced them to contribute to the support of the Government the whole of their limited acquisitions. This fact imposes peculiar obligations to economy in disbursement and energy in action.

The revenue from all sources, including loans, for the financial year ending on the 30th of June, 1861, was \$86,835,900.27, and the expenditures for the same period, including payments on account of the public debt, were \$84,578,834.47, leaving a balance in the Treasury on the 1st of July of 52,257,065.80. For the first quarter of the financial year ending on the 30th of September, 1861, the receipts from all sources, including the balance of the 1st of July, were \$102,532,509.27, and the expenses \$98,239,733.09, leaving a balance on the 1st of October, 1861, of \$4,292,776.18.

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

I respectfully refer to the report of the Secretary of War for information respecting the numerical strength of the Army and for recommendations having in view an increase of its efficiency and the well-being of the various branches of the service intrusted to his care. It is gratifying to know that the patriotism of the people has proved equal to the occasion, and that the number of troops tendered greatly exceeds the force which Congress authorized me to call into the field.

I refer with pleasure to those portions of his report which make allusion to the creditable degree of discipline already attained by our troops and to the excellent sanitary condition of the entire Army.

The recommendation of the Secretary for an organization of the militia upon a uniform basis is a subject of vital importance to the future safety of the country, and is commended to the serious attention of Congress.

The large addition to the Regular Army, in connection with the defection that has so considerably diminished the number of its officers, gives peculiar importance to his recommendation for increasing the corps of cadets to the greatest capacity of the Military Academy.

By mere omission, I presume, Congress has failed to provide chaplains for hospitals occupied by volunteers. This subject was brought to my notice, and I was induced to draw up the form of a letter, one copy of which, properly addressed, has been delivered to each of the persons, and at the dates respectively named and stated in a schedule, containing also the form of the letter marked A, and herewith transmitted.

These gentlemen, I understand, entered upon the duties designated at the times respectively stated in the schedule, and have labored faithfully therein ever since. I therefore recommend that they be compensated at the same rate as chaplains in the Army. I further suggest that general provision be made for chaplains to serve at hospitals, as well as with regiments.

The report of the Secretary of the Navy presents in detail the operations of that branch of the service, the activity and energy which have characterized its administration, and the results of measures to increase its efficiency and power. Such have been the additions, by construction and purchase, that it may almost be said a navy has been created and brought into service since our difficulties commenced.

Besides blockading our extensive coast, squadrons larger than ever before assembled under our flag have been put afloat and performed deeds which have increased our naval renown.

I would invite special attention to the recommendation of the Secretary for a more perfect organization of the Navy by introducing additional grades in the service.

The present organization is defective and unsatisfactory, and the suggestions submitted by the Department will, it is believed, if adopted, obviate the difficulties alluded to, promote harmony, and increase the efficiency of the Navy.

There are three vacancies on the bench of the Supreme Court—two by the decease of Justices Daniel and McLean and one by the resignation of Justice Campbell. I have so far forbore making nominations to fill these vacancies for reasons which I will now state. Two of the outgoing judges resided within the States now overrun by revolt, so that if successors were appointed in the same localities they could not now serve upon their circuits; and many of the most competent men there probably would not take the personal hazard of accepting to serve, even here, upon the Supreme bench. I have been unwilling to throw all the appointments northward, thus disabling myself from doing justice to the South on the return of peace; although I may remark that to transfer to the North one which has heretofore been in the South would not, with reference to territory and population, be unjust.

During the long and brilliant judicial career of Judge McLean his circuit grew into an empire altogether too large for any one judge to give the courts therein more than a nominal attendance—rising in population from 1,470,018 in 1830 to 6,151,405 in 1860.

Besides this, the country generally has outgrown our present judicial system. If uniformity was at all intended, the system requires that all the States shall be accommodated with circuit courts, attended by Supreme

judges, while, in fact, Wisconsin, Minnesota, Iowa, Kansas, Florida, Texas, California, and Oregon have never had any such courts. Nor can this well be remedied without a change in the system, because the adding of judges to the Supreme Court, enough for the accommodation of all parts of the country with circuit courts, would create a court altogether too numerous for a judicial body of any sort. And the evil, if it be one, will increase as new States come into the Union. Circuit courts are useful or they are not useful. If useful, no State should be denied them; if not useful, no State should have them. Let them be provided for all or abolished as to all.

Three modifications occur to me, either of which, I think, would be an improvement upon our present system. Let the Supreme Court be of convenient number in every event; then, first, let the whole country be divided into circuits of convenient size, the Supreme judges to serve in a number of them corresponding to their own number, and independent circuit judges be provided for all the rest; or, secondly, let the Supreme judges be relieved from circuit duties and circuit judges provided for all the circuits; or, thirdly, dispense with circuit courts altogether, leaving the judicial functions wholly to the district courts and an independent Supreme Court.

I respectfully recommend to the consideration of Congress the present condition of the statute laws, with the hope that Congress will be able to find an easy remedy for many of the inconveniences and evils which constantly embarrass those engaged in the practical administration of them. Since the organization of the Government Congress has enacted some 5,000 acts and joint resolutions, which fill more than 6,000 closely printed pages and are scattered through many volumes. Many of these acts have been drawn in haste and without sufficient caution, so that their provisions are often obscure in themselves or in conflict with each other, or at least so doubtful as to render it very difficult for even the best-informed persons to ascertain precisely what the statute law really is.

It seems to me very important that the statute laws should be made as plain and intelligible as possible, and be reduced to as small a compass as may consist with the fullness and precision of the will of the Legislature and the perspicuity of its language. This well done would, I think, greatly facilitate the labors of those whose duty it is to assist in the administration of the laws, and would be a lasting benefit to the people, by placing before them in a more accessible and intelligible form the laws which so deeply concern their interests and their duties.

I am informed by some whose opinions I respect that all the acts of Congress now in force and of a permanent and general nature might be revised and rewritten so as to be embraced in one volume (or at most two volumes) of ordinary and convenient size; and I respectfully recommend to Congress to consider of the subject, and if my suggestion be approved to devise such plan as to their wisdom shall seem most proper for the attainment of the end proposed.

One of the unavoidable consequences of the present insurrection is the

entire suppression in many places of all the ordinary means of administering civil justice by the officers and in the forms of existing law. This is the case, in whole or in part, in all the insurgent States; and as our armies advance upon and take possession of parts of those States the practical evil becomes more apparent. There are no courts nor officers to whom the citizens of other States may apply for the enforcement of their lawful claims against citizens of the insurgent States, and there is a vast amount of debt constituting such claims. Some have estimated it as high as \$200,000,000, due in large part from insurgents in open rebellion to loyal citizens who are even now making great sacrifices in the discharge of their patriotic duty to support the Government.

Under these circumstances I have been urgently solicited to establish by military power courts to administer summary justice in such cases I have thus far declined to do it, not because I had any doubt that the end proposed—the collection of the debts—was just and right in itself, but because I have been unwilling to go beyond the pressure of necessity in the unusual exercise of power. But the powers of Congress, I suppose, are equal to the anomalous occasion, and therefore I refer the whole matter to Congress, with the hope that a plan may be devised for the administration of justice in all such parts of the insurgent States and Territories as may be under the control of this Government, whether by a voluntary return to allegiance and order or by the power of our arms; this, however, not to be a permanent institution, but a temporary substitute, and to cease as soon as the ordinary courts can be reestablished in peace.

It is important that some more convenient means should be provided, if possible, for the adjustment of claims against the Government, especially in view of their increased number by reason of the war. It is as much the duty of Government to render prompt justice against itself in favor of citizens as it is to administer the same between private individuals. The investigation and adjudication of claims in their nature belong to the judicial department. Besides, it is apparent that the attention of Congress will be more than usually engaged for some time to come with great national questions. It was intended by the organization of the Court of Claims mainly to remove this branch of business from the halls of Congress: but while the court has proved to be an effective and valuable means of investigation, it in great degree fails to effect the object of its creation for want of power to make its judgments final.

Fully aware of the delicacy, not to say the danger, of the subject, I commend to your careful consideration whether this power of making judgments final may not properly be given to the court, reserving the right of appeal on questions of law to the Supreme Court, with such other provisions as experience may have shown to be necessary.

I ask attention to the report of the Postmaster-General, the following being a summary statement of the condition of the Department:

The revenue from all sources during the fiscal year ending June 30, 1861,

including the annual permanent appropriation of \$700,000 for the transportation of "free mail matter," was \$9,049,296.40, being about 2 per cent less than the revenue for 1860.

The expenditures were \$13,606,759.11, showing a decrease of more than 8 per cent as compared with those of the previous year and leaving an excess of expenditure over the revenue for the last fiscal year of \$4,557,462.71.

The gross revenue for the year ending June 30, 1863, is estimated at an increase of 4 per cent on that of 1861, making \$8,683,000, to which should be added the earnings of the Department in carrying free matter, viz, \$700,000, making \$9,383,000.

The total expenditures for 1863 are estimated at \$12,528,000, leaving an estimated deficiency of \$3,145,000 to be supplied from the Treasury in addition to the permanent appropriation.

The present insurrection shows, I think, that the extension of this District across the Potomac River at the time of establishing the capital here was eminently wise, and consequently that the relinquishment of that portion of it which lies within the State of Virginia was unwise and dangerous. I submit for your consideration the expediency of regaining that part of the District and the restoration of the original boundaries thereof through negotiations with the State of Virginia.

The report of the Secretary of the Interior, with the accompanying documents, exhibits the condition of the several branches of the public business pertaining to that Department. The depressing influences of the insurrection have been specially felt in the operations of the Patent and General Land Offices. The cash receipts from the sales of public lands during the past year have exceeded the expenses of our land system only about \$200,000. The sales have been entirely suspended in the Southern States, while the interruptions to the business of the country and the diversion of large numbers of men from labor to military service have obstructed settlements in the new States and Territories of the Northwest.

The receipts of the Patent Office have declined in nine months about \$100,000, rendering a large reduction of the force employed necessary to make it self-sustaining.

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

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

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

Annual reports exhibiting the condition of our agriculture, commerce, and manufactures would present a fund of information of great practical value to the country. While I make no suggestion as to details, I venture the opinion that an agricultural and statistical bureau might profitably be organized.

The execution of the laws for the suppression of the African slave trade has been confided to the Department of the Interior. It is a subject of gratulation that the efforts which have been made for the suppression of this inhuman traffic have been recently attended with unusual success. Five vessels being fitted out for the slave trade have been seized and condemned. Two mates of vessels engaged in the trade and one person in equipping a vessel as a slaver have been convicted and subjected to the penalty of fine and imprisonment, and one captain, taken with a cargo of Africans on board his vessel, has been convicted of the highest grade of offense under our laws, the punishment of which is death.

The Territories of Colorado, Dakota, and Nevada, created by the last Congress, have been organized, and civil administration has been inaugurated therein under auspices especially gratifying when it is considered that the leaven of treason was found existing in some of these new countries when the Federal officers arrived there.

The abundant natural resources of these Territories, with the security and protection afforded by organized government, will doubtless invite to them a large immigration when peace shall restore the business of the country to its accustomed channels. I submit the resolutions of the legislature of Colorado, which evidence the patriotic spirit of the people of the Territory. So far the authority of the United States has been upheld in all the Territories, as it is hoped it will be in the future. I commend their interests and defense to the enlightened and generous care of Congress.

I recommend to the favorable consideration of Congress the interests of the District of Columbia. The insurrection has been the cause of much suffering and sacrifice to its inhabitants, and as they have no representative in Congress that body should not overlook their just claims upon the Government.

At your late session a joint resolution was adopted authorizing the President to take measures for facilitating a proper representation of the industrial interests of the United States at the exhibition of the industry of all nations to be holden at London in the year 1862. I regret to say I have been unable to give personal attention to this subject—a subject at once so interesting in itself and so extensively and intimately connected with the material prosperity of the world. Through the Secretaries of State and of the Interior a plan or system has been devised and partly matured, and which will be laid before you.

Under and by virtue of the act of Congress entitled "An act to confiscate property used for insurrectionary purposes," approved August 6, 1861, the legal claims of certain persons to the labor and service of certain other persons have become forfeited, and numbers of the latter thus liberated are already dependent on the United States and must be provided for in some way. Besides this, it is not impossible that some of the States will pass similar enactments for their own benefit respectively, and by operation of which persons of the same class will be thrown upon them for disposal. In such case I recommend that Congress provide for accepting such persons from such States, according to some mode of valuation, in lieu, pro tanto, of direct taxes, or upon some other plan to be agreed on with such States respectively; that such persons, on such acceptance by the General Government, be at once deemed free, and that in any event steps be taken for colonizing both classes (or the one first mentioned if the other shall not be brought into existence) at some place or places in a climate congenial to them. It might be well to consider, too, whether the free colored people already in the United States could not, so far as individuals may desire, be included in such colonization.

To carry out the plan of colonization may involve the acquiring of territory, and also the appropriation of money beyond that to be expended in the territorial acquisition. Having practiced the acquisition of territory for nearly sixty years, the question of constitutional power to do so is no longer an open one with us. The power was questioned at first by Mr. Jefferson, who, however, in the purchase of Louisiana, yielded his

scruples on the plea of great expediency. If it be said that the only legitimate object of acquiring territory is to furnish homes for white men, this measure effects that object, for the emigration of colored men leaves additional room for white men remaining or coming here. Mr. Jefferson, however, placed the importance of procuring Louisiana more on political and commercial grounds than on providing room for population.

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

The war continues. In considering the policy to be adopted for suppressing the insurrection I have been anxious and careful that the inevitable conflict for this purpose shall not degenerate into a violent and remorseless revolutionary struggle. I have therefore in every case thought it proper to keep the integrity of the Union prominent as the primary object of the contest on our part, leaving all questions which are not of vital military importance to the more deliberate action of the Legislature.

In the exercise of my best discretion I have adhered to the blockade of the ports held by the insurgents, instead of putting in force by proclamation the law of Congress enacted at the late session for closing those ports.

So also, obeying the dictates of prudence, as well as the obligations of law, instead of transcending I have adhered to the act of Congress to confiscate property used for insurrectionary purposes. If a new law upon the same subject shall be proposed, its propriety will be duly considered. The Union must be preserved, and hence all indispensable means must be employed. We should not be in haste to determine that radical and extreme measures, which may reach the loyal as well as the disloyal, are indispensable.

The inaugural address at the beginning of the Administration and the message to Congress at the late special session were both mainly devoted to the domestic controversy out of which the insurrection and consequent war have sprung. Nothing now occurs to add or subtract to or from the principles or general purposes stated and expressed in those documents.

The last ray of hope for preserving the Union peaceably expired at the assault upon Fort Sumter, and a general review of what has occurred since may not be unprofitable. What was painfully uncertain then is much better defined and more distinct now, and the progress of events is plainly in the right direction. The insurgents confidently claimed a strong support from north of Mason and Dixon's line, and the friends of the Union were not free from apprehension on the point. This, however, was soon settled definitely, and on the right side. South of the line noble little Delaware led off right from the first. Maryland was made to seem against the Union. Our soldiers were assaulted, bridges were burned, and railroads torn up within

her limits, and we were many days at one time without the ability to bring a single regiment over her soil to the capital. Now her bridges and railroads are repaired and open to the Government; she already gives seven regiments to the cause of the Union, and none to the enemy; and her people, at a regular election, have sustained the Union by a larger majority and a larger aggregate vote than they ever before gave to any candidate or any question. Kentucky, too, for some time in doubt, is now decidedly and, I think, unchangeably ranged on the side of the Union. Missouri is comparatively quiet, and, I believe, can not again be overrun by the insurrectionists. These three States of Maryland, Kentucky, and Missouri, neither of which would promise a single soldier at first, have now an aggregate of not less than 40,000 in the field for the Union, while of their citizens certainly not more than a third of that number, and they of doubtful whereabouts and doubtful existence, are in arms against us. After a somewhat bloody struggle of months, winter closes on the Union people of western Virginia, leaving them masters of their own country.

An insurgent force of about 1,500, for months dominating the narrow peninsular region constituting the counties of Accomac and Northampton, and known as Eastern Shore of Virginia, together with some contiguous parts of Maryland, have laid down their arms, and the people there have renewed their allegiance to and accepted the protection of the old flag. This leaves no armed insurrectionist north of the Potomac or east of the Chesapeake.

Also we have obtained a footing at each of the isolated points on the southern coast of Hatteras, Port Royal, Tybee Island (near Savannah), and Ship Island; and we likewise have some general accounts of popular movements in behalf of the Union in North Carolina and Tennessee.

These things demonstrate that the cause of the Union is advancing steadily and certainly southward.

Since your last adjournment Lieutenant-General Scott has retired from the head of the Army. During his long life the nation has not been unmindful of his merit; yet on calling to mind how faithfully, ably, and brilliantly he has served the country, from a time far back in our history, when few of the now living had been born, and thenceforward continually, I can not but think we are still his debtors. I submit, therefore, for your consideration what further mark of recognition is due to him, and to ourselves as a grateful people.

With the retirement of General Scott came the Executive duty of appointing in his stead a General in Chief of the Army. It is a fortunate circumstance that neither in council nor country was there, so far as I know, any difference of opinion as to the proper person to be selected. The retiring chief repeatedly expressed his judgment in favor of General McClellan for the position, and in this the nation seemed to give a unanimous concurrence. The designation of General McClellan is therefore in considerable degree the selection of the country as well as of the

Executive, and hence there is better reason to hope there will be given him the confidence and cordial support thus by fair implication promised, and without which he can not with so full efficiency serve the country.

It has been said that one bad general is better than two good ones, and the saying is true if taken to mean no more than that an army is better directed by a single mind, though inferior, than by two superior ones at variance and cross-purposes with each other.

And the same is true in all joint operations wherein those engaged can have none but a common end in view and can differ only as to the choice of means. In a storm at sea no one on board can wish the ship to sink, and yet not unfrequently all go down together because too many will direct and no single mind can be allowed to control.

It continues to develop that the insurrection is largely, if not exclusively, a war upon the first principle of popular government—the rights of the people. Conclusive evidence of this is found in the most grave and maturely considered public documents, as well as in the general tone of the insurgents. In those documents we find the abridgment of the existing right of suffrage and the denial to the people of all right to participate in the selection of public officers except the legislative boldly advocated, with labored arguments to prove that large control of the people in government is the source of all political evil. Monarchy itself is sometimes hinted at as a possible refuge from the power of the people.

In my present position I could scarcely be justified were I to omit raising a warning voice against this approach of returning despotism.

It is not needed nor fitting here that a general argument should be made in favor of popular institutions, but there is one point, with its connections, not so hackneyed as most others, to which I ask a brief attention. It is the effort to place capital on an equal footing with, if not above, labor in the structure of government. It is assumed that labor is available only in connection with capital; that nobody labors unless somebody else, owning capital, somehow by the use of it induces him to labor. This assumed, it is next considered whether it is best that capital shall hire laborers, and thus induce them to work by their own consent, or buy them and drive them to it without their consent. Having proceeded so far, it is naturally concluded that all laborers are either hired laborers or what we call slaves. And further, it is assumed that whoever is once a hired laborer is fixed in that condition for life.

Now there is no such relation between capital and labor as assumed, nor is there any such thing as a free man being fixed for life in the condition of a hired laborer. Both these assumptions are false, and all inferences from them are groundless.

Labor is prior to and independent of capital. Capital is only the fruit of labor, and could never have existed if labor had not first existed. Labor

is the superior of capital, and deserves much the higher consideration. Capital has its rights, which are as worthy of protection as any other rights. Nor is it denied that there is, and probably always will be, a relation between labor and capital producing mutual benefits. The error is in assuming that the whole labor of community exists within that relation. A few men own capital, and that few avoid labor themselves, and with their capital hire or buy another few to labor for them. A large majority belong to neither class—neither work for others nor have others working for them. In most of the Southern States a majority of the whole people of all colors are neither slaves nor masters, while in the Northern a large majority are neither hirers nor hired. Men, with their families—wives, sons, and daughters—work for themselves on their farms, in their houses, and in their shops, taking the whole product to themselves, and asking no favors of capital on the one hand nor of hired laborers or slaves on the other. It is not forgotten that a considerable number of persons mingle their own labor with capital; that is, they labor with their own hands and also buy or hire others to labor for them; but this is only a mixed and not a distinct class. No principle stated is disturbed by the existence of this mixed class.

Again, as has already been said, there is not of necessity any such thing as the free hired laborer being fixed to that condition for life. Many independent men everywhere in these States a few years back in their lives were hired laborers. The prudent, penniless beginner in the world labors for wages awhile, saves a surplus with which to buy tools or land for himself, then labors on his own account another while, and at length hires another new beginner to help him. This is the just and generous and prosperous system which opens the way to all, gives hope to all, and consequent energy and progress and improvement of condition to all. No men living are more worthy to be trusted than those who toil up from poverty; none less inclined to take or touch aught which they have not honestly earned. Let them beware of surrendering a political power which they already possess, and which if surrendered will surely be used to close the door of advancement against such as they and to fix new disabilities and burdens upon them till all of liberty shall be lost.

From the first taking of our national census to the last are seventy years, and we find our population at the end of the period eight times as great as it was at the beginning. The increase of those other things which men deem desirable has been even greater. We thus have at one view what the popular principle, applied to Government through the machinery, of the States and the Union, has produced in a given time, and also what if firmly maintained it promises for the future. There are already among us those who if the Union be preserved will live to see it contain 250,000,000. The struggle of to-day is not altogether for to-day; it is for a vast future also. With a reliance on Providence all the more firm and earnest, let us proceed in the great task which events have devolved upon us.

State of the Union Address
Abraham Lincoln
December 1, 1862

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 maritime powers which at the beginning of our domestic difficulties so unwisely and unnecessarily, as we think, recognized 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 afterwards befell 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 acknowledged 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 Stade dues has been

carried into full effect under the act of Congress for that purpose. A blockade of 3,000 miles of seacoast could not be established and vigorously 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 those 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. Tordenskiold, which vessel was in May, 1861, prevented by the commander of the blockading force off Charleston from leaving that port with 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 such persons contemplating

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, opinion among them in this respect is improving, and that ere long there will be an augmented and considerable migration 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, Sweden, 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 Chile. 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 those 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 can not 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 results at home and in foreign countries—results which can not 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 upon 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 an universal currency, and has satisfied, partially at least, and for the time, the long-felt want of an 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 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, then, 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 so 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, on 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 for the local and various circulation, secured and unsecured, now issued by them.

The receipts into the treasury from all sources, including loans and balance from the preceding year, for the fiscal year ending on the 30th June, 1862, were \$583,885,247.06, of which sum \$49,056,397.62 were derived from customs; \$1,795,331.73 from the direct tax; from public lands, \$152,203.77; from miscellaneous sources, \$931,787.64; from loans in all forms, \$529,692,460.50. The remainder, \$2,257,065.80, 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, Post-Office deficiencies, collection of revenue, and other like charges, \$14,129,771.50; for expenses under the Interior Department, 985.52; under the War Department, \$394,368,407.36; under the Navy Department, \$42,674,569.69; for interest on public debt, \$13,190,324.45; and for payment of public debt, including reimbursement of 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 reimbursements and redemption of public debt, being included also in the loans made, may be properly deducted both from 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 Secretary of the Treasury, to whose statements and views I invite your most candid and considerate 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 those Departments. Nor could I give a summary of them here upon any principle which would admit of its 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 \$2,112,814.57. 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 expenditures 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 also 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 suggestions 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 July, 1861, to the 30th 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 can not 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 sum 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 Interior and not by 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 prodded. It is estimated that not less than 800 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 to 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 guaranty 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 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 improving the Illinois River is presented in the report of Colonel Webster to the Secretary of War, and now transmitted to Congress. I respectfully ask attention to it.

To carry out the provisions of the act of Congress of the 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 exchanges, both at home and abroad, which promises to effect highly beneficial results in the development of a correct knowledge of recent improvements 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 recall your attention to what may be called "compensated emancipation."

A nation may be said to consist of its territory, its people, and its laws. The territory is the only part which is of certain durability. "One generation passeth away and another generation cometh, but the earth abideth forever." It is of the first importance to duly consider and estimate this ever-enduring part. That portion of the earth's surface which is owned and inhabited by the people of the United States is well adapted to be the home of one national family, and it is not well adapted for two or more. Its vast extent and its variety of climate and productions are of advantage in this age for one people, whatever they might have been in former ages. Steam, telegraphs, and intelligence have brought these to be an advantageous combination for one united people.

In the inaugural address I briefly pointed out the total inadequacy of disunion as a remedy for the differences between the people of the two sections. I did so in language which I can not improve, and which, therefore, I beg to repeat: One section of our country believes slavery is right and ought to be extended, while the other believes it is wrong and ought not to be

extended. This is the only substantial dispute. The fugitive-slave clause of the Constitution and the law for the suppression of the foreign slave

trade are each as well enforced, perhaps, as any law can ever be in a community where the moral sense of the people imperfectly supports

the law itself. The great body of the people abide by the dry legal obligation in both cases, and a few break over in each. This I think, can

not be perfectly cured, and it would be worse in both cases after the separation of the sections than before. The foreign slave trade, now

imperfectly suppressed, would be ultimately revived without restriction in one section, while fugitive slaves, now only partially surrendered,

would not be surrendered at all by the other. Physically speaking, we can not separate. We can not remove our respective sections from each other nor build an impassable wall between

them. A husband and wife may be divorced and go out of the presence and beyond the reach of each other, but the different parts of our

country can not do this. They can not but remain face to face, and intercourse, either amicable or hostile, must continue between them, Is it

possible, then, to make that intercourse more advantageous or more satisfactory after separation than before? Can aliens make treaties

easier than friends can make laws? Can treaties be more faithfully enforced between aliens than laws can among friends? Suppose you go to

war, you can not fight always; and when, after much loss on both sides and no gain on either, you cease fighting, the identical old questions,

as to terms of intercourse, are again upon you. There is no line, straight or crooked, suitable for a national boundary upon which to divide. Trace through, from east to west, upon the line between the free and slave country. and we shall find a little more than one-third of its length are rivers, easy to be crossed, and populated, or soon to be populated, thickly upon both sides; while nearly all its remaining length are merely surveyors' lines, over which people may walk back and forth without any consciousness of their presence. No part of this line can be made any more difficult to pass by writing it down on paper or parchment as a national boundary. The fact of separation, if it comes, gives up on the part of the seceding section the fugitive-slave clause, along with all other constitutional obligations upon the section seceded from, while I should expect no treaty stipulation would ever be made to take its place.

But there is another difficulty. The great interior region bounded east by the Alleghanies, north by the British dominions, west by the Rocky Mountains, and south by the line along which the culture of corn and cotton meets, and which includes part of Virginia, part of Tennessee, all of

Kentucky, Ohio, Indiana, Michigan, Wisconsin, Illinois, Missouri, Kansas, Iowa, Minnesota, and the Territories of Dakota, Nebraska, and part of Colorado, already has above 10,000,000 people, and will have 50,000,000 within fifty years if not prevented by any political folly or mistake. It contains more than one-third of the country owned by the United States—certainly more than 1,000,000 square miles. Once half as populous as Massachusetts already is, it would have more than 75,000,000 people. A glance at the map shows that, territorially speaking, it is the great body of the Republic. The other parts are but marginal borders to it. The magnificent region sloping west from the Rocky Mountains to the Pacific being the deepest and also the richest in undeveloped resources. In the production of provisions grains, grasses, and all which proceed from them this great interior region is naturally one of the most important in the world. Ascertain from the statistics the small proportion of the region which has as yet been brought into cultivation, and also the large and rapidly increasing amount of its products, and we shall be overwhelmed with the magnitude of the prospect presented. And yet this region has no seacoast—touches no ocean anywhere. As part of one nation, its people now find, and may forever find, their way to Europe by New York, to South America and Africa by New Orleans, and to Asia by San Francisco; but separate our common country into two nations, as designed by the present rebellion, and every man of this great interior region is thereby cut off from some one or more of these outlets, not perhaps by a physical barrier, but by embarrassing and onerous trade regulations.

And this is true, wherever a dividing or boundary line may be fixed. Place it between the now free and slave country, or place it south of Kentucky or north of Ohio, and still the truth remains that none south of it can trade to any port or place north of it, and none north of it can trade to any port or place south of it, except upon terms dictated by a government foreign to them. These outlets, east, west, and south, are indispensable to the well-being of the people inhabiting and to inhabit this vast interior region. Which of the three may be the best is no proper question. All are better than either, and all of right belong to that people and to their successors forever. True to themselves, they will not ask where a line of separation shall be, but will vow rather that there shall be no such line. Nor are the marginal regions less interested in these communications to and through them to the great outside world. They, too, and each of them, must have access to this Egypt of the West without paying toll at the crossing of any national boundary.

Our national strife springs not from our permanent part; not from the land we inhabit: not from our national homestead. There is no possible severing of this but would multiply and not mitigate evils among us. In all its adaptations and aptitudes it demands union and abhors separation. In fact, it would ere long force reunion, however much of blood and treasure the separation might have cost. Our strife pertains to ourselves—to the passing generations of men—and it can without convulsion be hushed forever with the passing of one generation.

In this view I recommend the adoption of the following resolution and articles amendatory to the Constitution of the United States: Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two-thirds of both Houses

concurring), That the following articles be proposed to the legislatures (or conventions) of the several States as amendments to the

Constitution of the United States, all or any of which articles, when ratified by three-fourths of the said legislatures (or conventions), to be

valid as part or parts of the said Constitution, viz:

ART.— Every State wherein slavery now exists which shall abolish the same therein at any time or times before the 1st day of January., A.

D. 1900, shall receive compensation from the United States as follows, to wit:

The President of the United States shall deliver to every such State bonds of the United States bearing interest at the rate of per cent per

annum to an amount equal to the aggregate sum of____for each slave shown to have been therein by the Eighth Census of the United States,

said bonds to be delivered to such State by installments or in one parcel at the completion of the abolishment, accordingly as the same shall

have been gradual or at one time within such State; and interest shall begin to run upon any such bond only from the proper time of its

delivery as aforesaid. Any State having received bonds as aforesaid and afterwards reintroducing or tolerating slavery therein shall refund to

the United States the bonds so received, or the value thereof, and all interest paid thereon.

ART—All slaves who shall have enjoyed actual freedom by the chances of the war at any time before the end of the rebellion shall be

forever free; but all owners of such who shall not have been disloyal shall be compensated for them at the same rates as is provided for

States adopting abolishment of slavery, but in such way that no slave shall be twice accounted for.

ART.—Congress may appropriate money and otherwise provide for colonizing

free colored persons with their own consent at any place or

places without the United States. I beg indulgence to discuss these proposed articles at some length. Without slavery the rebellion could never have existed; without slavery it could not continue.

Among the friends of the Union there is great diversity of sentiment and of policy in regard to slavery and the African race amongst us. Some would perpetuate slavery; some would abolish it suddenly and without compensation; some would abolish it gradually and with compensation: some would remove the freed people from us, and some would retain them with us; and there are yet other minor diversities. Because of these diversities we waste much strength in struggles among ourselves. By mutual concession we should harmonize and act together. This would be compromise, but it would be compromise among the friends and not with the enemies of the Union. These articles are intended to embody a plan of such mutual concessions. if the plan shall be adopted, it is assumed that emancipation will follow, at least in several of the States.

As to the first article, the main points are, first, the emancipation; secondly, the length of time for consummating it (thirty-seven years); and, thirdly, the compensation.

The emancipation will be unsatisfactory to the advocates of perpetual slavery, but the length of time should greatly mitigate their dissatisfaction. The time spares both races from the evils of sudden derangement—in fact, from the necessity of any derangement—while most of those whose habitual course of thought will be disturbed by the measure will have passed away before its consummation. They will never see it. Another class will hail the prospect of emancipation, but will deprecate the length of time. They will feel that it gives too little to the now living slaves. But it really gives them much. It saves them from the vagrant destitution which must largely attend immediate emancipation in localities where their numbers are very great, and it gives the inspiring assurance that their posterity shall be free forever. The plan leaves to each State choosing to act under it to abolish slavery now or at the end of the century, or at any intermediate time, or by degrees extending over the whole or any part of the period, and it obliges no two States to proceed alike. It also provides for compensation, and generally the mode of making it. This, it would seem, must further mitigate the dissatisfaction of those who favor perpetual slavery, and especially of those who are to receive the compensation. Doubtless some of those who are to pay and not to receive will object. Yet the measure is both just and economical. In a certain sense the liberation of slaves is the destruction of property—property acquired by descent or by purchase, the same as any other property. It is no less true for having been often said that the people of the South are not more responsible for the original introduction of this property than are the people of the North; and when it is remembered how unhesitatingly we all use cotton and sugar and share the profits of dealing in them, it may not be quite safe to say that the South has been more responsible than

the North for its continuance. If, then, for a common object this property is to be sacrificed, is it not just that it be done at a common charge?

And if with less money, or money more easily paid, we can preserve the benefits of the Union by this means than we can by the war alone, is it not also economical to do it? Let us consider it, then. Let us ascertain the sum we have expended in the war since compensated emancipation was proposed

last March, and consider whether if that measure had been promptly accepted by even some of the slave States the same sum would not have done more to close the war than has been otherwise done. If so, the measure would save money, and in that view would be a prudent and economical measure. Certainly it is not so easy to pay something as it is to pay nothing, but it is easier to pay a large sum than it is to pay a larger one. And it is easier to pay any sum when we are able than it is to pay it before we are able. The war requires large sums, and requires them at once. The aggregate sum necessary for compensated emancipation of course would be large. But it would require no ready cash, nor the bonds even any faster than the emancipation progresses. This might not, and probably would not, close before the end of the thirty-seven years. At that time we shall probably have a hundred millions of people to share the burden, instead of thirty-one millions as now. And not only so, but the increase of our population may be expected to continue for a long time after that period as rapidly as before, because our territory will not have become full. I do not state this inconsiderately. At the same ratio of increase which we have maintained, on an average, from our first national census, in 1790, until that of 1860, we should in 1900 have a population of 103,208,415. And why may we not continue that ratio far beyond that period? Our abundant room, our broad national homestead, is our ample resource. Were our territory as limited as are the British Isles, very certainly our population could not expand as stated. Instead of receiving the foreign born as now, we should be compelled to send part of the native born away. But such is not our condition. We have 2,963,000 square miles. Europe has 3,800,000, with a population averaging $73 \frac{1}{3}$ persons to the square mile. Why may not our country at some time average as many? Is it less fertile? Has it more waste surface by mountains, rivers, lakes, deserts, or other causes? Is it inferior to Europe in any natural advantage? If, then, we are at some time to be as populous as Europe, how soon? As to when this may be, we can judge by the past and the present; as to when it will be, if ever, depends much on whether we maintain the Union. Several of our States are already above the average of Europe $73 \frac{1}{3}$ to the square mile. Massachusetts has 157; Rhode Island, 133; Connecticut, 99; New York and New Jersey, each 80. Also two other great States, Pennsylvania and Ohio, are not far below, the former having 63 and the latter 59. The States already above the European average, except New York, have increased in as rapid a ratio since passing that point as ever before, while no one of them is equal to some other parts of our country in natural capacity for sustaining a dense population.

Taking the nation in the aggregate, and we find its population and ratio of

increase for the several decennial periods to be as follows:

Year - Population - Ratio of increase.

- - Per cent.

1790 - 3,929,827 -

1800 - 5,304,937 - 35.02

1810 - 7,239,814 - 36.45

1820 - 9,638,131 - 36.45

1830 - 12,866,020 - 33.49

1840 - 17,069,453 - 32.67

1850 - 23,191,876 - 35.87

1860 - 31,443,790 - 35.58

This shows an average decennial increase of 34.60 per cent in population through the seventy years from our first to our last census yet taken. It is seen that the ratio of increase at no one of these seven periods is either 2 per cent below or 2 per cent above the average, thus showing how inflexible, and consequently how reliable, the law of increase in our case is. Assuming that it will continue, it gives the following results:

Year - Population

1870 - 42,323,341

1880 - 56,967,216

1890 - 76,677,872

1900 - 103,208,415

1910 - 138,918,526

1920 - 186,984,335

1930 - 251,680,914

These figures show that our country may be as populous as Europe now is at some point between 1920 and 1930—say about 1925—our territory, at 73 1/3 persons to the square mile, being of capacity to contain 217,186,000.

And we will reach this, too, if we do not ourselves relinquish the chance by the folly and evils of disunion or by long and exhausting war springing from the only great element of national discord among us. While it can not be foreseen exactly how much one huge example of secession, breeding lesser ones indefinitely, would retard population, civilization, and prosperity, no one can doubt that the extent of it would be very great and injurious.

The proposed emancipation would shorten the war, perpetuate peace, insure this increase of population, and proportionately the wealth of the country. With these we should pay all the emancipation would cost, together with our other debt, easier than we should pay our other debt without it. If we had allowed our old national debt to run at 6 per cent per annum, simple interest, from the end of our revolutionary struggle until to-day, without paying anything on either principal or interest, each man of us would owe less upon that debt now than each man owed upon it then; and this because our increase of men through the whole period has been greater than 6 per cent—has run faster than the interest upon the debt. Thus time alone relieves a debtor nation, so long as its population increases faster than unpaid interest accumulates on its debt.

This fact would be no excuse for delaying payment of what is justly due, but it shows the great importance of time in this connection—the great advantage of a policy by which we shall not have to pay until we number 100,000,000 what by a different policy we would have to pay now, when we number but 31,000,000. In a word, it shows that a dollar will be much harder to pay for the war than will be a dollar for emancipation on the proposed plan. And then the latter will cost no blood, no precious life. It will be a saving of both.

As to the second article, I think it would be impracticable to return to bondage the class of persons therein contemplated. Some of them, doubtless, in the property sense belong to loyal owners, and hence provision is made in this article for compensating such. The third article relates to the future of the freed people. It does not oblige, but merely authorizes Congress to aid in colonizing such as may consent. This ought not to be regarded as objectionable on the one hand or on the other, insomuch as it comes to nothing unless by the mutual consent of the people to be deported and the American voters, through their representatives in Congress.

I can not make it better known than it already is that I strongly favor colonization; and yet I wish to say there is an objection urged against free colored persons remaining in the country which is largely imaginary, if not sometimes malicious.

It is insisted that their presence would injure and displace white labor and white laborers. If there ever could be a proper time for mere catch arguments, that time surely is not now. In times like the present men should utter nothing for which they would not willingly be responsible through time and in eternity. Is it true, then, that colored people can displace any more white labor by being free than by remaining slaves? If

they stay in their old places, they jostle no white laborers; if they leave their old places, they leave them open to white laborers. Logically, there is neither more nor less of it. Emancipation, even without deportation, would probably enhance the wages of white labor, and very surely would not reduce them. Thus the customary amount of labor would still have to be performed—the freed people would surely not do more than their old proportion of it, and very probably for a time would do less, leaving an increased part to white laborers, bringing their labor into greater demand, and consequently enhancing the wages of it. With deportation, even to a limited extent, enhanced wages to white labor is mathematically certain. Labor is like any other commodity in the market—increase the demand for it and you increase the price of it. Reduce the supply of black labor by colonizing the black laborer out of the country, and by precisely so much you increase the demand for and wages of white labor.

But it is dreaded that the freed people will swarm forth and cover the whole land. Are they not already in the land? Will liberation make them any more numerous? Equally distributed among the whites of the whole country, and there would be but one colored to seven whites. Could the one in any way greatly disturb the seven? There are many communities now having more than one free colored person to seven whites and this without any apparent consciousness of evil from it. The District of Columbia and the States of Maryland and Delaware are all in this condition. The District has more than one free colored to six whites, and yet in its frequent petitions to Congress I believe it has never presented the presence of free colored persons as one of its grievances. But why should emancipation South send the free people North? People of any color seldom run unless there be something to run from. Hertofore colored people to some extent have fled North from bondage, and now, perhaps, from both bondage and destitution. But if gradual emancipation and deportation be adopted, they will have neither to flee from. Their old masters will give them wages at least until new laborers can be procured, and the freedmen in turn will gladly give their labor for the wages till new homes can be found for them in congenial climes and with people of their own blood and race. This proposition can be trusted on the mutual interests involved. And in any event, can not the North decide for itself whether to receive them?

Again, as practice proves more than theory in any case, has there been any irruption of colored people northward because of the abolishment of slavery in this District last spring?

What I have said of the proportion of free colored persons to the whites in the District is from the census of 1860, having no reference to persons called contrabands nor to those made free by the act of Congress abolishing slavery here.

The plan consisting of these articles is recommended, not but that a restoration of the national authority would be accepted without its adoption.

Nor will the war nor proceedings under the proclamation of September 22, 1862, be stayed because of the recommendation of this plan. Its timely adoption, I doubt not, would bring restoration, and thereby stay both.

And notwithstanding this plan, the recommendation that Congress provide by law for compensating any State which may adopt emancipation before this plan shall have been acted upon is hereby earnestly renewed. Such would be only an advance part of the plan, and the same arguments apply to both.

This plan is recommended as a means, not in exclusion of, but additional to, all others for restoring and preserving the national authority throughout the Union. The subject is presented exclusively in its economical aspect. The plan would, I am confident, secure peace more speedily and maintain it more permanently than can be done by force alone, while all it would cost, considering amounts and manner of payment and times of payment, would be easier paid than will be the additional cost of the war if we rely solely upon force. It is much, very much, that it would cost no blood at all.

The plan is proposed as permanent constitutional law. It can not become such without the concurrence of, first, two-thirds of Congress, and afterwards three-fourths of the States. The requisite three-fourths of the States will necessarily include seven of the slave States. Their concurrence, if obtained, will give assurance of their severally adopting emancipation at no very distant day upon the new constitutional terms. This assurance would end the struggle now and save the Union forever.

I do not forget the gravity which should characterize a paper addressed to the Congress of the nation by the Chief Magistrate of the nation, nor do I forget that some of you are my seniors, nor that many of you have more experience than I in the conduct of public affairs. Yet I trust that in view of the great responsibility resting upon me you will perceive no want of respect to yourselves in any undue earnestness I may seem to display.

Is it doubted, then, that the plan I propose, if adopted, would shorten the war, and thus lessen its expenditure of money and of blood? Is it doubted that it would restore the national authority and national prosperity and perpetuate both indefinitely? Is it doubted that we here—Congress and Executive can secure its adoption? Will not the good people respond to a united and earnest appeal from us? Can we, can they, by any other means so certainly or so speedily assure these vital objects? We can succeed only by concert. It is not "Can any of us imagine better?" but "Can we all do better?" Object whatsoever is possible, still the question recurs, "Can we do better?" The dogmas of the quiet past are inadequate to the stormy present. The occasion is piled high with difficulty, and we must rise with the occasion. As our case is new, so we must think anew and act anew. We must disenthrall ourselves, and then we shall save our country.

Fellow-citizens, we can not escape history. We of this Congress and this

Administration will be remembered in spite of ourselves. No personal significance or insignificance can spare one or another of us. The fiery trial through which we pass will light us down in honor or dishonor to the latest generation. We say we are for the Union. The world will not forget that we say this. We know how to save the Union. The world knows we do know how to save it. We, even we here, hold the power and bear the responsibility. In giving freedom to the slave we assure freedom to the free—honorable alike in what we give and what we preserve. We shall nobly save or meanly lose the last best hope of earth. Other means may succeed; this could not fail. The way is plain, peaceful, generous, just—a way which if followed the world will forever applaud and God must forever bless.

State of the Union Address
Abraham Lincoln
December 8, 1863

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 profoundest 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 an inexcusable insurrection have been unavailing. Her Britannic Majesty's Government, as was justly expected, have exercised their authority to prevent the departure of new hostile expeditions from British ports. The Emperor of France has by a like proceeding promptly vindicated the neutrality which he proclaimed at the beginning of the contest. Questions of great intricacy and importance have arisen out of the blockade and other belligerent operations between the Government and several of the maritime powers, but they have been discussed and, as far as was possible, accommodated in a spirit of frankness, justice, and mutual good will. It is especially gratifying that our prize courts, by the impartiality of their adjudications, have commanded the respect and confidence of maritime powers.

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 so far as American ports and American citizens are concerned that inhuman and odious traffic has been brought to an end.

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 June, 1846, between the United States and Great Britain, and which have been the source of some disquiet 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 convention for that purpose will be submitted to the Senate.

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 long-pending controversy between this Government and that of Chile touching the seizure at Sitana, in Peru, by Chilean officers, of a large amount in treasure belonging to citizens of the United States has been brought to a close by the award of His Majesty the King of the Belgians, to whose arbitration the question was referred by the parties. The subject was thoroughly and patiently examined by that justly respected magistrate, and although the sum awarded to the claimants may not have been as large as they expected there is no reason to distrust the wisdom of His Majesty's decision. That decision was promptly complied with by Chile when intelligence in regard to it reached that country.

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 intrusted to it.

Difficulties concerning interoceanic transit through Nicaragua are in course of amicable adjustment.

In conformity with principles set forth in my last annual message, I have received a representative from the United States of Colombia, and have accredited 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, in whose behalf the Government or his country can not expect any privileges or immunities distinct from that character. I regret to say, however, that such claims have been put forward, and in some instances 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 the want of guides to the proper sources of information. These might be supplied by requiring clerks of courts where declarations of intention may be made or naturalizations effected to send periodically lists of the names of the persons naturalized or declaring their intention to become citizens to the Secretary of the Interior, in whose Department those names might 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 duties imposed by the laws of their native countries, to which on becoming naturalized here they at once repair, and though never returning to the United States they still claim the interposition of this Government as citizens. Many altercations and great prejudices have heretofore arisen out of this abuse. It is therefore submitted to your serious consideration. It might be advisable to fix a limit beyond which no citizen of the United States residing abroad may claim the interposition of his Government.

The right of suffrage has often been assumed and exercised by aliens under pretenses of naturalization, which they have disavowed when drafted into the military service. I submit the expediency of such an amendment of the law as will make the fact of voting an estoppel against any plea of exemption from military service or other civil obligation on the ground 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 society of nations. It is hoped, although not with entire confidence, that these difficulties may be peacefully overcome. I ask your attention to the claim of the minister residing there for the damages he sustained in the destruction by fire of the residence of the legation at Yedo.

Satisfactory arrangements have been made with the Emperor of Russia, which, it is believed, 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 forts 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 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 Indian disturbances in New Mexico have not been entirely suppressed. The mineral resources of Colorado, Nevada, Idaho, New Mexico, and Arizona are proving far richer than has been heretofore understood. I lay before you a communication on this subject from the governor of New Mexico. I 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 much 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 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 unforeseen by the Government and unintended may in some cases have been inflicted on 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 to 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 claims by joint commission have been proposed to some governments, but no definitive 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 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 in derogation 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 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 proved 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.

Since these measures have been in operation all demands on the Treasury, including the pay of the Army and Navy, have been promptly met and fully satisfied. No considerable body of troops, it is believed, were ever more amply provided and more liberally and punctually 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 the Treasury at its commencement, were \$901,125,674.86, and the aggregate disbursements \$895,796,630.65, leaving a balance on the 1st of July, 1863, of \$5,329,044.21. Of the receipts there were derived from customs \$69,059,642.40, from internal revenue \$37,640,787.95, from direct tax \$1,485,103.61, from lands \$167,617.17, from miscellaneous sources \$3,046,615.35, and from loans \$776,682,361.57, making the aggregate \$901,125,674.86. Of the disbursements there were for the civil service \$23,253,922.08, for pensions and Indians \$4,216,520.79, for interest on public debt \$24,729,846.51, for the War Department \$599,298,600.83, for the Navy Department \$63,211,105.27, for payment of funded and temporary debt \$181,086,635.07, making the aggregate \$895,796,630.65 and leaving the balance of \$5,329,044.21. But the payment of 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 as merely nominal receipts, and their amount, \$181,086,635.07, should therefore be deducted both from receipts and disbursements. This being done there remains as actual receipts \$720,039,039.79 and the actual disbursements \$714,709,995.58, leaving the balance as already stated.

The actual receipts and disbursements for the first quarter and the estimated receipts and disbursements for the remaining three quarters of the current fiscal year (1864) will be shown in detail by the report of the Secretary of the Treasury, to which I invite your attention. It is sufficient to say here that it is not believed that actual results will exhibit a 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 debt will be found very considerably less than has been anticipated.

The report of the Secretary of War is a document of great interest. It consists of—

1. The military operations of the year, detailed in the report of the General in Chief.
2. The organization of colored persons into the war service.
3. The exchange of prisoners, fully set forth in the letter of General Hitchcock.
4. The operations under the act for enrolling and calling out the national forces, detailed in the report of the Provost-Marshal-General.
5. The organization of the invalid corps, and
6. 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 valuable summary of this report, except such as would be too extended for this place, and hence I content myself by asking your careful 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 returns received at the Navy Department it appears that more than 1,000 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 588 vessels completed and in the course of completion, and of these 75 are ironclad or armored steamers. The events of the war give 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 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 defense 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 repair of modern naval vessels. No inconsiderable embarrassment, delay, and public injury have been experienced from the want of such governmental establishments. The necessity of such a navy-yard, so furnished, at some suitable place upon 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 special attention to this subject, and also to that of establishing a yard and depot for naval purposes upon one of the Western rivers. A naval force has been created on those interior waters, and under many disadvantages, within little more than two years, exceeding in numbers the whole naval force of the country at the commencement of the present Administration. Satisfactory and important as have been the performances of the heroic men of the Navy at this interesting period, they are scarcely more wonderful than the success of our mechanics and artisans in the production of war vessels, which has created a new form of naval power.

Our country has advantages superior to any other nation in our resources of iron and timber, with inexhaustible quantities of fuel in the immediate vicinity of both, and all available and in close proximity to navigable waters. Without the advantage of public works, the resources of the nation have been developed and its power displayed in the construction of a Navy of such magnitude, which has at the very period of its creation rendered signal service to the Union.

The increase of the number of seamen in the public service from 7,500 men in the spring of 1861 to about 34,000 at the present time has been accomplished without special legislation or extraordinary bounties to promote that increase. It has been found, however, that the operation of the draft, with the high bounties paid for army recruits, is beginning to affect injuriously the naval service, and will, if not corrected, be likely to impair its efficiency by detaching seamen from their proper vocation and inducing them to enter the Army. I therefore respectfully suggest that Congress might aid both the army and naval services by a definite provision on this subject which would at the same time be equitable to the communities more especially interested.

I commend to your consideration the suggestions of the Secretary of the Navy in regard to the policy of fostering and training seamen and also the education of officers and engineers for the naval service. The Naval Academy is rendering signal service in preparing midshipmen for the highly responsible duties which in after life they will be required to perform. In order that the country should not be deprived of the proper quota of educated officers, for which legal provision has been made at the naval school, the vacancies caused by the neglect or omission to make nominations from the States in insurrection have been filled by the Secretary of the Navy. The school is now more full and complete than at any former period, and in every respect entitled to the favorable consideration of Congress.

During the past fiscal year the financial condition of the Post-Office Department has been one of increasing prosperity, and I am gratified in being able to state that the actual postal revenue has nearly equaled the entire expenditures, the latter amounting to \$11,314,206.84 and the former to \$11,163,789.59, leaving a deficiency of but \$150,417.25. In 1860, the year immediately preceding the rebellion, the deficiency amounted to \$5,656,705.49, the postal receipts of that year being \$2,645,722.19 less than those of 1863. The decrease since 1860 in the annual amount of transportation has been only about 25 per cent, but the annual expenditure on account of the same has been reduced 35 per cent. It is manifest, therefore, that the Post-Office Department may become self-sustaining in a few years, even with the restoration of the whole service.

The international conference 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 11th of May last and concluded its deliberations on the 8th of June. The principles established by the conference as best adapted to facilitate postal intercourse between nations and as the basis of future postal conventions inaugurate a general system of uniform international charges at reduced rates of postage, and can not 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 years was 3,841,549 acres, of which 161,911 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 overflowed lands within their limits, in order to their being reclaimed and rendered fit for cultivation; the grants to railway companies of alternate sections of land upon the contemplated issues of their roads, which when completed will so 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 1st day of January last the before-mentioned quantity of 1,456,514 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 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. 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 its benefits to those who have left their homes in the defense of the country in this 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 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 constitutional action of the Senate. They contain stipulations for extinguishing the possessory rights of the Indians to large and valuable tracts of lands. It is hoped that the effect of these treaties will result in the establishment of permanent friendly relations with such of these tribes as have been brought into frequent and bloody collision with our outlying settlements and emigrants. Sound policy and our imperative duty to these wards of the Government demand 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 the blessing of Divine Providence will confer upon them the elevated and sanctifying influences, the hopes and consolations, of the Christian faith. I suggested in my last annual message the propriety of remodeling our Indian system. Subsequent events have satisfied me of its necessity. The details set forth in the report of the Secretary evince the urgent need for immediate legislative action.

I commend the benevolent 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 northeastern seaboard, which proposition, however, failed for the time. Since then, upon a call of the greatest respectability, a convention has been held at Chicago 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 given to this subject by the actual commencement of work upon the Pacific Railroad, under auspices so favorable to rapid progress and completion. The enlarged navigation becomes a palpable need to the great road.

I transmit the second annual report of the Commissioner of the Department of Agriculture, asking your attention to the developments in that vital 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 varying results; the rebellion had been pressed back into reduced limits; yet the tone of public feeling and opinion, at home and abroad was not satisfactory. With other signs, the popular elections then just past indicated uneasiness among ourselves, while, amid much that was cold and menacing, the kindest words coming from Europe were uttered in accents of pity that we were too blind to surrender a hopeless cause. Our commerce was suffering greatly by 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 preliminary emancipation proclamation, issued in September, was running its assigned period to the beginning of the new year. A month later the final proclamation came, including the announcement that colored men of suitable condition would be received into the war service. The policy of emancipation and of employing black soldiers gave to the future a new aspect, about which hope and fear and doubt contended in uncertain conflict. According to our political system, as a matter of civil administration, the General Government had no lawful power to effect emancipation in any State, and for a long time it had been hoped that the rebellion could be suppressed without resorting to it as a military measure. It was all the while deemed possible that the necessity for it might come, and that if it should the crisis of the contest would then be presented. It came, and, as was anticipated, it was followed by dark and doubtful days. Eleven months having now passed, we are permitted to take another review. The rebel borders are pressed still farther back, and by the complete opening of the Mississippi the country dominated by the rebellion is divided into distinct parts, with no practical communication between them. Tennessee and Arkansas have been substantially cleared of insurgent control, and influential citizens in each, owners of slaves and advocates of slavery at the beginning of the rebellion, now declare openly for emancipation in their respective States. Of those States not included in the emancipation proclamation, 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 100,000 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 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. Thus 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 will be attempted beyond what is amply justified by the Constitution. True, the form of an oath is given, but no man is coerced to take it. The 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 terms, as is fully established by judicial and other authorities.

It is also proffered 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 republican government in the Union may be too feeble for an opposite and hostile element external to or 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 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 an oath of allegiance to the Constitution of the United States and to the Union under it, why also to the laws and proclamations in regard to slavery? Those 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 intended. To now abandon them would be not only to relinquish a lever of power, but would also be a cruel and an 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 that proclamation or by any of the acts of Congress. For these and other reasons it is thought best that 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 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 legislation and supreme judicial decision.

The proposed acquiescence of the National Executive in any reasonable temporary State arrangement for the freed people is made with the view of possibly modifying the confusion and destitution which must at best attend all classes by a total revolution of labor throughout whole 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 abridged by the 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 danger of harm. It will save 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 resumption seem ready for action, but remain inactive apparently for want of a rallying point—a plan of action, Why shall A adopt the plan of B rather than B that of A? And if A and B should agree, how can they know but that the General Government here will reject 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 here. This may bring them to act sooner than they otherwise would. The objections to a premature presentation of a plan by the National Executive consist in the danger of committals on points which could be more safely left to further developments. Care has been taken to so shape the document as to avoid embarrassments from this source. Saying that on certain terms certain classes will be pardoned with rights restored, it is not said that other classes or other terms will never be included. Saying specified way, it is said that reconstruction will be accepted if presented in a not said it will never be accepted in any other way.

The movements by State action for emancipation in several of the States not included in the emancipation proclamation are matters of profound gratulation. 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 omit no fair opportunity of

aiding these important steps to a 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 the people in the contested regions that the 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 chiefest care must still be directed to the Army and Navy, who have thus far borne their harder part so nobly and well; and it may be esteemed fortunate that in giving the greatest efficiency to these 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 the home of freedom disenthralled, regenerated, enlarged, and perpetuated.

State of the Union Address
Abraham Lincoln
December 6, 1864

Fellow-Citizens of the Senate and House of Representatives:

Again the blessings of health and abundant harvests claim our proudest gratitude to Almighty God.

The condition of our foreign affairs is reasonably satisfactory.

Mexico continues to be a theater of civil war. While our political relations with that country have undergone no change, we have at the same time strictly maintained neutrality between the belligerents.

At the request of the States of Costa Rica and Nicaragua, a competent engineer has been authorized to make a survey of the river San Juan and the port of San Juan. It is a source of much satisfaction that the difficulties which for a moment excited some political apprehensions and caused a closing of the interoceanic transit route have been amicably adjusted, and that there is a good prospect that the route will soon be reopened with an increase of capacity and adaptation. We could not exaggerate either the commercial or the political importance of that great improvement.

It would be doing injustice to an important South American State not to acknowledge the directness, frankness, and cordiality with which the United States of Colombia have entered into intimate relations with this Government. A claims convention has been constituted to complete the unfinished work of the one which closed its session in 1861.

The new liberal constitution of Venezuela having gone into effect with the universal acquiescence of the people, the Government under it has been recognized and diplomatic intercourse with it has opened in a cordial and friendly spirit. The long-deferred Aves Island claim has been

satisfactorily paid and discharged.

Mutual payments have been made of the claims awarded by the late joint commission for the settlement of claims between the United States and Peru. An earnest and cordial friendship continues to exist between the two countries, and such efforts as were in my power have been used to remove misunderstanding and avert a threatened war between Peru and Spain.

Our relations are of the most friendly nature with Chile, the Argentine Republic, Bolivia, Costa Rica, Paraguay, San Salvador, and Hayti. During the past year no differences of any kind have arisen with any of those Republics, and, on the other hand, their sympathies with the United States are constantly expressed with cordiality and earnestness.

The claim arising from the seizure of the cargo of the brig Macedonian in 1821 has been paid in full by the Government of Chile. Civil war continues in the Spanish part of San Domingo, apparently without prospect of an early close.

Official correspondence has been freely opened with Liberia, and it gives us a pleasing view of social and political progress in that Republic. It may be expected to derive new vigor from American influence, improved by the rapid disappearance of slavery in the United States.

I solicit your authority to furnish to the Republic a gunboat at moderate cost, to be reimbursed to the United States by installments. Such a vessel is needed for the safety of that State against the native African races, and in Liberian hands it would be more effective in arresting the African slave trade than a squadron in our own hands. The possession of the least organized naval force would stimulate a generous ambition in the Republic, and the confidence which we should manifest by furnishing it would win forbearance and favor toward the colony from all civilized nations.

The proposed overland telegraph between America and Europe, by the way of Behrings Straits and Asiatic Russia, which was sanctioned by Congress at the last session, has been undertaken, under very favorable circumstances, by an association of American citizens, with the cordial good will and support as well of this Government as of those of Great Britain and Russia. Assurances have been received from most of the South American States of their high appreciation of the enterprise and their readiness to cooperate in constructing lines tributary to that world-encircling communication. I learn with much satisfaction that the noble design of a telegraphic communication between the eastern coast of America and Great Britain has been renewed, with full expectation of its early accomplishment.

Thus it is hoped that with the return of domestic peace the country will be able to resume with energy and advantage its former high career of commerce and civilization.

Our very popular and estimable representative in Egypt died in April last. An unpleasant altercation which arose between the temporary incumbent of the office and the Government of the Pasha resulted in a suspension of intercourse. The evil was promptly corrected on the arrival of the successor in the consulate, and our relations with Egypt, as well as our relations with the Barbary Powers, are entirely satisfactory.

The rebellion which has so long been flagrant in China has at last been suppressed, with the cooperating good offices of this Government and of the other Western commercial States. The judicial consular establishment there has become very difficult and onerous, and it will need legislative revision to adapt it to the extension of our commerce and to the more intimate intercourse which has been instituted with the Government and people of that vast Empire. China seems to be accepting with hearty good will the conventional laws which regulate commercial and social intercourse among the Western nations.

Owing to the peculiar situation of Japan and the anomalous form of its Government, the action of that Empire in performing treaty stipulations is inconstant and capricious. Nevertheless, good progress has been effected by the Western powers, moving with enlightened concert. Our own pecuniary claims have been allowed or put in course of settlement, and the inland sea has been reopened to commerce. There is reason also to believe that these proceedings have increased rather than diminished the friendship of Japan toward the United States.

The ports of Norfolk, Fernandina, and Pensacola have been opened by proclamation. It is hoped that foreign merchants will now consider whether it is not safer and more profitable to themselves, as well as just to the United States, to resort to these and other open ports than it is to pursue, through many hazards and at vast cost, a contraband trade with other ports which are closed, if not by actual military occupation, at least by a lawful and effective blockade.

For myself, I have no doubt of the power and duty of the Executive, under the law of nations, to exclude enemies of the human race from an asylum in the United States. If Congress should think that proceedings in such cases lack the authority of law, or ought to be further regulated by it, I recommend that provision be made for effectually preventing foreign slave traders from acquiring domicile and facilities for their criminal occupation in our country.

It is possible that if it were new and open question the maritime powers, with the lights they now enjoy, would not concede the privileges of a naval belligerent to the insurgents of the United States, destitute, as they are, and always have been, equally of ships of war and of ports and harbors. Disloyal emissaries have been neither less assiduous nor more successful during the last year than they were before that time in their efforts under favor of that privilege, to embroil our country in foreign wars. The desire and determination of the governments of the maritime states to defeat that

design are believed to be as sincere as and can not be more earnest than our own. Nevertheless, unforeseen political difficulties have arisen, especially in Brazilian and British ports and on the northern boundary of the United States, which have required, and are likely to continue to require, the practice of constant vigilance and a just and conciliatory spirit on the part of the United States, as well as of the nations concerned and their governments.

Commissioners have been appointed under the treaty with Great Britain on the adjustment of the claims of the Hudsons Bay and Pugets Sound Agricultural Companies, in Oregon, and are now proceeding to the execution of the trust assigned to them.

In view of the insecurity of life and property in the region adjacent to the Canadian border, by reason of recent assaults and depredations committed by inimical and desperate persons who are harbored there, it has been thought proper to give notice that after the expiration of six months, the period conditionally stipulated in the existing arrangement with Great Britain, the United States must hold themselves at liberty to increase their naval armament upon the Lakes if they shall find that proceeding necessary. The condition of the border will necessarily come into consideration in connection with the question of continuing or modifying the rights of transit from Canada through the United States, as well as the regulation of imposts, which were temporarily established by the reciprocity treaty of the 5th June, 1854.

I desire, however, to be understood while making this statement that the colonial authorities of Canada are not deemed to be intentionally unjust or unfriendly toward the United States, but, on the contrary, there is every reason to expect that, with the approval of the Imperial Government, they will take the necessary measures to prevent new incursions across the border.

The act passed at the last session for the encouragement of immigration has so far as was possible been put into operation. It seems to need amendment which will enable the officers of the Government to prevent the practice of frauds against the immigrants while on their way and on their arrival in the ports, so as to secure them here a free choice of avocations and places of settlement. A liberal disposition toward this great national policy is manifested by most of the European States, and ought to be reciprocated on our part by giving the immigrants effective national protection. I regard our immigrants as one of the principal replenishing streams which are appointed by Providence to repair the ravages of internal war and its wastes of national strength and health. All that is necessary is to secure the flow of that stream in its present fullness, and to that end the Government must in every way make it manifest that it neither needs nor designs to impose involuntary military service upon those who come from other lands to cast their lot in our country.

The financial affairs of the Government have been successfully administered

during the last year. The legislation of the last session of Congress has beneficially affected the revenues, although sufficient time has not yet elapsed to experience the full effect of several of the provisions of the acts of Congress imposing increased taxation.

The receipts during the year from all sources, upon the basis of warrants signed by the Secretary of the Treasury, including loans and the balance in the Treasury on the 1st day of July, 1863, were \$1,394,796,007.62, and the aggregate disbursements, upon the same basis, were \$1,298,056,101.89, leaving a balance in the Treasury, as shown by warrants, of \$96,739,905.73.

Deduct from these amounts the amount of the principal of the public debt redeemed and the amount of issues in substitution therefor, and the actual cash operations of the Treasury were: Receipts, \$884,076,646.57; disbursements, \$865,234,087.86; which leaves a cash balance in the Treasury of \$18,842,558.71.

Of the receipts there were derived from customs \$102,316,152.99, from lands \$588,333.29, from direct taxes \$475,648.96, from internal revenue \$109,741,134.10, from miscellaneous sources \$47,511,448.10, and from loans applied to actual expenditures, including former balance, \$623,443,929.13.

There were disbursed for the civil service \$27,505,599.46, for pensions and Indians \$7,517,930.97, for the War Department \$690,791,842.97, for the Navy Department \$85,733,292.77, for interest on the public debt \$53,685,421.69, making an aggregate of \$865,234,087.86 and leaving a balance in the Treasury of \$18,842,558.71, as before stated.

For the actual receipts and disbursements for the first quarter and the estimated receipts and disbursements for the three remaining quarters of the current fiscal year, and the general operations of the Treasury in detail, I refer you to the report of the Secretary of the Treasury. I concur with him in the opinion that the proportion of moneys required to meet the expenses consequent upon the war derived from taxation should be still further increased; and I earnestly invite your attention to this subject, to the end that there may be such additional legislation as shall be required to meet the just expectations of the Secretary.

The public debt on the 1st day of July last, as appears by the books of the Treasury, amounted to \$1,740,690,489.49. Probably, should the war continue for another year, that amount may be increased by not far from five hundred millions. Held, as it is, for the most part by our own people, it has become a substantial branch of national, though private, property. For obvious reasons the more nearly this property can be distributed among all the people the better. To favor such general distribution, greater inducements to become owners might, perhaps, with good effect and without injury be presented to persons of limited means. With this view I suggest whether it might not be both competent and expedient for Congress to provide that a limited amount of some future issue of public securities

might be held by any bona fide purchaser exempt from taxation and from seizure for debt, under such restrictions and limitations as might be necessary to guard against abuse of so important a privilege. This would enable every prudent person to set aside a small annuity against a possible day of want.

Privileges like these would render the possession of such securities to the amount limited most desirable to every person of small means who might be able to save enough for the purpose. The great advantage of citizens being creditors as well as debtors with relation to the public debt is obvious. Men readily perceive that they can not be much oppressed by a debt which they owe to themselves.

The public debt on the 1st day of July last, although somewhat exceeding the estimate of the Secretary of the Treasury made to Congress at the commencement of the last session, falls short of the estimate of that officer made in the preceding December as to its probable amount at the beginning of this year by the sum of \$3,995,097.31. This fact exhibits a satisfactory condition and conduct of the operations of the Treasury.

The national banking system is proving to be acceptable to capitalists and to the people. On the 25th day of November 584 national banks had been organized, a considerable number of which were conversions from State banks. Changes from State systems to the national system are rapidly taking place, and it is hoped that very soon there will be in the United States no banks of issue not authorized by Congress and no bank-note circulation not secured by the Government. That the Government and the people will derive great benefit from this change in the banking systems of the country can hardly be questioned. The national system will create a reliable and permanent influence in support of the national credit and protect the people against losses in the use of paper money. Whether or not any further legislation is advisable for the suppression of State-bank issues it will be for Congress to determine. It seems quite clear that the Treasury can not be satisfactorily conducted unless the Government can exercise a restraining power over the bank-note circulation of the country. The report of the Secretary of War and the accompanying documents will detail the campaigns of the armies in the field since the date of the last annual message, and also the operations of the several administrative bureaus of the War Department during the last year. It will also specify the measures deemed essential for the national defense and to keep up and supply the requisite military force.

The report of the Secretary of the Navy presents a comprehensive and satisfactory exhibit of the affairs of that Department and of the naval service. It is a subject of congratulation and laudable pride to our countrymen that a Navy of such vast proportions has been organized in so brief a period and conducted with so much efficiency and success.

The general exhibit of the Navy, including vessels under construction on the 1st of December, 1864, shows a total of 671 vessels, carrying 4,610

guns, and of 510,396 tons, being an actual increase during the year, over and above all losses by shipwreck or in battle, of 83 vessels, 167 guns, and 42,427 tons.

The total number of men at this time in the naval service, including officers, is about 51,000.

There have been captured by the Navy during the year 324 vessels, and the whole number of naval captures since hostilities commenced is 1,379, of which 267 are steamers.

The gross proceeds arising from the sale of condemned prize property thus far reported amount to \$14,396,250.51. A large amount of such proceeds is still under adjudication and yet to be reported.

The total expenditure of the Navy Department of every description, including the cost of the immense squadrons that have been called into existence from the 4th of March, 1861, to the 1st of November, 1864, is \$238,647,262.35.

Your favorable consideration is invited to the various recommendations of the Secretary of the Navy, especially in regard to a navy-yard and suitable establishment for the construction and repair of iron vessels and the machinery and armature for our ships, to which reference was made in my last annual message.

Your attention is also invited to the views expressed in the report in relation to the legislation of Congress at its last session in respect to prize on our inland waters.

I cordially concur in the recommendation of the Secretary as to the propriety of creating the new rank of vice-admiral in our naval service. Your attention is invited to the report of the Postmaster-General for a detailed account of the operations and financial condition of the Post-Office Department.

The postal revenues for the year ending June 30, 1864, amounted to \$12,438,253.78 and the expenditures to \$12,644,786.20, the excess of expenditures over receipts being \$206,652.42.

The views presented by the Postmaster-General on the subject of special grants by the Government in aid of the establishment of new lines of ocean mail steamships and the policy he recommends for the development of increased commercial intercourse with adjacent and neighboring countries should receive the careful consideration of Congress.

It is of noteworthy interest that the steady expansion of population, improvement, and governmental institutions over the new and unoccupied portions of our country have scarcely been checked, much less impeded or destroyed, by our great civil war, which at first glance would seem to have

absorbed almost the entire energies of the nation.

The organization and admission of the State of Nevada has been completed in conformity with law, and thus our excellent system is firmly established in the mountains, which once seemed a barren and uninhabitable waste between the Atlantic States and those which have grown up on the coast of the Pacific Ocean.

The Territories of the Union are generally in a condition of prosperity and rapid growth. Idaho and Montana, by reason of their great distance and the interruption of communication with them by Indian hostilities, have been only partially organized; but it is understood that these difficulties are about to disappear, which will permit their governments, like those of the others, to go into speedy and full operation. As intimately connected with and promotive of this material growth of the nation, I ask the attention of Congress to the valuable information and important recommendations relating to the public lands, Indian affairs, the Pacific Railroad, and mineral discoveries contained in the report of the Secretary of the Interior which is herewith transmitted, and which report also embraces the subjects of patents, pensions, and other topics of public interest pertaining to his Department.

The quantity of public land disposed of during the five quarters ending on the 30th of September last was 4,221,342 acres, of which 1,538,614 acres were entered under the homestead law. The remainder was located with military land warrants, agricultural scrip certified to States for railroads, and sold for cash. The cash received from sales and location fees was \$1,019,446.

The income from sales during the fiscal year ending June 30, 1864, was \$678,007.21, against \$136,077.95 received during the preceding year. The aggregate number of acres surveyed during the year has been equal to the quantity disposed of, and there is open to settlement about 133,000,000 acres of surveyed land.

The great enterprise of connecting the Atlantic with the Pacific States by railways and telegraph lines has been entered upon with a vigor that gives assurance of success, notwithstanding the embarrassments arising from the prevailing high prices of materials and labor. The route of the main line of the road has been definitely located for 100 miles westward from the initial point at Omaha City, Nebr., and a preliminary location of the Pacific Railroad of California has been made from Sacramento eastward to the great bend of the Truckee River in Nevada. Numerous discoveries of gold, silver, and cinnabar mines have been added to the many heretofore known, and the country occupied by the Sierra Nevada and Rocky mountains and the subordinate ranges now teems with enterprising labor, which is richly remunerative. It is believed that the product of the mines of precious metals in that region has during the year reached, if not exceeded, one hundred millions in value.

It was recommended in my last annual message that our Indian system be remodeled. Congress at its last session, acting upon the recommendation, did provide for reorganizing the system in California, and it is believed that under the present organization the management of the Indians there will be attended with reasonable success. Much yet remains to be done to provide for the proper government of the Indians in other parts of the country, to render it secure for the advancing set-tier, and to provide for the welfare of the Indian. The Secretary reiterates his recommendations, and to them the attention of Congress is invited.

The liberal provisions made by Congress for paying pensions to invalid soldiers and sailors of the Republic and to the widows, orphans, and dependent mothers of those who have fallen in battle or died of disease contracted or of wounds received in the service of their country have been diligently administered. There have been added to the pension rolls during the year ending the 30th day of June last the names of 16,770 invalid soldiers and of 271 disabled seamen, making the present number of army invalid pensioners 22,767 and of navy invalid pensioners 712.

Of widows, orphans, and mothers 22,198 have been placed on the army pension rolls and 248 on the navy rolls. The present number of army pensioners of this class is 25,433 and of navy pensioners 793. At the beginning of the year the number of Revolutionary pensioners was 1,430. Only 12 of them were soldiers, of whom 7 have since died. The remainder are those who under the law receive pensions because of relationship to Revolutionary soldiers. During the year ending the 30th of June, 1864, \$4,504,616.92 have been paid to pensioners of all classes.

I cheerfully commend to your continued patronage the benevolent institutions of the District of Columbia which have hitherto been established or fostered by Congress, and respectfully refer for information concerning them and in relation to the Washington Aqueduct, the Capitol, and other matters of local interest to the report of the Secretary.

The Agricultural Department, under the supervision of its present energetic and faithful head, is rapidly commending itself to the great and vital interest it was created to advance. It is peculiarly the people's Department, in which they feel more directly concerned than in any other. I commend it to the continued attention and fostering care of Congress.

The war continues. Since the last annual message all the important lines and positions then occupied by our forces have been maintained and our arms have steadily advanced, thus liberating the regions left in rear, so that Missouri, Kentucky, Tennessee, and parts of other States have again produced reasonably fair crops.

The most remarkable feature in the military operations of the year is General Sherman's attempted march of 300 miles directly through the

insurgent region. It tends to show a great increase of our relative strength that our General in Chief should feel able to confront and hold in check every active force of the enemy, and yet to detach a well-appointed large army to move on such an expedition. The result not yet being known, conjecture in regard to it is not here indulged.

Important movements have also occurred during the year to the effect of molding society for durability in the Union. Although short of complete success, it is much in the right direction that 12,000 citizens in each of the States of Arkansas and Louisiana have organized loyal State governments, with free constitutions, and are earnestly struggling to maintain and administer them. The movements in the same direction, more extensive though less definite, in Missouri, Kentucky, and Tennessee should not be overlooked. But Maryland presents the example of complete success. Maryland is secure to liberty and union for all the future. The genius of rebellion will no more claim Maryland. Like another foul spirit being driven out, it may seek to tear her, but it will woo her no more.

At the last session of Congress a proposed amendment of the Constitution abolishing slavery throughout the United States passed the Senate, but failed for lack of the requisite two-thirds vote in the House of Representatives. Although the present is the same Congress and nearly the same members, and without questioning the wisdom or patriotism of those who stood in opposition, I venture to recommend the reconsideration and passage of the measure at the present session. Of course the abstract question is not changed; but in intervening election shows almost certainly that the next Congress will pass the measure if this does not. Hence there is only a question of time as to when the proposed amendment will go to the States for their action. And as it is to so go at all events, may we not agree that the sooner the better? It is not claimed that the election has imposed a duty on members to change their views or their votes any further than, as an additional element to be considered, their judgment may be affected by it. It is the voice of the people now for the first time heard upon the question. In a great national crisis like ours unanimity of action among those seeking a common end is very desirable—almost indispensable. And yet no approach to such unanimity is attainable unless some deference shall be paid to the will of the majority simply because it is the will of the majority. In this case the common end is the maintenance of the Union, and among the means to secure that end such will, through the election, is most dearly declared in favor of such constitutional amendment.

The most reliable indication of public purpose in this country is derived through our popular elections. Judging by the recent canvass and its result, the purpose of the people within the loyal States to maintain the integrity of the Union was never more firm nor more nearly unanimous than now. The extraordinary calmness and good order with which the millions of voters met and mingled at the polls give strong assurance of this. Not only all those who supported the Union ticket, so called, but a great majority of the opposing party also may be fairly claimed to entertain and to be actuated by the same purpose. It is an unanswerable argument to this effect

that no candidate for any office whatever, high or low, has ventured to seek votes on the avowal that he was for giving up the Union. There have been much impugning of motives and much heated controversy as to the proper means and best mode of advancing the Union cause, but on the distinct issue of Union or no Union the politicians have shown their instinctive knowledge that there is no diversity among the people. In affording the people the fair opportunity of showing one to another and to the world this firmness and unanimity of purpose, the election has been of vast value to the national cause.

The election has exhibited another fact not less valuable to be known—the fact that we do not approach exhaustion in the most important branch of national resources, that of living men. While it is melancholy to reflect that the war has filled so many graves and carried mourning to so many hearts, it is some relief to know that, compared with the surviving, the fallen have been so few. While corps and divisions and brigades and regiments have formed and fought and dwindled and gone out of existence, a great majority of the men who composed them are still living. The same is true of the naval service. The election returns prove this. So many voters could not else be found. The States regularly holding elections, both now and four years ago, to wit, California, Connecticut, Delaware, Illinois, Indiana, Iowa, Kentucky, Maine, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Hampshire, New Jersey, New York, Ohio, Oregon, Pennsylvania, Rhode Island, Vermont, West Virginia, and Wisconsin, cast 3,982,011 votes now, against 3,870,222 cast then, showing an aggregate now of 3,982,011. To this is to be added 33,762 cast now in the new States of Kansas and Nevada, which States did not vote in 1860, thus swelling the aggregate to 4,015,773 and the net increase during the three years and a half of war to 145,551. A table is appended showing particulars. To this again should be added the number of all soldiers in the field from Massachusetts, Rhode Island, New Jersey, Delaware, Indiana, Illinois, and California, who by the laws of those States could not vote away from their homes, and which number can not be less than 90,000. Nor yet is this all. The number in organized Territories is triple now what it was four years ago, while thousands, white and black, join us as the national arms press back the insurgent lines. So much is shown, affirmatively and negatively, by the election. It is not material to inquire how the increase has been produced or to show that it would have been greater but for the war, which is probably true. The important fact remains demonstrated that we have more men now than we had when the war began; that we are not exhausted nor in process of exhaustion; that we are gaining strength and may if need be maintain the contest indefinitely. This as to men. Material resources are now more complete and abundant than ever.

The national resources, then, are unexhausted, and, as we believe, inexhaustible. The public purpose to reestablish and maintain the national authority is unchanged, and, as we believe, unchangeable. The manner of continuing the effort remains to choose. On careful consideration of all the evidence accessible it seems to me that no attempt at negotiation with the insurgent leader could result in any good. He would accept nothing

short of severance of the Union, precisely what we will not and can not give. His declarations to this effect are explicit and oft repeated. He does not attempt to deceive us. He affords us no excuse to deceive ourselves. He can not voluntarily reaccept the Union; we can not voluntarily yield it. Between him and us the issue is distinct, simple, and inflexible. It is an issue which can only be tried by war and decided by victory. If we yield, we are beaten; if the Southern people fail him, he is beaten. Either way it would be the victory and defeat following war. What is true, however, of him who heads the insurgent cause is not necessarily true of those who follow. Although he can not reaccept the Union, they can. Some of them, we know, already desire peace and reunion. The number of such may increase. They can at any moment have peace simply by laying down their arms and submitting to the national authority under the Constitution. Alter so much the Government could not, if it would, maintain war against them. The loyal people would not sustain or allow it. If questions should remain, we would adjust them by the peaceful means of legislation, conference, courts, and votes, operating only in constitutional and lawful channels. Some certain, and other possible, questions are and would be beyond the Executive power to adjust; as, for instance, the admission of members into Congress and whatever might require the appropriation of money. The Executive power itself would be greatly diminished by the cessation of actual war. Pardons and remissions of forfeitures, however, would still be within Executive control. In what spirit and temper this control would be exercised can be fairly judged of by the past.

A year ago general pardon and amnesty, upon specified terms, were offered to all except certain designated classes, and it was at the same time made known that the excepted classes were still within contemplation of special clemency. During the year many availed themselves of the general provision, and many more would, only that the signs of bad faith in some led to such precautionary measures as rendered the practical process less easy and certain. During the same time also special pardons have been granted to individuals of the excepted classes, and no voluntary application has been denied. Thus practically the door has been for a full year open to all except such as were not in condition to make free choice; that is, such as were in custody or under constraint. It is still so open to all. But the time may come, probably will come, when public duty shall demand that it be closed and that in lieu more rigorous measures than heretofore shall be adopted. In presenting the abandonment of armed resistance to the national authority on the part of the insurgents as the only indispensable condition to ending the war on the part of the Government, I retract nothing heretofore said as to slavery. I repeat the declaration made a year ago, 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 that proclamation or by any of the acts of Congress." If the people should, by whatever mode or means, make it an Executive duty to reenslave such persons, another, and not I, must be their instrument to perform it. In stating a single condition of peace I mean simply to say that the war will cease on the part of the Government whenever it shall have ceased on the part of those who began it.

State - 1860 - 1864

California - 118,840 - 110,000

Connecticut - 77,246 - 86,616

Delaware - 16,039 - 16,924

Illinois - 339,693 - 348,235

Indiana - 272,143 - 280,645

Iowa - 128,331 - 143,331

Kentucky - 146,216 - 91,300

Maine - 97,918 - 115,141

Maryland - 92,502 - 72,703

Massachusetts - 169,533 - 175,487

Michigan - 154,747 - 162,413

Minnesota - 34,799 - 42,534

Missouri - 165,538 - 90,000

New Hampshire - 65,953 - 69,111

New Jersey - 121,125 - 128,680

New York - 675,156 - 730,664

Ohio - 42,441 - 470,745

Oregon - 14,410 - 14,410+

Pennsylvania - 476,442 - 572,697

Rhode Island - 19,931 - 22,187

Vermont - 42,844 - 55,811

West Virginia - 46,195 - 33,874

Wisconsin - 152,180 - 148,513 -