

Let us continue, brethren and sisters, to work in the name of the Lord our God; gathering wisdom and intelligence day by day, that every circumstance which transpires may minister to our good and increase our faith and intelligence. If we continue to work righteousness, being faithful to each other and to God, no power will be able to overthrow us, and as Bro. Hyde remarked, for every stumbling block that our enemies place in our way, to hinder and prevent the work of God from moving forward, two will be placed in the paths of those who put one in ours. If we are faithful and keep the commandments of God his works will continue to prosper until the prophecies are fulfilled, and we become a great, a glorious and a mighty people. God bless you. Amen.

PRESIDENT'S MESSAGE.

To the Senate and House
of Representatives:

In coming before you for the first time, as Chief Magistrate of this Nation, it is with gratitude to the Giver of all good for our many benefits. We are blessed with peace at home, and without any entangling alliance abroad to forebode trouble; with a territory unsurpassed in fertility, of an area equal to the abundant support of 500,000,000 of people, and abounding in every variety of useful mineral, in quantity sufficient to supply the world for generations; with exuberant crops, with a variety of climate adapted to the reproduction of every species of earth's rich products, and suited to the habits, tastes and requirements of every living thing; with a population of 40,000,000 of free people, all speaking one language; with facilities for every mortal to acquire an education, with institutions, closing to none the avenues to fame, or to any blessing or fortune that may be coveted; with freedom of the pulpit and the press and schools; with revenue flowing into the National Treasury beyond the requirements of the Government, harmony is being rapidly restored within our borders; manufactures hitherto unknown in our country are springing up in all directions, producing a degree of national independence unequalled by that of any other power. These blessings, and countless others are entrusted to your care, and more, for safe keeping, for the brief period of our tenure of office. In a short time we must each of us return to the ranks of the people who have conferred upon us our honors, and account to them for our stewardship. I earnestly desire that neither you nor I may be condemned by a free and enlightened constituency, nor by our own consciences.

The Rebellion.

Emerging from a rebellion of gigantic magnitude, aided as it was by the sympathy and assistance of a nation with which we were at peace, eleven States of the Union were, four years ago, left without a legal State government. A debt had been contracted. American commerce was almost driven from the seas; the industry of one half of the country had been taken from the control of the capitalists and placed where all labor rightfully belongs, in the keeping of the laborer. The work of restoring state government and loyalty to the Union, the protection and fostering of labor and providing the means for paying the interest on the public debt has received ample attention from Congress; and although your efforts have not met with the success in all particulars that might have been desired, yet on the whole they have been more successful than could have been reasonably anticipated.

Reconstruction.

Seven States which passed ordinances of secession have been fully restored to their places in the Union; the eighth, Georgia, has held an election, at which she ratified her Constitution, Republican in form, and elected a Governor, members of Congress, and a State Legislature, and all other officers required.

The Governor was duly installed and the legislature met and performed all the acts then required of them by the Reconstruction Acts of Congress; subsequently, however, in violation of the Constitution they had just ratified, as since decided by the Supreme Court of the State, they unseated colored members of the legislature and admitted to seats some members who were disqualified by the third clause of the 14th Amendment to the Constitution, an article which they themselves had contributed to ratify. Under the circumstances I would submit to you whether it would not be wise, without delay, to waive the law authorizing the Governor of Georgia to convene the members originally elected to the legislature, requiring each member to take the oath prescribed by the Reconstruction Act, and none to be admitted who are ineligible under the third clause of the 14th Amendment.

The Freedmen.

The freedmen, under the protection which they have received, are making rapid progress in learning, and no complaints are heard of lack of industry on their part, when they receive fair remuneration for their labor.

The Public Debt.

The means provided for paying the interest on the public debt with all other expenses of the Government is more than ample; the loss of our Commerce is the only result of the rebellion which has not received sufficient attention from you. To this subject I call your earnest attention. I will not now suggest the means by which this object may be effected, but will, if necessary, make it the subject of a special message during the session of Congress.

Elections in the South.

At the March term, Congress, by joint resolution, authorized the Executive to order elections in the States of Virginia, Mississippi, and Texas, submitting the constitutions which each had previously, in convention framed, either entire or in separate parts, to be voted upon, at the discretion of the Executive. Under this authority elections were called in Virginia. The elections took place on the 6th of July, 1869; the governor was elected and has been installed; the legislature met and did all required by this resolution, and by all the reconstruction acts of Congress, and I recommend that her Senators and Representatives be admitted to Congress and that the State be fully restored to its place in the family of States. Elections were also called in Mississippi and Texas, to commence on the 30th of November 1869, and to last two days in Mississippi; in Texas, to commence on the 30th of November 1869, and to last four days. The elections have taken place, but the result is not known. It is to be hoped that the acts of the legislatures of these States, when they meet will be such as to receive your approbation, and thus close the work of reconstruction.

The Currency Question.

Among the evils growing out of the Rebellion, and not yet referred to, is that of an irredeemable currency. It is an evil which I hope will receive your most earnest attention. It is a duty, and one of the highest duties of Government to secure to the citizens a medium of exchange of an unvarying value. This implies a return to a specie basis, and if no substitute for it can be devised it should be commenced now, and reached at the earliest possible moment consistent with a fair regard to the interests of the debtor class. Immediate resumption, if practicable, would not be desirable: it would compel the debtor class to pay, beyond their contracts, the premium on gold at the date of their purchases, and would bring bankruptcy and ruin to thousands. Fluctuations, however, in the paper value of the measure of all value, gold, is detrimental to the interests of trade: it makes a man of business an involuntary gambler, for in all sales, when future payment is to be made, both parties speculate as to what will be the value of the currency to be paid and received. I earnestly recommend to you, then, such legislation as will insure a gradual return to specie payment, and put an immediate stop to fluctuations in the value of the currency.

The return to Specie Payment.

The methods to secure these results are as numerous as are the speculators

in political economy. To secure the latter I see but one way, and that is to authorize the Treasury to redeem its own paper at a fixed price whenever presented, and to withhold from circulation all such currency redeemed until sold again for gold.

The Public Credit and Debt.

The vast resources of the nation, both developed and undeveloped, ought to make our credit the best on the earth. With a less burden of taxation than the citizen has endured for six years past, the entire public debt could be paid in ten years; but it is not desirable that the people should be taxed to pay it in that time. Year by year the ability to pay increases in a rapid ratio, but the burden of the interest ought to be reduced as rapidly as can be done without the violation of any contract. The public debt is represented, in a great part, by bonds, having from five to twenty and from ten to forty years to run, bearing interest at the rate of six per cent and five per cent respectively. It is optional with the Government to pay their bonds at a period after the expiration of the time upon their face. The time has already expired when a great part of them may be taken up; and the time is rapidly approaching when all may be. It is believed that all which are now due may be replaced by bonds bearing a rate of interest not exceeding four and a half per cent; and that as rapidly as the remainder become due, they may be replaced in the same way. To accomplish this it may be necessary to authorize the interest to be paid at either of the three or four of the money centers of Europe, or by any Assistant Treasurer of the U. S., at the option of the holders of the bonds. I present this subject for the consideration of Congress; also, simultaneously with it, the propriety of redeeming our currency, as before suggested, at the market value, at the time the law goes into effect increasing the rate at which the currency will be bought or sold from day to day or from week to week, at the same rate of interest as the Government pays upon its bonds.

Internal Taxation.

The subject of the tariff and internal taxation will necessarily receive your attention. The revenues of the country are greater than the requirements may, with safety, be reduced; but, as the funding of the debt, at four or four and a half per cent, would reduce the annual current expenses largely, thus, after funding, justifying a greater reduction of taxation than would be now expected, I suggest the postponement of the question until the next meeting of Congress.

Modifications Suggested.

It may be advisable to modify the taxation and tariff in instances where unjust, or where burdensome discriminations are made by the present laws; but a general revision of the laws regulating this subject I recommend the postponement of for the present; I also suggest the renewal of the tax on incomes, but at a reduced rate, say of three per cent.; and this tax to expire in three years.

Reduction of Taxes Possible.

With the funding of the national debt as here suggested, I feel safe in saying that the taxes and the revenue from imports may be reduced safely from sixty to eighty million per annum, and be still further reduced from year to year as the resources of the country are developed.

Receipts of the Government.

The report of the Secretary of the Treasury shows the receipts of the Government for the fiscal year ending June 30, 1869, to be \$370,943,749, and the expenditures, including interest, etc., to be \$214,905,971. The estimate for the ensuing year is more favorable to the Government, and will no doubt show a large decrease of the public debt. The receipts in the Treasury, beyond the expenditures, have exceeded the amount necessary to place to the credit of the sinking fund, as provided by the law. To lock up the surplus in the Treasury and withhold it from circulation would lead to such a contraction of the currency as to cripple trade and seriously affect the prosperity of the country. Under these circumstances, the Secretary of the Treasury and myself have heartily concurred in the propriety of using all the surplus currency in the Treasury for the purchase of gold bonds, thus reducing the interest bearing debt of the country; and of submitting to Congress the question of the disposition to be made of the bonds so purchased. The bonds now held by the Treasury amount to about \$758,000,000, including those belonging to the sinking fund. I recommend the whole to be placed to the credit of the sinking fund.

Increase of Salaries, &c.

Your attention is respectfully invited to the recommendations for the creating of an office by the Commissioner of Customs and revenues, for the increase of salary to a certain class of officials and the substitution of increased national bonds in circulation to replace the outstanding 3 per cent. certificates; and most especially to his recommendation for the repeal of laws, allowing shares of fines, penalties, forfeitures, etc., to officers of the Government or to informers.

Commissioner of Internal Revenue.

The office of Commissioner of Internal Revenue is one of the most onerous and responsible under the Government; it falls but little if any short of a Cabinet position in its importance and responsibilities, it therefore requires such legislation as in your judgment will place the office on a footing of dignity commensurate with its importance, and the character, ability, and qualifications of the class of men required to fill it properly.

International Policy of the Administration.

As the United States is the freest of all nations, so too its people sympathize with all people struggling for liberty and self government, but while so sympathizing it is due to our honor that we should abstain from enforcing our views upon unwilling nations, and from taking an interested part without invitation in the quarrels between different nations, or between governments and their subjects. Our course should always be in conformity with strict justice and law, international and local. Such has been the policy of the Administration in dealing with these questions for more than a year. A valuable province of Spain, and a near neighbor of ours, in whom all our people can not but feel a deep interest, has been struggling for independence and freedom. The people and Government of the United States entertain the same warm feelings and sympathies for the people of Cuba in their pending struggle, that they manifested throughout the previous struggle between Spain and her colonies, in behalf of the latter; but the contest at no time has assumed the conditions which amount to war in the sense of international law, or that would show the existence of a *de facto* political organization of the insurgents sufficient to justify a recognition of belligerency. The principle is maintained, however, that this nation is its own judge when to accord the rights of belligerency either to a people struggling to free themselves from a government they believe to be oppressive, or to independent nations at war with each other. The United States have no disposition to interfere with the existing relations of Spain to her colonial possessions on this continent; they believe that in due time Spain and other European powers will find their interest in terminating those relations and establishing their present dependencies as independent powers and members of the family of nations. These dependencies are no longer regarded as subject to transfer from one European power to another; when the present relations of the colonies cease they are to become independent powers, exercising the right of choice and of self-control in the determination of their future condition and relations with other powers. The United States, in order to put a stop to bloodshed in Cuba, and in the interest of a neighboring people, proposed their good offices to bring existing contest to a termination; but the offer was not accepted by Spain on a basis which it was believed could be received by Cuba. It is hoped that the good offices of the United States may prove advantageous for the settlement of this unhappy struggle.

In the meanwhile a number of illegal expeditions against Cuba have been broken up, and it has been the endeavor of the Administration to execute the neutrality laws in good faith, no matter how unpleasant that may be, when remembering the suffering we have endured from the lack of good faith by other nations.

The "Lizzie Major."

The United States schooner *Lizzie Major* was arrested on the high seas by a Spanish frigate and two passengers were taken from it and carried as prisoners to Cuba. Representations of these facts were made to the Spanish government, and as soon as official information of them was received, the two passengers were set at liberty, and the Spanish government assured the United States that the captain of the frigate, in making the capture, had acted without law, that he had been reprimanded for irregularity of conduct; and that