to despondincy under defeat, nor do we feel undue elation at the present brighter prespect of successful issue to our contest. It is therefore, because our just grounds of complaint can no longer be misinterpreted, that I lay them clearly before you. It seems to me now proper to give you the information, and although no immediate results may be attained, it is well that truth should be presented and recorded. It is stell that them. served and recorded. It is well that those who are to follow us, should understand, the full nature and character of the tremendous conflict in which the blood of our people has been poured out like water, and in which have resisted upaided, the shock of host's which would have sufficed to everthrow many of the powers, which by the second of the powers which by the second of the second o

our national existence. It may be, too, that if in future times, unfriendly discussions not now anticipated, shall unfortunately arise between this Confederacy and some European Steel for Allen and Steel power, the recollection of our forbearance under the grievances which I have enumerated may be evoked with happy influence in pre-venting any serious disturbance of peaceful

It would not be proper to close my remarks of the subject of our foreign relations without adverting to the fact that the correspondence between the Cabinets of France, Great Britain and Russia recently published, indicates a gratifying advance in the appreciation by the ents of the true integests of maukin Governments of the true interests of markind as involved in the war on this continent. It is to the enlightened ruler of the French nation that the public feeling in Europe is indebted for the first official exhibition of its sympathy for the sufferings endured by this people with so much heroism, of its horror at the awful carnage with which the progress of the war has been marked and of its desire for a speedy peace. The clear and direct intimation contained in the language of the French note, that our ability to maintain our independence has been fully established was not controverted by the auower of either of the Cabinets to which it was addressed. It is indeed difficult to conceive a just ground for a longer delay on this subject after reading the following statement of facts contained in the letter emanating from the Minister of his imperial Majesty: "There has been established from the very beginning of this war, an equilibrium of forces between the belligerents, which has since been almost con stantly maintained, and after the spilling of so much blood, they are to-day, in this respect, in a situation which has not sensibly changed.... Nothing authorizes the provision that more de-cisive military operations, will shortly occur.— According to the last advices received in Escope, the two armies were, on the contrary, is condition which permitted neither to hope within a short delay, advantages sufficiently marked to turn the balance definitely, and to eccelerate the conclusion of peace." Government has never professed the inting-tion of conquering the United States, but has simply asserted its ability to defend itself against being conquered by that power, we may safely conclude that the claims of this Confederacy to its just place in the family of naand formal as admission of its capacity to cope. on equal terms, with its aggressive fees, and to ain itself against their attempts to obtain boomive results by arms. It is my painful duty again to inform you of

the cenewed examples of every conceivable atrocity committed by the armed forces of the United States, at different points, within the ederacy, and which must stamp indelible infamy not only on the perperators, but on their superiors, who, having the power to check these outrages on humanity, numerous and well authenticated as they have been, have not yet, in a single instance of which I am aware, inflicted pusiehment on the wong-doers. Since my last communication to voir, one Coneral McNeil murdered seven prisoners of war in cold blood, and the demand for his passhment has remained unsatisfied. The Gov. ernment of the United States, after promising ination and explanation in relation to the charges made against Gen. Benjamin F. Butfer, has, by his subsequent silence, after repeated efforts, on my part to obtain some auewer on the subject, not only admitted his guilt, but senctioned it by acquiescuce, and I have accordingly branded this criminal as an outlaw and directed his execution in expianaion of his crimes if he should fall into the hands of our forces. Recently I have received appurently authentic intelligence of another general by the name of Milroy, who has issued orders Western Virginia for the payment of money to him by the inhabitants, accompanied by the most savage threats of shooting every requestit besides burning his house; and threatening similar atmotities against any of our citizeus who shall fail to betray their country by giving him prompt notice of the approach of any of our forces, and this subject has also been submitted to the superior military authorities of the United States, with but frint hope that they will evince any disapprobation of the not. sauity shudders at the appulling atrocities which are being daily multiplied under the sanction of those who have obtained temporary pomernion, of power in the United States, and who are fust making its once fair name a byword of repreach among civilized men. Not even the natural indiguation inspired by this conduct should make us, however so sujust as to attribute to the whole mass of the people rho are subjected to the despotism that now reigns with unbridled license in the city of ngton, a willing acquiesence in its conduct of the war. There must necessarily exmajority; whose humanity receils from all paist among our exemies very many, perhaps a a to such strocities, but who exists he held wholly guiltless while permitting their ontinuance without an effort at repression The public journals of the North bave been

received, containing a proclamation dated on first day of the present month, signed by the President of the United States, in which he orders and declares all alayes within ten of the States of the Confederacy to he free except. such as are found within certain districts now secupied in part by the armed forces of the en-

We may well leave it to the instinct of that non humanity which a beneficent Creaton us implanted in the breasts of our, fellow men untries, to pass judgment on a messure which several millions of human beings of un inferior race, peaceful and contented laborers in their sphere, are doomed to extermina sion, while at the same time they are encour-aged to a general assassination of their masters by the invidence recommendation "to abstain un violence unless in necessary self-defence."

ing you that I shall; unless in your wisdom you deem name other course more expedient, ou deem some other course more and defiver to the several State authorities all commissioned officers of the United States that may hereafter be captured by our forces in any of the States embraced in the proclamation. with the laws of those States providing for the punishment of criminals engaged in exciting service insurrection. The culisted addiers I shall continue to treat as unwilling instruments in the commission of those crimes, and shall direct their discharge and return to their homes on the proper and usual purole.

In this political aspect, this measure is

pie the complete and crowning proof of the true nature of the designs of the party which elevated to power the present occupant of the Presidential chair at Washington, and which sought to conceal its purposes by every variety of artificial device, and by the perfidious use of the most solemn and repeated pledges on every possible occusion. . I extract, in this connection a single example, the following declaration made by President Linclon, under the solemnity of his oath as Chief Magistrate of the United States, on the 4th of March, 1861 :

"Apprehension seems to exist among the people of the Southern States, that by the acon of a Republican Administion, their property and their peace and personal security are to be endangered. There has never been any reasonable cause for apprehensions. Indeed, the most ample evidence to the contrary has all the while existed, and been open to their inspection. It is found in nearly all the public eches of whom who now addresses you. I do quote from one of those speeches when I declars that I have no purpose, directly of indirectly, to interfere with the institution of slavery in the States, where it exists. I believe I have no lawful right to do so; and I have no inclination to do so, . Those who nominated and elected me, did so with full know ledge that I had made this and many similar declarations, and had never recanted them .-And, more than this, they placed in the platform for my acceptance, and as a last to themselves and to me, the clear and emphatic resolution which I now read:

"Resolved, That the maintenance inviolate of the rights of the States and especially the right of each State to order and control ts own lomestic institutions according to its judgment exclusively, is essential to that balance of powers on which the perfection and endurance of our political fabric depend; and we denounce the lawless invasion by armed force of the soil of any State or Territory, no matter under what pretekt, as among the gravest crimes."

Nor was this declaration of the want of pow er or disposition to interfere with our social system confined to a state of peace. Both before and after the actual commancement of hostilities, the President of the United States repeated, in formal official communication to the Cabinets of Great Britain and France, that he was utterly without constitutional power to do he act which he has just committed; and that in no possible event, whether the secession of hese States resulted in the establishment of a separate Confederacy or in the restoration of the Union, was there any authority by virtue of which he could either restore a disaffected State to the Union by force of arms or make any change in any of its institutions. 1 refer especially, for verification of this assertion, to the desputches addressed by the Secreery of State of the United States, and rection of the President, to the Winisters of the United States at London and Paris, under date of 10th and 22d April, 1861.

The people of this Confederacy, then, cannot full to receive this proclamation as the fullest vindication of their own sugarity in foreseeing the uses to which the dominant party in the United States intended from the beginning to apply their power, nor can they crase to remember, with devout thankfulness that it is to their own vigilance in resisting the first stealthy progress of approaching despotism that they owe their escape from consequences now apparent to the most skeptical. This proclamation will have another saintery affect in calming the fears of those who have constantly evinced the apprehension that this war might end by some reconstruction of the old Union or some renewal of close political relations with the United States. These fears have never been shared by me, nor have I ever been able to perceive on what basis they could rest. But the proclamation affirds the fallest guarantee of the impossibility of such a result. It has es tablished a state of things which can lend to est one of three possible consequences; theex-Leguination of the stay s, the exile of the whole white population from the Confederacy, or abadute and total separation of these States from the United States.

This proclamation is also an anthentic statesent by the government of the United States of its inability to subjugate the South by force of arms, and as such must be accepted by neutral nations, which can no longer find any justification in with-holding our just claims to formal recognition. It is also in effect an intimation to the people of the North that they must prepare to submit to a separation now become inevitable, for that people are too arnte not to understand that a restoration of the Union has been condered for ver impossible by the adoption of a measure which, which from its very unture, neither admits of retraction nor can co exist with union.

Among the subjects to which your attention will be specially devited during the presand session, you will no doubt down the idiption of some comprehensive system of fiissues as living of paramount import ands. The in the volume of the curredcy with its necessarry concountant of extravagant prices for all ascles of consumption, the want of revenue from a taxation adequate to support the public credit, all naite in adminishing us that energetie and wise legislation alone can prevent ribus embarrassment in our mometors office. It is my conviction that the people of the Confederacy will freely meet taxation on a scale adequate to the maintenance of the public credat and the support of their government. When each family is sending forth its most precious ones to meet exposure in camp and death in bettle, what ground can there be to doubt the disposition to devote a tithe of its income and more, if more be necessary, to provide the government with means for ensuring the comfort of its defenders. If our enemies submit to an excise on every commodity they produce and to the daily presence of the tax-gather, no higher motive than the lape of success in their

to husten the funding of outstanding T notes, has proved beneficial as shown returns annexed to the report of the Se of the Treasury. But it was neither sufficiently prompt nor far-reaching to meet the full extent of the evil. The passage of some enactment, carrying still further the policy of that law by fixing a limitation not later than the lat July next to the delay allowed for funding the moves issued prior to the 1st December, 1862 will, in the opinion of the Secretary, have the effect to withdraw from circulation nearly the entire sum issued previous to the last named date. If to this be added a revenue from adesole texation, and a negotiation of boud Recorded contact and by the several finise the several finise from the several finishment and the seve

adopted, there is little doubt that we shall see our tinances restored to a sound and satisfactory condition; our circulation relieved of the redundancy now productive of so many mischiefs; and our credit placed on such a basis as to re-lieve as from further anxiety relative to our re-

sources for the prosecution of the war. It is true that at its close our debt will ! large; but it will be due to our own people, and prither the interest nor the capital will be exported to distant countries, impoverishing for their benefit. On the return of pages the untold wealth which will spring from our soil will render the burthen of taxation far less merous than is now supposed, especially if we take into consideration that we shall then be free from the large and steady drain of our substance to which we were subjected in the late Union through the instrumentality of sectional legislation and protective tariffs.

I recommend to your earnest ettention the whole report of the Secretary of the Treasury on this important subject and trust that your legislation on it will be delayed no longer than may be required to enable your wisdom to devise the proper measures for ensuring the accomplishment of the objects proposed.

The operations of the War Department have been in the main satisfactory. In the report of the Secretary herewith submitted, will be found a summary of many memorable successex. They are with justice ascribed, in large measure to the reorganization and reinforce ment of our armies under the operation of the enactments for conscription. The wisdom and efficacy of those acts have been approved by results, and the like spiri; of unity, endurance and self-devotion of the people, which has hitherto sustained their action, must be relied on to assure their enforcement queer the coptioning necessities of our -ituation. The recommendations of the Secretary to this effect are tempered by suggestions for their amelioration, and the subject deserves the consideration of Congress. For the perfection of our military organization no typeopriate means should be rejected, and on this subject the opinions of he Secretary merit early attention It is gralifying to perceive that, under all the efforts and sacrifices of war, the power means and resources of the Confederacy for its successful prosecution are increasing. Dependence on foreign supplies is to be deplored, and should as far as practicable, be obviated by the development and employment of internal resources. The peculiar circumstances of the country, however, render this difficult, and require ex traordinary encouragements and facilities to be granted by the Government. The embarrassments resulting from the limited capacity of the railroads to afford transportion, and the imposibility of otherwise commanding and disrender the control of the roads under some general supervision, and resort to the power of impressment, military exigencies. While such powers have to be exercised they should be guarded by judicious provisions against perversion or abase, and be, as recommended by the Secretary, under due regulation of law.

I specially recommend in this connection some revision of the exemption law of last seasion. Serious complaints have reached me of the inequality of its operation from eminent and patriotic citizens whose opinions merit great considerations, and I trust that some means will be devised for leaving a home a sufficient local police without making discriminations, always to be deprecated, between different classes of our citizens.

Our relations with the Indians generally coninue to be friendly A portion of the Chero kee people have assumed an attitude hostile to the Confederate Government; but it is gratifring to be able to state that the mass of intelligence and worth in that nation have remained rue and highl to their treaty engagements .-With this exception, there have been no impertant instances of disaffection among any of the friendly nations and tribes. Dissatisfaction recently manifested itself among certain phiions of them; but this resulted from a misupreheusion of the intentions of the Government in their behalf This has been removed and no further difficulty is anticipated.

The Report of the Secretary of the Navy herewith transmitted exhibits the progress made in this brench of the public service since your adjournment, we well us its present condition. The details embraced in it are of such a nature as to render it. in my opinion. incompatible with the public interests that they should be published with this measure. I here with confine myself to inviting our attention to

the information therein contained The Report of the Postmuster General shows hat during the first postal year moder our Government, terminating on the 30th of of June last, our revenues were in excess of those received by the former Government in its last poral year, while the expenses were greatly decreased There is still, however, considerable defleit in the resenues of the Deincreasing public debt, the great augmentation pertment as compared with its expenses, and although the grants already made from their need Transper will anflice to cover all the finbilities to the chose of fiscul year ending on the 30th June next, recommend some legislation, if any can be constitutionally devised, for siding the revenues of that department during the eneming freed year, in order to assid tops great a reduction of postal facilities. Your attention is also invited to numerous other im provem s in the service recommended in the report, and for which legislation is required.

I recommend to the Congress to devise a proper mode of relief to those of our citizens those property has been destroyed by order of the Government in pursuance of a policy silopted as a means of astional defence. It is true that full indemnity cannot now be made, but some measure of relief is due to those pat-

its own interests or safety. The fate of the Confederacy under the blessing of Divine Providence, depends upon the harmony, energy and unity of the States. It especially devolves on you, their representatives, as far as practicable, to reform abases, to correct errors, to cultivate fraternity and to sustain in the prople a just confidence in the Government of their choice. To that confidence and to the unity and self-sacrificing patriotism hitherto displayed is due the success, which has marked the unequal contest, and has brought your country, into a condition at the present time such as the most condition at the present time such as the most the commencement of our struggle. Our armies are larger, better disciplined and more thoroughly agned and equipmed these as any nation, devoted to the single object of successo in this war, have accomplished marvels, and many of our trials have, by a benificent Provifence, been converted into blessings. magnitude of the perils which we epcountered have devloped the true qualities and illustrated the heroic character of our people, thus gaining for the Confederacy from its birth a just appreciation from the other nations or the earth he injuries resulting from the interruption of foreign commerce have received compensation by the developement of our internal resources annon crown of fortresses that were cast from the products of mines opened and furnaces built during the war. Our mountain caves yield much of the nitre for the manufactore of powder and promise increase of product. From our own foundries and laboratories, our own armories and workshoops we derive, in a great measure, the warlike material, the ordeance and ordnance stores which are expended so prof: selv in the numerous and despurate engagements that rapidly succeed each other otton and wollen fabricks, shoes and harness wagons and gun carriages are produced in daily increasing quantities by the factories springing into existence. Our fields, no longer whitener by cotion that cannot be exported, are devoted te the production of cerenis and the growth of stock formerly turchased with the proceeds of cotton. In the homes of our noble and devoted women, without whose sublime sacrifices our success would have been impossible, the noise of the loom and of the spinning whiel may be leard throughout the lund. With hearte swelling with gratitude. let us, then, join in returning thanks to God and in beseeching the continuance of his protecting care over our cause and the restoration of peace with its manifold blessings to our beloved country

JEFFERSON DAVIS. RICHMOND. January 12, 1863.

SPECIAL MESSAGE. PROM GOV. Z. B. VANCE.

The following special message was read in the House of Commons on Wednesday the 21st

To the Honorable, the General Assembly of North Carolina :

With the flight of time great events have ceurred and are now crowding upon as Since your adjournment in December, the invaders of ar State have concentrated a large force upon our coast, and are ligain threatening our remaining seaports and lines of communication. Every preparation possible has been made to resist them, and it is hoped not without success. Still much remains to be done to strengthen on army and add to its efficiency. I beg leave respecifully to offer a few suggestions to you on his subtect.

The most serious evils with which our gen erals have to contend are the inefficient extention of the e-meript law and the starming increase of desermo in the army. A long ab sence from home, and the severe hardships of our rapid and wonderful campaigns, naturally leuds to produce these effects during a protracted war. To arrest these delinquents and return them to duty, the nulitia have heretofore been employed with some degree of success; but latterly they have been found inefficient owing to the many obstacles interposed by the law. Should an officer start out to arrest a deserter, the friends of the latter have only to give the starm and he is spirited out of the way, or the officer is resisted by open violence. As desertion is not a crime known to the laws of this State, these persons who thus shield the deserter from arrest are liable to no punishment. The consequence is that numbers of deserters are concealed in many parts of the Stare, and banding together for company and mutual protection, depredate upon the citizens near them. thus forming a kind of outlawed population in the midst of our quiet and orderly people This state of things, ruinous alike to the dis-

ipline of our ermy and the mornis of our penple, ought not to be suffered to continue, and might be prevented in my opinion, by a little prodent legislation. With the consent of the highest military authorities from whose commands they are absent, I propose to give als sentees from the army without seave, by proc amation, thirty dask in which they may return to duty free of punishment, and after that time to make them Lable for the delay, to the ecverest penalties of the law. To enable the authorities to effect their arrest, I recommend, as I had the honor to do in my regular message to you that the militia laws be so amended us to bjeet both officers and privates of any partienlar company or regiment of the militia to the articles of war, when ordered to perform any dury of this kind at the discretion of the Executive; that power be given the Executive sum: marily to drop from the rolls officers guilty of made a grime to shield or harbor deserters or to signed their offices. &c. There is little or to assist them to avoid capture. Should it be deemed best to continue to use the militia of the State for executing the Conscient law, these amendments will be judispensable, as Congress has failed in there respects to provide for the enforcement of its own acts. I have been applied to in several instances us

the appointing power of the regimental officers of our regiments mised originally for three years or the war, to promote men for gallant and mentorious conduct, but on close examination of the law I find I have no authority to deviate from the regular order of promotion by sentority in the appointment of company officers. This power night to reside somewhere-the good of the service requires it. The humblest

private in the rabbs of the army ought to feel that there is the power and the will to lift him riotic citizens who have borne private loss for the public good, whose property in effect has.

I herefore recommend that this authority be. me for investigation. I cannot examine them myself, and of course regard it impossistent with my duty to set them at liberty without an examination, and I am yet more anwilling in see them placed in the Confederate prison at Saliebory, where the trucks of the secured utilead to one direction, and the light of old English liberty is never seen. I therefore recomment the establishing of a commission for the investigation of charges against all such persons with power to commit for trial before the proper tribunal, if aufficient cause appears, &c.

In this connection, I take great pleasure in transmitting a letter from Hen. Let S. Saction.

Secretary of War, in relation to the case of R.

biodelines to a joint resolution of your two Houses. Admirable in sprit, ample in explanation of the circumstances under which the arrest was made, and in expressions of regard for the rights and sovereignty of the State, I am sure that, accompanying as it did the prompt

sure that, accompanying as it did the promp surrender of the accused, it esanot full to give

you the estimaction I experienced on its permal.

In view of the threatened invasion of the State, I have been advised by the war department to call out the militia to assist in repelling it. Having consulted with the Generally command of this department, I concluded to do so, but am at least doubtful of my sutherity to take the step, whilst your body is in session. Not wishing to exercise any doubtful authority when your presence and approbation may se easily make it certain, I most respectfully recommend that I be nuthorized immediately to call out such portion of the militia as may be deemed sufficient to meet the present emergen

I have the honor herewith to transmif copies of resolutions on various subjects of the Legis latures of the States of South Carolina, Georgis, Florida and Alabama, forwarded to me by their respective Executives with a request that they be laid before you. The most important of these relates to the proposition of guarantee-ing by each State of its proportion of the Con-federate war debt, and to these I invite your early and deliberate attention.

I am also pleased to be able to inform you that the correspondence conducted by me with the War Department at your request, in rela-Carolina, was entirely unterfactory, though for prudential reasons, I thought it improper to Very respectfully, Z. B. VANCE make it public.

The Watchman.

SALISBURY, N. C.:

OFFICIAL ABUSES:

Mr. Dárgan, of Alabama, introduced a bill to prohibit quartermaster's and others from peculating. The object of the bill is to provitle adequade punishment for quartermasters, commissaries and transportation agents. who may be guilty of speculating upon the necessities of the Government and the reonle Referred to the Committee on the Quartermaster and Commissary Departments, and ordered to be printed.

We clip the above from the proceedings of the Confederate Congress of Monday last. It is to be hoped that some efficient measures will be taken to search out those persons in the public service who have been misapplying the funds of the Government, and misspending time and attention not their own, to enrich themselves or gratify their pride, deprayed appetites and lasts. Doubtless there are housands of naworthy, profligate men filling public places of the Government, whose capabilities and services are best known to the ic ous in the community where they reside

There are, now and then, hangers on about Government offices, semi-official clerks, who nevertheless often undertake to speak and act as agents for the Government, who should also be enquired after. We have heard of one case of this kind in which the party made a magnificent speculation in whisky. bought in the name of the Government. Further particulars can be obtained by any agent to carry out the above resolution should such a functionary be sent out to purge the Commissary department.

Twelve Federal Navy Officers, cap nired by Col. Lamb below Wilmington, N C, have been brought to this place and are now in the Confederate prison. They profew surprise at their confinement, having supposed they would be paroled. They say they have not seen Lincoln's proclamation of the 1st Jamury, and that had they known the turn affairs have taken, they would have refaith to be put in these professions

> ... THE ASSEMBLY.

The Senate was occupied yesterday mainly in the counideration of the Ten Regiment bill Quite a spirited discussion took place on the different amendments proposed. Messre. Taylor, of Chathom, Smith, of Macon, and Lindsey favoring the original bill, and Mesars, Lane Young, Copeland, Ellis and Murrill opposing it Pending an amendment of Mr. Lane forbidding the enrollment of conscripts in the State force the Senute adjourned.

In the House nothing was done of impor tance, the session being mostly taken up with the consideration of the Revenue bill.

Daily Progress, Jon 23.