LARS PER ANNUM, in advance.

the combined action of neutral European Fowers, in favor of a nation which professes openly its intention of ravaging their commerce by privateers in any future war, is strikingly illustrated by the terror inspired among the commercial classes of the United States by a single cruiser of the Confederation of the company commended by officers.

United States by a single cruiser of the Confederacy. One national steamer, commanded by officers and manned by a crew who are debarred by the closure of neutral ports from the opportunity of causing captured vessels to be condemned in their favor as prizes, has sufficed to double the rates of marine insurance in Northern ports, and consign to forced inaction numbers of Northern vessels, in addition to the direct damage inflicted by captures at sea. How difficult, then, to overestimate the effects that must have been produced by the hundreds of private armied vessels that would have swept the seas in pursuit of the commerce of our enemy if the

private armied vessels that would have swept the seas in pursuit of the commerce of our enemy if the means of disposing of their prizes had not been withheld by the action of neutral Europe.

But it is especially in relation to the so-called blockade of our coast that the policy of European powers has been so shaped as to cause the greatest injury to the Confederacy, and to confer signal advantages on the United States. The importance of this applied requires some development.

injury to the Confederacy, and to confer signal advantages on the United States. The importance of this subject requires some development. Prior to the year 1856 the principles regulating this subject were to be gathered from the writings of eminent publicists, the decisions of admiralty courts, international treaties, and the usages of nations. The uncertainty and doubt which prevailed in reference to the true rules of maritime law in time of war, resulting from the discordant, and often conflicting, principles announced from such varied and independent sources, had become a grievous evil to mankind. Whether a blockade was allowable against a port not invested by land as well as by sea, whether a blockade was valid by sea if the investing fleet was merely sufficient to render ingress to the blockaded port evidently dangerous, or whether it was further required for its legality that it should be sufficient really to prevent access, and numerous other similar questions, had remained doubtful and undecided. Animated by the highly honorable desire to put an end to differences of opinion between neutrals and belligerents, which may occasion serious difficulties and even conflicts—I quote the official language—the five great Powers of Europe, together with Sardinia and Turkey, adopted, in 1856, the following solemn declaration of principles:

Firstly—Privateering is and remains abolished.

Secondly—The neutral flag covers enemy's goods, with the exception of contraband of war.

Thirdly—Neutral goods, with the exception of contraband of war, are not liable to capture under enemy's flag.

my's flag.

Fourthly—Blockades, in order to be binding, must be effective; that is to say, maintained by a force sufficient really to prevent access to the coast of the

nemy.

Not only did this solemn declaration announce to

Not only did this solemn declaration announce to the world the principles to which the signing Powers agreed to conform in future wars, but it contained a clause to which those Powers gave immediate effect, and which provided that the States not parties to the Congress of Paris should be invited to accede to the declaration. Under this invitation every independent State in Europe yielded its assent. At least no instance is known to me of a refusal, and the United States, while declining to assent to the proposition which prohibited privateering declared.

proposition which prohibited privateering, declared that the three remaining principles were in entire accordance with their own views of international law. No instance is known in history of the adoption o

law. No instance is known in history of the adoption of articles of public law under circumstances of like solemnity, with like unanimity, and pledging the faith of nations with sanctity so peculiar. When, therefore, this Confederacy was formed, and when neutral Powers, while deferring action on its demand for admission into the family of nations, recognized it as a belligerent Power, Great Britain and France made informal proposals about the same time that their own rights as neutrals should be guarantied by our acceding as belligerents to the

cognized it as a beligerent Power, Great Britain and France made informal proposals about the same time that their own rights as nentrals should be guarantied by our acceding as beligerents to the declaration of principles made by the Congress of Paris. The request was addressed to our sense of justice, and therefore met immediate favorable response in the resolutions of the Provisional Congress of the 13th of August, 1861, by which all the principles announced by the Congress of Paris were adopted as the guide of our conduct during the war, with the sole exception of that relative to privateering. As the right to make use of privateers was one in which neutral nations had, as to the present war, no interest, as it was a right which the United States had refused to abandon, and which they remained at liberty to employ against us, as it was a right of which we were already in actual enjoyment, and which we could not be expected to'renounce, flagrante bello, against an adversary possessing an overwhelming superiority of naval forces, it was reserved, with entire confidence that neutral nations could not fail to perceive that just reason existed for the reservation. Nor was this confidence misplaced; for the official documents published by the British Government, usually called Blue Books, contain the expression of the satisfaction of that Government with the conduct of the officials who conducted successfully the delicate business confided to their charge.

These solemn declarations of principle—this implied agreement between the Confederacy and the two Powers just named—have been suffered to remain inoperative against the menaces and outrages on neutral rights, committed by the United States, with unceasing and progressing arrogance during the whole period of the war. Neutral Europe remained passive when the United States, with a naval force insufficient to blockade effectively the coast of a single State—proclaimed a paper blockade of thousands of miles of coast, extending from the Conjers of the Chesapeake to

stances and with features of aggravated wrong with-out precedent in history.

The records of our State Department contain the

the United States have chosen to inflict on its com

The Cabinet of Great Britain, however, has not confined itself to such implied acquiescence in these breaches of international law as results from simple inaction, but has, in a published despatch of the Secretary of State for Foreign Affarirs, assumed to make a change in the principle enunciated by the Congress of Paris, to which the faith of the British Government was considered to be pledged—a change too important and too prejudicial to the interests of the Confederacy to be overly oked, and against which I have directed solemn protest to be made after a

the Confederacy to be overly oked, and against which I have directed solemn protest to be made, after a vain attempt to obtain satisfactory explanations from the British Government. In a published despatch from her Majesty's Foreign Office to her minister at Washington, under date of February 11, 1882, occurs the following passage:

"Her Majesty's Government, however, are of opinion that, assuming that the blockade was duly notified, and also that a number of ships are stationed and remain at the entrance of a port sufficient really to prevent access to it, or to create an evident dancer of entering it or leaving it, and that these ships

danger of entering it or leaving it, and that these ships to not voluntarily permit ingress or egress, the fact that various ships may have successfully escaped through it, (as in the particular instance here referred to,) will not of itself prevent the blockade

The Cahinet of Great Britain, however has not

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The Press

MONDAY, JANUARY 19, 1863. THE REBELLION.

An Inside View of the Southern Confederacy.

MESSAGE OF JEFFERSON DAVIS. Intercepted Correspondence.

ENGLAND BUILDING A NAVY FOR THE REBELS.

France Intriguing to Obtain Texas.

A NEWSPAPER VIEW OF THE REBELLION.

London Times' Correspondence Captured. THE MESSAGE OF JEFFERSON DAVIS.

We print this morning in full the third annual message of Jefferson Davis, an abstract of which anneared in The Press of Friday: To the Senate and House of Representatives of the Confe-

derate States : At the date of your last adjournment the prepara-tions of the enemy for further hostilities had as-sumed so menacing an aspect as to excite in some minds apprehension of our ability to meet them with sufficient promptness to avoid serious reverses. These preparations were completed shortly after your departure from the seat of government, and the armies of the United States made simultaneous adarmies of the United States made simultaneous advances on our frontiers on the Western rivers and on the Atlantic coast in masses so great as to evince their hope of overbearing all resistance by mere weight of numbers. This hope, however, like those previously entertained by our foes, vanished.

In Virginia, their fourth attempt at invasion by armies, whose assured success was confidently pre-dicted, has met with decisive repulse. Our noble defenders, under the consummate leadership of their general, have again, at Fredoricksburg, indicted on the forces under General Burnside the like disastrous overthrow as had been previously suffered by the successive invading armies commanded by Generals McDowell, McOdellan, and Pope.

In the West obstinate battles have been fought with

In the West obstinate battles have been fought with varied fortunes, marked by frightful carnage on both sides; but the enemy's hopes of decisive results have again been battled, while at Vicksburg another formidable expedition has been repulsed, with inconsiderable loss on our side and severe damage to the assailing forces.

On the Atlantic coast, the enemy has been unable to gain a footing beyond the protecting shelter of his fleets, and the city of Galveston has just been recovered by our forces, which succeeded not only in the capture of the garrison, but of one of the enemy's vessels of war, which was carried by boarding parcovered by our lorces, which succeeded not only in the capture of the garrison, but of one of the enemy's vessels of war, which was carried by boarding parties from merchant river steamers.

Our fortified positions have everywhere been much strengthened and improved, affording assurance of our ability to meet with success the utmost efforts of our enemies, in spite of the magnitude of their preparations for attack. A review of our history of the two years of our national existence affords ample cause for congratulation, and demands the most fervent expression of our thankfulness to the Almighty Father who has blessed our cause. We are justified in asserting, with a pride surely not unbecoming, that these Confederate States have added another to the lessons taught by history for the instruction of man; that they have afforded another example of the impossibility of subjugating a people determined to be free, and have demonstrated that no superiority of numbers or available resources can overcome the resistance offered by such valor in combat, such constancy under suffering, and such cheerful endurance of privation as have been consplicuously displayed by this people in the defence of their rights and liberties. The anticipations with which we entered into the contest have now ripened into a conviction, which is not only shared with us by the company contests of the contest have now ripened into a conviction, which is not only shared with us by the company contests and convergence of the contest have now ripened into a conviction, which is not only shared with us by the company contests and convergence of the contest have now ripened into a conviction, which is not only shared with us by the company contests and convergence of the contest have now ripened into a conviction, which is not only shared with us by the company contests and convergence of the contest have now ripened into a conviction, which is not only shared with us by the company contest and the contest have a convergence of the contest have now ripe

cipations with which we entered into the contest have now ripened into a conviction, which is not only shared with us by the common opinion of neutral nations, but is evidently forcing itself upon our enemies themselves. If we but mark the history of the present year by resolute perseverance in the path we have hitherto pursued, by vigorous effort in the development of all our resources for defence, and by the continued exhibition of the same unfaltering courage in our soldiers and able conduct in their leaders as have distinguished the past, we have every reason to expect that this will be the closing year of the war.

The war, which in its inception was waged for forcing us back into the Union, having failed to accomplish that purpose, passed into a second stage, in which it was attempted to conquer and rule these States as dependent provinces. Defeated in this

States as dependent provinces. Defeated in this second design, our enemies have evidently entered upon another, which can have no other purpose than revenge, and thirst for blood and plunder of than revenge, and thirst for blood and plunder of private property.

But, however implacable they may be, they can have neither the spirit nor the resources required for a fourth year of a struggle uncheered by any hope of success, kept alive solely for the indulgence of mercenary and wicked passions, and demanding so exhausting an expenditure of blood and money as has hitherto been imposed on their people. The advent of peace will be halled with joy; our desire for it has never been concealed; our efforts to avoid the war, forced on us as it was by the lust of conquest and the insanc passions of our foes, are known to mankind. But, earnest as has been our wish for peace, and great as have been our sacrifices and sufferings during the war, the determination of this people has, with each succeeding month, become more unalterably fixed to endure any sufferings and continue any sacrifices, however prolonged, until continue any sacrifices, however prolonged, until their right to self-government and the sovereignty and independence of these States shall have been triumphantly vindicated and firmly established. In this connection the occasion seems not unsuitable for some reference to the relations between the Confederacy and the neutral Powers of Europe since the separation of these States from the former Union. Four of the States now members of the Confederacy were recognized by name as independent sovereign-ties in a treaty of peace concluded in the year 1783, with one of the two great maritime Powers of West-ern Europe; and had been prior to that period allies in wat of the other. In the year 1778 they formed a union with nine other States under Articles of Con-federation. Westigited with the trains

union with nine other States under Articles of Confederation. Dissatisfied with that union, three of them—Virginia, Carolina, and Georgia—together with eight of the States now members of the United States, seceded from it in 1789, and these eleven seceding States formed a second Union, although by the terms of the Articles of Confederation express provision was made that the first Union should be perpetual. Their right to secole, notwithstanding this provision, was never contested by the States from which they separated, nor made the subject of discussion with any third Power. When, at a later period, North Carolina accoded to that second Union, and when, still later, the other seven States, now period, North Carolina acceded to that second Union, and when, still later, the other seven States, now members of this Confederacy, became also members of the same Union, it was upon the repognized footing of equal fand independent sovereignties; nor had it then entered into the minds of men that sovereign States could be compelled by force to remain members of a Confederation into which they had entered of their own free will, if at a subsequent period the defence of their safety and honor should, in their judgment, justify withdrawal. Justify withdrawal.

The experience of the past had evinced the futility of any renunciation of such inherent rights, and accordingly the provision for perpetuity contained in the Articles of Confederation of 1778 was omitted to the Constitution of 1789. When, therefore, in 1861, eleven of the States again thought proper, for reasons satisfactory to themselves, to seede from the second Union, and to form a third one, under an smended Constitution, they exercised a right which, being inherent required no justification to which, being inherent, required no justification to

sances and with leatures of aggravated wrong without precedent in history.

The records of our State Department contain the
evidence of the repeated and formal remonstrances
made by this Government to neutral Powers against
the recognition of this blockade. It has been shown
by evidence not capable of contradiction, and which
has been furnished in part by the officials of neutral
nations, that the few ports of this Confederacy before which any naval forces at all have been stationed have been invested so inefficiently that
hundreds of entries have been effected into them
since the declaration of the blockade; that our
cnemies have themselves admitted the inefficiency of
their blockade in the most forcible manner by repeated official complaints of the sale to us of goods
contraband of war—a sale which could not possibly
affect their interests if their pretended blockade was
sufficient really to prevent access to our coast;
that they have gone further, and have alleged their
inability to render their paper blockade effectivels
the excuse for the odious barbarity of destroying the
entrance to one of our habors by sinking vessels
loaded with stone in the channel; that our commerce
with foreign nations has been interrupted not by
the effective investment of our ports or by the
seizure of ships in the attempt to enter them, but
by the capture on the high seas of neutral vessels by
the cruisers of our enemies whenever supposed to be
bound to any point on our extensive coast, without
inquiry whether a single blockading vessel was to
found at such point; that blockading vessel was to
found at such point; that blockading vessels have left
the ports at which they were stationed for distant
expeditions, have been absent for many days, and
have returned without notice either of the cessation
or renewal of the blockade. In a word, that every
prescription of maritime law and every right of nentral nations to trade with a belligerent under the
sanction of principles heretofore universally respected have been system foreign nations, and which international law did not permit them to question. The usages of intercourse between nations do, however, require that official communication be made to friendly Powers of all organic changes in the Constitutions of States, and there was obvious propriety in giving prompt assurance of our desire to continue amicable relations with all mankind. with all mankind.

It was under the influence of these considerations that your predecessors, the Provisional Government, took early measures for sending to Europe commissioners charged with the duty of visiting the capitals of the different Powers, and making arrangements for the opening of more formal diplomatic intercourse. Prior, however, to the arrival abroad of these commissioners, the United States had commenced hostilities against the Confederacy by despatching a secret expedition for the reinforcement of Fort Sumpter, after an express promise to the contrary, and with a duplicity which has been fully unveiled in a former message. They had also addressed communications to the different Cabinets of Europe, in which they assumed the attitude of being sovereign over this Confederacy, alleging that these independent States were in rebellion against the remaining States of the Union, and threatening Europe with manifestations of their displeasure if it should treat the Confederace Sheies as having an independent existence. It soon of their displeasure if it should treat the Confederate States as having an independent existence. It soon became known that these pretensions were not considered abroad to be as absurd as they were known to be at home, nor had Europe yet learned what reliance was to be placed in the official statements of the Cabinet at Washington. The delegation of power granted by these States to the Federal Government to represent them in foreign intercourse had led Europe into the grave error of supposing that their separate sovereignty and independence had been merged into one common sovereignty, and had ceased to have a distinct existence. Under the influence of this error, which all appeals to reason and historical fact were vainly used to dispel our commissioners were the by the declaration that foreign Governments could not assume to judge between the conflicting representations of the

tween the conflicting representations of the two parties as to the true nature of their previous mutual relations. The Governments of Great Britain and France accordingly signified their determination. To confine themselves to recognizing the self-evident fact of the existence of a war, and to maintaining a strict neutrality during its progress. Some of the other Powers of Europe pursued the same course, of policy, and it became apparent that, by some underleave the initiative in all action touching the contest on this continent to the two Powers just named, who were recognized to have the largest interests involved, both by reason of proximity and of the extent and intimacy of their commercial relations with the States engaged in war.

It is manifest that the course of action adopted by
Europe, while based on an apparent refusal to determine the question, or to side with either party, was in point of fact an actual decision against out rights and in favor of the groundless pretensions of the United States. It was a refusal to trust us as an independent government. If we were indepen-dent States, the inclusal to entertain with us the

dent States, the refusal to entertain with us the same international intercourse as was maintained with our enemy, was unjust and was injurious in its effects, whatever may have been the motive which prompted it. Neither was it in accordance with the high moral obligations of that international sode whose chief sanction is the conscience of sovereigns and the public opinion of mankind that those eminent Powers should decline the performance of a duty peculiarly, incumbent on them from any apprehension of the consequences to themselves. One immediate and necessary result of their declining the responsibility of a decision which must have been adverse to the extravogant prefersions of the United lesponsibility of a decision which must have been adverse to the extravagant pretensions of the United States was the protongation of hostilities to which our enemies were thereby encouraged, and which have resulted in nothing but scenes of carnage and devastation on this continent, and of misery and suffering on the other, such as have scarcely a parallel in history. Had these Powers promptly admitted four right to be treated as all other independent nations, none can doubt that the moral effect of such action would have been to dispet the delusion under which the United States have persisted in their efforts to accomplish our subjugation. forts to accomplish our subjugation.

To the continued hesitation of the same Powers in rendering this act of simple justice towards this Conederacy is still due the continuance of the calami-its which mankind suffers from the interruption of is peaceful pursuits both in the Old and the New World. There are other matters in which less than dustice has been rendered to this people by neutral Europe, and undue advantage effected to our aggres-fors in a wicked war. At the inception of hostilities

the inhabitants of the Confederacy were almost ex-liaively agriculturists; those of the United States, to a great extent, mechanics and merchants. We had no commervial marine, while their merchant vessels covered the ocean. We were without a hast, while they had powerful fleets. The advan-tage which they possessed for inflicting injury on our coasts and harbers was thus counterbalanced in

from being an effectual one by international law."

The words which I have italicised are an addition made by the British Government of its own authority to a principle, the exact terms of which were settled with deliberation by the common consent of civilized nations, and by implied convention with civilized nations, and by implied convention with this Government, as already explained, and their effect is clearly to reopen, to the prejudice of the Confederacy, one of the very disputed questions on the law of blockade which the Congress of Paris professed to settle. The importance of this change is readily illustrated by taking one of our ports as an example. There is evident danger on entering the port of Wilmington from the presence of a blockading force; and by this test the blockade is effective. "Access is not really prevented" by the blockading fleet to the same port; for steamers are continually arriving and departing; so that, tried by this test, the blockade is ineffective and invalid. The justice of our complaint on this point is so manifest as to leave little room for doubt that further reflection will induce the British Government.

ogive us such assurances as will efface the painful impressions that would result from its language if of unexplained.

From the foregoing remarks you will perceive that, during nearly two years of struggle, in which every energy of our country has been evoked for maintaining its very existence, the neutral nations of Europe have pursued a policy which, nominally impartial, has been practically most favorable to our enemies and most detrimental to us.

The exercise of the neutral right of refusing entry into their parts to prices taken by both helligerents. The exercise of the neutral right of refusing entry into their ports to prizes taken by both belligerents was eminently hurtful to the Confederacy. It was sternly asserted and maintained. The exercise of the neutral right of commerce with a belligerent whose ports are not blockaded by fleets sufficient really to prevent access to them would have been eminently hurtful to the United States. It was complaisantly abandoned. The duty of neutral States to receive with cordiality and recognize with respect any new confederation that independent states may think proper to form was too clear to admit of denial; but its postponement was obviously beneficial to the United States and detrimental to the Confederacy. It was postponed.

In this review of our relations with the neutral nations of Europe, it has been my purpose to point out distinctly that this Government has no complaint to make that those nations declared their returnality. It could neither expect nor desire more. The complaint is that the neutrality has been rather 1 ominal than real, and that recognized neutral rights have been alternately asserted and waived in stuch manner as to bear with great severity on us, and to confereined advantages on our enemy. such maner as to bear with great severity on us, and to confer signal advantages on our enemy.

Thave hitherto refrained from calling your attention to this condition of our relations with foreign l'owers for various reasons. The chief of these was

he fear that a statement of our last grounds of com-

some measure by the exposure of their commerce to attack by private armed vessels.

It was known to Europe that within a very few years past the United States had peremptorily refused to accede to proposals for abolishing privateering, on the ground, as alleged by them, that nations owning powerful fleets would thereby obtain undue advantage over those possessing inferior naval forces. Yet no sooner was war flagrant between the Confederacy and the United States than the maritime Powers of Europe issued orders prohibiting either party from bringing prizes into their ports. This prohibition, directed with apparent impartiality against both belligerents, was, in reality, effective against the Confederate States alone; for they alone could find a hostile commerce on the ocean. Micrely nominal against the United States the prohibition operated with intense severity on the Confederacy, by depriving it of the only means of maintaning, with some approach to equality, its struggle on the ocean against the crushing superiority of naval force possessed by its enemies. The value and efficiency of the weapon which was thus wrested from our grasp by the combined action of neutral European Powers, in favor of a nation which professes openly its intension of ravaging their commerce by privateers in any future war, is strikingly illustrated by the terror inspired among the commerce of the Confedera
Value as we were in mere numbers and available resources to our enemies, we were conscious of powers of resistance in relation to which was incredulous, and our remnentes, we were conscious of powers of resistance in relation to which it was forced, with full trust in the superior Qualities of its cause, felt no use to appeal for available resources to our enemies, we were conscious of powers of resistance in relation to which it was forced, with full trust in the superior of the confederacy, knowing the was incredulous, and our remnented was incredulous, and our remnented was incredulous, and our remnented was incredulous, and our

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 we have resisted, unaided, the shocks of hosts which would have sufficed to overthrow many of the Powers which, by their hesitation in according our rights as an independent nation, imply doubt of our ability to maintain our national existence. It may be, too, that if in future times unfriendly discussions not now anticpated shall unfortunately arise between this Confederacy and some European Power, the recollection of our forbearance under the grievances which I have enumerated may be evoked with happy influence in preventing any serious disturbance of peaceful relations.

preventing any serious disturbance of peaceful relations.

It would not be proper to close my remarks on the subject of our foreign relations without adverting to the fact that the correspondence between the Cabinets of France, Great Britsin, and Russia, recently published, indicates a gratifying advance in the appreciation by those Governments of the true interests of mankind, as involved in the war on this continent. It is to the enlightened ruler of the French nation that the public feeling of Europe is indebted to 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 answer 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 hegin-Majesty:

"There has been established from the very begin-

in there has been established from the very beginning of this war an equilibrium of forces between the belligerents, which has since been almost constantly 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 anticipation that more decisive military operations will shortly occur. According to the last advices received in Europe, the two armies were, on the contrary, in a condition which permitted neither to hope within a short delay advantages sufficiently marked to turn the balance definitely and to accelerate the conclusion of peace." As this Government has never professed the intantion 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 nations cannot long be withheld after so frank and formal an admission of its capacity to cope, on equal terms, with its agressive foes, and to maintain itself against their attempts to obtain decisive results by a come.

tain itself against their attempts to obtain decisive results by arms.

It is my painful duty again to inform you of the renewed examples of every conceivable atrocity committed by the armed forces of the United States at different points within the Confederacy, and which must stamp indelible infamy, not only on the perpetrators, 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 punishment on the wrong-doers. Since my last communication to you, one Gefferal McNeil murdered seven prisoners of war in cold blood, and the demand for his punishment has remained unsatisfied. The Government of the United States, after promising examination and explanation in relation to the charges made against General Benjamin F. Butler, has, by its subsequent silence, after repeated efforts on my part to obtain some answer lation to the charges made against General Benjamin F. Butler, has, by its subsequent silence, after repeated efforts on my part to obtain some answer on the subject, not only admitted his guilt, but sanctioned it by acquiescence; and I have accordingly branded this criminal as an outlaw, and directed his execution in expiation of his crimes if he should fall into the hands of any of our forces.

Recently I have received apparently authentic intelligence of another general, by the name of Milroy, who has issued orders in Western Virginia for the payment of money to him by the inhabitants, accompanied by the most savage threats of shooting every recusant, besides burning his house; and threatening similar atrocities against any of our citizens 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 faint hope that they will evince any disapprobation of the act. Humanity shudders at the appalling atrocities which are being daily multiplied under the sanction of those who have obtained temporary possession of power in the United States, and who are fast making its once fair name a byword of reproach among civilized men. Not even the natural indignation inspired by this conduct should make us, however, so unjust as to attribute to the whole mass of the people who are subjected to the despotism that now reigns with unbridled license in the city of Washington a willing acquiescence in its conduct of the war. There must necessarily exist among our enemies very many—perhaps a majority—whose humanity recoils from all participation in such atrocities, but who cannot be held wholly guilties while permitting their continuance without an effort at repression. at repression.

The public journals of the North have been recrived, containing a proclamation, dated the first day of the present month, signed by the President of the United States, in which he orders and declares all slaves within ten of the States of the Confederacy to be free, except such as are found within certain districts now occupied in part by the armed forces of the enemy. We may well leave it to the instinct of that common humanity which a beneficent Creator has implanted in the breasts of our fellow-men of all countreis to pass judgment on a measure by which several millions of human beings of an inferior race peaceful and contented laborers in their sphere, are doomed to extermination, while at the same time they are encouraged to a general assassination of their masters by the insidious recommendation "to abstain from violence unless in necessary self-delence." Our own detestation of those who have attempted the most execrable measure recorded in the history of guilty man is tempered by profound contempt for the impotent rage which it discloses. So far as regards the action of this Government on such criminals as may attempt its execution, I confine myself to informing you that I shall—unless in your wisdom you deem some other course more expedient, deliver 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 present in t free, except such as are found within certain district

the United States that may hereafter be captured by our forces in any of the States embraced in the proclamation, that they may be dealt with in accordance with the laws of those States providing for the punishment of criminals engaged in exciting servile insurrection. The enlisted soldiers I shall continue to treat a unvilled in the continue to treat a unvilled in the continue. insurrection. The enlisted soldiers I shall continue to treat as unwilling instruments in the commission of these crimes, and shall direct their discharge and return to their homes on the proper and usual parole. In its political aspect, this measure possesses great significance, and to it in this light I invite your attention. It affords to our whole people 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 artful device, and by the perfidious use of the most solemn and repeated pledges for every possible occasion. I extract, in this connection, as a single example, the following declaration, made by President Lincoln under the solemnity of his oath as Chief Magistrate of the United States, on the 4th of March, 1861:

made by President Lincoln 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 accession of a Republican Administration their property and their peace and personal security are to be endangered. There has never been any reasonable cause for such 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 speeches of him who now addresses you. I do but quote from one of those speeches when I declare that I have no purpose, directly or indirectly, to interfere with the institution of slavery in the States where it exists. I believe I have no lawfull light to do so, and I have no inclination to do so. Those who nominated and elected me did so with full knowledge 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 law to themselves and to me, the clear and emphatic resolution which I now read:

"Resolved, That the maintenance inviolate of the Tights of the States, and especially the right of each State to order and control its own domestic institutions according to its own judgment exclusively, is essential to that balance of power 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 pretext, as among the gravest erimes." and we denounce the lawless invasion by armed force of the soil of any State or Territory, no matter under what pretext, as among the gravest crimes."

Nor was this declaration of the want of power or disposition to interfere with our social system confined to a state of peace. Both before and after the actual commencement 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 the act which he has just committed, and that in no possible event, whether the secession of these 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. I refer especially for verification of this assertion to the despatches addressed by the Secretary of State of the United States, under direction of the President, to the ministers of the United States at London and Paris, under date of

United States at London and Paris, under date of 10th and 22d of April, 1861.

The people of this Confederacy, then, cannot fail to receive this proclamation as the fullest vindication of their own sagacity, in foreseeing the uses to which the dominant party in the United States intended, from the beginning, to apply their power; nor can they cease to remember with devout thank-fulness 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 salutary effect 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 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 affords the fullest guarantees of the impossibility of such a result. It has established a state of things which can lead to but one of three possible consequences—the extermination of the slaves, the exile of the whole white population of the Confederacy, or absolute and total separation of these States from the United States. This proclamation is also an authentic statement 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 justication in withholding our just claims to formal recation in withholding 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 scute not to understand that a restitution of the Union has been rendered forever importable to the described of the control of t essible by the adoption of a measure which, from its very nature, neither admits of retraction nor can ils very nature, neither admits of retraction nor can co-exist with union.

Among the subjects to which your attention will be specially devoted during the present session, you will, no doubt, deem the adoption of some comprehensive system of finance as being of paramount importance. The increasing public debt, the great sugmentation in the volume of the currency, with its necessary concomitant of extravagant prices for all articles of consumption; the want of revenue from a taxation adequate to support the public credit, all unite in admonishing us that energetic and wise legislation alone can prevent serious emlarraesment in our monetary affairs. It is my con-

and wise registation alone can prevent serious em-larrasement in our monetary affairs. It is my con-viction that the people of the Confederacy will freely uset taxation on a scale adequate to the mainte-nance of the public credit and the support of their Government. When each family is sending forth its

most precious ones to meet exposure in camp and death in battle, 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 insuring 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-gatherer, with no higher motive than the hope of encess in their wicked designs against us, the suggestion of an unwillingness on the part of this people to submit to the taxation necessary for the success of their defence is an imputation on their partiotism that tew will be disposed to make, and that none can justify.

The legislation of your last session, intended to hasten the funding of outstanding treasury notes, has proved beneficial, as shown by the returns annexed to the report of the Secretary 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 first of July next, to the delay allowed for funding the notes issued prior to the list of 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 adequate taxation, and appropriation of bonds guarantied proportionately by the seven-per-cents, as has already been seen countries of the proposed by some of them in enactments spontaneously adopted, there is little doubt that we shall see our finances 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 relieve us from further anxiety relative to our resources for the prosecution of the war.

It is true that at its close our debt will be large; but it will be due to our own people, and neither the interest nor the capital will be exported to distant countries, impoverishing ours for their benefit.

On the return of peace, the untold wealth which will spring from our soil will r

enforcement under the continuing necessities of our situation. 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 inilitary organization on appropriate means should be rejected, and on For the perfection of our military organization no appropriate means should be rejected, and on this subject the opinions of the Secretary merit early attention. It is gratifying to perceive that, under all the enormous sacrifices of war, the power and means 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 extraordinary encouragements and facilities to be granted by the Government.

The embarrassments resulting from the limited capacity of the railroads to afford transportation, and the impossibility of otherwise commanding and capacity of the railroads to afford transportation, and the impossibility of otherwise commanding and distributing the necessary supplies for the armies, render necessary the control of the roads under some general supervision and resort to the power of impressment under military exigencies. While such powers have to be exercised, they should be guarded by judicious provisions against perversion or abuse, 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 session. Serious complaints have reached me of the inequality of its operation from eminent and patriotic citizens whose opinious merit great consideration, and I

whose opinions merit great consideration, and I trust that some means will be devised for leaving at home a sufficient local police, without making discriminations, always to be deprecated, between different classes of our citizens.

Our relations with the Indians generally continue to be friendly. A portion of the Cherokee people have assumed an attitude hostile to the Confederate. Government; but it is gratifying to be able to state engagements. With this exception, there have been no important instances of dissatisfaction among any of the friendly nations and tribes. Dissatisfaction recently manifested itself among certain portions of them; but this resulted from a misapprehension of the intentions of the Government in their behalf. This has been removed, and no further difficulty is This has been removed, and no further difficulty is anticipated. anticipated.

The report of the Secretary of the Navy, herewith transmitted, exhibits the progress made in this branch of the public service since your adjournment, as well as 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 message. I therefore confine myself to inviting your attention to the information therein contained. The report of the Postmaster General shows that during the first postal year, under our Government, terminating on the 30th of June last, our revenues were in excess of those received by the former Government in its last postal year, while the expenses were greatly decreased. There is still, however, a considerable deficit in the revenues of the Department, as compared with its expenses, and, although the grants already made from the general treasury will suffice to cover, all liabilities to the close of the fiscal year ending on the 30th of June next. I recommend some to cover, an insolities to the close of the fiscal year ending on the 80th of June next, I recommend some legislation, if any can be constitutionally devised, for aiding the revenues of that Department during the ensuing fiscal year, in order to avoid too great a reduction of postal facilities. Your attention is also invited to numerous other improvements in the service recon mended in the report, and for which legislation is required.

invited to numerous other improvements in the service recos mended 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 whose property has been destroyed by order of the Government, in pursuance of a policy adopted as a means of national defence. It is true that full indemnity cannot now te made; but some measure of relief is due to those patriotic citizens who have borne private loss for the public good, whose property, in effect, has been taken for public use, though not directly appropriated. Our Government, born of the spirit of freedom and of the equality and independence of the States, could not have survived a selfish or jealous disposition, making each only careful of its own interest 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 abuses, to correct errors, to cultivate fraternity, and to sustain in the people 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 our country into a condition at the present time such as the most sanguine would not have ventured to predict at the commencement of our struggle. Our armies are larger, better disciplined, and time such as the most sanguine would not have ventured to predict at the commencement of our struggle. Our armies are larger, better disciplined, and more thoroughly armed and equipped than at any previous period of the war; the energies of a whole nation, devoted to the single object of success in this war, have accomplished marvels, and many of our trisls have, by a beneficent Providence, been converted into blessings. The magnitude of the perils which we encountered have developed 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 of the earth. The injuries resulting from the interruption of foreign commerce have received compensation by the developments of our internal resources. Cannon crown our fortresses that were east from the proceeds of mines opened and furnaces built the proceeds of mines opened and furnaces built during the war. Our mountain caves yield much of the nitre for the manufacture of powder, and pro-mise increase of product. From our own foundries and laboratories; from our own armories and work-

male increase of product. From our own foundries and laboratories; from our own armories and workshops, we derive, in a great measure, the warlike material, the ordnance and ordnance stores which are expended so profusely in the numerous and desperate engagements that rapidly succeed each other. Cotton and woolen fabrics, shoes and harness, wagons and gun carriages, are produced in daily increasing quantities by the factories springing into existence. Our fields, no longer whitened by cotton that cannot be exported, are devoted to the production of cereals, and the growth of stock formerly purchased 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 the spinning wheel may be heard throughout the land.

With hearts 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, Jan. 12, 1863. ____

The subjoined highly interesting and important papers, being the correspondence of the Confederate authorities in Richmond with their diplomatic and financial agents abroad, have been recently intercepted by our Government, and furnished to the National Intelligencer for publication. Their contents will be found not only curious but very instructive for the "South-side view" they give of the operations, plans, and prospects of the "Confederacy:" tions, plans, and prospects of the "Confederacy."

There are several columns of letters, dated as far back as September last, addressed by the Hon. Judah P. Benjamin, the Confederate Secretary of State, to the diplomatic agents commissioned to represent "the Confederacy? In Europe, and especially at the Courts of London and Paris. These communications give a view of political and military affairs, as apprehended at Richmond at the several dates on which they were written. The report they make of "military operations" is equally remarkable for the exaggerated statements with which the correspondence opens in regard to the Virginia correspondence opens in regard to the Virginia campaign of the last summer and autumn, and for the tone of despondency with which it closes in view of the confessed failure attending the movements of Can Pragg in Wentucky. FRENCH DESIGNS-ON TEXAS But perhaps the most, interesting portion of this

diplomatic correspondence will be found in the exposition it makes respecting the supposed discovery of a political "intrigue" believed to have been set on foot by a consular agent of the French Government, resident at Galveston, for the purpose of detaching the State of Texas from the Southern Confederation. Grave reasons of State aggrandizement, confirmed by historical traditions of French policy, and by present military operations in Mexico, are assigned by Mr. Benjamin as the probable motives which may have induced the French Emperor to countenance this plot against the integrity of the Confederate Government, if, indeed, it shall be found, as the Confederate Secretary fears, that the consular agent at Galveston has not acted without receiving his inspirations from the Government he represents. Mr. Slidell, while cautioned to proceed circumspectly, is accordingly instructed to give this dinlomatic correspondence will be found in the exrepresents. Mr. Slidell, while cautioned to proceed circumspectly, is accordingly instructed to give this matter a thorough investigation, and arguments are furnished by which the susceptibilities and ambition of England may be played off against the probable schemes of the French Emperor.

1st. The Emperor of the French has determined to conquer and hold Alexico as a colony, and is desirous of interposing a weak power between his new colony and the Confederate States, in order that he may feel secure against any interference with his designs on Mexico.

2d. The French Government is desirous of securing for itself an independent source of cotton supcuring for itself an independent source of cotton sup-ply to offset that possessed by Great Britain in India, and designs to effect this purpose by taking under its protection the State of Texas, which after being acknowledged as an independent republic would, in its opinion, be, in effect, as dependent on France, and as subservient to French interests, as if a French

as subservient to French interests, as if a French colory.

The suppositions of Mr. Benjamin as to the intentions of France are summed up as follows:

J have, in accordance with the instructions of the President, expelled both Mr. Theron and Mr. Taboule from the Confederacy, and have forbidden their return without the previous permission of the Government: I enclose you copies of the orders of expulsion, marked C and D.

In endeavoring to account for such a course of action on the part of the French Government, I can only attribute, it to one or both of the following. only attribute it to one or both of the following causes: Mr. Benjamin to Mr. Slidell. [N. 8.] DEPARTMENT OF STATE,
RICHMOND, 28th October, 1862.

Hon. John Slidell, Sc., Sc., Scr., Paris:
Sin: Since writing my No, 7, of 17th and 20th instants, I have received from the hands of Mr. Fearn

(who arrived on the 25th instant) your No. 10 of 25th July, with its very interesting report of your interviews with the Emperor of the French and M. Thouvenel. I had previously received (on the 21st instant) your private letter of 18th September, forwarded through Mr. Mason, this last having reached me in a shorter time than any communication hitherto had with Europe, and demonstrating the great value of the new means of intercourse now opened, and which we hope to maintain. Mr. Mason will explain to you the details of the new arrangement, and your best course will be to forward your future despatches through him.

The voluminous contents of your despatch, and that of Mr. Mason, have prevented their communication to the President, with whom I desire to confer before answering you. The President is for the moment deeply engaged in military matters, and in endeavors to repair by new combinations the evils resulting from the failure of the Kentucky campaign, which has eventuated in none of the happy consequences which we so confidently hoped. The only gain has been the capture of a very large amount of (who arrived on the 25th instant) your No. 10 of 25th gain has been the capture of a very large amount of

gain has been the captalous supplies.

I have no time to add anything by this conveyance, but another opportunity will offer in a few days for a full despatch.

I am, very respectfully, your obedient servant,

J. P. BENJAMIN, Secretary of State. Mr. Benjamin to Mr. De Leon. DEPARTMENT OF STATE, RICHMOND, December 13, 1862.

SIR: I avail myself of an unexpected opportunity to acknowledge receipt of yours, Nos. 1 and 2. They have been read with lively interest, and you will not fail to keep the Department fully advised of your conclusions as to the probable action of European Powers, as fast as their views are developed, either through the press or other agencies. Powers, as fast as their views are developed, either through the press or other agencies.

The President has been so fully occupied with military matters that it has been scarcely possible for me to confer with him at length on the matters suggested by you; and he has just departed very suddenly for a tour in the Southwest, where his presence was greatly needed to restore affairs, and to impart renewed energy and activity to our military operations. operations.

On his return I will take measures to forward you additional means to enable you to extend the field of your operations, and to embrace, if possible, the press of central Europe in your campaign. Austria and Prussia, as well as the smaller Germanic Powers, seem to require intelligence of the true condition of our affairs and of the nature of our struggle, and it is to be hoped you may find means to act with efficiency in moulding public opinion in those countries. ries. The bearer of this goes in part to complete ar-The bear of this goes in part to complete arrangements for more prompt communication, and I hope that for the future my despatches will reach Europe more regularly and promptly.

Your obedient servant,
J. P. BENJAMIN, Secretary of State.
Edwin de Leon, Esq., care of Hon. John Slidell, for Paris.

Mr. Benjamin to Mr. Mason. [No. 7.] DEPARTMENT OF STATE,

BICHMOND, September 26, 1862.

Hon. James M. Mason, &c., &c., London:

Sir: Since my No. 6, of 19th July, I have received three communications from you, (not numbered), all of which arrived on the 25th August. I also received duplicate of your No. 11, 6 16th New York. all of which arrived on the 25th August. I also received a duplicate of your No. 11, of 16th May.

I enclose you, for information, copy of a despatch sent to Mr. Mann on the subject of a recent convention between the United States and the King of Denmark relative to Africans captured from slavers at sea. It may be well to have an eye to the movements of, the enemy in the disposal of slaves captured from our people, and you will perceive by the instructions to Mr. Mann what are the President's views on this interesting matter. views on this interesting matter.

I must again request of you to have communicated to Mr. Mann a copy of that part of this despatch which relates to the war and present state of the country, as it is out of my power to write to him by this conveyance. is conveyance.

I am, sir, respectfully, your obedient servant,
J. P. BENJAMIN, Secretary of State.

Mr. Benjamin 10 Mr. Mason. Department of State, Richmond, Oct. 28, 1862. RICHMOND, Oct. 28, 1852.

Hon. James M. Mason, &c., &c., &c., &c., London:

Sir: The arrangements made by the bearer of despatches 16 and 17, for facilitating intercourse between us, have been approved, and will be continued as long as successful. The details will be explained to you by the bearer of this despatch (Mr. George Sanders) in person.

The subject of a loan, based on cotton certificates, has been fully considered, and you will receive herewith a communication from the Secretary of the Treasury, informing you of the conclusions reached with this matter, and he requests me to express his thanks, and to solicit your aid and co-operation in any movements that may be made to secure success by Mr. Spence, to whom the Government has con-fided the business, in consequence chiefly of your re-commendation. He had been appointed to take charge of other negotiations before the receipt of your last despatches.

The President desires me to express his approval and satisfaction with your conduct, in assuming, under the circumstances, the responsibility of making the arrangements necessary for the success of Captain Sinelair in his arrangements for building a ship.

It is gratifying to perceive that you had, as was confidently anticipated, reviewed your impressions, and determined not to withdraw from London without the previous astructions of the President. Your correspondence with Earl Russell shows with what scant courtesy you have been treated, and exhibits a marked contrast between the conduct of the English marked contrast between the conduct of the English and French statesmen, now in office, in their intercourse with foreign agents eminently discreditable to the former. It is lamentable that at this late period in the nineteenth century a nation so enlightened as Great Britain should have failed yet to discover that a principal cause of the dislike and hatred towards England of which complaints are rife in her Parliament, and in her press, is the offensive arrogance of some of her public men. The contrast is striking between the polished courtesy of Mr. Thouvenel and the rude incivility of Earl Russell. Your determination to submit to these annoyances in the service of vour country, and to overlook per-Your determination to submit to these annoyances in the service of your country, and to overlook personal slights, while hope remains that your continued presence in England may benefit our cause, cannot fail to meet the warm approval of your Government. I refrain, however, from further comment on the contents of your despatches till the attention of the President (now concentrated on efforts to repair the ill effects of the failure of the Kentucky campaign) can be directed to your correspondence with Earl Russell.

I am, ar, your obedient servant.

I am, sir, your obedient servant, J. P. BENJAMIN, CORRESPONDENCE OF THE CONFEDERATE TREASURY AND NAVY DEPARTMENTS. Mr. Memminger to Mr. Mason.
[Duplicate.]

TREASURY DEPARTMENT, C. S. A., RICHMOND, Oct. 24, 1862.

Hon. J. M. Mason, Commissioner Confederate States, Hon. J. M. Mason, Commissioner Confederate States, London:
Sin: The cotton certificate forwarded in your despatch to the Secretary of State has been carefully examined, and upon due consideration of the views expressed by you, and the probable ability of the Government to furnish cotton, a form of certificate has been adopted somewhat differing from yours. The differences are several:

1. In price. It has been deemed best to fix this at five pence sterling. This form of stating the price has been adopted in preference to cents, because it expresses the rate to be paid for the cotton here, in a currency which is understood to carry a right to its value in London. Thus, five pence sterling would imply a right to receive that amount in London, or so much of our currency as would be required to purchase five pence sterling. At the present rate of exchange, this would amount to twenty-five cents. It is thought that this would not be too high a price to demand:

2. The cotton is made deliverable at certain ports, instead of any nort at the portion of the holder. This 2. The cotton is made deliverable at certain ports,

2. The cotton is made deliverable at certain ports, instead of any portat the option of the holder. This change is required by the fact that most of our cotton is at the West; and if a large portion should be required at an Atlantic port, it would be impossible to perform the contract. It is, therefore, proposed to issue separate certificates for the Gulf and Atlantic ports in such amounts as can be delivered at each.

3. The certificates are demandable only after peace, and within six months thereafter. It would be impossible to transport the cotton to any great amount until that period. To provide, however, for such cases as might desire to run the blockade, it is proposed that for some premium, to be adjusted by yourself, you should place in the contract an additional clause as fellows, which you are authorized to add: "The Government further agrees to deliver the cotton called for in this certificate at any time during the pending war, at any port within its possession, (if practicable to transport the cotton to the port sethe pending war, at any port within its possession, (if practicable to transport the cotton to the port selected,) upon the payment by the holder of the cost of transportation."

4. In case, by accident or otherwise, the holder should omit to make his demand within this period, the certificate is not forfeited, but the Government has the option to deliver the cotton, or return the amount paid, say one thousand dollars, with interest at six per cent. from the issue of the certificate.

5. An additional formality is added in requiring your endorsement. This addition has been made to guard against capture or loss of the certificates on their way to Europe, and also to give an official supervision there.

I now send, by Mr. G. N. Sanders, one thousand certificates for the Gulf ports, and five hundred for the Atlantic. In order to have the payments put in proper form you had better deposit the certificates with our depositaries, Messrs. Fraser, Trenholm, & Co., at Liverpoel, directing them to receive the money and deposit the same to the credit of the Treasurer of the Confederate States. This will place matters in a business form, and relieve you of the necessity of keeping accounts.

In order that you may act understandingly, permit me to apprize you of such financial arrangements, as have already been made.

At your suggestion, I have appointed Mr. James Spence, of Liverpool, financial agent, and have requested him to negotiate for the sale of five millions dollars of our eight-per-cent, bonds, if he can realize fifty per cent. on them. I have already sent over two millions of the bonds, and will send another million in a week of ten days. Mr. Spence is directed to confer with Messrs. Fraser, Trenholm, & Co., who had previously been made our depositaries at Liverpool. Had I known with certainty where Co., who had previously been made our depositaries at Liverpool. Had I known with certainty where you were, I would also have referred him to you, and I would thank you now to place yourself in cor-

I have also directed Mr. Spence to endeavor to negotiate for the application of two and a half-millions of coin, which I have here, for the purchase of supplies and munitions for our army. I hope that this coin will be accepted by British houses in payment at the rate of sterling in England, less freight and insurance. It seems to me that, upon its transfer to British owners, they could obtain transportation for it on their vessels-of-war from any Confederate port, inasmuch as it would be hona fide British property, and, in any event, the holder of the transfer would have a certain security.

A difference has been made by our Congress in A difference has been made by our Congress in some of its appropriations for the navy. Those for building vessels are payable in bonds. It follows, therefore, that a discrimination must be made in the application of funds from the different sources of revenue, of which you will take notice.

Under the act of Congress authorizing me to accept produce in exchange for bonds (of which I enclose a copy), I have procured a considerable amount, which is stored on plantations or in warehouses. I which is stored on plantations or in warehouses. I send you a copy of one of the certificates taken for the cotton. These certificates it is proposed to offer for sale in Europe. They would give to the purchaser an absolute right to the particular lot of cotton, with the privilege of shipping the same, and may be preferred by some purchasers.

In conclusion, allow me to request your co-operation in these various plans, and any suggestions which your experience and observation may deem proper. Respectfully, your obedient servant,

C. G. MEMMINGER,

Secretary of Tressury.

Secretary of Tressury An act to authorize the Exchange of Bonds for articles in kind, and the shipment, sale, or hypothecation of such articles. such articles.
SECTION I. The Congress of the Confederate States of America do cuact, That the Secretary of the Treasury be, and he is hereby, authorized to exchange the bonds or stocks of the Confederate States for any articles in kind which may be required for the use of the Government, the said articles to be valued according to such regulations as the said Secretary shall make. hall make. Section 2. It shall be the duty of the Commissary section 2. It shall be the duty of the commissary and Quartermaster Generals to direct their various officers to receive, at the place of purchase, all such articles purchased as are applicable to their several departments, and to apply the same in the same manner as if purchased directly by themselves; and the efficer to whom each article is delivered shall be charged with the value as declared by the purchase, and shall be bound to second for the same Sec. 3. The said Secretary is also authorized to

accept, for the use of the Government, in exchange for the said bonds or stock, cotton, tobacco, and other agricultural products in kind, which have been subscribed to the produce loan, or which may be subscribed in kind, at such rates as may be adjusted between the parties and the agents of the Government. Provided, That in no event shall he receive of cotton or tobacco a greater value than thirty-five millions of dollars; and the said Secretary is further authorized to deposit the same at such places as he shall deem proper, and to procure advances thereon by hypothecation, or to ship the same at home or abroad, as he may deem best; and to assist these operations the said Secretary may issue produce certificates, which shall entitle the party to whom issued, or his endorsee, to receive the produce therein set forth, and to skip the same at any neutral next in carefal. which shall entitle the party to whom issued, or his endorsee, to receive the produce therein set forth, and to ship the same to any neutral port in conformity with the laws of the Confederate States.

Sec. 4. The Secretary of the Treasury may, from time to time, appoint and dismiss such agents as he may deem requisite to carry into effect the provisions of this act. Their compensation shall be a brokerage upon the business completed by them, at such rates as the Secretary of the Treasury shall adjust by general regulation.

Sec. 5. The Secretary of the Treasury may, from time to time, issue regulations for carrying out all the details involved in the provisions of this act, which shall be obligatory upon all parties concerned. which shall be obligatory upon all parties concerne

Approved April 21, 1862. Confederate States of America. Cotton Certificate.

This is to certify, that—, of—, is the proprietor of twenty bales of cotton, of 10,000 lb. weight, rating New Orleans middling at five pence sterling, which shall be delivered by the Government of the Confederate States of America to—, or order, at the port of Charleston or Savannah, subject only to charges for compressing, putting on board ship, and existing Government dues, the latter not exceeding one-eighth of one cent per lb. \$1,000 BOND. ceeding one-eighth of one cent per lb.

The cotton will be delivered as soon as demanded by the holder of this certificate, upon the Government receiving thirty days, notice of such demand. The demand must be made within the six months af-The demand must be made within the six months after the declaration of peace between the present belligerents in America; in default of a demand within that period, this certificate may be discharged by payment of one thousand dollars, with interest at the rate of six per cent. per annum, from the date of issue endorsed hereon.

This certificate will confer no right until verified

This certificate will confer no right until verified and endorsed by the Commissioner of the Confederate States in Great Britain.

In testimony whereof, the Register of the Treasury hath hereunto affixed his name and the seal of the Treasury Department at Richmond, this first day of November, 1862.

Register of Treasury. _____, Register of Treasury. Copy of " Produce Certificate." [Here enter the weight of the bales only, and their 42 bales good ordinary cotton, marked C. S. A., and 15 bales middling cotton, same mark.

461 463 455 57 bales. A g g r e g a t e 437 515 515 weight 26,213, at 83...\$22,-442 488 500 94.07. 500 94.07. 488 State of Mississippi: 461 County of Madison. 490 Town, or Post Office, Canton. The undersigned having
sold to the Confederate
States of America, and received the value of same in 450 bonds, the receipt whereo

465 is hereby acknowledged, 57
461 bales of cotton, marked,
483 numbered, and classed as
461 in the margin, which are
now deposited at his plan-6.995 tation in said county, heremid. by agrees to take due care of said cotton while on his plantation, and to deliver 9,685 9,538 the same at his own expense, at Canton, on the N. O. I. & G. N. Railroad, 9,538 19,223 lbs. 9,538 19,223 lbs. in the State of Mississippi, to the order of the Secretary of the Treasury, or his agents, or their assigns.

THOS. G. SMITH.

CANTON, August 6, 1862.

The undersigned, as agent of the Government, certifies that the within cotton has been evamined. certifies that the within cotton has been examined by him, and that its character will rank according to

by him, and that its character will rank according to the commercial scale as middling and good ordinary, and also that the weights and marks are as described—the cotton being in good merchantable order, and safely stored in a covered building.

The undersigned certifies that the price agreed upon is a fair market price at the present time.

WILL G. BALLEY CONFEDERATE STATES OF AMERICA. Treasury Department

This is to certify that the within and above of scribed cotton has been sold to _____, and de-livery is hereby ordered to be made to him, or his order, with license to export the same from the Confederate States to any neutral port, on complying with the requisitions of the law.
Given under my hand and the seal of the Treasury Department, on the year and day above mentioned. Secretary of Treasury.

Mr. Mallory to Mr. Mason.
[Duplicate.]

CONFEDERATE STATES OF AMERICA.

Navy Department, Richmond, Oct. 26, 1862.

SIR: Your letter of the 18th ultimo reached me a few days ago. Without your advice and effectual assistance the enterprise for which Lieut. Sinclair has been selected must have been indefinitely deferred, and you have my cordial thanks for your action therein. Your stipulations in behalf of this department are fully endered and will be promptly. department are fully endorsed, and will be promptly The Treasury has under consideration your sug-gestions as to cotton bonds, and Mr. Benjamin will advise you of the modifications of the form transmitted by you which Mr. Memminger deems no The speedy completion and departure of Mr. Sin The speedy completion and departure of Mr. Sinclair's work I regard of so much importance that I must invoke your further aid, should he require it, to enable him to raise funds for the purpose of which I have advised him, and the repetition of which here I deem inexpecient.

The courier who brought your despatches found a means of communication whose safety justifies their further use, and Mr. Benjamin will probably advise you thereof. The completion of the contract of this gentleman will place a negative class of shims. this gentleman will place a peculiar class of ships

this gentleman will place a peculiar class of ships, never before constructed, upon the sea in our service, and I shall regret if the Treasury Department shall fail to make such arrangement as will enable him to accomplish this important enterprise.

I have the honor to be, very respectfully,
Your obedient servant,
S. R. MALLORY, Secretary of the Navy.
Hon. James M. Mason, Commissioner, &c., No. 54
Devoashire street, Portland Place, London. Devonshire street, Portland Place, London.

It seems that previous to the departure of Mr. Geo. N. Sanders for Europe, certain legislation of the Confedenate Congress which had been proposed in the matter of contracting for the construction of iron-clad ships in Europe, encountered the opposition of that gentleman. The following memorandum from him en the subject is found among the intercepted papers. Addressed to "Reid Sanders," it was probably placed by the latter in the hands of Mr. Memminger or Mr. Mallory, respectively the Secretaries of the Confederate Treasury and Navy:

RICHMOND, August 5, 1882.

Any legislation in regard to the construction of iron-clad steamers until time is given me to get mine under way will be very unjust. My detention here was necessary to the perfection of the contracts, which took much time and reflection. The final instructions of the Navy Department have been issued but a few days. Bunglers entering the European market might endanger the entire scheme. Great skill and diplomacy must be exercised to avoid the interference of European Governments.

No one is entitled to my suggestions until full time is given me to carry them out.

is given me to carry them out.

GEORGE N. SANDERS. To REID SANDERS. To this is added by Sanders the following list of names, consisting of persons connected with the Confederate Administration and Congress. Several. of the names, it will be seen, have a cross prefixed to them, intimating probably that they already favoted his views, or needed to be still further approached on the subject. This supposition is, however, purely conjectural on our part. This list is asfollows, in G. N. Sanders' handwriting: Secretary Mallory, President Davis.

Breckinridge, Boyce, †Garnett, Miles, Wright, Tenn. Haskin, Hunter, Henry, Brown, Miss., Matchen, Bruce, Cooke, Lyons, Foote, Wigfall, The following unsigned letter is also found among

the captured papers: The Hon. S. R. Mallory, Secretary of the Navy: SiR: As I contemplate leaving here without loss of time for Europe, for the purpose of rendering important and valuable service to the Confederacy, I portant and valuable service to the Confederacy, I deem it proper to recommend to you the necessity of my having the co-operation of Commodore Forrest in the plans which have been suggested to you. He is an official of experience, and well qualified to lend important assistance, which may result in the complete realization of my hopes and expectations; indeed, if Commander Sinclair could also accompany me, or be sent out to give his attention to matters connected with the plans I have in contemplation, I am satisfied that with the professional knowledge of these gentlemen we cannot fail to subserve our interests, and render high and important service to our terests, and render high and important service to our-cause, both in superintending and constructing the The following memorandum appears to be in the-

same handwriting with the above letter, though much disguised or very carelessly written: Gabreath & Co., of Scotland, and W. S. Lindsay & Co., of London, are the houses with whom I had the negotiation about the steamers. I request Captain Sinclair, of the Confederate navy, to make all preliminary arrangement for the contract by my return. (See him first), he will meet you in London. George Thompson & Co., Glasgow, will make posals for the construction of at least one steam r. They have the drawing and estimates complete. Lindsay & Co. will negotiate the naval store onds.

B. Rice & Co. may undertake enough to lead one essel (Nova Scotia) with shoes and clothing unde he North Carolina contract. Turpentine 100 shoul ring per gallon \$2, rosin should bring \$5. CONFEDERATE STATES NAVY DEPARTMENT,

RICHMOND, Oct. 27, 1862.

Hen. C. G. Memminger, Secretary of the Treasury:

Sin: I have the honor to call your attention to the copy of the secret joint resolution of Congress, which was sent you on Saturday, and to so much of my recommendation to Congress upon the subject of the act as shows the basis upon which it was passed a convolve which was also sent you on Saturday. assed, a copy of which was also sent you on Saturday.
Under this authority, contracts have been made with Mr. George N. Sanders, by this Department, for six ships, to be paid for in cotton, a copy of which contract is herewith enclosed.
Mr. Sanders informs me that if the Government Mr. Sanders informs me that if the Government will fix the price of the cotton to be delivered, he can execute his contract, and not otherwise, and deeming the ships important to the public interest, I suggest for your consideration the expediency of stating the price, and of pursuing, with reference to payment in cotton for these ships, the course you have adopted with regard to the cotton bonds.

Lam, respectfully, your obedient servant,
S. R. MALLORY, Secretary of the Navy.

Mr. Memminger to Mr. Mallory. Convenience of an amony.

Convenience of an among.

Treasury Dep't, Richnond, Oct. 30, 4882.

Sir: I approve the suggestion made by you of making your contract for building iron-clear vessels making your contract for building iron-class vessels in Europe conform to the arrangements of the cotton certificates sent to the Hon. J. Al. Mason. I enclose a form of each of these certificates. Upon the meeting of Congress an appropriation must be made to meet your contracts, and the terms can then be altered so as to conform the mode of payment to the cotton certificates, fixing a price for the cotton, and providing for the delivery at any post upon adding the charges of transportation. The only limit to these combined operations will be the quantity of cotton which the Government can purchase, which I hope will be found ample.

Respectfully, your obedient servant, C. G. MEMMINGER,
Secretary of the Treasury.
[The "cotton certificates" enclosed in the forego ug letter are the same as those printed above. I

THREE CENTS. above at Vicksburg, and below at Port Hudson, our boats are venturing out of their hiding places, and are beginning to carry provisions from the Red river and Texas to the upper country. I do not think the Federals will ever again control the Mississippi, as they have done; though they may harass us, the border planters, by unexpected raids and sudden surprises, as they did at Milliken's Bend. We have forces a short distance from the river; but the Federals may make sharp, sudden, devastating forays, if one of our sentinels should be caught asleep again. Par exmple, at Milliken's bend they took prisoner an acquaintance of ours, a Mr. John Parker, put a pair of handcuffs on him and took him off with them. Time and language would fail me if I attempted to give you an account of all that we hear of their outrages in New Orleans and the adjoining country. Don't believe Butler's lies about "Union sentiments," and loyal citizens there. If there is a place where the Federals are most detested it is here in Louisiana. In New Orleans the ladies never go out of their houses if they can help it, and then armed, as in all parts of the State exposed to their inroads women are. I believe I am the only woman in this part of the State who has not arms and does not know how to use them, and I think I could shoot too on an emergency, only I have such a distaste to weapons that I think I would rather be killed than to kill anybody. I would not shoot in defence of life, but I would of honor.

The other day, when the Federals made their raid, at the house of one of my relatives a young girl was sick, just recovering from billious fever. The other young lady of the same age, a widow of one week, seized a revolver and stationed herself at the

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sick, just recovering from billious fever. The other young lady of the same age, a widow of one week, seized a revolver and stationed herself at the chamber-door of her sick relative, determined to shoot down the first soldier who dared to approach the room. Fortunately, the officers showed humanity enough to prevent any outrages, but a faithful servant came to the young ladies' parent after the Federals had left, and entreated her "not to expose her roung materials and entreated her "not

Mr. Mallory to Mr. Mason. NAYY DEP'T, RICHMOND, Oct. 30, 1862.

Hon. James M. Mason, Commissioner of the Confederate States to Great Britain, London:

Sin: Mr. Sanders has, as you are aware, contracted with this Department for the construction in England of six iron-clad steamers, combining the capacities of the freighting and the fighting ships, in a manner which will enable them to force the blockade of our ports.

The interests of the country will be much benefited by the prompt construction of these vessels, and I beg leave to invoke your interest, not only in behalf of our enterprises already in progress, but in behalf of this also.

The Secretary of the Treasury has this day addressed to me a note upon the subject of the cotton to be delivered in liquidation of these contracts, and I enclose herewith a copy.

I have the honor to be, very respectfully, your obedient servant, [Duplicate.]

Mr. Memminger to Mr. Spence.

[Duplicate.] Department, Richmond, Oct. 21, 1862.

James Spence, Esq., Liverpool, G. B.:

Sin: As you have been appointed financial agent for the Confederate, States, and Messrs. Fraser, Trenholm, & Co., are its depositaries under our law, I desire that you would confer together on the matter submitted by this letter.

I have on hand gold and silver coin, (chiefly the former), two and a half millions of which I desire to apply in payment of articles purchased in England by our agents for the use of the Confederate Government. We find it impossible to purchase a sufficient amount of exchange for these purposes, and the small amount to be had is at such high rates that it would be desirable to furnish a substitute. I propose to make payment for purchases by a transfer to the creditor of so much of this coin as may be requisite. I presume that when the coin thus becomes quisite. I presume that when the coin as may be requisite. I presume that when the coin thus becomes
bona fide the property of a British subject, that the
British Government would, at his instance, permit
any of its vessels to bring over the same for him.
If this expectation be realized the coin here would
be as valuable as exchange, and in England would
probably realize its mint value, less freight and insurance. surance surance.

To enable you to carry out any arrangements you may deem advisable, Messrs. Fraser, Trenholm, & Co. are authorized to make an absolute transfer of the coin, or to draw bills for the same on E. O. Elmore, Esq., treasury, payable here, and a copy of this letter is sent to each of you that you may act in concert, and give us the benefit of your united counsel.

counsel.

I am remitting, by opportunities as they occur, the bonds of the Confederate States, the proceeds of which, when sold, are intended to be applied to the contracts, of which you have been advised.

Respectfully, your obedient servant,
C. G. MEMMINGER, Mr. Memminger to Messrs. Fraser, Trenholm & Co. TREASURY DEPARTMENT C. S. A., RICHMOND, October 24, 1862.

Messrs. Fraser, Trenholm, & Co., Liverpool, G. B.:

DEAR SIRS: Your letter of July 21st is just received, advising sales per "Economist," and balances to the credit of the Confederate States of F7.121 182 114 and 52328 ed. All those resident £7,121 193. 11d., and £3228s. 9d. All these credits, with all other remittances from this department, you will place to the credit of the treasurer of the Confederate States, subject to his draft. The course of business at the treasury is to draw on the deposi-taries in favor of third parties. When these parties are creditors, the payment of them being vouched ends the matter. When the third party is merely a disbursing officer of the Government, the effect of

disbursing officer of the Government, the effect of the treasurer's draft on the depositary is to transfer the amount to the credit of the disbursing officer, on which he may check at pleasure, he having to account at the treasury for the whole amount.

So, too, when bills of exchange, or any other remittances, are forwarded to you by the Secretary of the Navy or of War, they are not to be credited to the Treasurer, but to the officers, directed to such secretaries, and your account must be rendered to them, and not to this Department.

At the suggestion of our minister in England, I propose to issue cotton certificates, of which I send you a specimen. When countersigned by him, he will deliver them to you to receive the money to be paid for them. You will take care that the date in the endorsement corresponds with the date of receiving the money. The proceeds will be deposited to the credit of the Treasurer, and it is important that I hould be advised of any sales as promptly as possi-

[The cotton certificates enclosed are the same as hose quoted above.] Mr. Memminger to Messrs. Fraser, Trenholm, & Co.
TREASURY DEPAPTMENT, C. S. A.,
RICHNOND, October 28, 1862.
Messrs. Fraser, Trenholm, & Co., Liverpool, G. B.
DEAR SIRS: You will please extend a credit to
Major J. B. Ferguson to the extent of five hundred
thousand dollars, and give him any assistance in
your power to make his purchases for the Confederate States.

your power to make his purchases for the Confederate States.

I have already informed you and Mr. Spence that I have on hand two and a half millions of dollars in coin, upon which drafts can be made, or which you are authorized to transfer to any parties who may furnish the means to make our purchases. This fund, or any amounts which may be realized upon our bonds, will, I trust, enable you to meet the credit herein extended to Major Ferguson, in addition to that heretofore given. Respectfully, your obedient servant,

C. G. MEAIMINGER,

Secretary of Treasury. that hereton, servant,

Confederate States of America, War Department, Nitre and Mining Bureau, Richmond, October 28, 1862. SIR: The undersigned for, and on behalf of, the Confederate States of America, will receive from you shipments of nitre, to be delivered within the limits of said Confederate States, and not to exceed one thousand tons, upon the following terms and rates of payment:
ist. For nitre delivered at any Confederate port
east of the Mississippi river seventy-five (75) cents
per pound, of ninety per cent. purity, if delivered on
or before March 1, 1863. 2d. For nitre delivered as above, but after March , 1863, sixty cents per pound, of ninety per cent purity.

3d. For all nitre delivered as above, at Confederate ports between the Mississippi and Rio Grande rivers, fifty cents per pound, of ninety per cent. purity.

It is to be distinctly understood, in connection It is to be distinctly understood, in connection with the above stipulation, that all payments thus due are to be made and received in the treasury notes of the Confederate States, or, if preferred, in their bonds, and that the inspection of a duly accredited officer from this Bureau shall be final as to the quality of the nitre received, and that inferior qualities, under ninety per cent. purity, shall be paid for at a pro rata valuation. J. M. ST. JOHN, Major and Sup. C. S. Nitre and Mining Bureau. Approved: J. Gorcas,

Colonel and Chief Ordnance.

Mr. Wm. K. Smith, London, England.

[With the above letter were enclosed clippings from the Richmond papers relating to the war.]

Intercepted Correspondence of the London Times.

WASHINGTON, January 18, 1863. The following letter, written by Daniel H. London, failed to find its way to the London Times. By some means, not explained, it was recently received in Washington. Perhaps its contents, now originally published, may be as interesting to the people of the United States as if it had been extracted from the London Times: CONFEDERATE STATES OF AMERICA, RICHMOND, Va., November 29, 1862. For The Times:

Within a few weeks, there has been published in this city, the following letter from a Federal mailbag captured by Confederate pickets in the neighborhood of Charlestown, Virginia, which is not far away from Harper's Ferry. Its genuineness is not questioned. Its author is nephew to Mr. Lincoln's Secretary of State. NEAR CHARLESTOWN, Va., October 19, 1862.

DEAR UNCLE: I got here from the Ferry yester-day afternoon. I have not time to write you but a few lines now, but will write more fully in a day or two.

I send you half a dozen copies of various of the Richmond papers, captured by some of our cavalry last night. By reading them, you will see that the rebels are not yet fully convinced that they have not been routed in Kentucky! The Whig's editorial says it never expected success there while the rebel army was under such incompetent generals! And the Examiner is still in a state of painful anxiety about the battle of Perryville!

It seems they have received despatches from Gen. Forrest, and numerous other Southern sources, telling of their victory;" but Bragg's official report has not been received, and they have seen the Federal papers, and as these do not admit a defeat to the Union almy, the Southerners really doubt whether any has greunred! Is not this another evidence of the wisdom of your policy in regard to the Northern press? Gen. few lines now, but will write more fully in a day or of your policy in regard to the Northern press? Gen. Scott was right in saying that falsification was a necessary part of the machinery of war. In this war it is a powerful aid, as the Southern press republish and seem to credit so much of what we choose to give to our papers.

Push your policy as to the press still further. Blake them state every fight a glorious victory, and sick to it. It will do great good North and South. No time for more now. Bob Verplank is here, and well. Hon. WN. H. SEWARD. This letter has heretofore been denough gery, by those who ought to know.] gery, by those who ought to know.]

When Mr. Welles, the Scepstary of the Navy, was applauding the United States officer for the outrage committed on the British flag, by the capture of Mason and Slidell, and approxing the transaction, this Sceretary of State was disavowing and repudiating it through Mr. Adams, mainister of the United States in London. Mr. Lincoln was the criminal who spoke falsely, since both statements were his own, as what the President does through his ministers he does himself, and with the success usual to a hypogrite he secured the contempt of all boost. own, as what the President does through his ministers he does himselt, and wish the success would to a hypocrite he secured that contempt of all honest minds. During the great at the success would not be provided in the office of the Secretary of War. This statement I hear was made by Judge Bates, Attorney General for the United States, to, his two neyhews who are in the Confederate army, and were taken prisoners, carried to Washington, and while there exayed with Judge Bates. And now General for the United States, to, his two neyhews who are in the Confederate army, and were taken prisoners, carried to Washington, and while there stayed with Judge Bates. And now General facellan has too little manhood to expose and denounce the falsehoods practised in his name. Lost to every tense of shame, he is willing to serve masters for pay, that themselves are fit companions only for the base and depraced; but Gen. McClellan is head of the army no longer. Ley his masters tell the reasons! I could not credit what I saw alluded to so often, as one of the means of condusting one of the most highlines, until I had the most positive exidence that falsehood—yes, takehood persisted in—was one of the religiones of the Hulled States. The in moders times, until I had the most positive exidence that falsehood—yes, falsehood persisted inwas one of the reliances of the United States for the purpose of continuing thair struggle against the Confederate States.

The above statements will pregare the way for another letter, in which the outrage is more revolting than any of which the Austrian Haynau could boast. Savages, even, could not excet the deserration which is brought to the light in the following narrative. The cowardly har is always cruel to those in his power, and we can anticipate the exhibition of one vice by existence of the other: but

CONFEDERATE STATES OF AMERICA, NAVY DEP'T, RICHMOND, Oct. 30, 1862. S. R. BEALLON I, Secretary of the Navy.

TREASURY DEPARTMENT, C. S. A., RICHMOND, October 21, 1862. Messis. Fraser, Trenholm, § Co., Liverpool, G. B.: GENTLENEN: The enclosed letter to Mr. James Spence is sent to you for your guidance and consideration. Respectfully, your obedient servant, C. G. MEMMINGER, Secretary of Treasury.

CONFEDERATE STATES OF AMERICA, TREASURY DEPARTMENT, RICHMOND, Oct. 21, 1862.

Virginia between the Rappahannock river and Washington city, large numbers of slaves, men, women, and children, are enticed away from their owners into the encampments of the Northern army. When the Federal encampments were broken up, and their armies retired, hundreds of negro children, girls and boys, of all ages, were left in the woods, totally unprotected and alone, to perish or fall a prey to animals, and many did perish and die; their fathers and mothers forced away, or so neglected and overlooked in the confusion of the retreat, as to be disqualified or prevented from caring for their own offspring. The negroes who have been enabled to make their way back to their owners report the hardships through which they have passed as far beyond anything before known to them. The credulity and

through which they have passed as far beyond anything before known to them. The credulity and submissiveness of the negro is as much a part of his nature as the color of his skin. Incapacity amongst the slaves for taking good care of them is so general that the most sedulous attention and watchfulness on the part of their owners is necessary to keep them healthy and decent in their appearance. As to using them for soldiers, as the United States Government proposes, it is simply absurd; they may make them robbers, thieves or assassins, but never good soldiers. The proposal to emancipate the slaves of the people of the Confederate States is placing a purpose far in advance of an event, the occurrence of which is more than doubted, as it can only be done after the conquest and subjugation of the whole country, and the ability of the Northern States to accomplish this may well be questioned, as the following facts and considerations will demonstrate: When the secession of the States of America began by the secession of South Carolina on the 20th of December, 1860, every fort and arsenal in any of those States was held by the then United States. The Confederates now hold Fort Morgan, at Mobile; Fort Sumpter and the fortifications at Charleston, and the fort at Wilmington. certainly three less than were held by the United States at the outset of the secession.

The Confederates had no army when they organble.

In regard to the payment of the £60,000 mentioned in your letter of July 21st, to Captain Caleb Huse, I am unable to speak definitely, until I can get sundry details, of which I will advise you in another letter. Respectfully, your obedient servant,

C. G. MEMMINGER,

Mr. St. John to Mr. Smith. Legitimate free Confederate population by census of 1860: 505,602,400 Deduct free negroes as in 1850, probably not in-235,508 creased materially on account of emigration, 8,566,591 Not including Kausas which is doubtful. 4,183,445 Deduct one half for women. 4,185,456
Say in found numbers, as women are more numerous, probably, 4,000,000, and for that number our table would stand as follows:

Under 18 years old...... Between 18 and 35 years old. Between 35 and 45 years old. Between 18 and 35 years old 1,684,172 Between 35 and 45 years old 515,685 1,591,793 Between 45 and 50 years old 452,780 Between 55 and 100 years old 570,180 Showing 1,581,788 within the age capable of bearing arms. The Federal newspapers represent the numbers of the army of the Confederates as 648,000 men.

arms. The Federal newspapers represent the humbers of the army of the Confederates as 648,000 men. The conscription in April took all between 18 and 25 years old, exempting, of course, certain persons. In October a further authority was conferred on the Government to extend the conscription to all between 25 and 45 years old, which act has not been resorted to for any beyond forty years old, and the plain inference is because the men are not wanted. There must be deducted from the numbers estimated above of 1,581,788, all who escaped from the conscription in Maryland, Delaware, Kentucky, Missouri, and elsewhere, now occupied by the enemy. There must be added all in the army as volunteers below 18 years and over 45.

In the outset the Confederates had no arms; they now have, certainly a very large number of all kinds. Between the adjournment of Congress, in May, 1862, and its reassembling, the 1st August, there were added cishy thousand small arms alone; this is official. Since that period, there is to be added, all taken in the battles between the Rapidan and Washington, and those surrendered at Harper's Ferry, which was the most valuable and brilliant occurrence of the war; as the fruits were eleven thousand prisoners, seventy pieces of artillery, and quite as many muskets as there were men, and many more. To these there must be added the vast number which are made in the Confederate-States. In this respect, there has been developed a capacity which is surprising, in every department everything needed by our army; but a further addition is to be made of the arms taken at Richmond, Ky, and at Munfordsville, besides several cargoes imported from abroad. It may be safely stated that there is now no uneasiness felt as to the supply of arms may and at Munfordsville, besides several cargoés imported from abroad. It may be safely stated that there is now no uneasiness felts as to the supply of arms of all kinds. Whatever number of arms may have been lost by the Confederates in battle must be deducted, but that number was so small as not to be felt, and cannot be ascertained. Ammunition was so scarce at one period as to create serious concern. That has been overcome, since the Secretary of War stated to Congress in August, that nitre was being produced in such quantities as to justify the opinion that soon there would be no necessity for further importations of that article. All the other necessary articles for ammunition, such as charcoal, sulphur, lead, iron, copper, &c., are produced in quantities sufficient for all purposes. Clothing is being produced in quantities sufficient to meet the necessities of the army, although the cargoes coming in are valuable assistants in this respect. But at no distant day every actual necessary will be made by the people. True, many articles are very high in price, but when so sudden and extensive demand is to be met by labor hitherto devoted to other pursuits, we are in no way, to wonder at the prices which particular articles command at certain places; for instance, heavy gray cloths for the army. Yet the prices are not; such as to prevent taker use. The quantity is being increased so rapidly as to relieve all fears on the score of supply. In food and subsistence, nothing is further off than a famine in the Confederate States. Salt is now made in large quantities at many points, and the quantity will scon be ample for all demands. quantities at many points, and the quantity will scon be ample for all demands.

I come now to refer to the finances. In the outset there was no revenue. Let us, see the facts and the foundation upon which the credit of the Confederate [NOTE BY THE AGENT OF THE ASSOCIATED PRESS. Government rests. Their receipts from the com-Government rests. Their recaigs from the commencement have been more than three hundred millions of dollars, by the report of the Secretary of the Treasury, and the entire disbursements estimated for up to January, 1883, will be about five hundred millions of dollars—learning a debt of not more than that sum for all accounts. Since this sum is to be credited by the incomes from the wartax and the custome, and for sales of the public property, of lands, &c., which will more than counterbalance any variations by underestimates. Now, to cover this debt, and to enable the people to pay the taxes necessary to meet the interest and to liquidate the principal, there is in the Confederate States certainly four millions of bales of comments articles at their present values in Liverpool, the quantities now in the Confederate States would bring more than ten hundred millions of hollars. Your nesders can very soen make their calculations as to the value of a Confederate bond, when they see control at 2s. 3d. the pound and learn that they the that the the taxes are the tent of a Confederate bond, when they see control at 2s. 3d. the pound. their calculations as to the value of a Consederate bond, when they see cotton at 2s. 3d. the pound, and learn that them are 450 to 560 pounds in cach bale, and that the manufacture and the Government hold, certainly, four millions of bales, and probably five millions. Out of this enormous capital, the interest needed to pay the public creditors is net, more than eight millians of dollars at this time, as the bonded do to was less than one hundred millions list of August and cannot reach more than two hundred and fifty millians by ist of January, 1863, as a large part of the debt must continue in Treasury notes, redeemable six months after the treasy of peace, without induced, being necessary for the circulation of the country. You will ask how such an army has been supported for, so small a sum. There is this fact, worthy of the highest praise, which will account for a keavy amount. A very large part of the army was sent into the field alreads equipped, by the gene-

ing than say of which the Austrian Hayrau could boast. Savages, ever, could has excel the descration which is brought to the light in the following narrative. The cowardly liar is always cruel to those in his power, and we can anticipate the exhibition of one vice by existence of the other; but there are some crimes so revolting, that we shudder to hear of them. This letter tells of such.

[Here is appended the following letter, headed "Yankee outrages in Louisiana," and published in the Raleigh Church Intelligencer. It is a private document, and written by a lady living on a Mississippi river plantation in the Southwest.]

ELKRIGGR, August 31.

We have had the pleasure of greeting the "starm and bars" at the head of more than one steamboat during the past week. As we now hold the river