

the State to clothe and shoe her troops comfortably, and could have furnished to the Confederate States all that was to be had anyhow at reasonable rates. But it was immediately violated. The country was soon, and is still, swarming with agents of the Confederate Government, stripping bare our markets and putting enormous prices upon our agents. This is especially the case in regard to shoes and leather. The consequence has been our troops could get only half supplies from home, and nothing at all from the Confederate Government, because of our agreement to furnish them ourselves. When a large portion of our army this fall by the accidents of battle and other causes lost their baggage, it was found impossible at once to replace it. Sorely pressed as to the best course to be pursued, I published an appeal to our people in behalf of their brothers in the field, and employed the militia officers for the collection of articles donated or sold; and though the response has been at once gratifying and patriotic, yet it is necessarily slow and uncertain; and I regret to say that the heroes of Boonsboro', Sharpsburg and other glorious fields, have suffered and are still suffering greatly for the want of shoes and clothing. Every possible exertion has been made for their relief; but while the agents of the Confederacy are allowed to compete with ours, and speculators are allowed to carry our leather beyond our borders, it will be impossible to supply them.

I earnestly recommend an embargo upon this article as before mentioned. I am gratified that I am able to state that the prospect of obtaining cotton cloth at reasonable rates, is better than it has been. The stockholders of the Rockfish manufacturing company, one of the largest and most enterprising in the State, have agreed to sell all their productions at 75 per cent upon cost, the rate allowed by the exemption bill, which will reduce the price about one half; and some seven or eight other companies have intimated an intention of following their praiseworthy example. We may reasonably hope that most of the other mills in the State can be induced to do likewise. The woolen factories seem more incorrigible. Some of them when asked to furnish their goods at 75 per cent declined entirely, and others agree to do so fixing enormous profits on the cost of the raw material and then adding the 75 per cent on the finished article, making their profits even greater than before. It is greatly to be regretted that the most useful and to-be-cherished institutions should put themselves in a position which will cause them to be execrated by our people on the return of peace. But as the free trade policy oppressed them in times of peace, so they seem determined to have no mercy upon us during the existence of the war. I recommend them to your tender mercies, gentlemen, and would respectfully suggest that you adopt such measures as may seem practicable for securing supplies to our own citizens first; and to reduce if possible the price of cotton yarn, which is so essential to supplying the hand looms of our farmer's wives.

In relation to ordinance stores, I will mention that nearly a year ago, a contract was made by my predecessor, under an act of the Legislature appropriating \$10,000 for the erection of powder mills. The money was expended, the mills erected and soon afterwards blown up and destroyed.—Gov. Clark agreed to furnish them the means to start again; and under a new contract they have erected other mills and are now nearly ready to begin operations on a scale sufficient to make about 4,000 pounds per week. This however, involved an expenditure of money beyond that appropriated by the act referred to; \$12,000 having been advanced the contractors by Gov. Clark and \$8,000 by myself.

Of these sums, the money advanced by Gov. Clark is to be refunded in four equal annual installments, and that by me by reserving 10 per cent. of the payments (as they become due) on powder to be furnished the State. The Confederate States will furnish the mills with about 8,000 pounds of nitre per week.

The department has contracted with manufacturers in the State for about 300 new rifles per month, and arrangements have been made whereby, after the 1st of January, about 300 old rifles and muskets out of repair will be rendered fit for service. And it is hoped the department will soon be able to keep on hand a supply for five thousand men. A detailed report of the operations of the Adjutant General's department is herewith appended.

The finances of the State will doubtless engage your anxious consideration.

The Board of Claims, in pursuance of Ordinance No. 20, Sec. 5, passed in December, 1861, have made a report showing the debt of the State on the 30th Sept. 1862, to be \$20,983,361.01, subject to be diminished by the amount of the sinking fund; at that time about \$900,000, and the debt due the State from the Confederate Government, between five and six millions. Still the State debt is very heavy, and the interest at least ought to be punctually paid. There are three distinct modes of supplying the requisite sum; one by taxation, a second by an additional issue of treasury notes, and a third by getting from the Confederate Government the sum due the State. Indeed this sum, when received, ought to be applied forthwith to the extinguishment of the debt of the State, as far as it will go; for it constitutes a part of the capital of the State debt, and ought to be applied, when returned, towards the extinction of that amount of its capital. Upon correct principles therefore of financial economy, the debt ought not to be allowed to grow any larger, if practicable to prevent it. And if the payment of the entire amount of interest cannot be provided for by taxation, as much at least as possible, ought to be so raised. In regard to the subject of taxation, interesting at all times, and rendered doubly so at this eventful crisis, I have but few remarks to make. There has been such a disturbance in the industrial pursuits of the country within a recent period that it is difficult to say what may be at once done hereafter. I have no doubt that you will realize that the State, to fully realize its resources, must have a system of taxation that will be equitable and efficient. I am glad to see that you have taken this subject into consideration, and I am sure that you will find a way to meet the necessities of the State. I have no doubt that you will find a way to meet the necessities of the State. I have no doubt that you will find a way to meet the necessities of the State.

the values of both taxed alike; and that the tax on slaves may be laid on their general average value in the State, or on their value in classes in respect to age, sex and other distinctive properties, in the discretion of the General Assembly, and the value be assessed in such modes as may be prescribed by law. Now while lands, even of the same qualities, but situate in different places, from their local and immovable character are properly assessed at different rates, because of their relative proximity to markets and for other substantial causes; and for such reasons the General Assembly itself can neither accurately value real estate, nor can do so by any general State commissioners, yet some steps may be taken towards equalizing the tax on slaves, which, under the present mode of assessments, may be, and I understand is, various in many counties of the State, because of the different standards of valuation adopted by the owners and assessors. It is very desirable that the tax should be uniform, and I suggest as the most likely means to accomplish that object, the propriety of classifying slaves by their ages, or by sex and age, and affixing two years the taxable value of each class. In consequence of the moveable quality of this species of property, it is not subject to the irregularity of assessment, which attend land; the value of slave property at any one place in the State is, for all practical purposes, the same as in any other; and it is not difficult, therefore, to make the tax both equal and uniform by the classification of slaves in the manner already mentioned.

Under the discretionary powers vested by the Constitution in the Legislature to exempt the infirm and distinguish the mechanic from the field laborer, it appears to me that the legislative assessment, discreetly made, will conduce better than the present mode to a uniform taxation throughout the State. Each county is interested that the taxable value of slaves should be alike in all the counties, and whatever tends to equalize the tax on slaves, tends to equalize that on land, inasmuch as both species of property must be taxed alike on their respective values. A precedent for this mode of taxing slaves, however imperfect, may be found in the legislation of 1782, ch. 8.

In order to meet the interest on the public debt, and to make up the sum due from other counties, where the tax cannot be collected on account of the presence of the enemy, I recommend an increase of at least twenty-five per cent. on the present amount of taxation. The great abundance of money and consequent high prices of property would, I think, enable the people to pay it cheerfully. I also recommend that a tax of twenty-five per cent. be laid upon the net profits of all persons who have, during the present year, speculated in the necessities of life, such as corn, flour, bacon, pork, shoes, leather, cotton cloth and yarn and woolen goods, and to be continued during the next year or longer, if necessary; the proceeds to be applied to the support of wives and children or widows of soldiers whose property, as listed on the tax books, shall fall below a certain sum. This law, if properly enforced and guarded against false swearing, would be made to answer a valuable purpose.

I am clearly of the opinion that no more Treasury notes should be issued, if it be possible to avoid it, as I think it would be better to pay interest on our bonds than to further swell the volume of paper in circulation.

The following is a statement of the debt of the State on the 30th day of September, 1862:

Bonded debt,	\$14,812,005 00
Temporary loans,	2,350,449 00
Int. unpaid on Coupon Bond debt,	438,005 45
Int. unpaid on Temporary loans and Am't Treasury notes in circulation,	52,351 06
Total,	\$20,983,361 01

The falling off is attributable to those counties and parts of counties in the possession of the enemy. The deduction for the next year will be greater, owing to his advance, the destruction of property, &c.—The report of the Board of Claims on the subject of the finances is herewith transmitted.

In view of the very great labor now imposed upon the Treasury Department and the variety of duties it embraces, I recommend the creation of the office of Auditor of Public Accounts, to continue so long as may be deemed necessary, whose duty it shall be to investigate and settle all claims against the State, &c. When the term of the present Board of Claims shall expire, it will still be necessary to have some such an office in existence during the continuance of the war, and perhaps for many years after. Should it not be deemed advisable to establish the office of Auditor, then I recommend that the Board of Claims be continued, and authorized to hold short sessions quarterly, and their pay be arranged in proportion to their labor.

I also recommend that the Literary Board be allowed to appoint a Treasurer, to take charge of its own funds, with a salary to be fixed by the Board. This duty at present rests on the State Treasurer, and the law requires him to keep the fund, and evidences of debt, &c., separate and apart from any other funds in his hands. The duty could much more conveniently and effectually be performed by the Board's own officers. When the amount of this fund is considered, (the annual disbursements being double that of the whole State Government two years ago,) with the further fact that twice a reasonable salary of a Treasurer has been lost annually for want of some competent and proper officer to look after and collect the debts of the Board, I feel assured that the adoption of the suggestion would be of material advantage to its interests.

I beg leave to make certain suggestions in regard to militia and to aiding the Confederate authorities in enforcing their efforts to maintain the efficiency of our armies.

The ordinary penalties prescribed by our Militia laws for the punishment of offences, disobedience of orders, &c., adapted to the times, are found now entirely inadequate. Wishing to spare our citizen the disgraceful spectacle of Confederate soldiers, traveling the country to gather up delinquent conscripts, deserters and absentees from the army without leave, I decided to employ the M.P.s for that purpose. In general, it has answered admirably, most of the Officers having displayed great zeal and efficiency in gathering

up rapidly all persons subject to military duty without offending the sensibilities of our people. But, in some instances, deserters have set the officers at defiance, and are enabled to evade arrest by the assistance of others who conceal them, feed them, and, in some cases, resist the officers in the discharge of their duty.

As the crime of desertion, so far as I know, is not an offence against the common law, so the concealing, aiding, and assisting a deserter to avoid recapture is not punishable in our courts. To aid the military authorities in arresting such persons, I recommend that an act be passed for the punishment of any one who shall aid and assist them, or in any manner prevent their recapture; and also to punish more severely the disobedience of orders of their duty.

I also become my duty, gentlemen, to bring to your attention several serious matters connected with the administration of Justice in the State.

There is great danger of lawlessness overrunning the land; and in the great abundance of military rulers and arbitrary authority, people are beginning to forget that there is still such a thing in existence as civil law, which is the basis of us all. Though pre-eminently a conservative and law-abiding people, our society is already beginning to suffer serious detriment from the violent and law-defying tendencies of the times. Murder, arson, disregard of obligations, oppression and injustice, are more common in some districts than they have ever been known. Not long since, as I am informed, a Confederate officer refused to permit the execution of a writ of *habeas corpus* within his camp, issued by competent authority, and drove the officer with denunciations and abuse from his presence. It should be our pride, as it is our duty and safety, to show our enemies abroad and our law-breakers at home, that the same glorious old common law which our fathers honored and observed, in the midst of suffering and calamity, is still moving on with power and majesty, strengthening, protecting and sustaining our people, as it ever will strengthen and sustain those who respect it. The General Assembly, at its last session, actuated, no doubt, by the most patriotic motives, passed an act suspending the regular sessions of the Supreme and Superior Courts of Law and Equity. This act, considered by many unconstitutional, was, in my judgment, to say the least of it, unwise in some of its provisions. That some remedy ought to have been provided protecting property generally from sacrifice, and particularly the property of our brave soldiers who had left their homes and business for our defence, (if indeed an enlightened and patriotic public opinion had not already guaranteed that protection,) no one will question, and to this extent meets my approval. But the Courts themselves should be opened and the fountains of justice unsealed. The criminal law especially should be diligently administered, for it has been wisely said that "the commission of crime is prevented more by the certainty than the severity of its punishment." Again, persons charged with crime and confined in prison, even if unlawfully convicted, cannot have their cases reviewed in a court of higher jurisdiction for many months, thus violating the sacred provision in our Declaration of Rights, which says "that every freeman restrained of his liberty is entitled to a remedy to enquire into the lawfulness thereof, and to remove the same if unlawful, and that such remedy ought not to be denied or delayed." I therefore recommend that the regular sessions of the Supreme and Superior Courts be restored.

I am also convinced that whilst the soldier in the field should have his property protected from seizure under execution, there exists no valid reason why, in the great plenty of money, and the high prices of property, any man should desire to be excused from paying his debts. I think it probable, that it might also exert a favorable influence on prices, if men were compelled to part with their surplus property to satisfy their creditors.

In this connection permit me to respectfully recommend that our present circuits be re-arranged, adding at least one additional circuit and another Judge thereof. The necessity for this change will be apparent from the following considerations:

Some of the circuits embrace an extended area of territory with a large amount of business. The seventh circuit comprises eighteen counties, others more than twelve, and to some, two weeks are allotted. According to existing statutes, the Judges are allowed an annual salary of nineteen hundred and fifty dollars, with the proviso "that in all cases where a circuit of the Superior Courts shall exceed twelve weeks, the Judges holding said Courts at any regular term shall be entitled to a compensation of ninety dollars for the Court of each county exceeding twelve held by them, to be paid by the public treasurer on the first days of January and July in addition to their salary aforesaid, and each week in which a Court shall be held, shall be considered a term." Special terms of the Superior Courts are also held, and for this service a compensation of ninety dollars is given to be paid by the county in which the Court is held. Upon examination it will be found that the amounts thus paid for additional and extra Courts exceed the salary of a single Judge.

The fourth section of the 102d chapter of the Revised Code provides that "every Judge shall produce a certificate of the Clerk of each county of his having held the Court of the county according to law; and for every such certificate omitted to be produced, there shall be a deduction from his salary of one hundred dollars. Portions of certain circuits are occupied by the enemy, and it is impossible for the Judges to procure the required certificates. It may be necessary, therefore, to modify this provision to have effect only pending the war.

The Hon. Thomas Rufin, Jr., residing in the fourth judicial circuit, having resigned his place as one of the judges of the Superior Courts of law and equity, my immediate predecessor, with the advice of the Council of State, filled said vacancy by granting a temporary commission to the Hon. John Kerr, of Caswell, which will expire at the end of your present session. It is your duty to fill this vacancy permanently.

The office of Attorney General has been vacated by the former incumbent, Hon. W. A. Jenkins entering the army and accepting an office under the Confederate States. There are also Solicitors to be elected for several of the circuits.

There are confined in Salisbury, by the Confederate authorities, a number of citizens of North Carolina, arrested for alleged political offences. How long they are to remain incarcerated no one can say but those who apprehended them. What their guilt really consists in I do not know, but this much it becomes both you and me to know, in view of the oaths we take upon entering into office, that they were not arrested by lawful process, and as citizens of North Carolina they are entitled under the Constitution to a speedy trial by a jury of their peers, and to be confronted with their accusers. I have laid their cases before his Excellency the President of the Confederate States, and when his reply is received you will be informed thereof. Should there exist any grave State reasons why they are denied a trial, it is due at least that we should be informed of them. I have not seen an official copy of the act, but learn from the newspapers that Congress has conferred upon the President the power to suspend the writ of *habeas corpus* in all cases of arrests made by Confederate authority. If this be once admitted, no man is safe from the power of one individual. He could at pleasure, seize any citizen of the State with or without excuse, throw him into prison and permit him to languish there without relief—a power that I am unwilling to see entrusted to any living man. To submit to its exercise would in my opinion be establishing a precedent dangerous and pernicious in the extreme. Among a people so united and faithful to their cause as ours, where disloyalty is the rare and solitary exception to the general rule, I can see but little good, but a vast tide of inhumanity and evil from these inordinate stretches of military power which are fast disgracing us equally with our Northern enemies. A free Republic that must needs cast off its freedom in every time of trouble will soon cast it off forever. Freedom cannot be embraced to-day and spurned to-morrow: a steadfast and constant worship can alone secure us her countless blessings. Her chosen instruments—the Constitution and the laws—were made the sure covenant of her everlasting residence among us; our delight in times of peace and prosperity, and our guide and shield in the day of trouble and calamity. Now, is the time if ever when we should abide strictly by their stern decrees, and walk uprightly in the narrow path they have marked out for our footsteps. We should least of all, forsake the helm and the compass when the vessel is driven by the tempest, and clouds and darkness obscure the way.

Deeply impressed as I have been with the importance of this subject, I have been anxious at the same time to avoid any unnecessary conflict with the Confederate authorities. I have, therefore, waited patiently for your assembling, confident that you would take proper steps to maintain the laws and preserve the rights of our people.

It becomes my duty also, to call your attention to the subject of officer of our troops in the field—some conflict of opinion existing in regard thereto.

The right of the State authorities to commission the officers of the regiments originally raised for the war, is not doubted. It is conceded by the Act of Congress of April 16th, 1862, known as the Conscription Law. But the Confederate authorities claim the right to commission the regiments of twelve months' men, continued in service by this law, and also all regiments whatsoever, raised since it went into operation. And in both cases, they have claimed to commission and appoint all regimental staff officers, even when they conceded to the Executive of the State the appointment of the officers of the line. Again, while appointing and commissioning field officers, the Secretary of War has declined to appoint the company officers. To remedy, if possible, this confusion and to avoid conflict, I called in person to see the President, who promised to take the opinion of his Attorney General on the subject at length. I have not yet had the pleasure of seeing that opinion, and now lay the matter before you, and recommend you to take such steps as will preserve the rights and honor of the State. It may well be doubted if the officer of the whole of our troops does not belong exclusively to State authority, as by strict reference to the Constitution they may be found to be in point of law, militia. It is mortifying to find entire brigades of North Carolina soldiers in the field commanded by strangers, and in many cases, our own brave and war-worn Colonels are made to give place to Colonels from distant States, who are promoted to the command of North Carolina troops over their heads to vacant Brigadierships. Some of these promotions are charged to North Carolina, which enables the authorities to say that we have had so many appointments, when in fact we have not, the appointees not being citizens of our State. This is fast breaking down the pride and patience of our officers, many of whom are reporting to me their intention to resign, alleging that the road to honorable promotion is almost closed to our citizens. This is not right, and forms a just cause of complaint both in our army and with our people at home. We are willing that our soldiers should follow any General capable of leading them, but we contend that as a matter of sheer justice, our soldiers are entitled to receive their fair proportion of the honors won by their gallantry and endurance.

I would also recommend that the existing prohibition against the distillation of spirits from all kinds of grain be continued during the war. There is no grain to spare for such purposes and all the medical needs of the country and army can be abundantly supplied by the liquors made from the fruit crop.

Should even the supply for the army fail it cannot be doubted that it is much better for the soldiers to go without spirits than that his wife and child should be without bread.

I also recommend that a law be passed providing for a rigid punishment of all persons who may be convicted of speculating in any of the necessities of life, under the false pretence of being government agents.

In order to keep the highways of the country in better condition, they having since the commencement of the war been permitted to get in very bad repair, I recommend that the Revised Code be so amended that the age, to be reached to entitle a man to exemption from working on the roads, shall be fifty years instead of forty-five, as now.

The term of the Hon. George Davis, Confederate States Senator from N. C., will expire before the next regular session of the

General Assembly, and it will be your duty to provide for filling the vacancy.

I take great pleasure in informing you that the educational interests of the country have not been overlooked since the commencement of my administration. Owing to the great drain upon the Treasury during the first year of the war, the Literary Board deemed it advisable to make only half the usual semi-annual distribution of the common school fund for the fall of 1861, and none at all for the spring of 1862. Feeling that this pressure had passed away, and that the matter was one of great importance to our people, the Board, at its recent meeting, ordered the usual distribution to be made, increased by ten thousand dollars from the sum due for the back distribution, and resolved to add that amount each spring and fall, until the whole shall have been appropriated. There has been some disposition manifested to take this fund for war purposes. Should there really exist a serious design on the part of any one to do this, which I hardly think probable, I earnestly hope you will promptly defeat it. This small sum could add but little to the vast amount required to conduct the war, and its abstraction would be an absolute robbery of the poor children of the State. On the contrary, it should be your duty to carefully preserve and if possible increase this fund, make provision for its regular distribution, and do everything in your power to educate the rising youth of the country. While war is desolating our coast and the tide of revolution is flowing all around us, let the young children of the State be still assembled in their log houses and primitive academies, in the mountains and on the plains, and let their first lesson be to read of our great struggle for civil and religious liberty—of the patriotism and sacrifices of our people, and the glorious bravery of their fathers and brothers upon the blood-stained fields of the South. It is of the very highest importance that the war should not carry away everything useful and civilized in the land, and cause our children to grow up in ignorance and crime. No one has been more impressed with the importance of this matter than the able and worthy superintendent of common schools, who has labored faithfully and diligently in behalf of his little charges, and has suffered no excitement or misfortune to turn him from the path of duty. To him, in a great measure, is due the keeping alive of the interests of the people in the well doing of the schools during these times of trouble. Our time-honored old University, though thinned, as have been our male schools everywhere by the patriotism of the boys who have rushed to fill up our armies, is still in full operation, the President and Faculty having bravely resolved to hold their position as long as they have a squad to muster. The female schools of the State are generally as flourishing as in times of peace.

Both of the Asylums in this city are prospering under the present efficient management—a great charity to our people and a credit to the State.

Of our internal improvement system, I deem it unnecessary to make any mention. Since my introduction to office, I have received no official reports or information as to the condition or wants of any of the public works requiring legislative action. Should any thing of this nature be brought to my attention, I shall lay it before you in a special message.

In addition to the matters herein brought to your attention, there are several of an important nature about which it is not deemed prudent to speak publicly, but which I will take pleasure in explaining, or discussing verbally with you when desired. Many others I have doubtless overlooked—for which, as well as for the hasty preparation and disconnected form of this instrument, I beg that my recent inattention to office, and the many heavy drafts upon my time, may be considered an apology.

In conclusion, gentlemen, allow me to urge upon you the vital importance of bringing forth all the powers and resources of the State for the common defense of our country and our cause. The two great dangers we have to meet will be found connected with our currency and supplies for our army. Men enough to protect us and drive back the invader, we can always get, if we can properly clothe and feed them. Let us do this and preserve our paper from depreciation and all will be well. In our intercourse with the authorities of our young Confederacy, having demanded firmly the rights which are due our State, let us yield them no grudging support, but in all things pertaining to the general well, sustain and strengthen them with our whole hearts. And in all our official acts let us remember, that it is the spirit of the people which tyrants cannot subdue. On this depends all. So long as they continue harmonious, willing, self-sacrificing, the united armies of this continent may be hurled against us in vain; with such a country and such a people we might set them at defiance. Our heroic soldiers, shivering in their rags and plashing with their naked feet through the snows, have already, even through the chronicles of our foes, excited the wondering admiration of the world, and great Generals and brave people beyond distant waters of the sea stand aghast with astonishment at the feats of our men struggling for their rights. Let us learn of them, and by zeal and discretion displayed for the general good, show to the world that we are worthy to preside over these gallant and patriotic men.

Many of the matters to which I have called your attention, if done at all, require to be done promptly. This is especially the case in regard to the raising of troops for State defense, and to laying an embargo upon the necessities of life referred to.

Remember lastly, that you are laboring for the very salvation of our people. The bitter cup that our captured cities and districts have had to drink, shows us, alas! too plainly, the mercy we are to expect if our abolition foes shall overcome us. In the bitterness of their baffled rage they have even shown a determination to reenact the horrors of Saint Domingo and to let loose the hellish passions of servile insurrection to revel in the resolution of our homes. The people of the next generation will bless the memory of those who, whether in the field or council, helped to rescue their country from these horrors. Let us labor to deserve their praise, and may the blessing of God attend our soldiers and our statesmen, who are struggling to defend a noble people and a noble cause.

Z. B. VANCE.

Executive Department, Nov. 17th, 1862]