The Press.

TUESDAY, EEBRUARY 3, 1863.

The National Banking Proposition. While Congress is discussing the necessities of the Government it should not forget the great practical measure of the Secretary of the Treasury. The soldiers have been paid; measures have been taken to pay the creditors of the Government, and, so far as any national liabilities are concerned, the Treasury Department is beyond any embarrassment. In the midst of these demands, however, we trust to see established a sound national currency. We cannot meet the daily claims of business and personal intercourse, exchange transfer, and convenience, without a currency. Custom has made gold and silver the standard. They are weighed and delivered as money, as in the times of Pharash and in the empire of China. In this country they have become articles of trade and investment, like corn, and cotton, Congress must give us a proper substitute.

and silk. It is not practicable now to insist upon gold and silver being recognized as a currency. The war, by creating an extraordinary demand for a circulating medium to pay soldiers and debtors, has made paper oney a necessity; and the duty of Congress is to so legislate that it may become sound and just. As we have no gold and silver, Of course, in regulating the currency we must consider State and local interests. Congress has never found it expedient to assert the right of regulating the currency, and in almost every county of the Northern States a local bank issues ingenious and picturesque designs, representing denominations of greater or less value. The consequence is, that, financially, the country is divided up into different communities, each with its own standard of faith, buying and selling, and locking away values that would be looked upon with disdain in New York and Philadelphia. We cannot use these local notes in a national way. Illinois and Massachusetts money would be rejected by soldiers in Virginia and Tennessee, and few tent-makers, or dealers in biscuit and bacon, would accept it in the execution of contracts. This makes it necessary to issue a national paper currency; and such a currency the Secretary of the Treasury proposes. The difficulty that meets this proposition is the existence of the local bank currency; and when it was first proposed, the banking interest of the country-rich, powerful, and widely extended-was arrayed against it. It was said that the suppression of the local currency would compel the banks to throw the national stocks that sustain their circulation upon the market, and by thus creating an inflation, lead to a general depreciation of the Government securities. We think, however, this argument is need, but combines private capital with the credit of the Administration. In other by one officer and bear the impress of the

Treasury Department; the banks will rebe assured and strengthened by United acquisition, by France, of territory on the in New York the same article that it would purchase in Chicago, and would be every-These suggestions of the Secretary of the free banking system, and have a currency then shall have an end of broken banks and popularly known as "wild cat" and "shinplaster" currency. The odious system of

distant buyer will not be compelled to sub-

mit to a discount at the hands of the broker

before his money is marketable. The country

farmer will not find his country note release? in the Government. Every citizen will carry in his wallet tens and hundreds of the most substantial reasons for the integrity and success of the Government. Banking being free from the local restrictions that come brisk and active, and the demand for izing the Government, swe must do away with it as we must do away with many other obsolete and pernicious systems of a question of currency, or the issue of legaltender notes. We have already expressed our opinion on that question, and eminent dered both sides at length in communications recently printed. The banking syswe trust that Congress will adopt it.

His Honor Judge Allison owed it to Inquest which we print this morning. His the Government, and creating disaffection a jurist as profound and experienced as Mexico. tude.

Mr. Bolleau. freely acknowledges his wickedness, asks which General Forey was at last advices, is the forgiveness of the Government, and 109 miles from Vera Cruz.

consideration of the loyal people who can forget and forgive. At the same time, we ask him for the names of the men who took advantage of his innocence to publish treason and bring him into trouble. Who are the guilty men? Who wrote the treason for which Mr. BOILEAU suffered? If they are honorable men, let them come forward and avow the authorship which Mr. Boileau disayows. They caused this trouble; let them meet it. They crept into print, not as anonymous slanderers, but behind the name of a respectable citizen; now let them take the responsibility of what they wrote. This request is fair, and we do not ask too much in asking for a reply. Who has been editing the Journal for the last six months? Have the persons who did this mischief the courage to assume the responsibility?

The French in Mexico. The French inroad upon Mexico, one of the few failures of his Government, has been unexplained, until this moment, when it appears, by a letter from Napoleon to General Forey, that his motive was to prevent the United States from becoming too powerful by extending their dominion southward in the North American Continent. This letter has been published, by the French Government, among other diplomatic papers, and is generally considered to have so appeared rather from carelessness than design. Another motive, beyond all question, is NAPOLEON'S desire to have some colonial territory adjacent to the Pacific. England, finding that her colonies do not any longer "pay," appears disposed. to let them go in peace. The Canadas are Victoria's brother-in-law and King Ligoevidently destined to separation from the Poin's nephew, had been offered the vacant mother-country. Australia is fast tending throne of Greece. One account says that to a Declaration of Independence, without the has accepted, another declares that he dread of resistance from England. The has refused it. The latter is more probable, Ionian Islands have been tendered to seeing that, from his intimate family conthe free-trade policy of England has changed

the relative value of her outside possessions, and just when she is relinquishing her old motto, "Ships, Colonies, Commerce," France is practically taking it up. Jealousy of the progress of the United States is general among the great Powers of Europe. Our republican vigor is in strong contrast with their effete monarchical sluggishness. France does not stand MAXIMIDIAN, of Austria, Mr. WILLIAM alone in holding the belief expressed in this letter to General Forey. We got on too well, and the old country autocrats and would-be autocrats are not pleased with our success. But, astute as he is, Napoleon | is what Greek jealousy will not hear of, and would never have ventured on invading Mexico merely to throw some impediments in the way of our eventually getting possession of that fine and rich country, so desirably placed for properly rounding off the choose the form of government she may being abandoned. As men consider the territory of the great American republic. free banking system of Mr. Chase, they see | He would have made a great friend of Austhat it not only provides the currency we tria had he succeeded in placing the Archduke MAXIMILIAN upon the throne of Mexico, and he must have calculated that words, it makes the banking associations | by converting the land of the Incas into a partners with the Government. The new | monarchy he would effectually place a barnotes will be uniform—they will be certified | rier against the advance of American republicanism. He was entirely mistaken in imagining that the Mexideem them, and the faith of the banks will | cans desired to have a monarch. The

States stocks. A note of this character will | Pacific underlaid all other Napoleonic mobe honored everywhere. It will purchase tives in this invasion of Mexico. For the them to their doctrines; and if we do, they last ten years Napoleon is known to have will ultimately be forced to a disgraceful had his mind fixed upon obtaining a prowhere regarded and received as the faith of pietor's footing upon Mexican soil, and the province or State of Sonora, washed by the Pacific and the Gulf of California, has been Treasury possess so many practical ad- | constantly mentioned as the favored spot vantages that any further reference to them | which he had selected as a French colony. | The Democratic leaders know this so well, is hardly necessary. Let us establish the He displayed his usual judgment in this that will do honor to us as a nation. We it great advantages for commerce and war, while its mineral wealth, developed by multiplied counterfeits, and money which is French energy, skill, labor, and capital, with treason, it is intended to include the would soon make it the most valuable of nia), makes it a desirable acquisition.

goods or furniture on Market street. There the wolf, "and thereby prevent my having trayed his trust, hundreds of thousands who will be uniformity and confidence and faith a pleasant drink." The lamb asked, "How had voted for him, fled from his standard now surround it, the business will be. proceeded to slay and devour him without rities and declared for the Republicans. securities on which to commence the busi- commence hostilities with Mexico, it was the Government now act together vigorousness will be so great that the Government pretty much in the fashion of the wolf with ly and harmoniously. It is impossible will gain an additional revenue from their the lamb in the fable. Mexico was largely sale. State banking is really the most practing indebted to certain European countries, of tinue the course in which they are tical and efficient exemplification we now | which France was one; in Mexico, during have of the heresy of State Rights, and in one or more of the emeutes which are episodes reorganizing, strengthening, and central- in the public Government, some Europeans had suffered in purse and person, some Frenchmen being among the sufferers, and full reparation had not been made; lastly, similar character. In discussing the ques- one General Almonte, a trading polition, we do not propose to return to the tician, who had been exiled from Mexico on account of his treachery and intrigues, had found his way to Paris, and, obtaining a hearing from Napoleon, ingentlemen of opposing views have consi- formed him that the Mexicans greatly longed for the interference of European rulers; that they were particularly weary of Beniro tem is necessary, practical, and just, and Juannes, (their President, since February, 1858, and really a man of great talent and vigor,) and desired to live under a French protectorate, with or without the ultimatum of a king recommended by NAPO-LEON; and that the resistance to an Eurohimself, and to the high station he so ably pean navy and army would be nominal fills, to pronounce the charge to the Grand and brief. Perhaps, Almonte whispered "Sonora" into Napoleon's ear? Who position was delicate and embarrassing, knows? Napoleon is a Don Quixote He had been treated in a manner that exhi- who wanders about redressing grievancesbited a want of confidence, and it may be- but usually contriving to get paid for his discourtesy. A brother judge had taken assistance, as in the Italian war, when he the liberty to transcend his powers as an obtained Savoy and Nice as the price of impartial magistrate—violate the etiquette his aid on the plains of Lombardy. With that exists between judge and juror, or ra-ther between justice and the people, for the draw in England and Spain into his purpurpose of bringing shame and contumely on posed raid upon Mexico. Take the indebtedness of Mexico to foreigners at among the people. Judge Ludlow, know- the square number 12, and its proportions to ascend. The Juniata flows at the foot, and it ing that he was acting in opposition to the will stand at 8 for England, 3 for Spain, and sentiment of the court to which he belonged, | 1 for France. In fact, France had the very and, more particularly, to the sentiments of slightest grounds for proceeding against

Judge Allison, had taken a dangerous and | The joint expedition sailed and duly improper responsibility. The court was reached its destination. In December. brought into disrepute; for in every part of 1861, the Spanish forces took possession of the country it was printed that a Philadel. the fortress of San Juan d'Ulloa, at Vera phia judge and a Philadelphia jury had Cruz, without firing a shot. The French arrayed themselves against the Government | and British forces soon joined in. General and indicted the officers of the Government. | PRIM, suspecting and detecting NAPOLEON'S The eager haste of Judge Luplow: the interested motives, so different from those anxiety which prompted him to take up | publicly proclaimed, assumed the responsthearsay for evidence, and invade the pre- bility of withdrawing the Spanish forces, rogatives of the Grand Jury, are ex- and was thanked by his sovereign for plained in the charge of Judge Allison having exercised such a wise discretion. to-day. He knew that his term ex- The British forces were also withdrawn. pired with the month of January, and France, represented by a small army and that unless he did quickly what he contem- a few vessels of war, was left to bear the on four months' credit, commencing this morning at plated, it would not be done at all. Judge | brunt, and has kept its ground in Mexico Allison has fairly answered Judge Lub- only by the aid of repeated and extensive Low. He has given the antidote with the reinforcements. In his speech at the openpoison. He represents the real opinion of ing of the Chamber, on the 12th January, NAthe court, for we feel sure that Judge THOMP- POLEON alluded in briefest manner to this war son will sustain every word that is printed in Mexico, but it is undoubtedly a failure. this morning. We honor Judge Allison so far. Its cost, also, is another element. M. for his noble words. He speaks without pas- Found, Minister of Finance, estimates the a body, and next the officers of the city gov sion or excitement, but like a calm, dispas- total expense of the Mexican expedition headed by Mayor Lincoln, were introduced. sionate, and patriotic chief magistrate. He during 1862 at eighty-three million francs, has redeemed the name of Philadelphia, and could be sufficiently before Puebla, seventy- the limited space of the hotel would admit the crowdsix miles from Mexico, after having been defeated in a battle with the Mexicans, who attacked the French in a fog, and routed latter General McClellan addressed special words of If any doubt existed as to the treasonable them with great loss. It is very little to the sympathy.

The reception closed at three o'clock, but, in recharacter of the Evening Journal newspa- credit of French warfare, that fifteen months per and its sympathy with the Southern re- after landing, without opposition, in Vera bellion, the publication of Mr. Boileau's Cruz, General Forey's army, one of the for a few minutes on the portice and bowed his parole, as given to General Schenck, will best-appointed in the world, now numbering dispel that doubt. That gentleman, with a 28,000 soldiers, should have advanced little frankness which does him honor, and which more than one hundred miles. Vera Cruz we are free to say we did not expect to see, is 185 miles from Mexico, and Puebla, before Me., and Concord, N. H., have been received by the

promises to sin no more. We are glad to Napoleon was led to believe, by General see this manly contrition, and we say to Almonte, that the Mexicans were so disin-Mr. Boileau that we forgive him heartily, tegrated by jealousies, disaffections, and and trust he may be in the future, as he has local strife, that many of them would side pledged his honor to be, a good and faithful with the European troops, and that the 

two, commanded by General MARQUEZ, did join the French, and still continue under the tri-color flag. But, contrary to expectation, when Mexico was invaded, as we have described, the greater number of the contending parties, as by common consent, postponed or abandoned their differences, and patriotically united to present that resistance which Napoleon's troops have found so deadly. The contest, no doubt, will eventually become very deadly, for to maintain his prestige before Europe, and especially before France, NAPOLEON must send such reinforcements to his commanders as will enable them, at any cost, to occupy the capital of Mexico. It is said that, this end gained, (so that NAPOLEON may be able to brag that the French flag has waved over the ancient capital of the Aztecs, the Tescuans, and the Tepanees,) the foreign troops will magnanimously return home, the expenses of the war to be provided for by the transfer of Sonora to France. That, we are confident, lies at the bottom of the demonstration which Na-POLEON has made at so much cost and with some risk. Our statesmen will remember, of course, that Sonora adjoins our own territory on the Pacific; that the Monroe doctrine ought decidedly to be considered the true principle on the North American continent; and that NAPOLEON is not likely to be a very safe or pleasant neighbor, at any rate. We have plainly given the history of his raid on Mexico. The last act is yet to be performed

The Greek Difficulty. It is said in the English newspapers that the Duke of Saxe Cohoung-Gotha, Queen

Greece. The West India islands are costly | nection with England, it is not likely that without yielding any exclusive advantages | the other European Powers would sanction to England. Even Gibraltar, the key of his promotion. He is a childless man, too, the Mcditerranean, is reported to be on the and the Greeks will have more sense, it is eve of being restored to Spain. In short, to be hoped, than to choose a man at whose death there would be the trouble of a new election. The persons who have already been spoken of as likely to be candidates for the crown of Greece are Prince ALFRED. of England, the Duke of LEUCHTENBERG. of Russia, King FERDINAND, of Portugal, GUISEPPE GARIBALDI, Prince AMADEUS, of Italy, the Count de Flandres, of Belgium, Prince Nicolas, of Sweden, the Archduke EWART GLADSTONE, LORD STANLEY, and now the Duke of SAXE-COBOURG. It is very doubtful whether any of the abovenamed will be accepted. A native sovereign a republic would be tabooed by monarchical Europe. All this time, Greece suffers from the delay and suspense. Greece is an "independent kingdom"-but is not allowed to prefer, nor the man whom she may desire

LETTER FROM "OCCASIONAL."

WASHINGTON, Feb. 2, 1863. Let the friends of the country persevere in the good work of standing by the Administration in this trying hour. If they have have also many powerful advantages on their side. Their opponents in the loyal States have at last placed themselves on the most dangerous grounds. We must hold party has ever yet maintained power in this country that allowed itself to be committed against a just war. The people are patriotic. The Democratic masses are loyal. that they have only been enabled to choice, seeing that its line of scaboard gives keep up their party relations to their followers by inducing the latter to believe that when the leaders are charged rank and file of the Democrats in that same colonial possessions. Its extent, too, (its accusation. As long as this delusion can be discount on exchange will be abolished. The area being nearly double that of Pennsylva-maintained, so long will the leaders be tolerated, and not a moment longer. Now.

It is an easy matter for nations as well as individuals to pick up a quarrel. Æsop's that truth. "You muddy the stream," said that truth. "You muddy the stream," said can that be, as I drink on the stream below the moment they were convinced of his you?" This agnate logic did not convince | treachery. The leaders, the place-men, the the wolf, who flew into a passion with the place-hunters, and his slave-driving masters, defenceless victim, accused him of ill-breed- alone remained. County after county, ing in having rudely contradicted him, and | State after State, reversed Democratic majo further delay. When Napoleon desired to The same result will follow if the friends of for the opponents of the war to connow engaged, without encountering a storm of popular indignation. They are aided by many instrumentalities, by all manner of calumnies, by every defeat of our arms, by every sign of Republican division, and by every symptom of weakness; but no cause which depends upon these alone can hope for more than temporary success. Our weapons will be irresistible if we employ them wisely and well; and it should be our study to keep this lesson always in view. I think it requires very little discernment to anticipate the assured and permanent triumph of the friends of the Government, if they, themselves, are actuated by proper discretion, and resolved to

act unitedly and vigorously. The Democratic leaders have gone so far in the wrong that they cannot fall back without disgrace. Nothing can secure them but our own follies and dissensions With such arguments as are at our disposal and with so good a cause, and so remorse less and wicked an enemy to put down, we need organization and harmony to redeem the Republic, and to retain the rule of loyal and patriotic men in the general administration of the Government. OCCASIONAL.

EDUCATIONAL .- In the village of Birmingham Huntingdon county, the Mountain Female Semi-nary is situated. We cannot imagine a more romentic and beautiful anot. The country is hilly and just beyond it the Alleghany mountains begin scems to nestle among high and magnificent hills The village itself is a small, old-fashioned cosplace, within two or three miles of Tyrone, and on the line of the railroad, thus aptly combining the beauties of a retired rural home with the advan tages of rapid communication with distant cities and towns. This seminary is under the charge of the Rev. L. G. Grier, a very accomplished gentleman as well as a thorough scholar. His winter session is just commencing, and, we are glad to say, with gratifying prospects of success. The attendance is al ready very large, although, the accommodations having been extended during the recent vacation, few others may be admitted. A note addressed to Mr. Grier will obtain all necessary information LARGE POSITIVE SALE OF BOOTS, SHOES, AR MY BROGARS, AND GUM SHOES, &c .- The early at.

tention of purchasers is requested to the large as sortment of boots, shoes, gum-shoes. Also, 3,000 pairs army brogans, embracing about 700 packages of first-class seasonable goods, of city and Eastern namifacture; to be peremptorily sold by catalogue 10 o'clock, by John B. Myers & Co., autioneer Gen. McClellan's Reception at Boston.

BOSTON, Feb. 2.—The public reception of General highly enthusiastic and popular demonstration. Shortly before noon, the officers of the army, cluding many of the wounded, paid their respects in In the meantime the hall and reception parlors were allowed to pass through and shake the General's hand. Some ladies managed to enter with the crowd, and also several wounded soldiers. To the

sponse to urgent demands from the mass of people unable to enter the building, the General appeared thanks. He was enthusiastically cheered. To-morrow General McClellan will visit Law-Special invitations from the people of Portland,

General to visit these cities.

The Senatorial Contest in Missouri. JUFFERSON CITY, Feb. 2.—The joint session of the Legislature for the election of United States Senaor met again to-day. Mr. Noell's name was withdrawn. Six ballots were taken without result. The last and twelfth of the series stood as fo

WASHINGTON. Special Despatches to "The Press,"

Washington, February 2, 1863. Senator Sherman's Finance Bill. Mr. Sherman's finance bill, as reported to-day from the Committee on Finance, is amended in seve ral particulars. It prescribes that the capital stock of any banking association under the act shall be, instead of \$50,000, not less than \$100,000 in all cities whose population is 10,000 persons. The entire circulation of notes under this act shall be \$300,000,000, instead of \$200,000,000, one hundred and fifty of which shall be apportioned to associations not only in the States, but in the District of Columbia and in the Territories, according to their respective population, and the remainder apportioned according to the recources and business of the several States and Ter ritories. These associations are required to pay to the Comptroller of the Currency, semi-annually, per cent. of their circulation Discharges for Sick Soldiers.

The Surgeon General's office, owing to the opera tions of certain persons among invalid soldiers, has given notice that certificates of discharge are fured only by the surgeons in charge of the General Hospital and camps, and that the obtrusive efforts of persons claiming to be special agents retard instead of hastening the preparation of discharge papers. All soldiers are warned against giving money

The Missouri Emancipation Bill. The amendment to the Missouri Emancipation bill, as reported by Senator Harris, from the Committee on the Judiciary, consists of a substitution of twelve for eighteen months, as a limit to the time allowed for the adoption of an emancipation act-a prohibition of pay for any slave introduced into the State subsequently to the passage of this act, and an increase of from fifteen to twenty millions appriation, at an average of \$300, instead of \$200, for each slave. The Fight of the Iron-clad Montauk at

Fort McAllister. The following despatch was received to-day by e Navy Department FORT MONROE, Feb. 2.- A bearer of despatches, ho left Port Royal on Friday at noon, says there is no truth in the report of the Montauk being disabled at Fort McAllister. Commander Worden lay under the enemy's fire for four hours to try his vessel. The balls had no more effect upon her than

so many hail-stones.

Nothing had been heard of the capture of the gunboat Isaac P. Smith, in the Stono river, when the spatch messenger left. The McDowell Court of Inquiry still in session. To-day Brig. Gen. John Boron was examined about the expedition he led out from Warrenton Junction towards Chester Gap on the 26th of August, the object of which, he said, was to moitre the enemy's position. Increased Tax on Luxuries.

The Committee of Ways and Means are now engaged in considering how the revenue can be increased. Some suppose that additional taxes may be placed on luxuries in order to decrease the duty The Proposed Air-Line Railroad to New

York. The special railroad committee, of which Mr FELTON is chairman, is understood to have unanimously agreed upon a bill to be immediately reported to the House of Representatives, providing for an air-line railway from this city to New York. The Release of Mr. Boileau He Admits his Wickedness, and Promises to Sin no

BALTIMORE, Feb. 2.—The following is the letter of Mr. Albert L. Boileau, of the Philadelphia Evening Journal, on which his release was granted: HEADQUARTERS OF THE MIDDLE DEPARTMENT, EIGHTH ARMY CORPS, BALTIMORE, MD., Feb. 1. T. Albert D. Boileau, citizen of Philadelphia, editor and publisher of the Philadelphia Evening Jour-

nal, now confined in Fort McHenry for the publication of an editorial article under the title of Davis' Mcssage," in that newspaper of January 20th, 1863, and for the publication of other articles of a like dangerous character, tending to the support and encouragement of the rebellion against the Government of the United States, do hereby publication of that article, or of any other article of like tendency or character, and do distinctly disavow such article or articles being published with my proper authority or knowledge; and declare that such publication has been made by other persons, agents, or employees, without my sanction and intention. And I do hereby give to Major General Robert C.

Schenck, commanding the Middle Department and Eighth Army Corps, by whose order, in behalf of parole of honor that, upon being discharged from my present imprisonment and the suspention of the publication of my newspaper being removed. I will name, to write, print, or publish any article having such a dangerous character, or tending to the sup-port or encouragement of the rebellion but will demean myself in all things as a true and loyal citizen of the United States, intending only to support the Government, the Constitution, and the Union, as a And it is to be further understood that there do arations and pledges are made as well to relate to matter hereafter to be published in the weekly news-

paper called the Democratic Leader, made up from the Philadelphia Evening Journal itself, and to any other. ewspaper that may be published or controlled by Given at Baltimove, this the 1st day of February, LEERT D. BOILEAU.

DEPARTMENT OF VIRGINIA.

The Exchange of Prisoners—Civilian Prisoners to Come Under the Military Cartel—Plans of Jefferson Davis will Probably be Defeated by the Rebel Congress—Fire in Norfolk, &c. FORTRESS MONROE, Feb. 1 .- The steamhor "New York," which was to have left last night for City Point, has been detained until noon to day to take up one hundred and twenty rebel prisoners which arrived this morning on the Baltimore boat from Fort McHenry. The steamer "Henry Burden" arrived last night from City Point, with Colonel Ludlow, who had been up to meet Commissioner Ould, on business pertaining to the exchange of officers, &c. At one o'clock this morning a fire broke out on Main street, Norfolk, destroying the building entire: and the following places of business: Bateman & Millwood, restaurant; J. A. Bates, bar-room; one grocery, and a boot and shoe establishment, The building destroyed was opposite Adams Co.'s Express Office. Their building was in great

without damage. Colonel Ludlow, U. S. Commissioner for the ex change of prisoners, has just returned from City Point. He has made arrangements for the exchange of citizen prisoners, and is of the opinion that Jeff Davis' retaliatory proposition to deliver over all the United States officers to the authorities of the States where captured, and which is in gross viola tion of the cartel, will not be approved by the rebel Congress, who are now acting upon it. The result will be known in a few days. We now hold more officers than the rebels. Col. Ludlow has earnestly protested against the rebels permitting the authorities of any State to apply the operation of the State laws to any captured officers or men in the service of the United States.

DEPARTMENT OF NORTH CAROLINA, The Great Expedition-The Fleet Riding out the Storm in the Harbor of Beaufort Trouble between Jefferson Davis and Go vernor Vance—General Wessells in Com-mand at Newbern, &c. ROANOKE ISLAND, N. C., Jan. 30, 1863, via For-TRESS MONROE, Feb. 1.-Major General J. G.

Foster has again written to the General-in-Chief at Washington, D. C., bitterly complaining of the premature disclosures of military and naval movements in this department. For this reason, the agent of the Associated Press refrains from any mention of other than operations already accomplished. Elizabeth City, N. C., is now held by the United States forces as a military post. One company of the 1st North Carolina loyal regiment, and one hundred negroes, are doing garrison and picket duty at Jeff Davis, last week, had a conference with Gov. Vance, of North Carolina, upon the relations of this State with the Southern Confederacy, meeting

im for that purpose at Franklin Depot, Virginia, on the Blackwater. Governor Vance plainly informed President Davis that North Carolina would insist upon the reserve and recall of an adequate force, for the protection of North Carolina from any further Union advance. North Carolina has now 80,000 troops in the rebel Many applications are being made for authority to raise native loyal troops. Gen. Foster strongly approves of doing this.

Morehead City, N. C., Jan. 30.—The waters be

ween here and Beaufort are black with vessels of

all kinds, which are only awaiting the abatement of the severe gale which has been prevailing for five Captain Slaight, Chief Quartermaster of this Deting out the great expedition of the day. The army is in splendid condition, and eager for the fight. General Wessells is left in command at Newbern, with an adequate force for any emergency.

DEPARTMENT OF THE SOUTH.

The Recent Affair in Stone River-Captur of the I. P. Smith-She was Aground when Taken-Sketch of the Gunboat, &c. Washington, Feb. 1.—The Navy Department has a despatch announcing that the gunboat Isa P. Smith, one of the purchased gunboats, Lieutenant Connover, commanding, got aground on Stono Inlet and was captured by the enemy. The details have not yet been received. SKETCH OF THE VESSEL. The L.P. Smith is doubtless the Isaac Smith, propeller formerly used at New York as a towboat. and since transformed into a gunboat and enlarged

When employed at New York she was rated No. 2 at Lloyd's, and was of three hundred and fifty tons burthen. She then drew but seven feet of water. and had but one deck. She was built of oak, at Wil liamsburg, in 1860, copper and iron-fastened; has a beam engine, with a cylinder of forty-four inches in diameter and five feet stroke of piston. She was then owned by H. Smith, and commanded by Capt. John Smith. She was of medium model, with freigh house and cabin above, and was surveyed in New York, in April, 1861. She was repaired at the New York navy yard during last fall, and was enlarged to 453 tons burden. She was then armed with nine guns, which have since been increased to eleven. A Schooner Boarded by a British Gunboat. New York, Feb. 2.—The schooner J. W. Maitland, from Sagua, reports that on January 22d she was chased and boarded by the British gunboat STATES IN REBELLION.

NAVAL ENGAGEMENT ON THE OGEECHEE.

THE IRON-CLAD MONTAUK TESTED. Reported Injury to her Turret.

THE SIEGE OF VICKSBURG. PROBABLE OPENING OF THE CUT-OFF The Transport "Hatteras" said to hav been Sunk by the British Steamer "Spitfire"—Affairs in Missis-

sippi—Recapture of Holly Springs, &c., FORTRESS MONROE, Feb. 2.-Richmond paper have been received here to January 31. They contain the following : BOMBARDMENT OF FORT MOALLISTER. "On the 27th inst. a bombardment took place at Fort McAllister, at the mouth of Ogeochee river, six-teen miles bouth of Savannah river, Georgia. Only one iron-clad was engaged, and was forced to haul off; her turret being injured. Our solid shot broke to pieces as they struck her sides."

THE HATTERAS SUNK BY AN ENGLISH

MAN-OF-WAR. "It is impossible that the Florida could have been the vessel that sunk the United States gunboat Hatterse, as she did not leave Mobile until the night of the 18th inst., and the Hatteras was sunk on the 11th. We have reliable information that the vessel that did sink her was the British man-fixer Soft. that did sink her was the British man-of-war Spit-fire, as the captain indicated in his reply to the Yan-kee commander.

"It may be that Commodore Wilkes had wearied out British endurance by his extraordinary block-ade at Nassau and other ports, and that orders had been issued which resulted in this naval engage-FROM VICKSBURG.

"Appearances indicate an early renewal of the conflict before Vicksburg, Mississippi. Five thousand Yankees are working on the canal opposite the city. Their intention is to float their transports through when the river rises, and land their troops below. The force of the enemy's fleet is 107 boats—96 transports and 14 gunboats. There may be more arrivals of gunboats before the fight begins. The strength of the Yankee army will probably be \$8,000." THE PRIVATEER FLORIDA. The Savannah (Ga.) Republican save that the rebe war steamer Florida, Capt. Maffit, has passed safely out of the harbor of Mobile, and is now riding the high seas in search of Yankee robbers. This news will shock the nerves of the Lincolnites, but they will be worse shocked when the returns from Maffit

begin to come in. CAPTURE OF THE ISAAC P. SMITH. CHARLESTON, Jan. 30 .- The Federal gunboat Isaac P. Smith, carrying 11 guns and 200 men, surrendered unconditionally to our forces, this afterloon, after a sharp engagement in Stono river. RECAPTURE OF HOLLY SPRINGS. Chattanooga, Tenn., Jan. 30 .- It is reported that Gen. Van Dorn has recaptured Holly Springs, Miss., with 700 prisoners and a quantity of army

MISCELLANEOUS ITEMS. Major Reed Saunders, with his despatches, was captured by being betrayed by the crew of his yacht. As soon as they got out of Charleston, the crew tied him and steered for the fleet, and delivered him up to the Yankees. This accounts for his despatches not being sent to the bottom. At a meeting at Halifax Court House, on Monday

last, Hon. Thomas S. Flournoy was nominated as a candidate for the next Governor of Virginia. THE SOUTH ATLANTIC SQUADRON.

Reported Escape of the Harriet Lane from Galveston Bay—Destruction of the Rebel Privateer "Orcto," or "Florida," at Sea— The Important News Confirmed by Va-rious Persons Arriving from the Gulf of Mexico. New York, Feb. 2.—The steamer Harriet Lane is reported to have escaped from Galveston on the morning of the 19th. The U.S. steamer Brooklyn

and two or three gunboats chased her. Passengers on the steamer Columbia say that the pirate Oreto was totally destroyed. This is reported on the authority of the steamer Creole, which spoke e gunboat Cayuga on January 25th. neard at Matanzas and Cardenas, as if coming from serious contest at sea. It was also stated that chased by several Union gunboats, but the result is

The steamer Creole arrived at Havana on the 28th from New York. She brought news that she spoke the United States gunboat Cayuga, which vessel reported that she had observed a steamer on fire, supposed to be the Oreto, and three other vessels were firing into her with great rapidity.

The locality of the engagement is not definitely stated, but it was in the vicinity of the Cayes, off Cardenas and Matanzas.

ANOTHER ACCOUNT. The New York Tribune's report is as follows:

"Tast evening, a gentleman who had just arrived at this port on board the Cumberland, from Havana, states that on Tuesday, the 26th of January, passengers from Matanzas brought the intelligence that an American gunboat had destroyed the pirate Oreto. The next day the report was confirmed by the arrival of the Creole. He stated that the officers of the Cayuga (one of the war steamers that chased the pirate) spoke to her, and reported that the gunboat Cuvler outran the other vessels that were with her in pursuit of the Oreto, and drove her into a narrow channel, north of Cuba, known as one of the Bahama Keys, where she was shelled by the Cuyler, and totally destroyed. "The Oreto, or Oveto, or the Florida (she has as many alieses as a thief) had been driven into Havana several days before by our war-steamers. She remained there long enough to take in coal, and, when she thought it safe to venture out to sea, started for Cardenas, but she was immediately pursued by our vessels, several of which had been watching for her, and pursued her with so much escape, so she sought shelter in one of the Bahama

Keys.
"The news was generally helioved in Havane, and caused a great deal of excitement among the Secessionists in that city.
"Parties arrived at Havana as early as Tuesday morning, who had heard the firing of guns in the direction of the Dog Keys. "The Bahama is a chain of islands, about five hundred in number, of which only twelve or fourteen are inhabited; indeed, many of them are sandbanks, rocky islets, and coral reefs. It was off one called Dog Keys, in consequence of their being surrounded by shoals of dog-fish, that a shell from the Cuyler set the Oreto on fire. "Captain Jack Elldridge, who has sailed from New York to Havana for thirty years, and who is as familiar with the straits of the Bahamas as he is with the streets of New York, heard the statement

and credits the report. He says that the pirate would naturally seek shelter among the Dog Islands and inlets of Bahama. The gentlemen from Havana who brought this news believe it to be true. The people of Havana credited it, and, at the time the Columbia left, it was the all-absorbing topic of conversation in the streets and hotels of Havana.

NORTH ATLANTIC SQUADRON. Canture of the Anglo-Rebel Steamer Prin

cess Royal, with a Valuable Cargo and a Party of English Artizans on Board— Federal and Rebel Accounts of the Cap-WASHINGTON, Feb. 2.-The Princess Royal, which has been captured off Charleston, had on board six hundred barrels of gunpowder, two Armstrong guns, a large lot of machinery, eight hundred and eighty bales of sheet-iron, five hundred boxes of tin ore, a steam bakery, a hundred and forty-four bales of hardware, ninety-five cases of boots, two hundred and twenty-nine bags of coffee, and other valuables. Baltimore, Feb. 2.—The Richmond Whig of Saturday has the following:

"After our form was sent to press on Thursday night, a telegraphic despatch was received announcing the capture of the British steamer Princess Royal, Captain Lawson, while attempting to run the blockade into Charleston.

"At the time of the departure of the Princess Royal from Halifax for Bermuda, the Northern papers announced the fact, and gave a description of the vessel and cargo. The Union cruisers were, therefore, on the look out, and as she was making her way in before daylight, on Thursday morning, she was suddenly surrounded, and her officers compelled to run her on Long Island beach, where she was captured.

"The Princess Royal had on board a most valuable eargo, consisting of eight Whitworth guns, four steam engines for gunboats, rifies, powder, &c. The bulk of her freight was 400 tons.

"A party of English workmen, skilled in the manufacture of projectiles, were captured with the vessel. The pilot and one or two of the crew escaped on a boat, and reached Charleston.

"We are gratified to learn that important despatches from Captain Maury to the Government were saved by those persons."

spatches from Captain Maury to the Gowere saved by those persons."

ARMY OF THE CUMBERLAND.

Occupation of Franklin-Narrow Escape of Gen. Franklin-Narrow Escape of Gen. Forrest and His Staff-Capture of Pri-NASHVILLE, July 2d .- Colonel Robert Johnson's Regiment took possession of Franklin, Tennessee, last night. Forcest and his staff made a narrow escape from capture. A rebel captain and two of his men were taken prisoners. One of our men was he U.S. Senatorship from New York-

ALBANY, Feb. 2.-Ex-Governor Morgan was today nominated by the Republican caucus of the Legislature for United States Senator. ALBANY, Feb. 2.—The Democratic caucus decided to-night not to make any nomination for United Indian Fight in Washington Territory.

Ex-Gov. Morgan Nominated by the Re-

SALT LAKE CITY, Feb. 1.—On the morning of the 29th ult., Col. Conner had a four-hours' desperate fight with the Indians on Bear river, in Washington Territory, in which 221 Indians were killed, and many are supposed to have been drowned. He took 175 horses, and destroyed their lodges, provisions, &c. Our loss was 15 killed, including four officers, From California.

SAN FRANCISCO, Feb. 2.—Sailed, Ocean Express for Callao. Trade continues very dull. The past month has been one of equal depression in bumonth has each one of equal teptesson in the sinces. The Senatorial caucus will recommence to inves-tigate the corruption charges to-morrow night. It is expected that the first section of the Pacific Rail-road will be completed next summer, so that the cars can run to the foot of the hill. Judge Creamer has decided that "greenbacks" are not legal tenders. Markets by Telegraph. CINCINNATI, Feb. 2.—Flour active and firm at \$5.106.15. Whent—white, \$1.25@1.30. Whisky in good demand at 50c. Aless Pork, \$13.50@14.37. American gold unchanged.

XXXVIIth CONGRESS-Third Session, WASHINGTON, Pebrusry 2, 1863.

Communications and Petitions.

A communication was received from the Secretary of the Smithsonian Institute, transmitting a resolution of the Board of Regents, stating that George E. Badger han not attended the meetings of the Board, and they understood that he was in the rebel army, and suggesting that he ought no longer to remain a member of the Board.

Mr. RICHARDSON (Dem.), of Illinois, presented the petition of Madison Y. Johnson, and asked that it might be read.

Mr. GRIMES (Rep.), of Iowa, objected to the reading unless it was something especial, as it was SENATE. In Children (Rep.), of lows, objected to the reading unless it was something especial, as it was centrary to the rules of the Senate.

Mr. RICHARDSON said that the petitioner had been arrested, and imprisoned, and discharged, without any assigned cause. He moved that a committee of three he appointed to investigate into the fact of the arrest of M. Y. Johnson, with power to send for persons and paners. or persons and papers.
Mr. SUMNER (Rep.), of Massachusetts, moved

Mfr. SUMNER (Rep.), of Massachusetts, moved that the petition be referred to the Committee on the Judiciary. Mrr. Richardson read the petition, stating that the petitioner was arrested last August, upon a telegram from the Secretary of War, and no cause assigned or any warrant, and imprisoned till the 13th of September, and no reason ever assigned for the arrest or the discharge. He said that an American was thus arrested, without law, and in violation of law and all constitutional principles, and the best thing the American Senate can do is to bring to light these men who make charges against their fellow-citizens. There was a feeling wide and deep in the section of country he came from, on this stubject, which will lead to disastrous consequences, if these arrests are persisted in. this subject, which will lead to disastrous consequences, it these arrests are persisted in.

Mr. ANTHONY (Rep.), of Rhode Island, said he understood that this man could have been released at any time by taking the oath of allegiance.

Mr. RICHARDSON said the oath was oftered to him after he was arrested and imprisoned, and the wrong done.
Mr. ANTHONY. I understand that he refused to take II.

Mr. RIOHARDSON said he did so refuse.

Mr. ANTHONY. Then, I think the Senste has
more important business before it than attending to
the requests of persons who refuse to take the onth

oathy for him. I move to lay the petition on the anne.
Mr. BAYARD (Dem.), of Delaware, thought there
could be no propriety in tendering such an oath to a
man arrested unlawfully. It was unjust, as was the
arrest. man arrested unlawfully. It was unjust, as was the arrest.

Mr. HOWE (Rep.), of Wisconsin, insisted there was no insult in asking a man who has fallen under suspicion, in times like these, to clear himself by pledging anew his faith and loyalty. It is a crime when any man, in times like these, and under a Government like this, so shapes his conduct as to induce any suspicion of his loyalty. In all cases of suspected their, the person who objects to being searched generally has stolen goods upon his person, and he was afraid these men, who are not willing to take an oath to support the old flag, if the truth was known, are not true to that flag.

The petition was then laid on the table:

Fessenden (R.) Foot (R.) Foster (R.) Grimes (R.) NAYS. Emaneipation.

Mr. HARRIS (Rep.), of New York, from the Comnittee on the Judiciary, reported back the bill to aid
he State of Missouri in emancipation. Payment of the Troops.

Mr. WILSON (Rep.), of Massachusetts, offered a resolution directing the Paymaster General to inform the Senate what payments, if any, were made up to the 31st of August, 1862; and, if none were made, what was the reason for such non-payment. Adopted.

Adopted.

Legislative and Judicial Appropriation
Bill.

The legislative and judicial appropriation bill was then taken up, the question being in regard to the appropriation for the Agricultural Department.

Mr. ANTHONY (R.), moved to increase the amount proposed by the Finance Committee. (\$45,000) to \$10,000, of which \$30,000 shall be expended in experiments to procure a substitute for ootton.

Mr. Harlana, amount of \$130,000. of the amount to \$130,000.
Mr. Harlan's amendment was rejected—yeas 19, Mr. Harlan's amendment was rejected—yeas 19, pays 20.
Mr. ANTHONY withdrew his former amendment, and offered an amendment appropriating twenty thousand dollars for experiments in preparing hemp and flax as a substitute for cotton. Adopted—yeas 26, nays 12.
Mr. LANE (Rep.), of Kansas, moved to amend so as to appropriate, \$20,000 to encourage the culture of cotton. Rejected.

The amendment of the Committee of Finance, making the appropriation for the Agricultural Department \$65,000, instead of \$130,000, as in the House bill, was adopted. The amendment, striking out the section increasing the salary of the Assistant Secretary of State to \$4,000, was adopted.

Mr.-POW ELL (Dem.), of Kentucky, offered an amendment, repealing all the laws giving bounties to the cod and other fisheries. Rejected—yeas 8, nays 34.

The bill was then reported to the Senate.
Mr. WILSON (Rep.), of Massachusetts, moved tamend so as to make the appropriation for the Agricultural Department \$80,000. Agreed to—yeas 27 nays 14.
Mr. GRIMES (Rep.), of Iowa, moved to amend, so that the appropriation of \$20,000 for preparing hemp and flax as a substitute for cotton, should be expended under the direction of three commissionexpended under the direction of three commission-ers. Rejected.

Nir. LANE (Rep.), of Kansas, moved to amend, so as to appropriate \$3,000 to distribute cotton and to-bacco seeds. Agreed to.

The bill was then passed, and the Senate ad-

HOUSE OF REPRESENTATIVES Appropriation Bills.

The House concurred in the Senate's amendments to the army appropriation bill, with the exception of an item of five thousand dollars for the survey of the Minnesota and Red Rivers of the North, with a view to improve the navigation of each and connect the same by a canal.

The House also concurred in the Senate amend-ments to the consular and diplomatic appropriation bill. Taxing Insurrectionary Districts. Taxing Insurrectionary Districts.

The House passed the Senate bill amendatory of the act for the collection of direct taxation in insurrectionary districts. It alters certain provisions for the sale of land in cases of non-payment.

Employment of Colored Troops.

The House resumed the consideration of the bill authorizing the employment of colored soldiers and sailors.

The House resumed the consideration of the bill authorizing the employment of colored soldiers and sailors.

Mr. WILSON (Rep.), said that this was regarded; as a measure of more than ordinary interest, as was evident from the earnestness with which it was pressed by its friends and opposed by its enemies.

He argued that the claim of Government to those held to service or labor is superior to the claim of any person whomsoever. When the nation's life is in peril it may can into the superior to the claim of any person whomsoever. When the nation's life is in peril it may can into the superior to the claim of any person explained to service or labor is superior to the claim of public is more valuable than the rights of the mest cherished citizens, and infinitely more valuable than those claimed by the slaveholders.

The power to employ colored persons or slaves for military purposes being ample, he proceeded to show that such use of them was urged by Gen. Washington himself, Madison, and other prominent public men, and at this time the policy was expedient.

It was proposed by this bill to say to the blacks, as Jackson said to them at New Orleans in 1814, their services have too long been overlooked. He referred to the speeches of Mr. Cox, and others, as calculated to produce a dismemberment, and were but echoes of the rebel papers of Richmond. If such gentlemen had labored half as much to present an unbroken front to the enemy as they had to produce distrust in the Administration, we might look for peace before the next anniversary of American Independence. He had yet to learn that the people objected to any means to suppress the rebellion, compel objected to any means to suppress the rebellion, compel objected to entire the constitution and laws, and save the Union, not with New England left out, but all of its territory preserved. per occurence to the Constitution and laws, and save the Union, not with New England left out, but all of its territory preserved.

MIr. COX (Hem.), of Ohio, briefly replied to a portion of Mr. Wilson's remarks. A speech he had made in New York had been misinterpreted. He caused to be read a paragraph from it, to show the position he took, not only in New York, but in Ohio and elsewhere, and this was the position of the Democratic party. They never will, under any condition of circumstances, consent to the dismemberment of the Republic. They should not be tabooed because they warned the country against the dangers of fanaticism. He repeated that Washington, Franklin, and others, had refused to sanction the employment of blacks. The proposition made by this suicidal and infamous bill would so distrust and dampen the patriotism by associating negroes with white men, and disintegrate the army.

Mr. Allen (Dem.), of Ohio, quoted the former assertion of the President and Republican members of Congress, to show that they had taken the ground that they neither had the right, intention, or constitutional power to interfere with slavery in the States; but subsequently, they had violated their solemn pledges. The Republican party could not be vindi-

but subsequently they had violated their solem pledges. The Republican party could not be vind cated from the charge of being an Abolition organization. If the war had been conducted according t zation. If the war had been conducted according to the Crittenden resolution, namely, for the vindication of the Constitution and restoration of its authority, the Union spirit in the South, instead of being crushed, as he feared it was, would have acquired such force as to have successfully counteracted the efforts of Secession. The use of negroes for soldiers, as proposed, was not, in his opinion, sincerely contemplated. It was an attempt to divide the people by presenting the negro in a new attitude. The white soldiers would never consent to be placed on an equality with negroes. This bill

titude. The white soldiers would never consent to be placed on an equality with negroes. This bill was an admission of weakness on the part of the whites, and showed that it was necessary to vall negroes to our sid.

Mr. WHITE (Dem.), of Ohio, reviewed, in terms of condemnation, the confiscation act, and next the proclamation of the President, which was the emanation of a Dictator, and could not be issued until the Executive had put his foot on the Constitution and placed a crown on his head. It was in violation of every principle of the Constitution and of law. Those measures disposed of all the property of the Southern States, by legislative enactments, and by the President's decrees, proclamations, and bulls. Measures, too, had been introduced for purchasing the negroes of Missouri, Kentucky, and other Border States; but the people of his State would never consent to pay the money. This was to dispose of slavery in the non-secoded States as part of the Administration's policy. sidered as a national policy, it was eminently disgraceful. The united judgment of mankind would pronounce upon it its emphatic condemnation. The example of the King of Dahomy had been presented for their imitation. That despot had an army of blacks. It was said to be tremendous and invincible, but it was ferocious and merciless. The people of Maryland would recoil with abhorrence from the pending proposition, and the civilized world would condemn it to unnitigated scorn. Rather than by it the negroes should be let loose like flends of hell, the people of his State would plant themselves in defiant opposition to it. He was opposed to the bill because he was opposed to the war. He came here as a representative of peace, and as such, the adversary of military supremacy. He spoke in favor of upholding the Constitution. The fathers of the Republic—Washington and others—had warned us of sectional agitation. It was the disregard of these warnings which has involved us in our present trouble. warnings which has involved us in our present trouble.

Mr. STEVENS (Rep.), of Pennsylvania, said this bill had been opposed for various reasons. The gentleman who had just taken his seat said he could not voic for it, because it was an efficient engine for earrying on the war. He remarked that soon the two years and nine-months term of volunteers will expire, and this would take from the army three hundred thousand men. To supply their places, with gallant soldiers, in the present condition of the country, fifty thousand white men could not be raised by voluntary enlistment, and to enforce the conscription was out of the question. The Democratic leaders had been busy during the past year in denouncing the conduct of the Administration and sowing distrust. They say this is an Abolition war, and hence we ought to lay down our arms and compromise. Why, he asked, should not the black man be employed to save the white man? He had little respect for those who would save rebel property at the expense of the life of the white man. If negro soldiers should

be employed, and the white soldiers should lay down their arms, as his colleague (Mr. Wright) had said they would, then, in God's name, let them go. They ought to be in the rebel army. His colleague should have reported such subordinates to the proper department that they might be tried and shot. We are tighting for the life of the nation, and if in the heat of the conflict the chains of alavery are melted off, so sauch the better. He believed the Democrats at the North are holding serret meetings, under the league of the Knights of the Golden Circle, with a view of seizing the control of the Government and the person of the President. In this he did not believe they would succeed. He did not believe if colored persons were employed as soldiers a servile war would result, because they would be under severa military discipline; but even if service war should seanlt, it would be far preferable to the war which the rebeis are crucity and mercilesly waging against the country. He concluded by referring to documents showing the good military results which may be expected from such an auxilistry. He moved the previous question, which was seconded, and the main question orderes to be put. The House first voted or Mr. Maynard's motion to refer the bill and pending amendments to the Committee on Military Affairs. Negatived-yeas 54, nays 83.

The House first voted on Mr. Maynard's motion to refer the bill and pending amendments to the Committee on Military Affairs. Negatived-yeas 54, nays 83.

The question was then taken on Mr. Hickman's amendment, which was rejected. [It authorized the President to raise as many regiments, not exceeding three hundred, of African or colored persons of the United States, as in his discretion he may consider necessary, to be uniformed insome marked or special manner, and equipped as he may direct, etc. It also provided for a line of steamers between New York and the coast of Africa, etc.]

The bill, as modified by Mr. Stevens, is as follows: Be it enacted, &c., That the President be, and he is hereby, authorized to enroll, arm, equip, and receive into the land and navaliservice of the United States such number of volunteers, of African descent, as he may deem useful to suppress the present rebellion, for such term of service as he may prescribe, not exceeding five years; the said volunteers to be erganized according to the regulations of the branch of service in which they may be enlisted; to receive the same rations, clothing, and equipments as other volunteers, and a monthly pay not to exceed that of the volunteers, ty be officered by white or black persons appointed and commissioned by the President, and to be governed by the rules and articles of war, and such other rules and regulations as may be prescribed by the President.

Frovided, That nothing herein contained, or in the rules and articles of war, shall be so construed as to authorize or permit any efficers, soldiers or men, in the military or naval service of the United States. Nor shall any greater pay than \$10 per month, with the usual allowance of clothing and rations, be allowed or paid to privates or laborers of African descent, which are or may be in the military or naval service of the United States. Provided, Ruther. That, the aleven of hyal cultures in the States exempt by the President's proclamation of January 1st, 1863, shall not be received int

prake (R.)
Brown (U.)
Brown (R.)
Campbell (R.)
Casey (U.)
Chumberlain (R.)
Clark (R.)
Lollax (R.) Phelps (R, ) Cal, NAYS. Shiles (U.) Mass Thomas (U.) Md Vallandigham(D) Vibbard Wadsworth (U.) Webster (D.) Lazear (D.)
Leary (U.)
Mallory (U.)
May (Dem.)
Mayuard (U.)
Menzies (U.)
Morris (D.)
Norbe (D.) Cravens (D.) Crisfield (U.)

PENNSYLVANIA LEGISLATURE.

SENATE. The Senate met at half past eight o'clock. lucks county asking for the passage of a law to ex-lude negroes and mulattoes from the State. Bills Introduced.

Mr. MOTT read in place a bill to authorize the chigh Navigation Company to extend their rail-oad from White Hayen to Mauch Chunk.

HOUSE. The House was called to order at half past seven o'clock by Speaker CESSNA.

The reading of the journal of Friday was dispensed with. Petitions. Mr. KAINE presented a memorial from sundry citizens of the Commonwealth in reference to illegal and arbitrary arrests. Referred to the Committee on Federal Relations.

Mr. TRIMMER, a petition from citizens of the State, asking for the passage of a law prohibiting negroes from coming within the limits of the Commonwealth. nonwealth.
Mr. REX, a communication from the officers of he Willow Grove and Germantown Plank-road company, asking permission to isoue additional A large inmber of remonstrances against the re-construction of the dams at the head of the Lehigh onstruction of the dains at the many and Navigation, were also presented.

Mr. BARGER presented a petition from the Assessors of Philadelphia, asking for compensation for aking the military enrollment.
Mr. PANCOAST, three remonstrances from the

streets. Mr. GLENN, a petition, numerously signed, asking for the passage of a law defining the mode for making the draft, and providing for compensation in lieu of service from persons of conscientious Bills Reported. Rills Reported.

The Committee on Militia System reported, as committed, a large number of bills ratifying and confirming the acts of county commissioners in granting bounties to volunteers.

The Committee on New Counties reported, with mendments, an act to erect a part of Luzerne into a new county, to be called Lackawanna.

The Committee on Estates and Escheats reported a bill relative to the estate of Peter Keyser, of Philadelphia. Excitement in Indiana—Armed Resistance to the Arrest of Deserters.

INDIANAPOLIS, Feb. 2.—The arrest of deserters from the United States army, in Morgan county, being resisted, Colonel Carrington, commanding the United States forces here, sent a squadron of cavalry to that vicinity on Saturday. They were met, and fired on by an armed mob. The cavalry charged upon and dispersed the mob, and succeeded in capaided them. No one was hurt on either side. Conadjoining counties, in consequence of this event. A Family Poisoned by the use of Rye Coffee. NEW YORK, Feb. 2.—The health officer of Brooklyn has prohibited the sale of rye coffee in several stores in that city, a respectable German family of eight persons having been poisoned. The seeds of poisonous weeds growing among the rye are roasted and ground up with it. Arrival of the Steamer Ocean Queen. New York, Feb. 2.—The steamer Ocean Queen, from Aspinwall on the 25th ult., arrived at this port to night, with \$300,000 in treasure.

The South and Central American advices contain

no news of importance. New York Bank Statement. NEW YORK, Feb. 2.—The bank statement, for the veek ending on Saturday, shows an nerease of loans of..... Fire at Corning, N. Y., and Loss of Life.

CORNING, N. Y., Feb. 2.—The dwelling of H. C. Pool, near Titusville, was destroyed by fire on Saurday, and the wife of Mr. Pool, his daughter, and Mrs. Gonzales, perished in the flames. Colonel J. Cook Safe at Trenton TRENTON, N. J., Feb. 2.—Colonel J. Cook, when was reported to have been killed and robbed at Famouth, Va., has arrived in this city. Instead mouth, Va., has arrived in this city. Instead o being killed and robbed, he returns with over \$100, 200, to be distributed to the families of the volunteer luring the present week.

General Pope and the War. At a recent dinner tendered to General Pope, in New York, he responded to a toast as follows: Messures, too, had been introduced for purchasing the negroes of Missouri, Kentucky, and other Border States; but the people of his State would never consent to pay the money. This was to dispose of slavery in the non-secoded States as part of the Aministration's policy.

Mr. HARRISON (U.), of Ohio, asked whether he understood his colleague to sny that the loyal people of Ohio will repudiate any tax the courts decide constitutional?

Mr. WHITE replied—Not at all. They would abide by the law, and, because such taxes were illegal, the people of Ohio would refuse to pay them. The test of loyalty was respect to the Constitution and law. He opposed the pending bill. The number of whites in the army is limited, while the only limit to the employment of negroes is their color. The object of such a black force is to subjugate the whites of eleven States. This was a Government of white men, and he and the people would never be satisfied with any other.

Mr. MAY (Dem.), of Maryland, spoke against what he characterized as an attempt to elevate the negro to an equality with the white man. Considered as a national policy, it was eminently disgraceful. The united judgment of mankind would pronounce upon it its emphatic condemnation. The example of the King of Dahomy had been presented. and might God forget him and his if he should no longer be ready to strike for it. [Loud applause.] He thanked them heartily for their kindly feeling thus manifested to him. He should carry away with him to the West grateful feeling toward the people of New York, and also the feeling that, however the people might be divided in relation to the campaign in Virginia, they were willing and anxious to do him all the justice that he deserved. [Loud cheering.] PUBLIC SCHOOL SYSTEM OF TURKEY.—
The Turkish Minister of Public Instruction has made some extensive changes in the management of the public primary schools in Stamboul. The teachers of twenty-four of them have been changed, and more competent ones appointed in their stead. The new instructors are to receive, in addition to the fees paid by the children, a salary of twelve livas per annum from the State. The course of instruction is also changed. Hitherto nothing but the Koran was taught, but other useful branches of secular knowledge are now to be included. The age at which the children are admitted to these primary schools is fixed at six years, and at ten they are removed to the advanced establishments. The long-talked-of university is also once more under contalked-of university is also once more under consideration. The Minister of Public Instruction has sideration. The minister of runor instruction has latterly devoted much attention to maturing a plan for carrying out this important project, which will, we are assured, shortly be ready for publication. His Highness has also founded a professorship of French at the Smyrna College, and Safett Effendi, a member of the Council of Public Instruction, will

shortly leave town to inquire into the present state of this institution.—Levant Herald.

DECISIONS UNDER THE TAX LAW .- Th ollowing letter received in this city on Saturday is important, inasmuch as it sets at rest a matte bout which there has lately been considerable mis-

apprehension:

Treasury Der't, Office of Int'l Revenue,

Washington, January 29, 1863.

Sin: Your letter of the 2th inst., relative to the extent of tax on repairs done at machine shops on engines, cars, &c., that been received.

In answer I have to say that it is a well-established praciple that many of the articles used in the building of house, shope, brudges, &c., are in themselves manufactured by the shop, house, or bridge builder, or purchased by him as materials for said structures. The same principle holds in relation to reasins of engines, locomotives, &c. All articles made use of in such repairs, which have in themselves a commercial value, and which would be liable to tax if sold or removed for sale from the place of manufacture, are equally liable to tax when made for and consumed in making the repairs before named.

Yours respectfully,

GEO. S. BOUTWELL,

Commissioner.

D. P. Southiworth, Esq., Ass't 4th District, Philisdelphia, Pa.
On Saturday morring Washington Keith, Esq., United States-Assessor of the First district, received an official semmunication from the Commissioner of Internal Revenue, respecting the tax on newspapers and advertisements. The Commissioner states that receipts to the amount of \$1,000 for advertisements shall be exempt from duty, and that the returns of newspapers shall be made quarterly. He further adds that the sum of \$1,000 of the annual receipts for advertisements, by any person or persons, is exempt from the three per cent. duty, and that the tax can be levied only upon the excess over \$1,000, and only after the sum of \$1,000 shall have been received by the owner or owners of any newspapers. D. P. SOUTHWORTH, Esq., Ass'r 4th District, Phila-

THE PROVOST GUARD. - One hundred and seventy-five convalescents arrived at the office of the rovest guard yesterday afternoon, and left about 10 o'clock hast night. They were from the West Philadelphia Hospital. During the evening one of their number threw a bottle at the head of Sergeant Miller, and injured him severely. The offeader was locked up in one of the colls for punishment. The monthly report of the provost guard is as follows:

Rebel prisoners. turned from Fort Delaware

AMOUNT OF WATER.—The following is he amount of water furnished by the works named during the month of January: Ewenty-fourth ward ... 37,156,140

Total..... 563,461,344

18,176,172

THE ASSOCIATION OF LADIES for the management of the Homeopathic Hospital take pleasure in acknowledging the following donations, to January 31: Susan Shaw, 2 jars of canned peaches; The Ladies' Aid Society, four fannel shirts; G. T. Beale, Roxborough, twenty quarts of milk; Mrs. Moore, sixteen quarts of milk; Mrs. Rosche, biscuit; Mrs. Price, doughnuts. ACCIDENT .- About half past six o'clock last evening one of the locomotives on the Baltimore Railroad ran off the track at Washington avenue and Nineteenth street. A brakesman, named Joseph Mocks, who resides on Carpenter street, below Se-venteenth, was badly injured.

FINANCIAL AND COMMERCIAL. THE MONEY MARKET.

Philadelphia, February 2, 1863. Business opened this morning with considerable vigor. and bids for the great speculative commodities—gold and old demands—were very active. The former opened at 157½, and fell before the close to 156½; the latter rose to 154, and closed firm atthat figure. The State Troasurer was busy to-day paying the interest on the State loan, and his office was the scene of great excitement, as the interest was payable in coin. The greediness with which some parties grabbed at the yellow pieces showed how greatly they were appreciated, and the determined slap upon many a full purse seemed to say: "You are going to stay there awhile, my boys."

Money was easy to-day, six per cent. being the ruling ate for it. Government securities are more in demand. and holders are firmer in their prices. The Stock market was moderately active, with a ness in the fancy stocks. In State loans sixes rose %; the new were steady. Penusylvania Rail-road first mortgages sold at 120—an advance of 2. Reading sixes, 1886, rose 1; 1880s 3 per cent. Sunbury and Erie sevens sold up to 112. Union Canal bonds fell off to Petitions.

Mr. SERRILL presented a petition for the recharter of the Bank of Delaware County.

Mr. KINSEY, a petition from the citizens of Bucks county asking for the passage of a law to exclude negroes and mulattoes from the State. Navigation sixes were steady at 70% Pennsylvania Railroad shares rose to 70%, an advance of 1%. Little Schuylki l fell off to 43. Catawissa rose 14; the preferred was active and stead, at 24. Hunting-don and Broad Top rose 1. Reading opened at 45%.

closing at 45%. North Pennsylvania sold at 11½. Canden and Atlantic fluctuated between 12½@22%. Elmira was steady. Camden and Amboy sold at 153½. Beaver Meadow at 68%. Meddow at 05/2.

Locust Mountain Coal sold at 34. Green Mountain 3%. Penn Mining at 2%. Delaware Division Canal at 41. Schuylkill Navigation fell off 14. Morris Canal was Passenger Railways generally advanced. Seventeenth rassages indivals generally autoneous eventeenin and Nincteenith rose 14. Second and Third sold at 78. West Philadelphia rose 1. Tenth and Eleventh improved three dollars per share. Thirteenth and Fifteenith 14. Green and Contec 24.

Manufacturers' and Mechanics' Bank sold at 24. lechanics' at 25%: Farmers' and Mechanics' at 52% Girard at 40%. Commercial at 49%. Union Bank of The market closed firm—\$60,000 in bonds and 4,900

ondon, 60 days' sight

\$25,574,157 98 \$1,982,056 84 banks of Philadelphia at various times during 1862 and 1862. | Lonns. | Specie. | Circul. | Deposite The following is a statement of the business of the Philadelphia Custom House for the month of January 1863, as compared with the two previous years:

ISSS, as compared with the two previous January 1. \$1,164,529 In warehouse January 1. \$1,164,529 Watch of from foreign ports. \$24,307 other districts. \$21,308 Withdrawn for consumption 199,955 transportation. \$9,008 exportation. \$1,228 In warehouse January 31. 1,090,415 Entered for consumption. \$55,436 Free merchandisc entered. \$24,492 Dimestic produce experted. \$68,450 Dimestic produce experted. DUTIES RECEIVED. 1860. 1861. 1862. 1863. ....\$297,189 151,344 \$181,143 \$133,939 During the month of January the business of the Unifed States Assay Office, at New York, was as follows: Deposits-Gold, \$127,700; Silver, \$19,700. Total, \$147,400. Deposits—Gold, 8127, 700; Silver, \$19, 700. Total, \$147, 400. Gold bars stamped, \$101, 078; sent to U.S. Mint at Phila-delphia for coinage, \$135, 683. The following is a statement of the receipts and disursements of the Assistant Treasurer of the United

States for New York for January, 1868; Receipts during the month: Total .. 4. 820.611.338 Debit balance, Dec. 31, 1862. Treasury drafts...... Post Vilice drafts.....

RECRUITING ON THE PACIFIC COAST—Orders have been despatched from the War Department to Brig. Gen. Wright, commanding the Department of the Pacific, authorizing him to raise a regiment of infantry in California, and also to fill up the First California dragoons to a regiment. Balanco, Jan. 31, 1863....