The Press.

THURSDAY, FEBRUARY 12, 1863.

THE WAR.

Admiral Farragut, in his official report of the recent unfortunate affairs off Galveston and Sabine Pass, brands to the world the conduct of our vessels as pusillanimous and cowardly. He does not specifically blame any one, but speaks of the disaster as one shedding no credit upon our navy. The Admiral belongs to that noble old school of naval heroes who never dreamed of such a thing as the surrender of any vessel belonging to the American navy, and we are not surprised to find this brave and accomplished officer severely criticising an act which his naval experience would teach him to denounce. Nevertheless, a tone of fairness and merciful consideration pervades the document, and the Admiral thinks that if Captain Wainright, or Lieut. [illegible] had been known to have given up the fighting and manœuvring of the Harriet Lane, that vessel would have gone down with her colors flying, before a surrender would have been accepted. The surrender of the *Morning Light*, a vessel fitted up as a man-of-war, and the destruction of the steamer Velocity, are spoken of as being even more disgraceful than the disaster at Galveston, but of this affair we have only the rebel account. The rebels gained nothing by the feat, if we except the injury done to our Government by the loss of the vessels mentioned. It is positively asserted that the Harriet Lane has not made her escape, but is now blockaded in the bayous above Galveston.

The brilliant exploit of General Ellet, in his ram Queen of the West, has attracted much attention in all quarters. The partial success of the affair has given a new impetus to our naval officers on the Mississippi, and new and important expeditions have been set on foot in consequence. An attempt will certainly be made to attack Fort Hudson from above, while the iron-clad Essex and General Banks' forces assail that "rebel Gibraltar" from below. If Vicksburg and Port Hudson can be captured and the Mississippi opened by spring, a great end will be gained, and our cause served in a most substantial manner. There can be little doubt that great energy, tact, courage, and talent will be displayed by the officers of our army and navy on the lower Mississippi, in a short time, and that it will be opened up to navigation there seems to be little room for denial.

CONGRESS.

SENATE.—Resolutions were presented to compensate the sailors of the gunboat Cairo, and protesting against the proposed canal enlargement. The Committee on Military Affairs asked to be discharged from the further consideration of the bill for the construction of a military and postal road from Washington to New York. The bill to increase the number of generals in the volunteer service was taken up, and occupied the remainder of the morning hour, when a debate ensued on the currency bill, after which the Senate adjourned.

HOUSE.—Mr. Washburne, of Illinois, gave notice of his intention to introduce a bill to repeal all laws levying duties on railroad iron and coal. Mr. Crittenden, of Kentucky, from the Committee on Foreign Affairs, reported a joint resolution to facilitate a proper representation of the industrial interests of the United States at the International Agricultural Exhibition at Hamburg, in July next. The Committee on Foreign Affairs were discharged from the further consideration as to the recognition of the Government of Mosquera. Mr. Ashley, of Ohio, from the Committee on Territories, reported a bill authorizing the Territories of Nevada and Colorado severally to form constitutions as preliminary to their admission as States into the Union. The bill authorizing the independent line of telegraph between Portland and Washington to construct and locate their line in the District of Columbia, and the Senate bill incorporating the National Association for the relief of destitute colored women and children, providing suitable homes and Christian instruction, were passed. The House then went into Committee of the Whole on the state of the Union on the naval appropriation bill, and after a debate adjourned.

The Finances.

The debate which has attended the bill of Mr. Senator SHERMAN now under discussion indicates an excellent temper on the part of the Senate, and leads us to hope for the best results. The question of Free Banking, involving, as it does, a complete revolution in the currency, is one that cannot be expected to pass through Congress without exciting much objection and a great deal of comment. We admit it is an experiment, and, like all experiments, liable to failure and success. But in considering any change like this we are not bound to anticipate the failure alone. We must calculate the contingencies, and see whether the system, as it exists, is so much to be preferred that we cannot venture upon a new one. The arguments of the distinguished Senator from Vermont, Mr. COLLAMER, would lead to grave doubts in our minds, did we not view the question from our present point of view. The currency that arises out of our present banking system is an evil. It arises out of an abuse that a time of peace and great national prosperity permitted. The question now is, can we so reform that banking system that the Government will be aided in its financial embarrassments? That is the temporary consideration. Another question is: Can we, while aiding Government in its financial embarrassments, so reform the currency that, for all time to come, the nation will feel its benefit? This is the permanent consideration, and it is for this mainly that we sustain the positions of the Senator from Ohio, Mr. SHERMAN.

We do not care to enter into a discussion of the constitutional right of the General Government to legislate for the currency of the local banks. It may be, as Senator COLLAMER contends, that the Government cannot tax a State bank out of existence, but we do not think so. The currency of the country is not a commodity that merely affects the citizens of one State, and not those of another. It is not a local matter for Illinois, and Maine, and Maryland—to be created, sustained, and circulated as Illinois, Maine, and Maryland may see proper. It is a national privilege, or rather a national convenience, and the people everywhere have the right to its protection and dissemination. The dollar of America should be as valuable in New York as in Wisconsin, and no issue of dollars by citizens of either State should be permitted to depreciate it. The great enemy of our currency, as we see it now, is its sectional character. The bankers and brokers give it an arbitrary value, as it may suit the stock exchange or the money market. It enters into the list with fancy stocks, and has a nominal value, which is a lie, and a real value, which rises and falls as men wish. The bill of Senator SHERMAN proposes to do away with this by making the currency the same in all parts of the country. In other words, he proposes to supersede the local bank currency, which is interminable and fickle, by the issue of a currency that will be universal in its character and denomination, bearing a governmental impress, and representing the Government finith.

We can add no other argument to those so frequently given by us in support of this bill. We believe it to be necessary, wise, and just. We look upon it as a great source of good to the Government in its present financial difficulty, and a great source of good to the people when the wars are over. America must have a currency of its own. Let it be gold, or silver, or paper—the precious metals or the nation's faith—it must be distinctively American. We do not war upon the banks. If the banks are drawing sustenance from any interest that the Government does not enjoy, then they are warring upon the Government, and if this legislation remedies that grievance, then it is proper and just. It looks probable that the Senate will pass the bill, and we shall be rejoiced to see it done.

Loyalty.

The question is hourly asked—What constitutes a loyal man? "Fealty to the Government," some reply; "Fealty to the Administration," reply others. These answers are synonymous—but in the minds of those who speak them they have a different meaning, and on this difference issue is joined. There are few men in this community that do not profess fealty to the Government. It is a profession they glory in making; they pronounce it on every occasion; they roll it like a sweet morsel under their tongues. The leading members of the Democratic school; the enemies of the Administration; the clubs, and the conventions, all proclaim loud devotion to the Union. They love it; they will live for it; they will do anything but die for it; and yet they will not support the Administration. We are in favor of the Government, but we seek to overthrow the Administration. We claim to be loyal men, but we hope to see a revolution in the North. We sustain the flag, but we do not sustain the defenders of the flag. There are many who think that these differences of opinion can exist without affecting the loyalty of those who profess them. We do not think so. Loyalty, to our mind, means unlimited devotion to the cause—an earnest sympathy with those in power—a confidence in their ambition to do that which is right. We ask the loyal man to support the President. In times of danger the President is the State, because he is the saviour of the State. He wields the sword, and unless we are saved by the sword of the friend we shall perish by that of the enemy. The President can only successfully perform his high duty when he is sustained by the love of the people. Every word of disparagement and unjust condemnation weakens his power, for the hand of a Republican President can never strike effectively unless it represents the voice of the Republic. And so, when man speaks about enlistments and slavery and tyranny and arbitrary arrests, and clamor for a peace that means dishonor, they demoralize the nation's heart and weaken the nation's strength. Is this loyalty? Is he loyal who mingles his hourly conversation with defiance and animosity, and who sees nothing in all that has been done but material for angry and virulent assaults upon the Government. Is it loyalty to tell the soldier he is fighting a negro war? to tell the tax-payer that his rate-list is for the support of an inferior and distasteful race? Is it loyalty to arraign the President of the United States for high crimes and misdemeanors because in the hour of desperation he struck treason with a mailed hand and transcended the written law that the living law might be saved? Is any man loyal who, by word, or deed, or suspicion, gives joy to the heart of the enemy, and grief to the patriot? In the time of the Revolution there were Tories, Traitors, and Patriots. The Tory and the Traitor are remembered with scorn—and children blush for the opinions of their fathers. The patriots are blessed and honored. They were the loyal men of their day, for they were loyal to liberty. The same distinction may now be drawn, and we may anticipate the same judgment from history. We have traitors who fight against us in open war, and Tories who give them active and cordial aid. They may express devotion to the nation, but we know them by their deeds, and their children will weep tears of shame in the years to come. In 1776, the test of loyalty was the Continental Congress, for Congress was the supreme executive power. In 1863, the test of loyalty should be "the Administration." It alone can save us, for it is the supreme embodiment of the people's will.

Mr. Seward.

It seems to be the custom of many of our critical friends to make the Secretary of State the burden of their abuse and misrepresentation. According to many, he has been nothing more since the beginning than an ally of the rebellion and a secret enemy of the Union. He has been subjected to the severest tests, and a correspondence that covered nearly two thousand pages was sifted to find evidences of his own want of faith. The English newspapers printed their paragraphs with what they pleased to term his "prophecies," and made themselves merry over the rhetoric of an after-dinner speech. Mr. SEWARD was to blame for all the evils that had been visited upon us—for every mistake that had been made—for the unfairness of public sentiment in Europe—for the feuds in the army and the troubles among generals. The last objection to the Secretary was a serious one. It seems that in the "Yellow-Book," of France, a summary of the diplomatic correspondence of the Empire, there was an expression in the letter of M. MERCIER, the French minister, that seemed to indicate that his visit to Richmond had been prompted by the Secretary of State for the purpose of suggesting certain terms of peace and accommodation to the South in behalf of the North. The assertion of M. MERCIER (if properly translated, as we have not seen the original,) contained that charge very precisely, and the friends of the Secretary of State could neither explain nor extenuate. Those who knew the patriotism of the Secretary of State felt convinced that a grave error had been committed by M. MERCIER or the compilers of the "Yellow Book." They will see this morning that their convictions were well founded. The Secretary of State denies, in the most positive manner, that he ever authorized M. MERCIER to hold any communication with the Rebel Government, and proceeds further to say that, since this rebellion burst into war, the Administration has held no intercourse with its leaders beyond what was necessary to carry on the war according to the rules of civilized warfare. This letter of the Secretary of State will justify him in the eyes of those who were disposed to be unfriendly towards him, while at the same time it will triumphantly vindicate the Administration from the assaults made upon its foreign policy.

The Death of Mr. Wager.

Mr. PETER WAGER, one of the most noted men in the State, died at his residence, in Montgomery county, yesterday morning, in the 81st year of his age. Mr. WAGER was an actor in the generation that has passed, and a spectator in the generation that is passing. Under the Administration of President JACKSON he took an active part, and was one of that soldier's most true and trusted friends. This friendship he exhibited when he appointed the Government directors in the old United States Bank. Mr. WAGER, the late HENRY D. GILPIN, and Mr. JOHN T. SULLIVAN were appointed to represent the interests of the Administration, and more particularly the views of the President himself. Mr. WAGER's connection with the Bank is a part of our most exciting political history, and the embarrassing duties it imposed upon him were discharged with judgment and fidelity. When those stormy days were over, Mr. WAGER retired to his farm, and took but little interest in the active management of political affairs. When the rebellion broke out, he took a decided and noble stand in favor of the country, and, so far as his wide influence extended, sought to strengthen the Administration, and successfully prosecute the war. This we know; and we mention it as one of the noblest tributes that can be paid to the memory of a good, brave, and patriotic old man. The death of Mr. WAGER severs another of the few links that bind us to the past generation, and as we record them, one by one, we feel how swiftly we are passing into a new era, and how rapidly the things of old are giving place to the things that are new.

LETTER FROM "OCCASIONAL."

WASHINGTON, February 11, 1863.

The opposition to the war never propose a remedy for the national afflictions. They content themselves with the work of resolute and unceasing antagonism. Sometimes, indeed, they venture to hint at a way to arrest the war, but at no time is this suggestion prompted by a devotion to the Union. Their present plan is to reconstruct the Republic with New England left out. But if they have no remedy for the public troubles, they have nevertheless a purpose in view. Their intrigues and clamoring, their riots and revolutions, are pervaded by the idea that the more they confuse the public councils and mislead the people, the more surely will they create and intensify a wide-spread hatred and distrust of free institutions. There has been such a religious idolatry of the Union among the American masses, that nothing could heretofore weaken it. The aristocrats and slavedrivers long ago ceased to look upon it in any other light than as an object to be hated and feared. If now they can succeed in substituting love of country among our countrymen for disgust and distrust of the whole idea of capacity of man for self-government, the work is done. The people must be made sick of the bonsted cry of equality and freedom. They must be led to believe that this war was begun by the North, and not by the South—that it is waged for unholy objects—that the armed traitors are innocent and unoffending Christians—that the South can never be subjugated, and that the free States should make peace at any cost. Ably, industriously, incessantly is the work of spreading these poisons abroad carried on. Already some of the fruits of the scheme have appeared—in popular tumults, in defiance of Federal authority, and in the renewed insolence of rebel sympathizers. It is only necessary now that these evil examples should be made more and more familiar, till at last the epidemic seizes upon the multitude, and our countrymen blindly and willingly become the instruments of their own ruin, and fall unresisting victims into the arms of those who have labored to betray them.

OCCASIONAL.

WASHINGTON.

Special Despatches to "The Press."

WASHINGTON, February 11, 1863.

The Reported Sinking of the Brooklyn.

We received this morning from the Richmond papers, that the United States steam-frigate Brooklyn had been sunk off Galveston, is not credited by any person here. It is only a rebel rumor, and bears the most undoubted proofs of falsity upon its face. The report is not believed at the Navy or War Departments, as there are advices here, of a private nature, which render the rumor simply ridiculous.

The Reconnoissance Near Yorktown.

The following despatch has been received here:

YORKTOWN, Feb. 10.—The engagement on Saturday night beyond Williamsburg was not so severe as at first reported. Our loss is killed, wounded, and missing will be considerably less than thirty. The wounds of Captain Faith are not pronounced mortal. Lieutenant James Smith and several others, who were supposed to have been taken prisoners, have made their escape. Captain Hagermeister and Lieutenant Williamson are undoubtedly in the hands of the enemy, as is also the body of Lieut. Rhinemiller, who was probably killed. A negro, who came in from Diascon Bridge, where General Wise has his headquarters, says the prisoners there are, some of them, in a military and postal road from. General Keyes had been adhered to, this trap, evidently set by the rebels, would not have been entered.

The French Minister's Visit to Richmond.

The following communication was transmitted to the Senate to-day:

To the President of the United States:

The Secretary of State, to whom was referred a resolution of the Senate, passed on the 9th day of February, instant, in these words, viz: *"Resolved*, That the President be requested, if not incompatible with the public interest, the character of the suggestions made by the Secretary of State of the United States to M. MERCIER, the representative of the Emperor of the French to this Government, as narrated in his communication to M. THOUVENEL, under date of the 18th of April last, which induced M. MERCIER to undertake his mission to Richmond in that month, and what representation, if any, he was authorized to make from this Government, or from the Secretary of State, to the Confederate authorities," has the honor to submit the following report:

That no suggestions were made to M. MERCIER by the Secretary of State that induced, or were designed or calculated to induce him, to undertake a mission to Richmond in April last, or at any other time. He was not then, nor has he or any other person ever been, authorized by this Government or by the Secretary of State to make any representations of any kind, or on any subject, to the insurrectionary agents, or so-called authorities at Richmond, or to hold any communication with them on behalf of this Government.

From the beginning of the present disturbances until the spring of 1862, this department was charged with the authority of granting passes or passports through the lines of the Government forces. It early became a question whether foreign ministers residing in the United States should be denied such passports. It was thought a sound and liberal policy to leave them free to visit any part of the country to which they are accredited, so long as there should be no ground to question their good faith toward this Government. This has been uniformly avowed as the course of the Government. Accordingly a passport was granted, in the month of April, 1861, to his Excellency RUDOLPH SCHLEIDEN, minister resident here of the Republic of Bremen. A like passport was granted, August 5, 1861, to the French minister, attended by his Royal Highness the Prince NAPOLEON JEROME, then on a visit to this capital, and in April last a similar passport to the French minister. These passports were granted at the request of these distinguished persons respectively, and not on any suggestion of the Government or Secretary of State. They severally travelled in a private and unofficial capacity. They bore no communication, whether formal or informal, verbal or written, from this Government, or from the Secretary of State, to the insurgents, their aiders or abettors. No passport has been granted to any foreign minister to pass the military lines except by the President's direction, and each of such ministers who has received such a passport has, on his return, waited upon the President, as well as the Secretary of State, and given them such account, unasked, as he thought proper, of the incidents of his journey. Of course, these statements are to be qualified so far as the facts relating to the communications concerning the exchange of prisoners, and other military matters in charge of the War Department, may affect them.

Respectfully submitted.

WILLIAM H. SEWARD.

Department of State, Washington, Feb. 9, 1863.

The California Telegraph.

Representative SARGENT has made a supplemental report from the select committee on the Pacific Railroad, as follows:

The original contractor with the Government under the provisions of the act entitled "an act to facilitate communication between the Atlantic and Pacific States by electric telegraph," approved June 16th, 1860, was HIRAM SIBLEY. Mr. SIBLEY subsequently assigned his rights under the award of the Secretary of the Treasury to the Pacific Telegraph company, which was incorporated by the Legislature of Nebraska, and which company built the line from Brownsville to Salt Lake. A contract was made by this company with a telegraph company in California by which the line from Salt Lake to San Francisco was built and owned. By the latter company the control of the lines has passed from the hands of Mr. SIBLEY to the Pacific Telegraph Company this side of Salt Lake, and to the California Company on the other, although SIBLEY is still a large owner of stock in the former company. The name of SIBLEY was used in the bill and report of the committee, as he was the contractor with the Government, and the only person known in that or any other capacity, except as assignees by the Government; but we take occasion to do the justice to Mr. SIBLEY to say that full and reliable evidence has been furnished to the committee that Mr. SIBLEY is not responsible for the onerous charges referred to in the report, and designed to be corrected in the bill; but has protested against the same from the first, especially so far as relates to the greater charge for telegraphing on that portion of the line between Salt Lake and San Francisco. The committee cannot assent to any view of the case which allows to that company which has built its line under a contract with the Government, that its rates shall exceed those fixed in the contract, and by means of a large subsidy from the Government to charge higher rates and continue to enjoy the subsidy.

Dr. ALFRED W. GREEN, of the 7th Pennsylvania Reserves, has been assigned to duty at Washington, as assistant surgeon of Pennsylvania, to take care of the sick and wounded from the 81st.

Col. WM. D. LEWIS, Jr., of the 110th Pennsylvania Regiment, has been compelled by physical disability to tender his resignation, which has been accepted.

ARMY OF THE POTOMAC.

Important Movements in Progress—The Ninth Army Corps has Gone to Fortress Monroe.

[Special Despatch to The Press.]

NEW YORK, Feb. 11.—We learn upon good authority that preparations are in progress for important movements of General Hooker's army, the results of which cannot but be most damaging to the rebellion. In fact, the initial movement has already commenced. More than this it would not be prudent to say.

The New Haven *Palladium* publishes the following, dated Alexandria, February 7:

"The Ninth Army corps, Gen. Smith commanding, moved yesterday from the Army of the Potomac. They were ordered to report to General Dix at Fortress Monroe. Their destination is probably North Carolina. It is reported that General Burnside will take command.

"The 8th, 11th, 16th, and 16th Connecticut regiments, under command of General Harland, were this morning on board the John Brooks, ready to depart."

THE PIRATE FLORIDA.

She has Taken Eight Prizes—No American Vessels near Nassau—Two Suspicious Steamers.

NEW YORK, Feb. 11.—The steamer Melita arrived this morning, from Havana on the 5th. She left Havana on the evening of the 4th, on a cruise.

Our Havana letter of the 5th inst. states that the pirate Florida left Nassau a week ago, after coaling. She is reported to have made seven prizes off Cuba, and one off the Bahamas. The report that the pirate Alabama had been sunk off Kingston, by the Tioga and Sonora, has been traced, and is denied.

The Alabama had landed the captured prisoners from the Hatteras, at Kingston. Business at Havana was dull.

ANOTHER ACCOUNT.

NEW YORK, Feb. 11.—The schooner Antelope, from Nassau on the 31st ult., reports that the pirate Florida arrived there on the 30th, recruited, and sailed on the evening of the 31st. She had not made any new prizes since the operations off Cardenas. No American war vessels were at or near Nassau.

The brig Porto Platte, from Porto Platte, reports, February 30, in lat. 31, long. 74, saw two steamers steering east, under steam and canvas, apparently a chase. One had a beam engine, painted lead color, and the other painted black.

The French Mediation Scheme.

NEW YORK, Feb. 11.—The *Express* publishes a despatch from Washington, stating that it is reported to-day that Secretary Seward has rejected the proposition of the French Emperor for the North and South to appoint commissioners for consultation in Montreal or Mexico.

WASHINGTON, Feb. 11.—It is a sufficient contradiction to the rumor published in other cities than this, that our Government has rejected the recently reported friendly mediation of Napoleon, to say that the Europe's mails have not yet reached here, and that nothing is yet known of such a proposition save from newspaper reports.

WESTERN GULF SQUADRON.

THE GALVESTON DISASTER.

OFFICIAL REPORT OF ADMIRAL FARRAGUT.

The Surrender of the "Harriet Lane" Unwarrantable.

THE AFFAIR AT SABINE PASS.

It is Called a Disgrace to Our Navy.

WASHINGTON, Feb. 11.—The Navy Department has received the following despatches from Commodore Farragut:

UNITED STATES FLAG-SHIP HARTFORD,
NEW ORLEANS, Jan. 29, 1863.

SIR: I herewith enclose the report of Acting Master J. A. Hannum, of the Harriet Lane, by which you will perceive the exaggerations which have been circulated concerning the defence of that vessel; also, the pusillanimous conduct of the officer who accompanied the flag of truce and surrendered to Lieutenant Commanding Law the steamer at the moment that all the officers and crew of the Harriet Lane, save some ten or fifteen persons, were killed; whereas, there were scarcely that number of killed and wounded.

I take it for granted that, of the nine slightly wounded, the greater part amounted to nothing, so that the testimony of the rebel pilot was very near the truth when he said that five were killed and six or eight wounded.

I cannot think but that, for the death of Com. Wainwright and Lieut. Com. Lee, the vessels could not have been captured. It is difficult, however, to conceive a more pusillanimous surrender of a vessel to an enemy already in our power than occurred in the case of the Harriet Lane.

Very respectfully, your obedient servant,

D. G. FARRAGUT, Rear Admiral.

Hon. GIDEON WELLES, Secy. of the Navy.

FLAG-SHIP HARTFORD,
NEW ORLEANS, Jan. 29, 1863.

SIR: I have received despatches from Commodore Bell and Lieutenant Commander Read, on the coast of Texas, (extracts and a copy of which I herewith enclose,) by which you will see that our disasters on that coast are not yet ended, as I had already anticipated.

It appears that the enemy came out of Sabine Pass with two cotton-fortified steamers on a certain morning, and ran out to sea some twelve or fourteen miles, where the Morning Light was. The latter soon got under way, but, by the rebel accounts, (and we have no other), they gave chase, and soon came up with and captured her, without losing a man. No gun or musket-ball resistance appears to have been pursued by the officers and crew of that vessel as was pursued by those of the Westfield and Harriet Lane.

The steamer Velocity was made also to surrender, and was taken into port.

I am very thankful that they did not get the guns of the Morning Light, as it would have enabled them to erect a battery on the bar, where there is but shallow pass. You will notice that the guns of the Morning Light were loaded and became heated, by which circumstance I judge that the men did not even fire their last charge, but surrendered without a struggle.

I am pleased to see by Com. Bell's report that the Harriet Lane is still in Galveston harbor, although the rebel accounts would have us think that she had run out during the last gale, which is known not to be the case. Your obedient servant,

D. G. FARRAGUT, Rear Admiral.

Hon. GIDEON WELLES, Secretary of the Navy.

P. S.—I have just learned that the Morning Light was captured in a dead calm by a steamer coming up astern of her. D. G. FARRAGUT, Rear Admiral.

U. S. STEAMSHIP BROOKLYN,
OFF GALVESTON, January 25, 1863.

SIR: I am very confident that the Harriet Lane is within Galveston waters. The sea broke heavily on the 18th and 19th, from one end of the shoals to the other, and nothing drawing over six feet of water could have possibly crossed the bar, and nothing could have passed through the gunboats anchored there without being seen, although the night was very dark. Subsequent to the enclosed statement