Pittsburgh Gazette.

WEDNESDAY MORNING, DEC. 3.

CITY AFFAIRS.

OFFICIAL PAPER OF THE CITY.

METEOROLOGICAL OBSERVATIONS for the *Gazette*, by G. E. Shaw, Optician, No. 55 Fifth street—corrected daily:

	IN SUN.	IN SHADE.
9 o'clock, A. M.		38
12 " M.		40
6 " P. M.		38
Barometer	29 9-10	

Bank Statements.

The following is a tabular statement of the condition of the Banks of this city, for the month of December, 1862, as compared with the previous month:

ASSETS:

BANKS.	Loans.	Specie.	Treas'y Notes & Notes of cit's'ns	Due by Banks.
Pittsburgh	1,208,009	443,182	458,762	650,633
Exchange	1,265,778	314,220	1,764,038	244,413
M. and M.	732,220	253,541	1,028,324	157,393
Citizens	549,634	170,012	625,051	229,173
Mechanics	1,172,945	79,342	253,010	231,512
Iron City	1,628,337	143,394	323,178	162,674
Allegheny	756,920	148,313	783,387	122,383
Total	6,798,052	1,583,810	5,240,667	1,821,227
Last month	6,511,849	1,622,184	4,491,024	1,813,606
Increase	286,203		749,643	8,601
Decrease		38,314		

LIABILITIES:

	Circul'n.	Deposits	Due to Banks.
Pittsburgh	62,403	1,499,616	5,870
Exchange	1,957,205	426 597	89,498
Merchants & Manuf'rs.	1,165,016	378,177	12,797
Citizens	713,100	350,029	13,223
Mechanics	762,676	437,025	7,333
Iron City	639,929	673,203	37,928
Allegheny	849,310	326,420	3,300
Total	6,141,709	3,671,167	170,108
Last month	5,709,511	3,481,943	120,136
Increase	432,198	389,224	49,972
Decrease			

Meeting of the Board of Controllers.

A regular monthly meeting of the Allegheny Board of Controllers was held on Tuesday evening—President Brown in the Chair.

The Local Board presented their usual monthly reports, which were read and accepted.

The Committee on Teachers and Salaries made a report in reference to the proposed increase of salaries. The financial affairs of the Board were set forth at length, and the Committee say:

"We regard the salaries of the teachers too low—scarcely sufficient perhaps for the proper support of their families, and, if the funds of the Board would justify, ought to be increased; but, in our judgment, after due consideration, we are compelled to report adverse to increasing the teachers' salaries at the present time, for the following reasons:

"1st. That $1,445.32 of the balance of 1863 is virtually absorbed.

"2d. That $1,568.80, another item of the same balance, depends solely upon the action of the next Legislature, and therefore is altogether uncertain.

"3d. That $1,388.59, the remainder of the balance of 1863, will most likely be at the end of this school year, in the hands of the Collectors—the amount can only be in the treasury by the total amount of such duplicate being collected and paid over just in the manner which the report of the Finance Committee sets forth, which is not likely. It is not usual for the collectors to be so successful as to finish up the collections of any one year at its termination."

The Committee then proceeded to consider the inequality of the teachers in the Wards, also referred to them by the Board. Salaries were claimed in one school house having more teachers in the lower grades corresponding to the number receiving salaries in other school houses having more teachers in the higher grades, without reference to grade. The Committee submit that the grade regulates the salary, and they could in no wise recommend to allow a teacher in the primary grade a salary fixed for any higher grade. A resolution was submitted, that the Committee on Grades and Text Books be instructed to adjust and regulate the grades in school house No. 3, and report at next meeting of the Board.

The report was accepted, and a very long and animated discussion ensued upon the proposition to increase the salaries of the teachers. Some warmly advocated an increase, while others opposed, for the reason that the Board had not sufficient funds.

Mr. Shriver moved to amend the report, by increasing the salaries of the teachers ten per cent., to date from Dec. 1st, 1862.

Mr. Cooper was in favor of paying the teachers according to their deserts, but gave them a pretty severe scathing for the manner in which they had treated the Board of Controllers in the matter of organising and conducting Teachers' Institutes. It was due to the dignity of the Board that they should be compelled to discharge their duty in this respect. He would go even further, and would discharge all who refused to comply with the legal and reasonable demands of the Board.

By request, the reports of the Teachers' Institutes for the First, Second and Third wards were read for the information of the Board. There was no report from the Fourth Ward.

Further discussion ensued upon the subject of an increase of salaries. All the members who spoke favored an increase of from ten to twenty-five per cent., and the only opposition came from those who could not see how the increased demand on the finances was to be met.

The yeas and nays were called upon Mr. Shriver's motion to increase the salaries ten per cent., and the result was:

Yeas—Messrs. Barr, Bradford, Cooper, Dunlap, Francis, Gibson, Graham, Ingham, Knox, Lutz, M'Gonnigle, Park, Shriver, and President Brown—14.

Nays—Messrs. Borland, Lea, Lutton, Macferron, Slagle, and Thompson—5.

So the amendment to increase ten per cent. was adopted.

Mr. Cooper moved that the Superintendent of the Fourth Ward School be reminded that the Board had not presented the report of the Teachers' Institute, as required by the Board of Controllers. Adopted.

At the request of Mr. Bradford, the Board passed a resolution granting the teachers of the Second Ward privilege to hold their Institutes on every Friday evening, instead of two Saturdays in each month.

On motion of Mr. Shriver, it was agreed that the teachers of the other wards have the same privilege, if they desired it.

After transacting some other business of no general interest, the Board adjourned.

Horrible Murder and Outrage.

The course which some of the guerrilla leaders is pursuing in Western Virginia, is calling down vengeance upon their own heads. A few days ago, Charles T. Hedges, residing near Spencer, Roane county, a notorious leader of a gang of murderers and horse thieves, was surrounded in his own house, by a number of Union dragoons, who called him out, and in view of his wife and two small children, shot him down as he stood before them. Not satisfied with his death, they dismounted, and fiendishly fired his clothing, leaving his body burning where it had fallen. This act cannot be justified in any sense, but it is the unfortunate result of that demon-like spirit which the guerrillas have themselves exhibited.

SALES OF STOCK, last evening, by J. G. Davis, Auctioneer, at the Commercial Sales, No. 54 Fifth street.

Allegheny Bank 53 50
Merchants' and Manufacturers' Bank.. 53.25

LADIES wishing to sew for the sick and wounded of our hospitals, can obtain work by calling at the rooms of the Subsistence Committee, City Hall, Wednesday afternoons, from 2 to 4 o'clock.

DENTISTRY.—Dr. C. Sill, No. 240 Penn st., attends to all branches of the Dental profession.

DIED:

DICK—On Monday, the 1st inst., at 11 o'clock p. m., Mrs. LETITIA DICK, aged 75 years.

The funeral will take place on WEDNESDAY, the 3d inst., at 10 o'clock a. m., from her late residence, Ohio street, Allegheny, near the German Lutheran Church, to proceed to Mt. Union Cemetery. The friends of the family are invited to attend.

HAYS—On Wednesday, 19th inst., at Georgetown, D. C., CHAS. T. HAYS, of Co. C, 52d Regiment, Pennsylvania Volunteers.

His friends are invited to attend the funeral, from the residence of D. R. McKinley, Chartiers street, Manchester, THIS AFTERNOON, at 2 o'clock.

THE LATEST NEWS
BY TELEGRAPH.

FROM WASHINGTON.

OUR SPECIAL DISPATCHES.

Special Dispatch to the Pittsburgh Gazette.

WASHINGTON, Dec. 2, 1862.

THE PORTER AND M'DOWELL TRIALS.

Nothing public has been done in the Porter trial to-day.

In the McDowell case, two points were examined—the charge of drunkenness made in some published letters, and the charge of improper protection to rebel property, made in a debate in the Senate. On the first point, the author of one of the letters was called, but, pleading illness and nervousness, he was excused till to-morrow. The second evidence showed that McDowell had freely levied on the property of rebels whenever it could be made useful to the army; and that he had protected growing crops, which were of no use to the army, whether they belonged to rebels or Unionists.

THE EFFECT OF THE PRESIDENT'S MESSAGE.

The message continues to excite discussion. It becomes more and more evident that it really pleases very few of any party.

REVIEW OF THE WAR BY GEN. HALLECK SINCE HIS APPOINTMENT AS GENERAL-IN-CHIEF.

General Hallock has submitted to Secretary Stanton an exceedingly long report of the military operations since the 23d of July last, when he took command. He says that he visited General M'Clellan, to see whether there was any probability of success by that mode of advancing on Richmond, and if not, to form some plan for uniting Pope's and McClellan's armies on some other lines. On arriving at Harrison's Landing, Gen. McClellan told him he must have at least 50,000 additional troops. Gen. Halleck replied that 20,000 was the utmost number that could possibly be found to send. McClellan took one night to consider it, and told General Halleck that he would make an attempt on Richmond with the 20,000 reinforcements. With that understanding, General Halleck returned to Washington; then he received a dispatch from General McClellan, saying that he could not leave without the 35,000. It being wholly impossible their to furnish this number, Gen. Halleck ordered the withdrawal of the Army of the Peninsula. General McClellan at once forwarded the following protest in cipher:

BERKLEY, Va., August 4th, 12 M.

To Major-General Halleck, Commander-in-Chief:

Your telegram of last evening is received. I must confess that it has caused me the greatest pain I ever experienced, for I am convinced that the order to withdraw this army to Aquia Creek will prove disastrous in the extreme to our cause. I fear it will be a fatal blow. Several days are necessary to complete the preparations for so important a movement as this, and while they are in progress, I beg that careful consideration may be given to the possible dangers of such movement. This army is now in excellent condition, we hold a debouche on both banks of the James River, so that we are free to act in any direction, and with the assistance of the gunboats, I consider our communications as now secure.

We are within fifty-five miles from Richmond, and are not likely to meet the enemy in force sufficient to fight a battle, until we have reached fifteen to eighteen miles which, being us, practically, within ten miles of Richmond. Our largest line of land transportation would be from this point twenty-five miles, but, with the aid of the gunboats, we can supply the army by water during its advance, certainly, to within twelve miles of Richmond. At Aquia Creek, we would be seventy-five miles from Richmond, with land transportation all the way. Should we have to Fortress Monroe is a march of about seventy miles, for I regard it as impracticable to withdraw the army and its material, except by land. The result of the movement would thus be to march 135 miles to reach a point, now only 25 miles distant, and to deprive ourselves entirely of the powerful aids of the gunboats and water transportation. Add to this the certain demoralization of the army, which would revive the terrible depressing effect upon the people of the North, and the strong probability that it would influence foreign powers to recognize our adversaries; and these appear to me sufficient reasons to make it my imperative duty to urge, in the strongest terms afforded by our language, that this order may be rescinded; and that far from recalling this army it be promptly reinforced to make it resume the offensive. It may be said there are no reinforcements available; I point to Gen. Burnside's forces—to that of General Pope. It was not necessary to maintain a strict defence in front of Washington and Harper's Ferry. To those portions of the army of the West, not required for a strict defence here. Here, directly in front of this army, is the heart of the Rebellion. It is here that all our resources should be collected to strike the blow which will determine the fate of this nation. All points of secondary importance else where, should be abandoned, and every available man brought here. A decided victory here and the military strength of the rebellion crushed. It matters not what partial reverses we may meet with elsewhere, here is the true defense of Washington. It is here on the bank of the James river that the fate of the Union should be decided. It is clear in my convictions of right—strong in the consciousness that I have ever been, and am still actuated, solely by the love of country, known that no ambitious or selfish motives have influenced me from the commencement of this war. I do now what I never did in my life before—I intreat that the order may be rescinded. If my counsel does not prevail, I will, with a sad heart, obey your orders to the utmost of my power, devoting to the movement one of the utmost delicacy and difficulty. Whatever skill I may possess, whatever the result may be, and may God grant that I am mistaken in my forebodings, I shall at least have the internal satisfaction that I have written and spoken frankly, and have sought to do the best in my power to arrest disaster from my country.

[Signed,] GEO. B. MCCLELLAN,
Major General.

[OFFICIAL COPY.]

HEADQUARTERS OF THE ARMY,
Washington, D. C., Nov. 23, 1862.

To this Gen. Halleck returned the following reply:

WASHINGTON, Aug. 5, 1862.

To Major General McClellan, Commanding, &c., Berkley, Va.:

GENERAL: Your telegram of yesterday was received this morning, and I immediately telegraphed a brief reply, promising to write you more fully by mail. You, General, certainly could not have been more pained at receiving my order than I was at the necessity of issuing it. I was advised by a high official, in whose judgment I had great confidence, to make the order immediately on my arrival here, but I determined not to do so until I could learn your wishes from a personal interview; and even after the interview I tried every means in my power to avoid withdrawing your army, and delayed my decision as long as I dared to delay it. I assure you, General, that it was not a hasty and inconsiderate act, but one that caused me more anxious thoughts than any other of my life; but, after a full and mature consideration of all the pros and cons, I was reluctantly forced to the conclusion that the order must be issued; there was to my mind no alternative. Allow me to allude to a few of the facts of the case. You and your officers, at our interview, estimated the enemy's forces at and around Richmond at 200,000 men. Since then, you and others report that they have received, and are now receiving, large reinforcements from the South. Gen. Pope's army, now covering Washington, is only 40,000. Your effective force is only about 90,000. You are thirty miles from Richmond, and Gen. Pope is eighty or ninety. With the enemy directly between you, ready to fall with his superior numbers upon one or the other, as he may elect, neither can reinforce the other. In the case of such an attack, if Gen. Pope's army be diminished to reinforce you, Washington, Maryland and Pennsylvania would be left uncovered and exposed, and if your force should be reduced to strengthen Pope you would be too weak to even hold the position you now occupy, should the enemy turn round and attack you in full force. In other words, the old army of the Potomac is split in two parts, with the centre forces of the enemy directly between them, and they cannot be united by land without exposing both to destruction, and yet they must be united. To send Pope's forces by water to the Peninsula is, under present circumstances, a military impossibility. The only alternative is to send the forces on the Peninsula to some point by water, say Fredericksburg, where the two armies can be united.

I also allude to some of the objections which you have urged. You say that to withdraw from the present position will cause the certain demoralization of the army, which is now in excellent discipline and condition. I cannot understand why a simple change of position to new and by no means distant base, will demoralize an army in excellent discipline, unless officers themselves assist in the demoralization, which I am satisfied they will not. Your change of front from your extreme right at Hanover Court House to your present position was over thirty miles, but I have not heard that it demoralized your troops, notwithstanding the severe losses they sustained in effecting it. A new base on the Rappahannock, at Fredericksburg, brings you within sixty miles of Richmond, and secures a reinforcement of forty or fifty thousand fresh and disciplined troops. The change with such advantages will, I think, if properly represented to your army, encourage rather than demoralize your troops. Moreover, you yourself suggested that a junction might be effected at Yorktown; but that a flank march across the Peninsula would be more hazardous than to retire to Fortress Monroe. You will remember that Yorktown is two or three miles further from Richmond than Fredericksburg is. Besides the latter is between Washington and Richmond and covers Washington from any attack by the enemy. The political effect of the withdrawal may at first be unfavorable, but I think the public are beginning to understand its necessity, and that they will have much more confidence in a united army than in its separate fragments; but you will reply, "why not reinforce me here, so that I can strike Richmond from my present position?" To do this you said at our interview that you required fifty thousand additional troops. I told you that it was impossible to give you so many. You finally thought you would have some chance of success with twenty thousand, but you afterwards telegraphed to me that you would require thirty-five thousand, as the enemy was being largely reinforced. If your estimate of the enemy's strength was correct, your requisition was perfectly reasonable, but it was utterly impossible to fill it until new troops could be enlisted and organized, which would require several weeks. To keep your army in its present position until it could be so reinforced would almost destroy it in that climate.

The months of August and September are almost fatal to the whites who live on that part of the James river, and even after you got the reinforcements asked for, you admitted that you must redoce Fort Darling and the river batteries before you could advance on Richmond. It is by no means certain that the reduction of the fortifications would not require considerable time—perhaps as much as those at Yorktown. This delay might not only be fatal to the health of your army, but in the meantime General Pope's forces would be exposed to the heavy blows of the enemy, without the slightest hope of assistance from you.

In regard to the demoralising effect of a withdrawal from the Peninsula to the Rappahannock, I must remark that I fear it will be a fatal blow. Several days are necessary to complete the preparations for so important a movement as this, and while they are in progress, I beg that careful consideration may be given to the possible dangers of such movement. This army is now in excellent condition, we hold a debouche on both banks of the James River, so that we are free to act in any direction, and with the assistance of the gunboats, I consider our communications as now secure.

We are within fifty-five miles from Richmond, and are not likely to meet the enemy in force sufficient to fight a battle, until we have reached fifteen to eighteen miles which, being us, practically, within ten miles of Richmond. Our largest line of land transportation would be from this point twenty-five miles, but, with the aid of the gunboats, we can supply the army by water during its advance, certainly, to within twelve miles of Richmond. At Aquia Creek, we would be seventy-five miles from Richmond, with land transportation all the way. Should we have to Fortress Monroe is a march of about seventy miles, for I regard it as impracticable to withdraw the army and its material, except by land. The result of the movement would thus be to march 135 miles to reach a point, now only 25 miles distant, and to deprive ourselves entirely of the powerful aids of the gunboats and water transportation. Add to this the certain demoralization of the army, which would revive the terrible depressing effect upon the people of the North, and the strong probability that it would influence foreign powers to recognize our adversaries; and these appear to me sufficient reasons to make it my imperative duty to urge, in the strongest terms afforded by our language, that this order may be rescinded; and that far from recalling this army it be promptly reinforced to make it resume the offensive. It may be said there are no reinforcements available; I point to Gen. Burnside's forces—to that of General Pope. It was not necessary to maintain a strict defence in front of Washington and Harper's Ferry. To those portions of the army of the West, not required for a strict defence here. Here, directly in front of this army, is the heart of the Rebellion. It is here that all our resources should be collected to strike the blow which will determine the fate of this nation. All points of secondary importance else where, should be abandoned, and every available man brought here. A decided victory here and the military strength of the rebellion crushed. It matters not what partial reverses we may meet with elsewhere, here is the true defense of Washington. It is here on the bank of the James river that the fate of the Union should be decided. It is clear in my convictions of right—strong in the consciousness that I have ever been, and am still actuated, solely by the love of country, known that no ambitious or selfish motives have influenced me from the commencement of this war. I do now what I never did in my life before—I intreat that the order may be rescinded. If my counsel does not prevail, I will, with a sad heart, obey your orders to the utmost of my power, devoting to the movement one of the utmost delicacy and difficulty. Whatever skill I may possess, whatever the result may be, and may God grant that I am mistaken in my forebodings, I shall at least have the internal satisfaction that I have written and spoken frankly, and have sought to do the best in my power to arrest disaster from my country.

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FROM PHILADELPHIA.

[Special Dispatch to the Pittsburgh Gazette.]

PHILADELPHIA, Dec. 2, 1862.

The leading papers of this city all speak in terms of commendation of the President's Message.

The *Inquirer* says its argument is as solid and compact as the types in which it is set.

The *Press*, *North American* and *Bulletin* also endorse it.

It is said that General Burnside has demanded the removal of General Meigs for failing to supply him with bridges, &c., as per agreement. Nothing official has been made public.

The rebels have been driven from Warrenton by a force under Capt. Conger. A number of wagons and horses were captured.

A dispatch to the *Inquirer* says a gunboat arrived opposite Fredericksburg last evening (Sunday.) It caused a visible consternation in the town.

It is said that Gen. Cadwallader has been assigned to active duty.

An explosion took place on Saturday night at Dupont's Powder Mills, near Wilmington, Delaware. A rolling mill was destroyed.

XXXVIITH CONGRESS—SECOND SESSION.

WASHINGTON, Dec. 2, 1862.

SENATE.—Mr. Grimes, of Iowa, offered a resolution calling on the Secretary of the Navy for copies of the majority and minority reports of the board of officers, appointed in accordance with the act, authorising the Secretary of the Navy to accept the title to League Island. Agreed to.

Mr. Powell, of Kentucky, offered a resolution calling on the President to inform the Senate in regard to the number of citizens of Kentucky who have been confined in military prisons and camps of the United States, outside of the limits of that State, and inform them what charges against them, and by whose order the arrests were made. Laid over.

Mr. McDougal, of California, offered a resolution calling on the Secretary of the Treasury to furnish the Senate with a statement of the amount of money paid for prosecuting land titles, suits, &c., in the State of California during 1857-58-59, '60-61. Also the amount paid for searches in Mexico.

Mr. Powell, of Ky., offered a joint resolution setting forth that,

WHEREAS, Many citizens of the United States have been arrested and imprisoned without charges against them, &c., therefore,

Resolved, That all such arrests are unauthorized by the Constitution and laws of the United States, and are a usurpation of the power delegated by the people to the President, or any official, and all such arrests are hereby condemned and declared as palpable violations of the Constitution of the United States, and it is hereby demanded that all such arrests shall hereafter cease, and all persons so arrested have a prompt and speedy trial according to the provisions of the Constitution, or be immediately released. Laid over.

Mr. Davis, of Ky., offered a joint resolution that we hereby recommend that all the States choose delegates to meet in convention at Louisville, on the first Monday in April next, to take into consideration the present condition of the country, and the proper measure for the restoration of the Union, and that the legislature of the States take such action on this subject as they may deem fit at the earliest possible date.

The Senate then adjourned.

HOUSE.—Mr. Hooper, of Mass., from the Committee of Ways and Means, reported a bill providing that all judgments obtained by the United States on suits now pending, or which may hereafter be brought for collection or recovery, of duties on imports or money due the United States from collectors or other officers, shall be paid in gold and silver coin of the United States. The bill was passed.

On motion of Mr. Holmes, of Ky., a resolution was adopted, instructing the Committee on Military Affairs to enquire and report on the propriety of increasing the pay of soldiers to fifteen dollars per month, and making such a reduction in the salaries of officers of the army, not actively engaged, as may not impair the efficiency of the public service.

Mr. Richardson, of Illinois, offered a resolution, which, objection being made, could not be acted upon, requiring the pay of each private and non-commissioned officer to be paid in gold and silver.

Mr. Colvert, of Md., offered a resolution which was adopted, calling on the Secretary of the Navy to inform the House, whether appointments of Acting Midshipmen have been made, during the recess of Congress, other than those made regularly under the law, if so, to furnish the facts in the case.

Mr. Sheffield, of Rhode Island, offered a resolution, which was adopted, instructing the Committee of Ways and Means to inquire into the expediency of repealing so much of the law of May 20, 1862, relative to the collection of duties on imports, etc., as provides for the distribution of penalties among the offices of customs and others.

On motion of Mr. Sheffield, it was

Resolved, That the Committee of Ways and Means be instructed to consider and report as to the propriety of admitting cotton brought from foreign countries free of duty, and report by bill or otherwise.

On motion of Mr. Edward, of New Hampshire, the Committee on Public Expenditures was instructed to inquire into the expenses of the General Land Office, and report what reduction may be made consistently with the public interests.

Mr. Cox, of Ohio, asked leave to introduce a resolution instructing the Committee of Ways and Means to inquire into the expediency of a reduction of the tax on whisky to three cents per gallon, with the view of increasing the revenue.

Mr. Lovejoy, of Illinois, objected, saying that the revenue was already large enough under the present law.

Mr. Aldrich, of Minnesota, introduced a bill annulling and abrogating all treaties between the United States and certain bands of Sioux Indians, and for the relief of the sufferers by the Indian outbreaks in Minnesota.

At half-past twelve o'clock, no further business being offered, the House adjourned.

Important from Washington.

WASHINGTON, Dec. 2.—The estimates of the Treasury Department are unavoidably delayed. The Committee of Ways and Means therefore, have no data on which to form the general appropriation bills. The Secretary's report will be ready sometime this week.

An official document shows the number of seamen registered in the several ports of entry during the year ending with September last, to be 4,580, of whom 123 were naturalized. Of the whole number New Hampshire is credited with 22; Massachusetts, 1,600; Rhode Island, 65; Connecticut, 21; Maine, 1,435; New York, 155; New Jersey, 457; Pennsylvania, 752; Florida, 25; Oregon, 1; and South Carolina, 2.

The Commissioner of Internal Revenue has made the following decision: Railroad companies making cars and locomotives to replace the old stock, or to increase the equipment, must pay a tax upon the whole value of such manufactures if their annual profits exceed $600, even though the articles are manufactured for their own consumption. Carpets, when prepared by dealers in carpeting and upon special orders, are not regarded as manufactures, nor liable to taxation as such. Sails, when made upon order and to suit a particular vessel, are not regarded as manufactures within the meaning of the excise law, and they are consequently exempt from duty. The tax on diamonds and emeralds, when previously cut and prepared for setting, will be assessed only on the value of the setting.

It seems to be settled that Caleb B. Smith will shortly resign his position as Secretary of the Interior, and accept the vacant district Judgeship in Indiana, and in some circles it is asserted that Senator Browning will succeed to the vacancy thus created.

Nothing is known here confirmatory of the report that Burnside has been relieved of the command of the army of the Potomac.

The *Star*, of this evening, says the War Department has caused the arrest of Major Spaulding, of the 50th New York Engineer Volunteers, and the other officers who were with him in the recent transportation of the pontoon train from this point to Falmouth, Va. It is hinted that Major Spaulding started with the train two and a-half days later than he should have started, and was five days longer on the road than was necessary.

The *Republican*, in hotlicing the rumor concerning the removal of Gen. Meigs from the head of the Quartermaster's Department of the army, says it is inclined to believe there is some truth in it.

A telegram from the Headquarters of the army of the Potomac, dated to-night, by the correspondent of the Associated Press, represents nothing of interest in relation to military matters that is worth communicating.

It is estimated that the amount of Custom House treasury notes now outstanding is less than fourteen millions, and not sixteen millions as has been stated. It is thought that by the middle of January this amount will be absorbed, when the Government will be in receipt of gold from customs.

The testimony in Gen. McDowell's case, before the Court of Inquiry, this morning, was to the effect of his having granted protection to some ground which was sown with grain, belonging to a Mr. Hoffman, of Bell Plain, a man who was neutral in politics. Also with having secured for the sustenance of his family and servants a small quantity of corn, still in his possession, and which had not as yet been taken for the use of our army. The testimony showed that receipts were given to Union men for the property taken, but not to those who were known to be rebels.

The Secretary of War details the military operations during the past year points to the fact that the Department of the Pacific has been free from any of the calamities occasioned by the rebellion, but an earnest and deep sympathy has been manifested by the loyal citizens of the Pacific States in support of the Union cause.

From a survey of the whole field of operations it is apparent that whatever disasters our arms may have suffered at particular points, a great advantage has nevertheless been gained since the commencement of the war, which the Secretary proceeds to show.

The Union forces are now in the field under able commanders, stronger than ever, resolute and eager to be led against the enemy, and to crush the rebellion by a vigorous winter campaign. The armies of the Potomac and the West stand ready to vie with each other in the quickest and heaviest blows against the enemy. Taught by experience the ruin of inaction and hazard of delay, a spirit of earnest activity seems to pervade the forces of the United States beyone what has hitherto been displayed.

Under the calls of July and August there are already in the field over 420,000 new troops, of which 399,000 are volunteers, 332,000 of whom have volunteered for three years or during the war. It will be remembered that the call was made at one of these periods of despondency which occur in every national struggle. A chief hope of those who set the rebellion on foot was for aid and comfort from disloyal sympathizers in the Northern States, whose efforts were relied upon to divide and distract the people of the North, and prevent them from putting forth their whole strength to preserve the national existence, the call for volunteers and a draft, the military afforded an occasion for disloyal persons to accomplish their evil purpose, by discouraging enlistments, and encouraging opposition to the war and the draft of soldiers to carry it on. Anxiety was felt, in some States, at the probable success of these disloyal practices, and the Government was urged to adopt measures of protection by temporary restraint of those engaged in these hostile acts.

To that end Provost Marshals were appointed in some States, upon the nomination of their Governors, to act under the direction of the State executive, and the writ of habeas corpus was suspended by your order.

By order of the department arrests were forbidden, unless authorised by the State executive or by the Judge Advocate. Some instances of unauthorized arrests have occurred, and when brought to the notice of the department, the parties have been immediately discharged.

By a recent order, all persons arrested for discouraging enlistments and for disloyal practices in States where the quotas of volunteers and militia are filled up, have been released. Other persons arrested by military commanders, and sent from department where their presence was deemed dangerous to the public safety, have been discharged upon their oath to be of good behavior, and do no act of hostility against the government. While the military arrests of disloyal persons from the subject of complaint in some States, the discharge of such persons is complained of otherwise.

It has been the aim of the Department to avoid any encroachments upon individual rights as far as must be consistent with the safety and the preservation of the Government. But reflecting minds will perceive that no greater encouragement can be given to the enemy—no more dangerous act of hostility can be perpetrated in this war, than the efforts to prevent recruiting and enlistments for the armies, upon whose strength the national existence depends. The expectations of the rebel leaders and their sympathizers in the loyal States, that the call for volunteers would not be answered, and that the draft would not be enforced, have failed, and nothing is left to clamor at but the means by which their hopes were frustrated and by which they would strive to disarm the Government in future if, in the chances of war, another occasion for increasing the military force should arise.

Besides aiding the State authorities respecting draft and enlistments, another important duty is assigned to the Provost Marshals. The army returns and the report of the General-in-Chief shows that a large number of officers and enlisted soldiers who are drawing pay and rations are improperly absent from their posts. The pursuit of such persons, and their compulsory return to duty is a necessary function of a Provost Marshal, and such a number only as may be required for that purpose will be retained in the service.

On motion of Mr. Edward, of New Hampshire, the Committee on Public Expenditures was instructed to inquire into the expenses of the General Land Office, and report what reduction may be made consistently with the public interests.

Mr. Cox, of Ohio, asked leave to introduce a resolution instructing the Committee of Ways and Means to inquire into the expediency of a reduction of the tax on whisky to three cents per gallon, with the view of increasing the revenue.

Mr. Lovejoy, of Illinois, objected, saying that the revenue was already large enough under the present law.

Mr. Aldrich, of Minnesota, introduced a bill annulling and abrogating all treaties between the United States and certain bands of Sioux Indians, and for the relief of the sufferers by the Indian outbreaks in Minnesota.

At half-past twelve o'clock, no further business being offered, the House adjourned.

Important from Washington.

WASHINGTON, Dec. 2.—The estimates of the Treasury Department are unavoidably delayed. The Committee of Ways and Means therefore, have no data on which to form the general appropriation bills. The Secretary's report will be ready sometime this week.

An official document shows the number of seamen registered in the several ports of entry during the year ending with September last, to be 4,580, of whom 123 were naturalized. Of the whole number New Hampshire is credited with 22; Massachusetts, 1,600; Rhode Island, 65; Connecticut, 21; Maine, 1,435; New York, 155; New Jersey, 457; Pennsylvania, 752; Florida, 25; Oregon, 1; and South Carolina, 2.

The Commissioner of Internal Revenue has made the following decision: Railroad companies making cars and locomotives to replace the old stock, or to increase the equipment, must pay a tax upon the whole value of such manufactures if their annual profits exceed $600, even though the articles are manufactured for their own consumption. Carpets, when prepared by dealers in carpeting and upon special orders, are not regarded as manufactures, nor liable to taxation as such. Sails, when made upon order and to suit a particular vessel, are not regarded as manufactures within the meaning of the excise law, and they are consequently exempt from duty. The tax on diamonds and emeralds, when previously cut and prepared for setting, will be assessed only on the value of the setting.

It seems to be settled that Caleb B. Smith will shortly resign his position as Secretary of the Interior, and accept the vacant district Judgeship in Indiana, and in some circles it is asserted that Senator Browning will succeed to the vacancy thus created.

Nothing is known here confirmatory of the report that Burnside has been relieved of the command of the army of the Potomac.

The *Star*, of this evening, says the War Department has caused the arrest of Major Spaulding, of the 50th New York Engineer Volunteers, and the other officers who were with him in the recent transportation of the pontoon train from this point to Falmouth, Va. It is hinted that Major Spaulding started with the train two and a-half days later than he should have started, and was five days longer on the road than was necessary.

The *Republican*, in hotlicing the rumor concerning the removal of Gen. Meigs from the head of the Quartermaster's Department of the army, says it is inclined to believe there is some truth in it.

A telegram from the Headquarters of the army of the Potomac, dated to-night, by the correspondent of the Associated Press, represents nothing of interest in relation to military matters that is worth communicating.

It is estimated that the amount of Custom House treasury notes now outstanding is less than fourteen millions, and not sixteen millions as has been stated. It is thought that by the middle of January this amount will be absorbed, when the Government will be in receipt of gold from customs.

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