Pittsburgh Gazette.

MONDAY MORNING, FEB. 16.

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.	99	40
12 " M.	99	45
6 " P. M.		38
Barometer		29 3-10

Distressing Accident---Boy Killed. We regret to learn that a distressing accident, resulting in the death of a son of Mr. Alfred Slack, of Allegheny city, occurred in Harrisburg, on Saturday last. Mr. Slack, it is well-known, is a member of the House of Representatives from this county, and we learn that Mrs. Slack had gone to Harrisburg, in company with her children, to remain for a few days at the capital. The boy in question, aged about seven years, was amusing himself sliding down the balustrade enclosing the staircase, when he lost his balance and fell to the floor below. He fell upon the back of the head, and was taken up insensible. The injury to the brain was fatal, and he expired in a short time. The body was brought home on Sunday, and will be interred from the residence of the parents on Beaver street, near Benton alley.

NEW MUSIC—THE CHEAPEST YET.—Mr. J. L. Read, 78 Fourth street, has received an assortment of newly published music, exceeding in cheapness anything we have seen. Hymns, Songs of Freedom and Patriotism, and Miscellaneous Pieces, will be found in this collection—if, indeed, we can apply that term to what is published in separate sheets. These sheets, each containing words and music, cost only three cents apiece, or 25 to subscribers season. Among them we find such popular pieces as "Freedom, Truth and Right," "God Save the Nation," "Whittier's Song of the Plantation Negro," "Heavenly Home," "We are Coming, Father Abraham, six hundred thousand more," etc., etc.

TAX LAW DECISIONS AND STAMP DIRECTORY.—Mr. Gildenfenny, 45 Fifth street, has received a useful little book, entitled "The Stamp Law Decisions, alphabetically arranged, together with a Complete Stamp Directory, prepared from the official form, with citations, footnotes and references." It forms one of Beadle's Dime Series—which tells its price.

BURGLARY.—The drug store of Mr. J. M. Fulton, Fifth-st., was entered by burglars at a late hour last night. We are without the particulars this morning, but will give a full account of it in our evening edition.

THE NEW YORK MERCURY.—This well-known weekly literary newspaper is for sale at Mr. Henry Minsy's Book and Periodical Depot, Fifth street.

Southern Affairs.

Baltimore Gazette. Those who have viewed the people of the South, since the beginning of this war, only from our camps, can have no adequate idea of the zealous spirit with which they support this rebellion. There this feeling is repressed by the dread of the consequences of its expression; but in those parts not yet reached by our forces, its intensity is evinced in every possible manner, especially by their making all other interests subordinate to the furtherance of the war. The female population of the South particularly excel in a bitter hatred of the North, and they strip their homes of the comforts of life to contribute to the support and efficiency of the soldiers. They seem to take pleasure in the excitement of the contest, and incite the men to a more resolute determination to succeed. But still there is not an absolute unanimity of sentiment even in the Gulf States. I found a sprinkling of real Unionists down almost to Mobile—persons who will effectually aid our forces, when they shall have penetrated those parts.

The material resources of the South, under the pressure of the blockade, which has the same kind of influence as a high protective tariff, are being more rapidly developed than is commonly supposed. Manufactures of almost all kinds are being successfully attempted; often, indeed, in a rude and primitive manner, but with an energy that compensates for the want of many facilities for production. At the same time the entire change in the kind of agricultural products makes it idle to expect the South to suffer greatly from the lack of means of subsistence. Even should we cut off their communication with the region west of the Mississippi, they could still produce enough of everything except, perhaps, wool, to supply the army and people. The rebellion will not fail from this cause.

Nor is the supply of men for the army exhausted. Many, who, under the conscription law, are liable to serve, are still at home. In Georgia, I noticed that most of the laborers, repairing the railroads were white. Probably a quarter of a million men could be drawn from this States not yet occupied by our troops.

What I have said thus far has been altogether favorable to the South. But there is a deep-seated restlessness in their affairs that causes worse forebodings at Richmond than the greatest disaster that has ever befallen their arms. Their baseless credit system is fast collapsing, and may soon leave them without the sinews of war. The issue of Confederate notes, though amounting to $440,000,000, are but a medium of the paper money in circulation. The country is flooded with state, city, county and individual scrip, and the notes of corporations, redeemable in Confederate money, the whole mass of which is depreciated at least 75 per cent. The notes of the rebel government, on which the whole fabric is based, are now refused, when it is possible to get our "greenbacks," which, by the way, are at about 60 per cent. premium. This leaves the rebel leaders in a bad plight. Their necessities have them no alter. They but persist in the issue of treasury notes, in the face of the fact, that in a few months they will hardly be worth one-tenth their nominal value. The enormous enhancement in prices, caused by the depreciation of their notes, of course, compels a corresponding increase in the amount of their issues, and accelerates the downfall of the whole fabric.

Yours truly, JOSIAH COPLEY, JR.

SPECIAL LOCAL NOTICES.

GROVER AND BAKER'S SEWING MACHINE, for family and manufacturing purposes, are the best in use.

A. P. CHATONY, General Agent, No. 18, Fifth street.

SAMUEL GRAHAM, merchant tailor, is closing out his Fall and Winter stock of goods at extremely low prices. They consist of all the very latest styles of cloths, cassimeres and vestings, of which a large assortment is adapted for the spring wear. Gentlemen wishing to save money would do well to call early, knowing that you will pay twenty-five per cent. more for goods in the Spring than at the present time. Don't fail to call and get a good fitting garment. Samuel Graham, Merchant Tailor, No. 54 Market street, one door from Third.

FASHIONABLE CLOTHING.—Gentlemen can always find a superb supply of ready made clothing for themselves or boys, at the clothing emporium of W. H. M'Gee & Co., corner of Federal street and Diamond Square, Allegheny. Those who prefer having their clothing made to order, are assured that the stock of materials for overcoats, business and dress suits cannot be equalled for variety and quality in this vicinity, while a good fit may be depended upon.

CANCER SURGEON.—Dr. Stonecroad, who has made the treatment of Cancerous Formations a special business for years in the East, has permanently located in Pittsburgh, and is prepared to treat that heretofore deemed incurable disease, Cancer, successfully, together with Scirrhus, Tumors, Chronic Ulcers, Goitre, (thick neck,) King's Evil, White Swellings, Scrofula, and all chronic diseases requiring surgical treatment. No operation or surgery used in any case. Terms, no cure no charge. Office, No. 139 Grant street.

ATTENTION, COMPANY!—Volunteers, who expect to retain their health unimpaired during the campaign, must see to it themselves, do not trust to the Army Surgeons, supply yourselves with Holloway's Pills and Ointment. Every English soldier's knapsack contains them: Only 25 cents per box or lot.

Novelst to the property owners of this city is hereby given, that any repairs needed about their houses will be done promptly, if they leave their order at Cuthbert's Carpenter and Joining Shop, on Virgin alley, 1st above Smithfield street.

THE LATEST NEWS

BY TELEGRAPH.

FROM WASHINGTON.

OUR SPECIAL DISPATCHES.

Special Dispatches to the Pittsburgh Gazette.

WASHINGTON, Feb. 14, 1863.

GENERAL FREMONT

Has made another demand to be placed in active service somewhere. He does not ask for any particular command, but only insists that if the President has any use for him as Major General, he shall promptly put him to that use. It is stated that he has further decided, if this request is not complied with, to resign his commission in the army, being unwilling to hold his place, for which the President must be regarded as thus declaring him unfit.

Gen. Fremont was on the floor of the Senate to-day, where he was warmly welcomed by Wade, Sumner, Chandler, Wilmot, and others.

THE PAPER DUTY.

It is understood that, at their last meeting, the Ways and Means Committee stood three for the reduction of the paper duty to five per cent., and five against. It is believed that since then Thad. Stevens, and one other member, go for a reduction, or suspension, for one year. The publishers will be satisfied with this if they can't get better, and it now seems probable that it will go through in some such shape.

GENERAL BUTLER.

It is stated that Gen. Butler's destination has been finally decided upon, and that he was to have received his orders this evening. The stories are that the management of the War Department found him an unpleasant rival, and was only too glad to get rid of him.

CHASE'S BANK BILL.

Secretary Chase's friends say that a careful count of the House shows a clear majority in favor of his bank bill.

WASHINGTON, Feb. 15.

The President and Secretary of War, are maturing a plan for the organisation of the fighting black population of the country.

LIEUT. COL. DYVID,

Of Foster's staff, arrived here to-day from Port Royal, bearing dispatches to the Government. He speaks of our operations there as progressing most favorably, and of their being no grounds for discouragement at present.

Gen. Gorman has been relieved from active duty and ordered to Memphis, to await there the action of the Court of Inquiry into his alleged cotton speculations, and other charges against him.

THE CONSCRIPTION BILL.

An effort will be made in the Senate to-morrow to pass the conscription bill. An amendment will be moved, bringing within its provisions foreigners who have voted or filed a declaration of their intention to become citizens, and enabling drafted men to relieve themselves by the payment of a certain sum as bounty to nine months and two years' men who may re-enlist.

CONGRESSIONAL.

To-morrow the Senate will consider Grimes' letter of marque and reprisal bill. Sumner and Trumbull oppose it, but it will pass by a considerable majority, as the vote on taking it up yesterday indicated. The law will probably be amended before the adjournment, so as to facilitate the distribution of prize money, of which the naval officers now complain as being too tardy.

THE WAR AND FINANCE MEASURES.

Indications are that the peace Democrats and border State allies may possibly attempt a filibustering to defeat the war and finance measures. The session is now so near its close that they could work incalculable mischief if they were disposed to accept the responsibility.

GEN. BUTLER

Was going back to Lowell yesterday, but the Government requested him to remain. The question of his command remains unsettled, the President still wishing his return to New Orleans, but feeling unable to accede to his conditions.

RUMORED BATTLE.

It is rumored through a rebel channel that Gen. Banks has fought a battle seven miles below Port Hudson, and that at its termination the rebels retreated to Port Hudson and Banks to his camp.

RESIGNED.

Governor Stanley has resigned the Military Governorship of North Carolina, to the great joy of the loyal inhabitants. His resignation was tendered immediately after the issue of the President's Proclamation.

SURPRISED.

The 5th Michigan were surprised by a superior force of the enemy, yesterday, near Annondale. Fifteen were killed and missing on our side, and some more wounded. The rest retreated. No particulars yet.

M. MERCIER

Is disposed to make light of the question between him and Seward, and will not make a point on it. What his Government will do is another matter.

THE TAX LAW

Amendment will probably be reported till Tuesday. The tobacco dealers were heard on Saturday.

WASHINGTON, Feb. 15.—In the House yesterday the following incident occurred: Mr. Moorhead, of Pa., rising to a question of privilege, read the following from a speech, not delivered, but which Mr. Biddle, of Ohio, obtained leave to print, in favor of the Illinois and New York canal bill. It was to be expected that Pennsylvania would oppose it solid, although she too rests upon the lakes. Nothing traverses her soil from which she does not exact tribute, and her citizens for a whole winter with arms in their hands recently forced the whole traveling North to patronize her peanut venders of Erie, the place where Perry's fleet was built. The nation has clearly shaped its policy and developes her resources; her coal and iron are exempt even from taxation, and yet her representatives stand here the goblins of the mines—a stupid, inert mass of selfish obstinacy to wall up the way of this great treasure. We say to Pennsylvania, "we bide our time."

Mr. Moorhead denounced this as an atrocious libel on a great State and an unworthy and unjustifiable imputation upon members of the House. It was falsely stated. He repelled the insult and pronounced its author a libeller. The coal and iron of Pennsylvania were not exempted from the tax.

Mr. Biddle replied that he might possibly be mistaken about the provisions of the tax law, and yet it would be found that what he said was substantially correct. So far as the remainder of the statement was concerned he held himself responsible to any one that might think proper to call him to account.

The citizens of Erie for an entire winter were in arms tearing up the railroad, and the State of Pennsylvania stood by permitting it to be done. The policy of the nation is so formed as to develope the wealth of Pennsylvania. Was it for this he was to be denounced as a libeller, and because Pennsylvania, in a solid body, oppose the interests of the West.

Mr. Moorhead replied that it was for stating a falsehood.

Mr. Biddle said he could have but one answer. There were rules of this House governing debate, but he thought the gentleman understood him (Biddle) too well to believe he would shelter himself under them. He had obtained permission to print his speech, after trying in vain to be heard in behalf of his constituents. The rules suppress the right of petition. He had merely spoken as citizens had a right to speak, representing the interests of the West. He put himself behind no rules.

Mr. Moorhead desired to reply, but the House agreed to the pending motion to consider the Indian appropriation bill.

THE LATEST FOREIGN NEWS.

Arrival of the Steamer New York.

NEW YORK, Feb. 15.—The Royal mail steamship New York, from Liverpool on the 31st, via Queenstown on the 1st inst., arrived at this port to-day

The steamer New York arrived at Liverpool on the 29th, and the Nova Scotia on the 30th.

The political news is unimportant.

It is reported that if Napoleon's proposal is objected to, France will recognize the South.

The emancipation demonstration at Exeter Hall, was one of the most enthusiastic and imposing scenes that has been witnessed in London for a long time. In numbers, it was one of the most important since the days of the Corn Law League. The Hall was crammed, and two other meetings were organized out of the overflow. The resolutions reiterate the sentiments of the emancipation society, and express great sympathy for the North. An amendment expressing sentiments hostile to the laws of emancipation was promptly voted down. The resolutions were carried almost unanimously.

The London *Times* was denounced by the speakers amidst groans and hisses, similar to those given at similar meetings held at Bradford and other towns. The operatives of Bradford have adopted a memorial, thanking America for the relief afforded them and suggesting that assistance to them to emigrate to the United States is the more effectual way of affording them relief.

It is averred by several writers that the proposal of mediation made by the Emperor is merely the preliminary to more important steps, and if refused, that the recognition of the Confederates will probably follow, whether England joins in the movement or not. It is reported that the proposal of Napoleon was not submitted to Slidell in advance and he, as well as the other secessionists in Europe, pronounce the plan entirely inadmissible.

There are rumors of new difficulties occurring between the British and the United States Government, owing to the seizure of English vessels too near the coast of the Bahamas.

The London *Times* indulges in a most gloomy picture of the present crisis in America, both military and financial.

Sir Robert Peel, in a recent speech declares himself favorable to a separation of the North and South, and strongly condemns Mr. Lincoln's emancipation edict.

FRANCE—Admiral Bosse supercedes La Graviere in the French expedition to Mexico.

The Senate voted the address to the Emperor, there being only one dissenting vote. The address was read in the House. It expresses deep concern on account of the American struggle, and regrets that the great powers did not join France in her offers of mediation.

The Bourse was heavy, rentes being quoted at 69f 80c.

The Polish insurrection still smoulders, but no important outbreaks have taken place since the last accounts.

Warsaw continues tranquil.

PRUSSIA—The Prussian Chambers have voted on the address hostile to the Government by an overwhelming majority.

The Latest—Via Southampton, Sunday, Feb. 1.—A telegram from Madrid says the Spanish Cabinet does not intend to recognise the Kingdom of Italy at present.

Warsaw, Jan. 28.—The insurgents have received considerable reinforcements from the better classes of society, including many from Warsaw. They captured a body of troops near Piotskeow, including two Roman officers, who were immediately shot.

London, Feb. 1.—The Marquis of Lansdowne is dead.

Paris, Feb. 1.—The bourse is inanimate. Rentes closed at 69f 85c.

London, Feb. 1.—The Brazilian mail has reached Lisbon, bringing dates from Rio to the 9th of January.

The British Minister had demanded indemnity from the Brazilian Government for the unlawful appropriation of the cargoes of certain vessels which were wrecked on the Rio Grande. Being refused, the British seized five merchant ships. The Brazilian Government ultimately agreed to pay the indemnity.

Turin, Jan. 31.—Marquis Popoli will leave on Monday for St. Petersburg, to open negotiations for a treaty of commerce.

ATHENS, Jan. 31.—M. Bath has been elected President of the National Assembly.

The British Minister has announced to the Greek Government, that the Duke of Saxe Coburg, has consented to become a candidate for the Greek throne, and will nominate his nephew, Prince of Coburg, (Kohary) his heir. The latter will embrace the Greek religion. This intelligence produced a favorable impression.

The Asia passed on the 21 inst., a hundred miles west of Cape Clear, the steamer City of Baltimore, for Liverpool.

It is stated that John C. Heenan has matched for a prize fight with an unknown, for ten thousand dollars.

LIVERPOOL, Jan. 30.—The sales of Cotton for the week, amount to 24,500 bales, including 7,500 bales to speculators, and 5,000 bales to exporters. The market is flat, and prices have declined ⅜ to 1d for all descriptions during the week.

The stock of cotton in port amount to 408,000 bales, including 66,000 bales of American. The advices from Manchester continue unfavorable. The sales are small and prices have a downward tendency.

Liverpool Breadstuffs Markets.—Breadstuffs continue to decline. Messrs Richardson, Spence & Co., Wakefield, Nash & Co., and others, report Flour heavy and 6d lower; sales at 22s@27s. Wheat inactive; Red Western at 9s 2d@9s 10d; Red Southern, 9s 10d@10s; White Western, 10s@11s; White Southern, 11s@11s. Corn easier; mixed, 29s@29s 5d; White, 30s 6d@32s.

The bullion in the Bank of England has decreased £241,000 during the week.

American stocks. Illinois Central Railroad, 40@35 per cent. discount. Erie Railroad 45½@46½.

XXXVIITH CONGRESS—SECOND SESSION.

WASHINGTON, Feb. 14, 1863.

SENATE.—Several petitions were presented for camp hospitals and an ambulance corps.

Mr. Wade, of Ohio, from the Committee on Territories, reported back the bill to provide a temporary government for the territory of Montana.

Mr. Wilson, of Mass., from the Committee on Military Affairs, to whom was read the petition of Dr. W. T. G. Morton, asking for compensation for the use of ether in the army, made a report of the facts without any recommendation.

Mr. Collamer, of Vt., from the Committee on Post-offices, reported a bill to establish certain post routes.

Mr. Howard, of Mich., reported a bill to increase the efficiency of the medical department of the army. Referred to the Committee on Military Affairs.

Mr. Carlile reported a bill supplementary to an act for the admission of West Virginia into the Union. Referred to the Judiciary Committee.

Mr. Howard, from the Committee on Military Affairs, reported back the bill to enlarge the canals on the Fox and Wisconsin rivers.

The bill to prevent and punish frauds against the Government was amended by striking out the second section, which provides for placing contractors and others under martial law, and then passed.

The bill to establish the gauge of a Pacific Railroad was taken up, and after a discussion postponed. Also a bill authorising letters of marque and reprisal.

After an executive session, the Senate adjourned.

HOUSE.—Mr. Dawes, of Mass., from the Committee on Elections, to whom were referred the credentials of Jennings Pigot, claiming a seat from the Second Congressional district of North Carolina, and the protest of C. H. Foster against the claims, made a report adverse to Mr. Pigot.

Mr. Moorhead, from the Committee on Naval Affairs, reported a bill to establish a navy yard on western waters, at St. Louis. The bill was referred to the Committee of the Whole on the State of the Union.

Mr. Dawes, of Mass., called up the report against J. B. McLoud, as a member from the Second Congressional District of Virginia in an address to the claims of W. W. Winn. The contestant, Mr. Dawes, explained that the election was held under peculiar circumstances. He might call it a compound fraction. It was held under the proclamation of two military Governors, Gens. Dix and Viele, and the proclamation of a civil Governor. The military gentleman ordered it to take place on the 22d of December. On the 20th of that month, Gov. Pierpont sent his Adjutant General into the district of Norfolk bearing writs of election, the dates of which were altered to conform with the time designated by the military Governor.

It appeared from the testimony of Gov. Pierpont that he sent a sharp telegram to Gen. Viele, reminding the latter that he had encroached on the prerogative of a civil Governor in ordering the election, claiming that he, as such a Governor, would himself order elections when circumstances justified. The laws of Virginia refused a vote *viva voce*, but persons at the election voted by ballot. None of the essential provisions were complied with. The entire proceedings had risen above the embarrassments of legal enactments. The Union voters had no opportunity to express their views. After further explanations the report of the Committee was adopted.

A bill establishing a postal and military railroad between Washington and New York was reported.

Pending the consideration of the Indian appropriation bill, the House adjourned.

Important from Washington.

WASHINGTON, Feb. 14.—Senator Carlile, to-day, introduced a bill providing that the friends of the proclamation, after the popular ratification of the act making West Virginia a State, shall not be issued until certain counties, now under rebel control, have been allowed a free and fair opportunity for voting upon such ratification, viz: Boone, Logan, Wyoming, Greenbrier, Monroe, Pendleton, Fayette, Nicholas and Clay counties.

The following official report has been communicated to the Navy Department:

UNITED STATES GUNBOAT FAIR PLAY,
OFF DOVER, TENN., Feb. 4, 1863.

SIR: I have the honor to report that, on the 3d inst., I left Smithland, Ky., with a fleet of transports, and the gunboats Lexington, Fair Play, St. Clair, Brilliant, Robb, and Silver Lake, to convoy up the Cumberland river. When about twenty-four miles below Dover, I met the steamer Wild Cat, with a message from Col. Harding, commandant of the post at Dover, informing me that his pickets had been driven in, and that he was attacked in force. I immediately left the transports, and made a signal to the gunboats to follow on up as fast as possible. A short distance below the town, I met another steamer, bringing intelligence that the place was entirely surrounded. Pushing on up with all possible speed, I arrived here about 8 o'clock p. m., and found Col. Harding's force out of ammunition, and entirely surrounded by the rebels in overwhelming numbers, but still holding them in check. The enemy, not expecting the gunboats, had unwisely posted the main body of their army in line of battle in the graveyard, at the west end of the town, with his left wing resting in a ravine that led down to the river, giving us a chance to throw a raking fire along his line.

Simultaneously the gunboats opened fire up this ravine, into the graveyard, and over into the valley beyond, where the enemy had their horses hitched, and most probably kept his reserve. The rebels were so much taken by surprise that they did not even fire a shot, but immediately commenced retreating. So we I directed was our fire on them that they could not even carry off a caisson that they had captured from our forces, but were compelled to abandon it after two fruitless attempts to destroy it by fire. After having dispersed the main body of the enemy, and stationed the Robb and Silver Lake below the town to throw shell up the ravine and prevent the rebels from returning to carry off their wounded, while the Lexington, Fair Play, St. Clair and Brilliant went above and shelled the roads leading out to the eastward, supposing that the retreating forces would follow the river for a short distance, I sent the Lexington and St. Clair up to shelf the woods and harass and annoy them as much as possible, while this boat and the Brilliant lay opposite the upper ravine, and threw shells up the roads. About 10 p. m. we ceased firing, with the exception of now and then a random shell up the road.

At 11 p. m., learning from Colonel Harding that the enemy had entirely disappeared, we ceased firing and took a position to guard the roads approaching the town. Although much of our firing was at random, we have the gratification of knowing that scarcely a projectile went amiss, and that out of the 140 buried to-day, the gunboats can claim their share.

Even when the Lexington and St. Clair went above, many of their shells fell in the midst of the retreating rebels, killing and wounding many.

It is reported that the attacking force numbered some 4,500, eight pieces of artillery under command of Major General Wheeler and Brigadier Generals Forrest and Wharton. It is certainly very gratifying to us to know that this entire force was cut up, routed and despoiled of its prey by the timely arrival of the gunboats, and that Colonel Harding and his gallant little band were spared to wear the honors they had so fairly won.

At first, I regretted that I was not here with the gunboats sooner, but upon reflection I do not think I could better have arranged the time had it been in my power. Had we been here before Wheeler he would not probably have marched on Fort Henry; had we arrived during the day he would have seen our strength, and would have retreated with but little loss. Arriving as we did, after dark, and when he least expected us, and was so sanguine of success, we caught his forces arranged in the most favorable position to receive a raking fire from our guns. The officers and men were very glad to have a shot at these river infesters, and only regret that they did not remain within reach of our guns a little longer. As it is, they claim the honor of dispersing them, and saving Fort Donelson.

Very respectfully
your obedient servant,
LEROY FITCH,
Lieutenant Commanding the Fleet.

CAPT. A. M. PENNOCK, U. S. N.,
Commandant at the Naval Station, Cairo, Ill.

Much speculation is based on the supposed views of the Secretary of the Treasury, and they are differently represented, according to the various degrees of information, or bear but the following statement: The result of the inquiry is designed to remove all doubt whatever upon the subject. The Secretary regards the passage of uniform currency and bank bills as absolutely essential to the successful working of the finances. It is not true that he does not expect immediate aid from the banking bill. Though it is true, as stated in his report, that he does not expect immediate, great and direct aid from it. He does, however, expect great and immediate, though indirect, aid from the rise in the value of the United States bonds, consequent on their being made the permanent basis for a National Currency, which rise will enable him to negotiate bonds without additional inflation of the currency, that, though these negotiations, the means may be provided for all the public demands promptly, while, at the same time, a check will be placed on the fractions of advance in prices of necessaries and of gold. As therefore regards the banking bill as vitally necessary to the support of the Government, and, as a consequence, to the most successful prosecution of the war, while he believes that its merits, as a measure for the introduction of a safe and stable currency, uniform in plan and value throughout the country, would require its adoption for the protection of labor, the security of commerce, and the perpetuation of the Union.

The banking bill, which has passed the Senate, and the loan bill, as amended and passed by the House, do not precisely represent the views of Secretary Chase, but he has always passed by his own judgment to that of the two Houses on the Finance Committees. The bill to prevent and punish frauds against the Government was amended by striking out the second section, which provides for placing contractors and others under martial law, and then passed.

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OFF DOVER, TENN., Feb. 4, 1863.

SIR: I have the honor to report that, on the 3d inst., I left Smithland, Ky., with a fleet of transports, and the gunboats Lexington, Fair Play, St. Clair, Brilliant, Robb, and Silver Lake, to convoy up the Cumberland river. When about twenty-four miles below Dover, I met the steamer Wild Cat, with a message from Col. Harding, commandant of the post at Dover, informing me that his pickets had been driven in, and that he was attacked in force. I immediately left the transports, and made a signal to the gunboats to follow on up as fast as possible. A short distance below the town, I met another steamer, bringing intelligence that the place was entirely surrounded. Pushing on up with all possible speed, I arrived here about 8 o'clock p. m., and found Col. Harding's force out of ammunition, and entirely surrounded by the rebels in overwhelming numbers, but still holding them in check. The enemy, not expecting the gunboats, had unwisely posted the main body of their army in line of battle in the graveyard, at the west end of the town, with his left wing resting in a ravine that led down to the river, giving us a chance to throw a raking fire along his line.

Simultaneously the gunboats opened fire up this ravine, into the graveyard, and over into the valley beyond, where the enemy had their horses hitched, and most probably kept his reserve. The rebels were so much taken by surprise that they did not even fire a shot, but immediately commenced retreating. So we I directed was our fire on them that they could not even carry off a caisson that they had captured from our forces, but were compelled to abandon it after two fruitless attempts to destroy it by fire. After having dispersed the main body of the enemy, and stationed the Robb and Silver Lake below the town to throw shell up the ravine and prevent the rebels from returning to carry off their wounded, while the Lexington, Fair Play, St. Clair and Brilliant went above and shelled the roads leading out to the eastward, supposing that the retreating forces would follow the river for a short distance, I sent the Lexington and St. Clair up to shelf the woods and harass and annoy them as much as possible, while this boat and the Brilliant lay opposite the upper ravine, and threw shells up the roads. About 10 p. m. we ceased firing, with the exception of now and then a random shell up the road.

At 11 p. m., learning from Colonel Harding that the enemy had entirely disappeared, we ceased firing and took a position to guard the roads approaching the town. Although much of our firing was at random, we have the gratification of knowing that scarcely a projectile went amiss, and that out of the 140 buried to-day, the gunboats can claim their share.

Even when the Lexington and St. Clair went above, many of their shells fell in the midst of the retreating rebels, killing and wounding many.

It is reported that the attacking force numbered some 4,500, eight pieces of artillery under command of Major General Wheeler and Brigadier Generals Forrest and Wharton. It is certainly very gratifying to us to know that this entire force was cut up, routed and despoiled of its prey by the timely arrival of the gunboats, and that Colonel Harding and his gallant little band were spared to wear the honors they had so fairly won.

At first, I regretted that I was not here with the gunboats sooner, but upon reflection I do not think I could better have arranged the time had it been in my power. Had we been here before Wheeler he would not probably have marched on Fort Henry; had we arrived during the day he would have seen our strength, and would have retreated with but little loss. Arriving as we did, after dark, and when he least expected us, and was so sanguine of success, we caught his forces arranged in the most favorable position to receive a raking fire from our guns. The officers and men were very glad to have a shot at these river infesters, and only regret that they did not remain within reach of our guns a little longer. As it is, they claim the honor of dispersing them, and saving Fort Donelson.

Very respectfully
your obedient servant,
LEROY FITCH,
Lieutenant Commanding the Fleet.

CAPT. A. M. PENNOCK, U. S. N.,
Commandant at the Naval Station, Cairo, Ill.

Much speculation is based on the supposed views of the Secretary of the Treasury, and they are differently represented, according to the various degrees of information, or bear but the following statement: The result of the inquiry is designed to remove all doubt whatever upon the subject. The Secretary regards the passage of uniform currency and bank bills as absolutely essential to the successful working of the finances. It is not true that he does not expect immediate aid from the banking bill. Though it is true, as stated in his report, that he does not expect immediate, great and direct aid from it. He does, however, expect great and immediate, though indirect, aid from the rise in the value of the United States bonds, consequent on their being made the permanent basis for a National Currency, which rise will enable him to negotiate bonds without additional inflation of the currency, that, though these negotiations, the means may be provided for all the public demands promptly, while, at the same time, a check will be placed on the fractions of advance in prices of necessaries and of gold. As therefore regards the banking bill as vitally necessary to the support of the Government, and, as a consequence, to the most successful prosecution of the war, while he believes that its merits, as a measure for the introduction of a safe and stable currency, uniform in plan and value throughout the country, would require its adoption for the protection of labor, the security of commerce, and the perpetuation of the Union.

The banking bill, which has passed the Senate, and the loan bill, as amended and passed by the House, do not precisely represent the views of Secretary Chase, but he has always passed by his own judgment to that of the two Houses on the Finance Committees. The bill to prevent and punish frauds against the Government was amended by striking out the second section, which provides for placing contractors and others under martial law, and then passed.

The bill to establish the gauge of a Pacific Railroad was taken up, and after a discussion postponed. Also a bill authorising letters of marque and reprisal.

After an executive session, the Senate adjourned.

HOUSE.—Mr. Dawes, of Mass., from the Committee on Elections, to whom were referred the credentials of Jennings Pigot, claiming a seat from the Second Congressional district of North Carolina, and the protest of C. H. Foster against the claims, made a report adverse to Mr. Pigot.

Mr. Moorhead, from the Committee on Naval Affairs, reported a bill to establish a navy yard on western waters, at St. Louis. The bill was referred to the Committee of the Whole on the State of the Union.

Mr. Dawes, of Mass., called up the report against J. B. McLoud, as a member from the Second Congressional District of Virginia in an address to the claims of W. W. Winn. The contestant, Mr. Dawes, explained that the election was held under peculiar circumstances. He might call it a compound fraction. It was held under the proclamation of two military Governors, Gens. Dix and Viele, and the proclamation of a civil Governor. The military gentleman ordered it to take place on the 22d of December. On the 20th of that month, Gov. Pierpont sent his Adjutant General into the district of Norfolk bearing writs of election, the dates of which were altered to conform with the time designated by the military Governor.

It appeared from the testimony of Gov. Pierpont that he sent a sharp telegram to Gen. Viele, reminding the latter that he had encroached on the prerogative of a civil Governor in ordering the election, claiming that he, as such a Governor, would himself order elections when circumstances justified. The laws of Virginia refused a vote *viva voce*, but persons at the election voted by ballot. None of the essential provisions were complied with. The entire proceedings had risen above the embarrassments of legal enactments. The Union voters had no opportunity to express their views. After further explanations the report of the Committee was adopted.

A bill establishing a postal and military railroad between Washington and New York was reported.

Pending the consideration of the Indian appropriation bill, the House adjourned.

Union Meeting in Kansas.

LEAVENWORTH, Feb. 14.—A large and enthusiastic meeting of unconditional Union men was held here last night. Resolutions were adopted unanimously, that when treason becomes bold and defiant in our midst, when loyal, peace able citizens are threatened with death, shrouded in the columns of pro-secession newspapers and months of traitors, when the Government is openly assailed and scoffed at, and insidious means used to seduce loyal people from their allegiance, when public meetings are called to promulgate treason, it is time for loyal men to unite for the protection of themselves, and to act and speak as becomes loyal and free people. That all who ask peace with rebels in arms against the Government, except on terms of unconditional submission to the Constitution and laws, or who propose the separation of the Union in any manner, are traitors that would be a stain on the fame of Kansas as a loyal State, to permit the making of any treasonable proposition, or the adoption of any treasonable resolutions in our midst, and it shall not be done. This we resolve with a firm determination to carry out to the letter, come what may. That death is the constitutional legal punishment for treason. That the policy of the incarceration of traitors for a time, and then discharging them without further punishment, is not proper, and legal punishment should be inflicted without delay. That we cordially endorse the President's emancipation proclamation. That, confident of the final triumph of the Government, we again pledge our fidelity to the Union, and our determination to support the Government through all the vicissitudes unto to the end.

General Blunt addressed the meeting. He said the little incident of suppressing the *Enquirer*, that happened in his absence, was one that he trusted would be followed by other States. That dirty job had been taken off of his hands. He thought the time had come when it would be settled whether the Copperheads or loyal men are to rule the country. Kansas has taken the initiative, and he was proud of it.

From the Army of the Potomac.

HEADQUARTERS ARMY OF THE POTOMAC,
February 15, 1863.

[*Extracts from General Order No. 10.*]

The General Commanding has been informed that general orders from the War Department authorizing the enlistment of volunteers into the regular service, have been rescinded.

Subsistence stores may be sold and issued to citizens within the limits of this army under the following restrictions:

First.—A certificate under oath of the person that he is without the means of subsistence, and that he is unable to sustain life without being permitted to make such purchase. This certificate to be approved by the corps commander to whom application is made, who may thereon direct the sales. Such sales shall not at one time exceed the quantity necessary to sustain the applicant and the members of his family five days.

Second—Issues to destitute citizens made under the same restriction upon return, approved by the Provost Marshal General of the Army of the Potomac. The parties in all cases will be required to take the oath of allegiance before the sales or issues are made to them.

Capt. Benj. C. Barnes and Allen M. Seymour, 2d regiment N. Y. cavalry, having deserted from their regiments while on the march to the enemy on Jan. 21st, 1863, and having left this army without the proper authority and continued absent up to the present time, are dishonorably discharged from the service of the United States, subject to the approval of the President. By command of

Major General HOOKER.

S. WILLIAMS, A. A. G.

From New Orleans.

NEW YORK, Feb. 14.—The steamer Empire City, from New Orleans on the 4th inst., arrived at 10 o'clock this evening.

The forces under General Banks, after a month of drilling, were in condition to take the field. It was thought that a forward movement would be made at once to clear out the whole Lafourche country.

On the 3d inst., a fishing smack containing three Jews and a large quantity of medicine for the rebels was seized on the lake bound to Ponchatonta. Letters were also found from forty or fifty leading citizens of New Orleans to members of the Confederate Government. The Jews were tried before Judge Peabody on the 4th inst., but the sentence was withheld until the parties who wrote the letters had been arrested, as ordered by Gen. Banks. The weather was very cold.

It was generally believed in New Orleans that Gen. Butler would return to that city if he was not made Secretary of War. Rev. Drs. Seacock, Fulton and Goodrich had reached New Orleans, but as they refused to take the oath of allegiance, Gen. Banks would not allow them to land.

The water flows through Williams' cut in front of Vicksburg, and a small steamer had passed through the canal. If it deepens