The South.

MONDAY AFTERNOON, SEPTEMBER 2, 1861.

A WELL-REGULATED MILITIA BEING NECESSARY TO THE SECURITY OF A FREE STATE, THE RIGHT OF THE PEOPLE TO KEEP AND BEAR ARMS SHALL NOT BE INFRINGED.—*Constitution U. S., Amendments, article 2.*

No Soldier shall in time of peace be quartered in any house, without the consent of the Owner, nor in time of war, but in a manner to be prescribed by law.—*Const. U. S., Amendments, art. 3.*

The right of the people to be secure in their persons, houses, papers and effects, against unreasonable searches and seizures, *shall not be violated*, and no Warrant shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.—*Constitution U. S., Amendments, art. 4.*

"To secure these rights, governments are instituted among men, deriving their just powers "from the consent of the governed."—*Declaration of Independence, July 4, 1776.*

It is idle to say that the power of taxation (or, by parity of reasoning, any other power) rests on consent, provided there be a right claimed for the government to compel that consent by force.—*Say, Political Economy, Chapter on Taxation.*

"That in *all cases, and at all times*, the military "ought to be under strict subordination to, and "control of the civil power."—*Declaration of Rights of the People of Maryland.—Art. 27.*

Can anybody show a different principle in the Constitution of the United States?

"That no man ought to be *taken, or imprisoned*, "or dissezed of his freehold, liberties or privi-"leges, or outlawed, or exiled, or in any manner "destroyed, or deprived of life, liberty, or pro-"perty, but by the judgment of his peers, or by "the law of the land."—*Declaration of Rights of the People of Maryland, Art. 21.*

Notice to Correspondents.

In consequence of the multitude of anonymous communications received every day, it is found necessary to remind correspondents, that in no case can any notice be taken of any communication, unless accompanied by the name and address of the writer, not necessarily for publication, but as an evi[illegible] of good faith.

THE S[illegible] is published every afternoon, after the arriva[illegible] the mails, and consequently contains all the latest news by mail and telegraph, up to the hour of publication, and fully twelve hours in advance of the morning papers.

FOR SALE by all the principal newsmen in this city and throughout the South. Persons desiring Agencies for the sale or distribution of the Paper in any particular Town or neighborhood, will apply to the Publisher.

ORDERS for the Paper will be received at the Office of Publication, No. 74 Baltimore street. If sent by mail, must be accompanied by the cash.

THE usual discount in favor of Newsmen and Agents. Postmasters and others forming Clubs of Ten will be furnished with one Copy *gratis*, or *ten* copies will be sent to one address, upon receipt of the subscription price for *nine*, for the time ordered.

CONGRESS SHALL MAKE NO LAW RESPECTING AN ESTABLISHMENT OF RELIGION, OR PROHIBITING THE FREE EXERCISE THEREOF; OR ABRIDGING THE FREEDOM OF SPEECH, OR OF THE PRESS.—*Constitution U. S. Amend. Art. 1.*

THAT THE LIBERTY OF THE PRESS OUGHT TO BE INVIOLABLY PRESERVED —*Declaration of Rights of the State of Maryland, Art. 38.*

General Butler's lucky star is once more in the ascendant. At the very moment when by the decrease of the forces at Fortress Monroe, and the appointment of Gen Wool to the command of that position, it seemed threatened with total and final eclipse, it shines out with more refulgent brightness—sending forth, like Hatteras light, which he so eloquently describes in his report, "its cheering ray to the storm-"beaten mariner." Butler is another verification of the proverb that it is better to be born a fool and lucky, than to be rich, handsome, or wise. Nature has compensated him for the deprivation of these latter advantages, by the luck which has accorded him more than the lion's share of the meagre successes which have attended the Federal arms since the commencement of the war. With a more formidable fleet than Government sent to La Plata two years ago, in expectation of war with Paraguay, and with an aggregate force of not less than 4,500 men, Butler has effected the capture of two shore batteries, on the North Carolina coast, mounting, according to his own showing, 15 guns, and defended by 691 men. The particulars of the magnificent achievement are furnished in Butler's own words, on another page. The expedition, the naval part of which was under command of Commodore Stringham, sailed from Fortress Monroe on Monday last. In the *Associated Press* correspondence of that date, it is stated, that the expedition consisted of the steam-frigates *Minnesota* and *Wabash*, the steam-sloop *Pawnee*, gunboats *Monticello* and *Harriet Lane*, steam-transports *George Peabody*, *Adelaide*, *Fanny* and *Adriatic*, "with a large number of schooners, barges, etc. The vessels carried over 100 "guns, and about 4,000 men." Two days later, it is stated in the same correspondence, that the steam-frigate *Susquehanna* arrived from Philadelphia in time to join the fleet off Cape Henry. Additional mention is made in General Butler's report of the *Susquehanna* towing the frigate *Cumberland* into an offing. From these data, in the absence of any statement of the numbers and strength of the expedition, or of the armament of the ships of war composing the fleet, it may reasonably be inferred that the latter amounted to nearly, if not quite 150 guns, and that the aggregate force was fully 5,000 men, including 900 soldiers.

The last vessel of the squadron arrived off Hatteras Inlet about four o'clock on Tuesday afternoon, thus verifying the predictions of those who anticipated a descent upon the coast of North Carclina to be the real object of the expedition, whose destination had been carefully concealed from the public. The next morning about 315 troops, with two pieces of artillery were landed upon the beach near the forts by which the entrance to the inlet was guarded. The wind rising, a heavy surf prevented the landing of a larger number. The bombardment was opened from the ships in the offing, and the two 12-pounders upon the beach, upon the forts and a Confederate steamer which approached, apparently for the purpose of landing reinforcements. The attempt was frustrated, and after a bombardment which lasted the greater part of two days the forts capitulated. The negotiations which preceded the surrender, as well as the terms of capitulation will be found in General Butler's report. We subjoin the muster-roll of the Seventh North Carolina Volunteers, and copies of two letters of Major Thompson, the engineer in charge of the works, showing their nature and extent. From these documents, as well as from Butler's own statements, it will appear that the forts were nothing more than unfinished sand batteries of simple construction, mounting together only 15 guns, and defended by 691 men. Fort Hatteras is described as mounting *ten* guns, with four yet unmounted, and one 10-inch columbiad, ready for mounting. Fort Clark, distant from the other larger and work about 700 yards, is described as a square redoubt, mounting *five* guns, and two 6-pounders — The whole number of wounded prisoners is reported by Assistant Surgeon King, under whose care they were placed, to be *thirteen*. The number of Confederates killed is not known. Surgeon King states that the bodies of *two* only were found, and Commander Steelwagen reports that "five are "ascertained to have been buried." Both of these officers are "of opinion" that many more were killed and wounded, but were carried way in vessels, before the surrender took place. The Federal loss is not stated. Great gallantry, of course, is ascribed to all who participated in the expedition, and General Wool makes use of the affair "to "stimulate the regulars and volunteers to "greater exertions to prepare themselves for "future and greater achievements." Apparently the General does not consider it to be any great shakes of a victory after all, at least, nothing to boast of. Perhaps he is jealous of the superior luck of Butler, who even in a subordinate capacity seems destined to gather fresh laurels, and upon the easiest terms. Butler remained on board ship during the entire engagement, and never landed until after the forts had surrendered. He states that he directed the disembarkation of the troops by means of signals, "and was about land-"ing with them at the time the boats were "stove." On Thursday morning after the white flag had been run up, he crossed the bar in the *Fanny*, the fleet having been signalled to cease firing. As the *Fanny* went in, the Confederate steamer *Winslow* was seen going up the Sound, with a number of troops on board which she had been prevented from landing. "We threw a shot "at her from the *Fanny*," says Butler, "but "she proved to be out of range." Lucky Butler, to have escaped all risk of being drowned in the surf, or damaged by shot of either friend or foe!

With all the odds in favor of the Federal forces, with a preponderance of metal on their side, in the proportion of ten to one, and of men, in nearly equal proportion, the defence of the batteries will, perhaps, appear very feeble to those familiar with the resistance which land-batteries, even when poorly armed and manned, are capable of offering to naval attacks, and which one of these very batteries not long since successfully opposed to a heavily armed vessel of the blockading squadron.—These will look for and expect some better explanation of the affair than is found in the Federal reports. The conclusion is almost irresistible, and one which Butler's antecedents are well calculated to favor, that there is some material concealment of facts in his published statement. Commander Steelwagen reports "we met with no "casualty of any consequence whatever." Is he speaking of his own vessel only, the transport *Adelaide*, or of the whole expedition, and what is the standard by which he measures the "consequence" of the loss on the Federal side? What is the extent of the injuries sustained by the *Pawnee* and *Monticello*, both of which are reported as having been struck repeatedly by the enemy's shot, and was the *Harriet Lane*, reported to have grounded upon the bar, subsequently gotten off in safety? There are rumors in circulation in regard to these particulars, which do not accord with the idea that the capture of the batteries was effected without loss. A more material statement is the one which appears in some of the morning papers, that on the first day of the engagement the Confederate's magazine was exploded by a shell from the *Minnesota*, and that the want of ammunition occasioned the surrender. These are points upon which fuller information is needed before the success of the Federalists can be ascribed to anything more than a lucky accident. The position is no doubt a valuable one as enabling the Government to perfect the blockade of that portion of the coast of North Carolina, which has heretofore been very inefficient. One of the numerous inlets for smugglers and lurking-places for privateers which the Southern coast affords, is stopped up—that is all. As a basis for ulterior operations either by land or sea we cannot conceive that it offers any advantages. It is remote from any inhabited or habitable part of North Carolina; a sand-bar closes the inlet against the larger vessels of the blockading squadron, as effectually as any batteries could do; while gun-boats and vessels of light draft could only extend their exploration of Albemarle Sound, of which the batteries were said to be the key, by running the gauntlet of other batteries which already exist or may be constructed to enfilade its channel. The following are the captured letters of Major Thompson, and the muster-roll referred to above.

Copies of Two Reports from Maj. W. B. Thompson.

FORT HATTERAS, July 25th, 1861.

Col. Warren Winslow, Military Secretary:

COLONEL:—The day before yesterday we hoisted our glorious flag over Fort Clark, a strong battery I have nearly finished, of five heavy 32 pounders, about half a mile from Fort Hatteras, which secures to us a cross-fire upon the bar and the entrance to this inlet. I now consider this inlet secure against any attempt of the enemy to enter it. Our force of men I think rather weak to resist a land attack in case the enemy should effect a landing in the bight of Hatteras. If we had three or four additional companies here, I should feel quite safe even in that event.

As I have before remarked, this inlet is the key to Albemarle sound, and it cannot be too strictly guarded. We certainly are under the espionage of the United States steamers as they are seen every day or two in the offing, although they keep without the range of our guns.

If I had have received the ten-inch columbiad, we could have damaged them some on their last visit three days since.

We now have two privateers in this harbor, besides the war steamer *Winslow*. The *Gordon*, of Charleston, Captain Lockwood, armed with three guns, a fine large steamer. She returned this morning with a prize brig laden with three hundred and sixty hogsheads of molasses. We have also a saucy-looking little pilot schooner, the *Florida*, mounting one six-pounder rifle-cannon. She captured a prize two days since, took her crew out and sent her in with her own men. A United States Government steamer gave chase to the prize, and they were obliged to beach her near Nags Head. She of course is a total loss.

Yours respectfully,
Major W. BEVERHOUT THOMPSON,
Chief Eng. N. Dep't Coast Defence.

HEADQUARTERS ENGINEERS' DEPARTMENT,
Fort Hatteras, July 26, 1861.

THOMAS H. ALLEN, Esq.,
Assistant Engineer:

DEAR SIR:—The following are your instructions for the execution of the work at Fort Clark, which you are hereby directed to carry out literally. The work is to be constructed, in all respects, as indicated upon the plan, and explained to you from time to time. The broken line enclosing the gorge of the work, it is important to bestow care upon, in order that the parapet may not exceed five feet between the internal and external crests. The superior slope of the gorge being six feet horizontal to one foot vertical. The entrance to the fort will be through the gorge, as pointed out this morning. It will be seven feet wide, properly revetted with sod, at as abrupt a slope as you can make the material stand, by using the sod, as in the revetment of the interior slope. The opening will be protected by a traverse, allowing a passage between it and the interior slope of seven feet. The top of the traverse will slope outwards in the same manner as the superior slope of the parapet at the gorge, and be provided with a similar banquette on its interior face. First erect the magazine and bomb-proof, and then the traverses, as shown upon the drawing, binding the material throughout at every foot of elevation by brush of proper dimensions, in order that they may stand as nearly vertical as possible. These will be fifteen feet wide on the bottom, and battered so as to have a width at top of seven and a half to eight feet, and seven to eight feet high. The sod well secured by stakes. The banquette will rise to within four and a half feet of the interior crest. It should be two feet wide on top, and sodded.

Should a steamer arrive from Norfolk with guns and barbette carriages, take out eleven guns—three eight-inch shell guns and eight heavy 32-pounders. Should the 10-inch columbiad arrive from Fort Macon, have it landed and taken into Fort Hatteras; it will occupy the pan-coupe facing the encampment and the sea front. The eight-inch shell gun taking the place of one of the heavy thirty-twos.

Yours, respectfully,
Maj. W. BEVERHOUT THOMPSON,
Chief Eng'r N. Dpt. Coast.

Official roll of officers and men surrendered at Fort Hatteras, furnished by Col. Martin. 7th North Carolina volunteers.

Commodore Samuel Barron, C. S. Navy, Flag Officer.

Colonel William F. Martin, seventh regiment North Carolina volunteers.

Major W. S. G. Andrews, (of artillery,) North Carolina volunteers.

Adjutant J. M. W. Poole, seventh regiment North Carolina volunteers.

Captain L. J. Johnson, Company H, seventh regiment North Carolina volunteers.

Lieut. Wm. Sharp, C. S. Navy.

Lieutenant Thomas H. Allen, Engineer and Ordnance.

Surgeon W. M Brown.

Assistant Surgeon Wm. E. Poole; also Colonel Bradford.

Lieutenant Lasselle, Company L. seventh regiment North Carolina volunteers.

J. G. Carraway, Ordnance Officer—14.

Roanoke Guards, seventh regiment North Carolina volunteers—Captain John C. Lamb, Second Lieutenant W. Brigs, non-commissioned officers and privates—100.

Washington Grays—Captain Sparren, Lieutenant Shaw, Lieutenant Whitaker, Lieutenant Thomas, non-commissioned officers and privates—58.

Tar River Boys—Lieutenant M. F. Noyes. Lieutenant G. M. Daniver, non-commissioned officers and privates—70.

Morris Guards—First Lieutenant G. W. Grimes, Second Lieutenant Morris, Third Lieutenant Johnson, non-commissioned officers and privates—66.

Lenoir Braves—Capt. Sutton, Lieutenant Kincey, Lieutenant Ezzell, non-commissioned officers and privates—68.

Independent Grays—Captain Cohover, Lieutenant Hoz, Lieutenant Talbez, non-commissioned officers and privates—57.

Hertford Light Infantry—Captain Sharpe, Lieutenant Wise, Lieutenant Moore, non-commissioned officers and privates—67.

Jonesboro Guards—Captain Duke, Lieutenant Bell, Lieutenant Lamb, Lieutenant Taylor, non-commissioned officers and privates—69.

Hamilton Guards—Captain L. L. Clemence, Lieutenant Aug. Whitley, Lieutenant Griffin, non-commissioned officers and privates—63.

North Carolina Defenders—Captain G. Luke, Lieutenant Shannon, Lieutenant Noob, non-commissioned officers and privates—59. Total, 691.

COLLECTION OF DUTIES ON SHIP-BOARD.—A despatch from Washington states "that the Administration at present has no intention whatever to avail itself of the permissive saction given by Congress to the collection of duties on ship-board, or to the entire closing of ports which, on the land side, are in the possession of the insurrectionary authorities. Our Government will rely on the existence of the efficiency of its blockade for a sufficient answer to any reclamation which may be made by foreign Governments in regard to their maritime rights. The *Intelligencer* of to-day contains an article to the above effect, and the telegraphic agency has such authentic information as warrants the expression of the correctness of the statement."

NO FIGHT YESTERDAY.—The city yesterday was rife with rumors of fights on the other side of the Potomac, but up to the hour of going to press, no skirmishes or battles had taken place.—*Washington Republican.*

The occurrence of two fires, both of trifling consequence, in Washington city, on Saturday night, is distorted by the *Republican* into a conspiracy to burn the city, for the purpose of rescuing the ladies who are in prison, on the charge of plotting against the Government.

The same journal states that since the middle of July, 9,840 horses, 3,687 mules, 2,765 wagons and 1,100 ambulances, have been received in Washington.

From another source we learn that the number of troops who have passed through this city *en route* for Washington in the last thirteen days, is 13,000. Up to a period of about ten days since, the whole number of troops who had passed through Richmond, *en route* for Manassas, since the Battle of Bull Run, was 43,000, and they were still flocking in at the rate of 1,500 or 2,000 daily.

Address of the Hon. T. A. R. Nelson to the People of East Tennessee.

The Knoxville *Whig*, of the 24th, contains the promised address of Hon. Thomas A. R. Nelson to the people of East Tennessee. It occupies two columns of the *Whig*. After stating the causes which led to his flight, the mode of his arrest, the reasons for his Unionism, with which the reader is already familiar, he says:

While on the way to Richmond, I had some conversation with a portion of the Tennessee delegation to the Southern Congress, and during my stay there was visited by various members of Congress and other public men connected with the Southern Confederacy. The intense solicitude which was expressed, especially by the most prominent and distinguished of the original secessionists, who, without any request on my part, volunteered their kind offices, with generous liberality, in regard to the conciliation of the people of East Tennessee, and the unusual kindness and consideration with which I was treated as a prisoner, convinced me that I was in error in supposing that the military power would be exerted for any other purpose than that of retaining the railroad and of aggressive acts on our part.

Acting under this changed conviction, believing that, if I were retained as a prisoner, or punished with death, under any strained construction of the treason laws, my friends in East Tennessee would in either event retaliate by arresting public men of the opposite party here; that this would lead to counter arrests, and that the horrors of civil war would immediately exist among us, I felt that it was due to you and to myself that I should obtain my release as soon as possible, on the best terms I could effect without dishonor; and, after various informal propositions and consultations, I finally addressed to President Davis the following letter:

RICHMOND, Aug. 12.

To His Excellency Jeff. Davis, President of the Confederate States:

SIR:—I have been arrested, and, as I learned since my arrival in this city, upon the charge of treason, but whether against the State of Tennessee or the Confederate States, I am not advised. I am conscious of *no act*, either against the State or the Confederacy, that will support or sustain such an accusation.

I am sincerely anxious to preserve the peace and quiet of East Tennessee, the section of the State in which I reside, as best promotive of the peace and interest of the entire State. I ask to be discharged from a vexatious prosecution that I may return home peacefully, to follow my private interests and pursuits, assuring your Excellency that I will not, either directly or indirectly, by counsel, advice or action, encourage, aid or assist the United States Government to invade or attain success in the present struggle with the Confederate States, nor will I counsel or advise others to thwart or cripple the Confederate States in the pending contest with the United States, nor will I do so by my own acts.

In view of the increased majority in the election which has just taken place in Tennessee, I shall feel it my duty, as a citizen of that State, to submit to her late action, and shall religious abstain from any further words or acts of condemnation or opposition to her Government.

The parties arrested with me, with the exception of my son, who acted by my command, were mere guides, and conductors through the mountain passes, on my way to my place of destination, and whatever view may be taken of my own course, they are innocent; in no way responsible, legally or morally, and have committed no offence against the laws of the Confederacy or the State of Tennessee; and I ask that they also be discharged from custody by your Excellency.

Very respectfully,
Your obedient servant,
THOMAS A. R. NELSON.

To which the following answer was returned:

RICHMOND, Aug. 13.

SIR:—I have received your letter of the 12th instant, in which you asked to be discharged from arrest and prosecution, and make promise that you will, "as a citizen of Tennessee, submit to her late action and religiously abstain from any further words or acts of condemnation whatever or opposition to her government."

The desire of this Government being to maintain the independence it has asserted by the united feeling and action of all its citizens, it has been its policy not to enter into questions of differences of political opinions heretofore existing.

I am, therefore, pleased to be spared the necessity of inquiring whether the accusation against you be well founded or not, vexatious or not, and to rest content with your submission as a loyal citizen of your State, to her recent action in adhering to this Confederacy and adopting its permanent Constitution by an increased majority. I have ordered your discharge and that of your companions from custody. I am, &c.,

JEFFERSON DAVIS.

To Thomas A. R. Nelson, Esq.

Since my return home, I am thoroughly satisfied that my friends would have risked the action I dreaded; and, upon the most mature reflection, am content with my own course in the premises. But whether it was right or wrong, wise or unwise, I felt bound, as an honorable man, to act up to the spirit and letter of the obligation I assumed. I shall offer no plea of duress; because neither the Southern Confederacy nor any other earthly power could have compelled me to make an agreement that my judgment and conscience did not approve in the situation in which I was placed.

No terms or conditions, expressed or implied, public or private, attended my release other than those plainly expressed in the two above quoted; but I have thought it due to our past relations and the painful solicitude many of you have felt in my behalf, that I should thus briefly address you. While I did not promise allegiance or active support to the Southern Confederacy, and will not advise you to assume any obligations contrary to the convictions of duty, I feel perfectly free to say that the failure of the Government of the United States for four long months to sustain us in our position; its apparent inability to do so, since the battle of Manassas, within any reasonable time; the deliberate action of our State in the August election; the assurances of public men that no test oaths or drafting measures will be adopted or required; the mutual hatred which has grown up between the antagonist sections of the Union, and the recent confiscation laws which have been either adopted or proposed on both sides, as well as other causes, have painfully impressed my mind with the belief that, unless some wonderful and improbable change is effected, our beloved Union is gone forever, and it is our policy and duty to submit to a result which, however we may deplore it, seems inevitable.

Aware that my advice as well as my motives may be liable to misconstruction, I would still most respectfully recommend to my friends the propriety of abstaining from all further opposition or resistance to the Confederate authorities, or the action of our own State, and should this be done, although I have no authority to speak for them, I am satisfied that no military power will be exerted among us, except such as may be indispensably necessary to retain military possession of East Tenessee. And to those of our citizens who have gone beyond the limits of the State, either through fear or purpose of arming themselves to resist a course of action which is disavowed in General Polk's letter, I think I can safely say, without arrogance, that from the course which was adopted towards me, they would risk nothing by returning to the State and submitting to a result which they have in vain endeavored to prevent.

THOMAS A. R. NELSON

Knoxville, August 17.

THE GOVERNMENT LOAN.—Secretary Chase has issued an appeal to the people in behalf of the Government Loan of $150,000,000. He says:

Already the enlightened and patriotic capitalists of the great cities of New York, Boston and Philadelphia have manifested their clear sense both of duty and interest, by the subscription of fifty millions of dollars. The Act of Congress under which this subscription was received wisely provides, however, that the advantages as well as the patriotic satisfaction of participation in this loan shall be offered, not to the capitalists of the great cities only, but to the people of the whole country. In order to secure a substantial reward for their public spirit to those whose patriotism prompts them, in this hour of trial, to place their means at the disposal of the Government, Congress has directed that an interest of seven and three-tenths per centum be paid on the several amounts subscribed; an interest not liable to State taxation, but constituting for the subscribers a revenue, not only certain in receipt, but greater in amount than can be expected from any ordinary investment.

And, in order to afford to all citizens equal opportunities of participation in these advantages, Congress has further directed that subscriptions be received for sums as small as fifty dollars, as well as for larger amounts; and that, should the subscriptions exceed the whole sum desired, the the smaller be preferred in the distribution. Each subscriber, on payment of his subscription, will be entitled to receive Treasury notes of equal amount in such denominations as he may prefer, whether of fifty, one hundred, five hundred, one thousand, or five thousand dollars. The interest, at 7 3 10 per annum will be, on the notes of fifty dollars, one cent; on one hundred dollars, two cents; on five hundred dollars, ten cents; on one thousand dollars, twenty cents; and on five thousand dollars, one dollar each day. All Treasury notes issued will bear date on the 19th of August, 1861, and will carry interest from that date. Each note will have coupons attached expressing the several amounts of semi-annual interest; which coupons may be detached from the note and presented for payment separately. Each subscriber may pay the whole amount subscribed at the time of subscription, or, if he prefers to do so, may pay one-tenth at that time and one-third every twentieth day thereafter. At each payment the accrued interest on the amount from the 19th of August to the date of payment must also be paid; and the amounts of interest thus paid will be reimbursed in the payment of the first coupon.

Mr. Chase estimates "the real and personal values in the United States" at $16,000,000,000, and in the "loyal" States, at $11,000,000,000. The yearly surplus earnings of the people are put down at $400,000,000, and the conviction expressed that the expenses of the war, if concluded before the close of next spring, will not exceed $250,000,000, the amount of the loan authorized by Congress.

MARTIAL LAW IN MISSOURI.—General Fremont issued a proclamation on Saturday, declaring martial law throughout the whole of Missouri. The lines of the Army of Occupation are extended from Leavenworth, by way of Jefferson City, Rolla, and Ironton, to Cape Girardeau on the Mississippi river. "All persons who shall be taken with arms in their hands within these lines, shall be tried by Court Martial, and if found guilty, will be shot. The property, real and personal, of all persons in the State of Missouri who shall take up arms against the United States, or who shall be directly proven to have taken active part with their enemies in the field, is declared to be confiscated to the public use, and their slaves, if they have any, are declared free men."

An *Associated Press* despatch from St. Louis, adds that the Provost Marshal has issued peremptory orders forbidding any person passing beyond the limits of the county without a special permit. Railroad, steamboat, ferry and other agents, are prohibited from selling tickets to any one not holding a pass from the Marshal. This order is aimed especially to reach parties leaving the city for the purpose of communicating information to the enemy.

THE GOVERNMENT AND THE PRESS.—The New York *Journal of Commerce* has changed its proprietors, has become loyal, and is now allowed to pass through the mails. Mr. Gerard Hallock, the late editor and proprietor, is out in a long letter, published in Saturday's *Journal*, announcing the fact, and giving the following reasons for his course. *The Journal of Commerce* was started in 1825; Mr. Hallock became connected with it as editor and proprietor, jointly with the late David Hale, in 1828, and has had charge of its editorial department ever since. After declaring his willingness, "as a good citizen to sustain the Government even where he could not approve its measures, and also to sustain its measures, to the extent of not opposing them," he says:

"But this has not been sufficient to satisfy some of our extra-fine patriots who handle government money and rejoice in fat contracts. These must have every citizen stand up square to the mark, as *they* do, or they will denounce him as a traitor or secessionist. To affix such a label to a man, in times like these, is to mark him for proscription, if not for mob vengeance, or for Fort Lafayette, without knowing his accusation, or the privilege of *habeas corpus*. Accordingly, although we have denounced secession again and again, as a dangerous heresy, unauthorized by the Constitution, and never justifiable unless revolution is justifiable, because of heavy oppression, and because redress can be obtained in no other way, yet so industrious has been the tongue of slander, through the press and otherwise, that I suppose one-half the population of New York honestly believe that the *Journal of Commerce* is a secession paper, and that I am an advocate of that heresy. Accordingly I have received anonymous letters by the dozen, threatening personal violence and the destruction of my office. Volunteer committees have waited upon numbers of our subscribers, urging and sometimes significantly advising them to stop taking the *Journal of Commerce*. Anonymous letters and circulars have been served upon advertisers, warning them that if they continue to advertise in the *Journal of Commerce*, their own business will suffer in consequence. The ultra-war press, whose name is legion, has been set upon us, or has set itself upon us, and continued the onset for weeks and months with a ferocity that knew no bounds. The United States Grand Jury has presented us, or half-presented us, just at the close of their session, asking no instructions from the Judge, and expressly stating that they desired none, preferring to let the matter go over to the next term of the Court. Lastly, on the strength of that Presentment, the Postmaster General has refused to our paper the common right of transmission in the mails. Had the Grand Jury waited for instructions, the Judge, whatever might be his prejudices, would have been compelled to tell them that we had violated no law, and therefore that they had nothing to do in the case. But by leaving the matter in abeyance for two months, there would be time for the poison to work in the community, without the possibility of our administering an effectual remedy; and also a chance for the Postmaster General to apply the screws to an old enemy of Abolitionism, and sectionalism generally. Had this last form of oppression been omitted, all the others would have failed of their object. For in spite of them all, our circulation in the aggregate has been steadily increasing, and we have more subscribers to-day in the non-seceded States, than we had on the 1st of January last in the whole Union. But I cannot contend with the Government, and have no disposition to do so. I believe the exclusion of the *Journal of Commerce* from the mails is sanctioned by no law, but that it is in violation of law, and of the Constitution. But as neither the law nor the Constitution was available against the edict of the government, or one branch of it, I concluded to save my partners (some of whom could not afford to lose so large an amount of property,) by disposing of my interest in the establishment, and retiring from its direction; thus atoning for the sins of the ultra-war papers, whose testimony in regard to the *Journal of Commerce* the Postmaster General doubtless received as true. Had it not been for my partners, or some of them, I might have preferred to leave the dead body of the *Journal of Commerce* unburied, as an illustration of the measure of liberty now enjoyed now by the press in this free country. I congratulate the readers of the *Journal of Commerce* that they are likely to be gainers by the Postmaster General's procedure; and I am sure I shall be. For, there is no fun in editing a paper in such times as these, when men are so patriotic that they see traitors, secessionists, and conspirators, everywhere, and suspect treason, secessionism and conspiracy, in every line they read.

FROM CALIFORNIA—By Pony Express.

OUTER STATION, Pacific Telegraph Line, ninety-five miles west of Fort Kearney, July 30th.—The Pony Express passed here at three o'clock, A. M., with San Francisco dates to the 51st. There had been no arrivals

The following are among the cabin passengers by the steamer *Uncle Sam*, sailed July 21st, for Panama:—Lieutenant Isaman, U. S. A.; Lieut. E. Ball, U. S. A.; Lieut. Alexander, U. S. A.; Major Allen, U. S. A.; Major General Grier, U. S. A.; Captain Gregg, U. S. A.; Capt. Myers, U. S. A.; Capt. Mason, U. S. A.; Capt. Hyncock; and Major Hungerford, who served in the Mexiwar, and goes east to join the Federal army.

The ship *Thatcher*, Capt. Magowen, has been chartered to load for New York. Business generally is assuming a more healthy condition, with rather more inclination to purchase leading articles of merchandise recently received. Some 400 bales of drills and sheetings were sold yesterday, concentrating the stock in few hands, and establishing the price at 11 cents all round for standard; in other respects prices are unchanged.

The demand for money for to-day's steamer was not urgent, but sufficiently active to enable bankers to obtain two per cent. for the usual short paper accommodations, and one-half per cent. is the rate upon the street.

There is more disposition manifested to buy wheat for export, some irregular export buyers are paying $1 42½a$1 45.

Relief Committees, composed of former residents of New York, and most of the New England States and Michigan, are organized in San Francisco, for the purpose of receiving subscriptions to aid the families of volunteers from the States named.

The body of Terrence Bellow McManus, one of the Irish exiles of 1848, was shipped to-day by the *Uncle Sam* for Ireland, via New York. The Irish residents of San Francisco joined in a grand funeral demonstration previous to placing the body on the steamer.

There are said to be a great many sympathizers with secession in Nevada Territory. They held a Convention at Silver City on the 28th, and adopted resolutions re-affirming the Breckinridge Baltimore Platform, in favor of a preservation of the Union, the duty of the Territory to yield obedience to the constitutional acts of Congress, recognizing Mr. Crittenden's Compromise as sound; a Union formed in peace is not to be maintained by force; that it was the duty of the General Government to establish a branch mint, and to provide for entering lands, and to leave the universal lands to private enterprise. Also, the following:

Resolved, That the President of the United States has been guilty of a violation of the Constitution, and an usurpation of power, in borrowing and appropriating money, raising armies, and increasing the Navy, without the authority of Congress, and that such acts are dangerous to liberty, and tend to convert the Government into a military despotism.

Only twenty delegates were present.

Judge Cradlebaugh and Judge Bryan, of Carson, and J. Williams, of the *Enterprise* newspaper, have announced themselves as candidates for delegates to Congress from Nevada territory.

The steamer *Cortes*, from Portland, Oregon, with dates to the 16th, brings a report that all the Indian tribes east of the Cascade Mountains, including the Nez Perces, are preparing for war upon the whites.

Miners were leaving the Nez Perces region, and a number of murders were reported.

The Portland *Times*, commenting on the news, says there are between five and six thousand people in the Nez Perces section of the country, but they are poorly armed, and should the different tribes of Indians join together and make war upon the whites, as it is reported they will do, we fear that before arms and amunition can reach them they will be obliged to leave the mining region for the winter.

The correspondent of the *Associated Press* at Fortress Monroe, writes that the steamer *Geo. Peabody* arrived there yesterday from Hatteras Inlet, having in tow the prize brig *H. S. Brook*.

The *Harriet Lane* was gotten off safely on Saturday at 2 P. M. Her armament and coal had been thrown overboard. The guns would be recovered.

The powerful and well mounted steamer *Pawnee* had taken a position in the inlet so as to command completely the approach from Albemarle Sound.

The steamer *Wabash* sailed southward on Friday evening about the time the *Minnesota* left for New York with the Confederate prisoners.

The Secessionists are known to have had at least eight killed and twenty-five wounded.

The chartered steamer *R. B. Forbes*, from Boston, went ashore yesterday on Smith's Island, near Cape Charles. Three propellers were sent down from Old Point to assist in getting her off.

Since the departure of the steamer *Adelaide* our troops have been busily engaged in stpengthening Forts Clark and Hatteras. They have mounted the ten-inch columbiad brought down the inlet the day before the attack. The place will doubtless be permanently held by the Federal troops.—A new Military Department, it is supposed, will be created there, and General Butler placed in command.

Capt. Larned's company of Third Artillery returned on the steamer *Peabody*. They were the first to land, and with the Naval Brigade, completely cut off the escape of the Confederates by land. Lt. Loder was the first man ashore.

Two regiments of Col. Hawkins' Regiment were shot to-day, and one of them killed.

The steamer *Adelaide* is expected to-night from Baltimore to proceed forthwith to Hatteras Inlet.

A despatch from Montreal announces the arrival at Farther Point, this morning at 9½ o'clock, of the steamer *North America* with Liverpool dates to the 22d ult.

The steamer *Anglo Saxon* arrived out on the 19th, and the *City of Baltimore* on the 20th.

The *North American* has $100,000 in specie.

The political news by this arrival is unimportant.

The Emperor of Austria has issued a decree for the dissolution of the Hungarian Diet.

LIVERPOOL, August 22.—The sales of Cotton for the past three days amount to 50,000 bales, of which 23,000 bales were taken by speculators and exporters. The market closed quiet, with an advance of 1-8d.

In Breadstuffs there was still a declining tendency. The market closed very quiet, at a decline of 2s. on Wheat and 6d. on Flour. Corn closed dull.

Provisions closed quiet.

Consols 91 1-8.

Great alarm appears to exist in Missouri and on the Mississippi, in consequence of the activity of the Confederate forces. A despatch from Quincy, Illinois, dated Saturday, says:

The train from St. Joseph's has arrived all safe. To-night there are reports of the track being torn up for miles west of Palmyra. It cannot be true, however. There is great excitement in this city to-night, occasioned by fears of the Rebels coming over from Missouri to burn and attack the place.

A despatch from St. Joseph's of the day before says:

This morning our city was surprised and thrown into great excitement by the sudden arrival of one hundred and ten mounted armed rebels, who paraded the streets and captured two United States army recruiting officers, and then returned to their camp, which is some eight miles distant.

It is rumored that there are 150 men rendezvoused near here. The withdrawal of the Federal troops from this point has left the field open for the depredations of the Rebels in this remote section of the State.

A CARD.—E. SZEMELEMYI, PROFESSOR OF MUSIC, will return to this City from Europe on the 1st OF SEPTEMBER, and will resume his usual instructions.—Communications left at the music stores of Messrs. Willig, and Miller and Beacham, on Charles street, or at the Piano Warehouse of Wm. Knabe & Co., will reach him and receive due attention. aug 2-2m