THE MARYLAND NEWS SHEET.

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SEE FOURTH PAGE.

LATEST NEWS.

TELEGRAMS.

FROM WASHINGTON.

FROM THE LOWER POTOMAC.

WASHINGTON, Dec. 17.—The Reliance came up from the Potomac flotilla yesterday, and reports two new Confederate batteries above those heretofore reported. One of them is nearly opposite the station of the flotilla at Indian Head, and the other nearly opposite the mouth of Matawoman Creek. At both, heavy guns are mounted, evidently, as they threw shot over upon the Maryland shore.

The tug Pusey left Indian Head last night, and reached the Yard early this morning. When she left, the Harriet Lane and Yankee were near Indian Head, and the Anacostia, Resolute, Reliance, Jacob Bell, Stepping Stones, Murray and Herbert were between the new batteries abovementioned and the station of the Page, in Quantico Creek. The Union, Freeborn and Satellite are below Quantico. The Reliance was to have run the blockade last night.

From Across the Potomac—A Reconnoissance.

WASHINGTON, Dec. 17.—A reconnoissance was made to-day by a squadron of the 1st New Jersey cavalry belonging to General Heintzleman's division, under command of Captain Shellmore. A portion of the squadron, commanded by Lieutenant Janville, of Company L, of Jersey City, was ordered to proceed to the Blue Mills on the left of Springfield Station, on the Orange and Alexandria Railroad, about seven miles from the headquarters of General Heintzleman. The company there halted, when the lieutenant, with an orderly, proceeded two miles beyond; but on attempting to return, they found themselves surrounded by Confederate infantry. The lieutenant was shot in six places, and the horse of the orderly killed. The orderly made his escape. The company in reserve hearing the firing, proceeded to render assistance; and on their approach the enemy fled, leaving the lieutenant behind, after robbing him of his small arms and nearly all his clothing. He was brought into camp, and was still alive at 8 o'clock to night.

Activity at the Washington Navy Yard.

WASHINGTON, Dec. 17.—Much activity prevails at the Navy Yard, and during last week four steamers—the Yankee, Coeur De Lion, Stepping Stones and Leslie—were sent out thoroughly refitted. The repairs upon the Wyandank were to be completed to-day.

Projectiles are being manufactured rapidly. One of these, a monster gun just finished, weighing 1,599 pounds, has been mounted in the practice battery, and was fired for the first time this morning. The projectile used was the Dahlgren conical percussion shell weighing about 130 pounds, and the first shot with a moderate charge of powder, was an excellent range shot, and little out of line of the target. The nominal weight of the projectile for this gun is 150 pounds.

Arrival of a Fugitive from the South

WASHINGTON, Dec. 17.—A man came within General Heintzleman's lines to-day who left Alexandria in July for more distant Southern quarters. He stated that he had been living at Charlottesville for sometime. That no Confederate troops had recently gone South from the army of the Potomac. But during the last three weeks two Georgia Regiments had been added to it. That the sickness in the army was great, being on an average a car load of invalids a day conveyed to the hospitals at Charlottesville. That he made three attempts to pass the Confederate lines before he succeeded in making his escape, being obliged to take to the woods in order to avoid skirmishing parties.

Trial of Col. Kerrigan.

WASHINGTON, Dec. 17.—In the Kerrigan Court-Martial case to-day, the examination was chiefly with regard to the re-instating of a deserter without a trial, and to the alleged drunkenness of the Colonel on the march from Ball's Cross Roads to Upton's Hill. Further proceedings have been postponed till Thursday.

The case of Col. Halstead, of the 1st New Jersey Cavalry, for alleged malfeasance in office, will be brought before the same court to morrow.

Washington Items.

WASHINGTON, Dec. 17.—William Moran, lately appointed Consul to Bayonne, received his final instructions to-day from the State Department and will soon leave for Europe.

Brigadier-General Morgan, the inventor of the Hammock ventilating tent has gone to Ohio, to prepare for the active duties of the field.

The President's public reception to-night was largely attended. Many distinguished gentlemen were present.

Effect of the English News at the West.

CINCINNATI, Dec. 16.—The English news produced a profound sensation in commercial and financial circles, and the impression seems to be general that there is great danger of war with England. Whilst the people admit that if Wilkes did wrong in the Trent affair, due apology should be made, they at the same time assert that it his act was right, no humiliating concessions ought to be entertained for a moment to England or any other power. The news greatly unsettled the markets, and produced a temporary cessation of business. There was but little done in any department

PITTSBURG, Dec. 16.—The English news was received here with general astonishment and profound indignation at the tone of the English press and the alleged policy of the British Government. One sentiment only is entertain d here—that the honor of our country must be maintained, and no concessions made to English bluster.

LOUISVILLE, Dec. 16.—The English news is received, on the whole, with indifference. It had a slightly unfavorable effect on the tobacco sales. The Secessionists are rather elated, in the hope that England will assist in opening the Southern ports, while the Unionists either discredit the news, or believe that the next steamer will show an essential modification of the present attitude of England. The Unionists believe that our Government will do nothing but what is strictly right, and they repudiate submission to anything wrong, whatever may be the consequences.

MILWAUKEE, Dec. 16.—There seems to be but one feeling here, as regards the English news, and that is the hope that the Administration, if right, will maintain the position it has taken with prisoners, let the issues be what they may. No one is frightened but the wheat buyers.

CHICAGO, Dec. 16.—The news from England by the Europa creates a profound sensation in political circles. It is not credited that Her Majesty's Government has determined to demand the release of the Confederate Ministers, Mason and Slidell. If, however, such shall be the case, the feeling seems to be that the Government should be sustained in its efforts to maintain the national honor and national integrity.

BUFFALO, Dec. 16.—The English news received here last night caused considerable excitement on the street. The prevailing opinion is that we have nothing to fear from a war with England. The *Express* says: "But we speak from and for a portion of the country exposed to the horrors of war. We earnestly entreat our Government to sacrifice not one jot of its dignity in this period of trial. Whatever sacrifice may be thrown upon us will be borne more patiently than the mortification of national disgrace."

CLEVELAND, Ohio, Dec. 16.—The news from England has produced a decided sensation in this section. The general sentiment is that our Government must maintain its rights and dignity, regardless of English bluster.

DETROIT, Mich, Dec. 10.—The European news creates a deep feeling, and the probabilities of a war with England are freely discussed. There is a general desire for our Government to place itself right as regards the law, when it will be sustained at every sacrifice.

St. Louis, December 16.—The secessionists here openly avow their joy at the prospect for war with England, while the Unionists seem generally to hope that the Administration will formally adhere to their already proclaimed position, and not deliver up the Confederate Ambassadors.

HARTFORD, Dec. 16.—The European news caused great excitement in this city for a time, but the unanimous feeling was that England's demands for Mason and Slidell could not be listened to for a moment. The sober second thought is that our Government should be firm but conciliatory, but if the alternative is, give up the commissioners or fight, then fight.

How the European News is Received in Canada.

MONTREAL, Dec. 16—The news from England by the Europa and City of Washington, created much excitement. There is a strong British feeling throughout the Province.

TORONTO, Dec. 16.—The English news causes intense excitement, and the action of the Home Government is strongly approved.

Arrival of Steamer Connecticut.

NEW YORK, Dec 17.—The steamer Connecticut, from Galveston, Southwest Passes, Ship Island, Mobile bay, Fort Pickens, Key West, Tybee Island, and Fortress Monroe, has just arrived here. The crews of all the blockading squadrons were well. The steamer Richmond was at Key West repairing. The Connecticut brings the crews of the captured privateer Royal Yacht and the captured steamers Anna and Henry Lewis. She also brings as a prisoner a marine who attempted to desert from Ship Island. There is nothing new from Fort Pickens. There is no mention made of the reported evacuation of Fort Pulaski by the Confederates.—The transport Great Republic also arrived here today from Port Royal, which port she left on the 6th.

Capture of the Confederate Schooner Royal Yacht—A Sharp Conflict.

NEW YORK, December 17.—A letter from on board the frigate Santee states that the Confederate schooner Royal Yacht was captured by two boats manned by forty men from the Santee under command of Lieutenant Jouett, Lieutenant Mitchell being second in command. She was boarded at 3 o'clock in the morning and taken after a sharp conflict. She was fired and entirely destroyed, and thirteen prisoners were taken, three of them wounded. Our loss was Henry Garcia, seaman, killed, John L. Emory, coxswain, wounded and since dead. Lieutenant Jouett and William Carter, gunner, wounded; also five men. All doing well and will soon be on duty again.

Warehouses Burnt.

BUFFALO, Dec. 17.—The warehouses formerly occupied by the Michigan Central Railroad, with the propeller Dunkirk lying alongside, were burnt this morning. Five hundred barrels of flour were destroyed in the warehouses. Loss in the propeller $18,000. Other losses unascertained.

FROM MISSOURI

ST. JOSEPH, Dec. 15.—Forty of Gen. Prentiss' command returned here last night, most of them sick with the measles. They report that the Federals had several skirmishes with the Confederates on their march, killing a few of them. When at the river opposite Lexington they were fired upon by the Confederates there, and General Prentiss dispersed them with shell from three twelve-pounders, but there being no ferry, or means of crossing the river, our forces were compelled to return to Richmond for forage and prisoners. It was General Prentiss' intention, however, to cross the river on Saturday, at a point above Lexington, and the forces from Sedalia and Kansas would join him. The Confederates are reported to be two thousan d strong.

ST. LOUIS, December 16.—All claims against the Department of the West which originated prior to October 14th must be filed before the examining commission now in session in this city previous to January 10th, or they will not be paid by the War Department. All the commissioned city officers and all the county except nine, have taken the oath of allegiance prescribed by the Constitution. None of the Judges of the Supreme Court, and but one State officer, Colonel Moseley, the Auditor, have filed their oaths. John Hogan, who was arrested on Saturday for embezzlement, says in a card published this evening that his arrest was caused by a disagreement between him and the Auditing Office of the General Post Office, which might have been prevented by a prompter examination of his accounts.

FROM KENTUCKY.

Preparing for a Movement on Bowling Green and Nashville.

INDIANAPOLIS, Dec. 16.—Our army in Kentucky is within a short distance of Bowling Green. They have repaired the Green River Bridge and will move forward to Nashville as soon as General Buell can brigade and otherwise dispose of the regiments arriving. Ten thousand men from Indiana had arrived in ten days. Sixty-two regiments have been paid off in Kentucky in the last thirty days.

The Late Battle in Western Virginia.

CINCINNATI, Dec. 16.—A despatch from Phillipi, Va., says:—Our force in the battle fought on Friday, at Alleghany Camp, in Pocahontas county, numbered eighteen hundred. They came in sight of the enemy, whose forces were drawn up in line-of-battle in front of their entrenchments. Our troops charged upon them and drove them back. A hot fire was kept up during the afternoon on both sides, and several brilliant charges in the evening were made by our men. Gen. Milroy, in command of the Government troops, withdrew his troops at nightfall, intending to renew the attack the next morning, but during the night the Confederates silently left their camp, burning everything they could not carry with them. Our loss was twenty killed and thirty wounded. The loss of the Confederates is estimated at one hundred and fifty killed, including a field officer. By this action Gen. Reynolds' front is cleared of the enemy, there being no organized Confederate force within forty miles of our advanced post. A detachment which was sent out from Phillippi, on Saturday, returned last night, with ten Confederate guerrillas, including the notorious Jake Kuen.

[From private sources, by way of Washington, we learn that the fight between the Confederate forces, under Col. Ed. Johnson, and the Federal troops, under Gen. Milroy, at Valley Mountain, Pocahontas county, Va., was a most sanguinary conflict. After hours of fighting, the Federal forces were badly beaten, and put to utter rout. Col. Johnson is in command of a Georgia regiment, and by seniority led the Confederate forces on the occasion referred to. The battle is reported to have been one of the most terrific of the war, and the slaughter most fearful. Advices were further received at Washington city, representing to the Government that the rout of the Federal troops was disgraceful.]

Arrival of the Europa at Boston with Special Messengers from the Queen and from Minister Adams.

BOSTON, Dec. 17.—The Europa arrived here this afternoon. It is understood that within 30 minutes after the Europa touched at Halifax, the British steamship of war Rinaldo got up steam and left, as is supposed, in pursuance of orders from the Queen's Messenger to communicate with the Admiral of the British North American Squadron.

Captain Seymour, the Queen's Messenger, and also a special Messenger from Minister Adams, left Boston this afternoon direct for Washington.

RUMORED BATTLE AT NEW ORLEANS. Confederate Gunboats and Troops sent to New Orleans—Anticipated Battle in Kentucky.

CINCINNATI, December 17.—Intelligence has been received from Columbus, Kentucky, to the effect that three Confederate gunboats and four regiments of infantry had been despatched from there in great haste for New Orleans, where a battle was reported as being fought and the city threatened with demolition by the Federal forces. The women and children were represented as fleeing from the city.

General Buell is expected to take the field in Kentucky in person in a few days, and it is reported that the Federal troops are crossing Green river. Buckner, with a Confederate army, is coming up by railroad to offer battle this side of Bowling Green, in Kentucky.

A grand review and inspection of seventeen thousand troops at Cairo, Bird's Point, and Fort Holt, took place yesterday.

FROM GEN. BANKS' DIVISION. Movement of Troops Towards Williamsport —Operations of Gen. Kelly.

FREDERICK, December 17.—News from Williamsport last night shows that considerable disquiet exists along the river line. Shots are continually being exchanged between the enemy and Col. Leonard's men. Reports as to the enemy's numbers and intentions are contradictory and unreliable. One statement is that Jackson, with his brigade largely reinforced, is at Falling Waters, but other intelligence does not appear to corroborate it. It is evident that Gen. Kelly's advance from Romney towards Winchester, and the approaching opening of the railroad from Cumberland to Hancock, together with recent movements of Gen. Banks' Column, has caused great consternation on the other side. Gen. Kelly has daily skirmishes with the Confederate advance guards, but he progresses steadily and slowly towards Winchester.

If it be true that the Strasburg and Winchester Railway connection has been completed, the enemy will undoubtedly receive heavy reinforcements immediately, and a hard fought battle of considerable magnitude be the result. To protect the operations on the Baltimore and Ohio Railroad, as well as to be prepared to repel Jackson, should he make a general demonstration against Colonel Leonard, Captain Best's battery and the Fifth Connecticut, Colonel Terry, were this morning despatched to Williamsport, and will reach there early to-morrow. Other regiments are prepared to follow, if their presence should become necessary.

Almost every regiment of the division are building basements to their tents of split logs, the tents themselves forming the roof. This mode has been recommended by the Sanitary Commission as superior to all others in point of warmth and ventilation. The officers' quarters are generally floored, and heated with small stoves.

A report gained some credence here yesterday that General Stone had had an engagement opposite Edwards' Ferry, in which he was victorious, but your correspondent has failed to obtain any confirmation of it.

The General Court-Martial tried several deserters yesterday, and others under the same charge are before it to-day. It is believed that all will be convicted, and it is likely some executions will take place.

The Stone Fleet—Charleston Harbor to be Blocked Up—Tybee Island Occupied—Expedition Against Fernandina.

NEW YORK, Dec. 17.—A private letter from Port Royal, received to day by the steamers, says the famous stone fleet had sailed from the mouth of the Savannah river for Charleston, convoyed by a man-of-war. The ships were all to be sunk in the entrance to Charleston harbor on Saturday last.

Tybee Island is occupied by one thousand men, who are to throw up batteries for use against Fort Pulaski, if necessary. The sloop-of-war Savannah, and three or four gunboats were lying off Tybee Island.

The steamer Baltic, with one thousand troops, had left Port Royal for Fernandina, accompanied by the Bienville and another gunboat. The fortification there consisted of a battery of five guns, manned by from two to three hundred men, and it was thought the place would fall into the hands of the Federals after a brief struggle.

Union Feeling in Arkansas.

ROLLA, Mo., Dec. 15.—Several citizens from Arkansas have reached here during the week and enlisted in the Arkansas company, under Captain Ware, late member of the Legislature of that State. These men say that there was a Union Society established in Izard, Fulton, Independence and Quincy counties, numbering 2,500 men, which could have made an organized stand in two weeks more time; but it was betrayed by a recreant member and broken up and the members scattered. Many of these Union men have been arrested and taken to Little Rock. Some have been hung and a large number are now in the woods trying to effect their escape from the State.

The Gunboat Dacotah at New York.

NEW YORK, Dec. 16.—The gunboat Dacotah, from Hong Kong and St. Thomas on the 3d inst., arrived at this port this evening. The frigate Macedonian was to sail on the same day for Boston. The ship Montmorencie was at St. Thomas from Liverpool with coal for an English firm. Her Captain reports that he was boarded by the privateer Sumter and robbed of all his nautical instruments, charts, &c., but allowed to proceed on account of having a British cargo. The United States ship Shepherd Knapp was at St. Thomas. The Iroquois was also left at St. Thomas.

The War on the Mississippi—Confederate Preparations to Resist.

CAIRO, ILL., Dec. 16.—It is reported that the Confederates at Columbus, Kentucky, have received a large number of heavy anchors and cables for the purpose of obstructing the navigation of the river at that place. Great preparations are being made by the Confederates at that point, in expectation of an early attack.

The Africa Detained.

NEW YORK, Dec. 17.—The steamer Africa, which was to have left here to-morrow, has been detained (as is supposed by order of the British minister) until Friday morning.

All work in progress on the construction of the house of Parliament, at Ottowa, has been suspended for the winter, the workmen having been discharged on Saturday last.

WAR ITEMS.

FROM WASHINGTON.

From the Washington Star of Yesterday

DESPATCH FROM CALIFORNIA TO PRESIDENT LINCOLN.

SAN FRANCISCO, Dec. 11.—*To Abraham Lincoln:* The funeral services of the late Colonel E. D. Baker have just transpired. The Hon. E. D. Stanley delivered an oration, and the Right Rev. Bishop Kipp read the funeral services, and the immense cortege is now moving towards Lone Hill Cemetery, under the direction of J. D. Stevenson, marshal-in-chief.

By order of the committee of arrangements.

S. H. DEVEREIT.

ANOTHER CAPTURE BY THE SUMTER.

The Navy Department has intelligence that on the 28th November, the ship Montmorenci, of Bath, Maine, arrived at the port of St. Thomas, having been overhauled on the 25th ult. by the Sumter in latitude 80° 30' N., longitude 58° 40' W. The ship was last from Wales, loaded with coal for the British Mail Steam Company at St. Thomas. The ship was ransomed for $20,000, and allowed to proceed after taking a quantity of paints and other ship-stores from her.

TO BE CHANGED.

It has been determined to change the color of the pantaloons worn by the artillery, cavalry, and infantry of the United States from the dark-blue color to the light, or sky-blue, worn by them a few years ago

THE SUMTER'S WHEREABOUTS.

The Sumter was seen on the 29th ultimo, steering northeast.

THE MACEDONIAN.

The U. S. steamer Macedonian was to have left St. Thomas, W. I., for Boston, on the 3d inst.

Special Washington Despatches to the New York Times.

SENATOR POLK GONE OVER TO THE CONFEDERATES.

A gentleman just arrived from Missouri states that Senator Polk has gone over to the Confederates, and is taking counsel with them at Memphis. His treason has long been flagrant, as well as that of Johnson, his colleague. The Senate should at once expel them, that their seats may be filled by loyalists. Every State should be represented in Congress in times like these.

MUST TAKE THE OATH OF ALLEGIANCE.

Mr. Granger, of Michigan, introduced a bill in the House, to-day, requiring that all principals, agents or attorneys, in cases brought before any Department, or any Federal Court, shall take the oath of allegiance before being heard, and also that the oath shall be administered to all jurors in the Federal Courts and all contractors with the Government. It is an important bill, and will undoubtedly pass. The same gentleman introduced a bill appropriating $100,000 for the relief of Union prisoners in the South.

THE DISTINCTION BETWEEN REGULARS AND VOLUNTEERS.

The Senate Committee on Military Affairs have under consideration the bill submitted by Senator Wilkinson, to abolish the distinction between the regular and volunteer forces of the United States. The matter was referred by the Senate committee to Senator Rice, who this morning, at a meeting of the committee, submitted an able and elaborate adverse report upon the bill. He maintains—first, its unconstitutionality; and secondly, its inexpediency. He holds that the passage of such a bill would dishearten a large portion of the army, and do injustice to many of the best officers and soldiers in it. The committee will report against the bill.

THE PRECEDENCE OF PASSES.

It has been determined at headquarters, that hereafter the Provost Marshal's passes shall take precedence of Gen. McClellan's. This is the consequence of the latter not having sufficient time to devote to the matter.

SALTPETRE IN GREAT BRITAIN.

If the accounts by the Europa be true, that Great Britain has stopped the exportation of saltpetre to this country, the forwarding of the purchases recently made by this Government of all the saltpetre in England will be stopped at once. The plan for effecting this purchase was devised by Assistant Secretaries Harrington and Scott, and so quietly was it done that nearly the whole stock was bought before any one was apprised of the unusual demand.

Proclamation of General Phelps.

The following extraordinary proclamation was issued by General Phelps on taking possession of Ship Island:

PROCLAMATION OF BRIG GEN. PHELPS TO THE PEOPLE OF THE SOUTHWEST.

HEADQUARTERS MIDDLESEX BRIGADE, SHIP ISLAND, MISSISSIPPI, Dec. , 1861.

To the Loyal Citizens of the Southwest:

Without any desire of my own, but contrary to my private inclinations, I again find myself among you as a military officer of the Government. A proper respect for my fellow-countrymen renders it not out of place that I should make known to you the motives and principles by which my command will be governed. We believe that every State that has been admitted as a Slave State into the Union, since the adoption of the Constitution, has been so admitted in direct violation of that Constitution. We believe that the Slave States which existed, as such, at the adoption of our Constitution, are, by becoming parties to that compact, under the highest obligations of honor and morality to abolish slavery.

It is our conviction that monopolies are as destructive as competition is conservative of the principles and vitalities of republican government; that slave labor is a monopoly which excludes free labor and competition; that slaves are kept in comparative idleness and ease in a fertile half of our arable national territory, while free white laborers, constantly augmenting in numbers from Europe, are confined to the other half, and are often distressed by want; that the free labor of the North has more need of expansion into the Southern States, from which it is virtually excluded, than slavery had into Texas in 1846; that free labor is essential to free institutions; that these institutions are naturally better adapted and more congenial to the Anglo-Saxon race than are the despotic tendencies of slavery, and, finally, that the dominant political principle of this North American continent, so long as the Caucasian race continues to flow in upon us from Europe, must needs be that of free institutions and free government. Any obstructions to the progress of that form of government in the United States must inevitably be attended with discord and war.

Slavery, from the condition of a universally recognized social and moral evil, has become at length a political institution, demanding political recognition. It demands rights to the exclusion and annihilation of those rights which are inherent to us by the Constitution; and we must choose between them, which we will have, for we cannot have both. The Constitution was made for Freemen—not for Slaves. Slavery, as a social evil, might for a time be tolerated and endured; but as a political institution it becomes imperious and exacting, controlling, like a dread necessity, all whom circumstances have compelled to live under its sway, hampering their action and thus impeding our national progress. As a political institution it could exist as a co-ordinate part only of two forms of government, viz: the despotic and the free; and it could exist under a free government only where public sentiment, in the most unrestricted exercise of a robust freedom, leading to extravagance and licentiousness, had perverted the thoughts and habits of the people beyond the bounds and limits of their own moderate constitutional provisions. It could exist under a free government only where the people in a period of unreasoning and extravagance had permitted popular clamor to overcome public reason, and had attempted the impossibility of setting up, permanently, as a political institution, a social evil which is opposed to moral law.

By reverting to the history of the past, we find that one of the most destructive wars on record, that of the French Revolution, was originated by the attempt to give political character to an institution which was not susceptible of political character. The Church, by being endowed with political power, with its convents, its schools, its immense landed wealth, its associations, secret and open, became the ruling power of the State, and thus occasioned a war of more strife and bloodshed, probably, than any other war which has afflicted the earth. Slavery is still less susceptible of political character than was the Church. It is as fit at this moment for the lumber-room of the past as was in 1793 the monastery, the landed wealth, the exclusive privileges, etc., of the Catholic Church in France. It behooves us to consider, as a self-governing people, bred, and trained and practiced in the habits of self-government, whether we cannot, whether we ought not to revolutionize slavery out of existence, without the necessity of a conflict of arms like that of the French Revolution.

Indeed, we feel assured that the moment Slavery is abolished, from that moment our Southern brethren, every one of whom have probably seven relatives in the North, would begin to emerge from a hateful delirium. From that moment, relieved from imaginary terrors, their days would become happy, and their nights peaceable and free from alarm; the aggregate amount of labor, under the new stimulus of fair competition, becomes greater day by day; property rises in value; invigorating influences succeed to stagnation, degeneracy and decay; and union, harmony and peace, to which we have so long been strangers, become restored, and bind us again in the bonds of friendship and amity, as when we first began our national career, under our glorious Government of 1789.

Why do the leaders of the rebellion seek to change the form of your ancient Government? Is it because the growth of the African element of your population has come at length to render a change necessary? Will you permit the free Government under which you have thus far lived, and which is so well suited for the development of true manhood, to be altered to a narrow and belittling despotism, in order to adapt it to the necessities of the ignorant slave, and the requirements of their proud and aristocratic owners? Will the laboring men of the South bend their necks to the same yoke that is suited to the neck of the slave? We think not. We may safely answer that the time has not yet arrived when our Southern brethren, for the mere sake of keeping Africans in slavery, will abandon their long cherished free institutions, and enslave themselves.

It is the conviction of my command, as a part of the national forces of the United States, that labor—manual labor—is inherently noble; that it cannot be systematically degraded by any nation without ruining its peace, happiness and power; that free labor is the granite basis on which free institutions must rest; that it is the right, the capital, the inheritance, the hope of the poor man everywhere; that it is especially the right of five millions of our fellow countrymen in the slave States as well as of the four millions of Africans there; and all our efforts, therefore, however small or great, whether directed against the interference of Governments from abroad, or against rebellious combinations at home, shall be for free labor; our motto and our standard shall be, here and everywhere, and on all occasions, Free Labor and Workingmen's Rights. It is on this basis, and this basis alone, that our munificent Government—the asylum of the nations—can be perpetuated and preserved.

J. W. PHELPS,
Brigadier-General of Volunteers, Commanding.

THIRTY-SEVENTH CONGRESS---FIRST SESSION.

SENATE.

WASHINGTON, Dec. 17.—Mr. POWELL moved to postpone all further orders to take up the House bill to raise an additional volunteer force for service in Kentucky. The bill was taken up and referred to the Committee on Military Affairs.

Mr. HOWE presented petitions from Wisconsin in relation to land grants. Referred.

Mr. SUMNER presented a number of petitions in favor of emancipation of slaves, and the employment of all persons, bond and free, in the support of the flag and the Union. Referred.

Mr. NESMITH and Mr. BROWNING presented private petitions.

Mr. CHANDLER moved that the President of the Senate appoint a committee on the part of the Senate to join with such committee as may be appointed by the House, to investigate the conduct of the war. Adopted.

Mr. DIXON reported a bill respecting the incorporation of a Deaf and Dumb Asylum in the District of Columbia.

Mr. WILSON, from the Committee on Military Affairs, reported a bill to increase the number of cadets in the Military Academy, with an amendment.

Mr. FOOT offered a resolution of inquiry by whose authority the capitol is converted into an army bakery, and the extent of the injury done to the building. Agreed to.

Mr. SUMNER offered a resolution directing the Committee on Military Affairs to inquire concerning the surrender of fugitive slaves by military officers. Adopted.

Mr. LATHAM offered a resolution of inquiry into the authority by which passports were required from citizens going to California. Adopted.

Mr. MCDOUGALL offered a resolution of inquiry as to the authority whereby the Secretaryof War withheld army appointments till those before the Senate were disposed of. Adopted.

Mr. SHERMAN offered a resolution calling for certain correspondence between Gen. Scott and other officers. Adopted.

Mr. ANTHONY, from the Committee on Printing, offered a resolution that all books and documents belonging to Senators of seceded States, and not distributed, be distributed among the present members of the Senate. Laid over.

Mr. MCDOUGALL introduced a bill authorizing appropriations for the Indian Territory.

Mr. DIXON introduced a bill respecting the judiciary.

Mr. SUMNER, agreeably to notice, introduced a bill to provide for the ascertainment and satisfaction of claims of American citizens for French spoliations prior to 1800. Referred to the Committee on Foreign Affairs.

Mr. GRIMES introduced a bill relating to landlords and tenants in the District of Columbia. Referred.

Mr. Lane's resolution, calling for information as to the erection of barracks for the troops in Kansas, was taken up.

Mr. LANE explained the object of the resolution. He declared that every day's delay in the prosecution of this war was detrimental to the public interest. He believed that fearful consequences would arise from the continued inactivity of the army. Anarchy and confusion must follow, if the Government be not restored. Inaction was the bane of volunteers. He had a practical knowledge of the subject, and would assert that the regiments that won the battle of Buena Vista were not better drilled and not as well provided as the volunteers now in our army. He considered that the volunteer army now in the field had reached its maximum of discipline, and would, by delay, become demoralized. If exhaustation were to be tried by both parties, he believed that the rebels would have the advantage, because their slaves would support them. The fear of losing their slaves was the incentive to war, and the loss of them would secure peace.

Mr. CHANDLER replied at some length. The only mistake, he imagined, that the President had committed was in not giving the Senator a chief command. He was surprised to hear the Senator say that twenty millions of freemen could not cope with five millions of Southern men without taking from them their slaves. Not long ago, from the like source, he heard the allegation that slavery was an element of weakness. He listened with regret here, day after day, to declarations in favor of a crusade against slavery. The proper object of the war was lost sight of, and the powers of the Government were to be prostituted to the object of destroying the Constitution and all its guarantees.

Let this policy be avowed, and he would undertake to say that the Federal army would melt away like snow befor the rays of the sun, and that every loyal man, not only in the seceded States but in every border slave State, would abandon the cause of the Federal Government. There were loyal men in the seceded States who would restore the Union and the Constitution, if they were relieved from the terrors of these threats against slavery, and from the presence of rebel forces. He hoped that the President would adhere to his constitutional obligations.

Mr. LANE, of Kansas, asked whether the Senator maintained that slaves of rebels, employed against us, should not be confiscated?

Mr. CHANDLER explained, and remarked upon the croaking voice of some which he thought ought, in this crisis, to be hushed. He hoped that the Government would not send troops into the slave States for the purpose of destroying slavery. He asked what should be done with four millions of slaves, if you obtained them? How can you colonize them? You are puzzled already what to do with two thousand slaves. If you liberate the slaves in the seceded States, how will the act of emancipation be enforced? You cannot change their laws while they are States. When the armies met this question, it would be treated as a military question.

Here Mr. FOSTER called up the report of the Committee on the Judiciary respecting the seat occupied by Mr. Lane, of Kansas, and contested by Mr. Stanton. This was a question of privilege, and superseded the matter in hand.

Mr. LANE, of Kansas, here stated that he was not ready to lay some documents before the Senate, and asked a postponement of the report of the Judiciary Committee in his case till to-morrow.

The Senate resumed the consideration of Mr. Lane's resolution.

Mr. LANE declared that this war could not linger till April. Some decisive blow must be struck within a few weeks. We must have a battle, and perhaps a bloody one, and a great victory, before England shall send her fleets and armies upon us. If we do this we shall have no war with England.—He was for crushing out the rebellion, and letting slavery shift for itself.

Mr. MCDOUGALL had not made up an opinion as to the conduct of the war. He had risen to express the hope that this Congress would attend to business, and leave the war to the generals in the field, &c.

Mr. Lane's resolution was laid on the table.

The bill concerning allotments of pay among the volunteer forces was taken up. After some remarks from Messrs. Wilson, Rice and Grimes, the bill was read a third time and passed.

The report of the Committee on the Judiciary, declaring that Mr. Lane's seat, and that Mr. Stanton is, entitled to a seat in the Senate as Senator from Kansas, was taken up and postponed.

Messrs. Chandler, Johnson of Tennessee, and Wade were announced as the Senate committee on the conduct of the war.

Mr. WILKINSON offered a resolution that the Secretary of War furnish a list of appointments of Major Generals and members of their staffs, their body guard, the buildings occupied by them and the expenses thereof, &c. Adopted.

The joint resolution from the House for a recess from Wednesday to the 5th of January was read and postponed till to-morrow.

After a short Executive session the Senate adjourned.

The following is the bill introduced by Senator Wilson for the release of certain persons held to service or labor in the District of Columbia:

BE IT ENACTED ETC., That all persons held to service or labor within the District of Columbia, by reason of African descent, are hereby discharged and freed of and from all claim to such service or labor; and the subjection to service and labor, proceeding from such cause, shall not hereafter exist in the said District.

Section 2. Be it further enacted, That all persons holding claims to service or labor against persons discharged therefrom by this act may, within ninety days from the passage thereof (but not thereafter), present to the Commissioners, hereinafter mentioned, their respective statements or petitions in writing, verified by oath or affirmation, setting forth the names, ages and personal descriptions of such persons, the manner in which said petitioners acquired such claims, and any facts touching the value thereof.

Section 3. Be it further enacted, That the President of the United States, with the advice and consent of the Senate, shall appoint three Commissioners, residents of the District of Columbia, any two of them shall have power to act, who shall receive the petitions above mentioned, and who shall investigate and determine the legal validity of the claims therein presented, and who shall appraise such persons under the proviso hereto annexed, the value in money of the several claims by them found to be valid. *Provided*, that the entire sum so appraised and apportioned shall not exceed in the aggregate an amount equal to three hundred dollars for each person shown to have been held by lawful claim.

Section 4. Be it further enacted, That the said Commissioners shall, within nine months from the passage of this act, make a full and final report of their proceedings, findings, and appraisement, and shall deliver the same to the Secretary of the Treasury, which report shall be deemed and taken to be conclusive in all respects, except as hereinafter provided, and the Secretary of the Treasury shall, with like exception, cause the amount so apportioned to said claimants to be paid from the Treasury of the United States to the parties found by said report to be the lawful holders thereof, and the same shall be received in full and complete compensation. *Provided*, that in case where petitions may be filed presenting conflicting claims, or setting up liens, Commissioners shall so specify in said report, and payment shall not be made according to the award of the said Commissioners until a period of sixty days shall have elapsed; during which time any petitioners claiming an interest in the particular amount may file a bill in equity in the Circuit Court of the District of Columbia, setting forth the proceedings in such case before the said Commissioners, and their action therein, and praying that the party to whom payment has been awarded may be enjoined from receiving the same; and if the said Court shall grant such a preliminary order, a copy thereof may, on motion of the said complainant, be served upon the Secretary of the Treasury, who shall thereupon cause the said amount of money to be paid into the said Court, subject to its orders and final decree, which payment shall be in full and complete compensation, as in other cases.

Section 5. Be it further enacted, That the said Commissioners shall hold their sessions in the city of Washington at such place and at times as the President of the United States may direct, of which they shall give public notice. They shall have power to subpœna and compel the attendance of witnesses, and to receive testimony and enforce its production, as in civil cases before courts of justice; and they may summon before them the persons making claim to service or labor, and examine them under oath; and they may also, for purposes of indentification and appraisement, call before them the persons so claimed; the said Commissioners shall appoint a clerk, who shall keep the files and a complete record of all proceedings before them, who shall have power to administer oaths and affirmations in the said proceedings, and who shall issue all lawful processes by them ordered. The Marshal of the District of Columbia shall, personally, or by deputy, attend upon the sessions of the said Commissioners, and shall execute the process issued by the said clerk.

Section 6. Be it further enacted, That the said Commissioners shall receive in compensation for their services the sum of two thousand dollars each, to be paid upon their filing of their report; that the said clerk shall receive for his services the sum of two hundred dollars per month; that the said Marshal shall receive such fees as allowed by law for similar services performed by him in the Circuit Court of the District of Columbia; that the Secretary of the Treasury shall cause all other reasonable expenses of the said commission to be audited and allowed, and that the said compensation, fees and expenses shall be paid from the Treasury of the United States.

Section 7. Be it further enacted, That for the purpose of carrying this act into effect, there is hereby appropriated from the Treasury of the United States a sum not exceeding one million of dollars.

HOUSE OF REPRESENTATIVES.

Mr. BINGHAM, of Ohio, from the Committee on Judiciary, reported a bill authorizing the Provost Court of Alexandria to retain and safely keep any property now in its possession, taken as the property of persons in arms against the United States.—Passed.

Mr. HARDING, of Kentucky, then resumed the floor upon the discussion of Mr. Elliott's resolution in relation to the confiscation of property. He opposed the resolution upon the following principles: First, because we have no constitutional power to pass them, nor any of the bills and resolutions on this subject. Second, because Congress and the Administration stand pledged in the most public, solemn manner, against all interference with the question of slavery; and anything to the contrary would be a plain, palpable and blight ed violation of Congress. Third, he opposed the resolution because its legitimism is forbidden by every principle of sound policy. Fourth, he opposed them because they propose to inaugurate a warfare that would involve in its horrors the loyal as well as the disloyal, innocent and guilty, without any respect to age, sex or condition. Such a species of warfare would be disgraceful to any civilized or Christian nation. He said there are many friends of liberty out of the Government, who are now struggling with despondem, looking with anxious hearts and tearful eye upon the action of this House in reference to the now absorbing topic. He contended that Congress had no more right to interfere with the institution of slavery than they had with any other institution. He was pained to see, at the commencement of this session, that this resolution was offered, the disposition manifested to force this resolution through upon the call for the previous question. But subsequently, he was much gratified when the demand was withdrawn.

Mr. KELLOGG, of Illinois, moved that this and all the kindred resolution be referred to the Committee on Judiciary.

Mr. WASHBURNE, of Illinois, demanded the yeas and nays, which were ordered. Yeas 77; nays 57.

Mr. WASHBURN, of Ill., reported from the Select Committee on Contracts, desired to report, and said that his colleague, Mr. Van Wyck, would submit a series of resolutions. Mr. VAN WYCK then offered the following, which passed:

RESOLVED, That the Secretary of the Treasury be requested to decline making any further payments to the parties interested in the steamboat Cataline on the account of the charter of said vessel by the United States on the 25th April, 1861. Second, That the Secretary of the Treasury be requested to adjust the claim against the Government for the purchase of one thousand carbines from Simon Stevens by General Fremont on