THE MARYLAND NEWS SHEET.

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TO THE PUBLIC.

THE MARYLAND NEWS SHEET will be issued daily from the office formerly occupied by the *Daily Exchange*, and will be, as its name implies, simply a "News Sheet." It will furnish the latest intelligence as derived from the despatches of the Associated Press, by which it will be supplied in common with the New York journals; from its exchanges, and from such reliable private sources of information as it may be able to command. Expressing itself no opinions, it will devote its editorial columns to such extracts from other journals as may be deemed of interest to the public.

BALTIMORE.

SATURDAY, JANUARY 11, 1862.

WAR AND OTHER NEWS.

In the Senate Waldo P. Johnson and Trusten Polk, Senators from Missouri, were expelled yesterday on a charge of disloyalty. The claim of Mr Starke, of Oregon, to the seat, made vacant by the death of Colonel Baker, was also discussed, and his loyalty being called in question, the Senate refused to allow him to be sworn in.

In the House of Representatives a letter was received from the Secretary of War, in reply to a resolution requiring a more explicit answer from him in relation to the disaster at Ball's Bluff. The Secretary responds by stating that measures had been taken to ascertain upon whom the responsibility should fall, but that it was not compatible with the public interest, at this time, to make the result of those measures known. The communication was referred to the Joint Committee on the conduct of the war. After some resolutions of minor importance were disposed of the House resumed the consideration of the appropriation bill.

In the State Senate the business was wholly of an unimportant character, with the exception of the passage of a bill ratifying the amendments to the Constitution of the United States.

In the House of Delegates, the select committee appointed to investigate the manner in which the appropriation, at the January session, of seventy thousand dollars for the purchase of arms was expended, reported that the purchases were daily made, and the arms distributed to the various military companies, with the exception of a few which were forcibly taken during the April riot. Leave was also given to report a bill refunding to the Federal Government the sum of one hundred thousand dollars, disbursed in the support of the Baltimore Police.

It is becoming perfectly evident that the new scheme proposed by Mr. Chase for replenishing the Federal treasury will not be suffered to go into operation without important modifications. Mr. Van Dyke, the Superintendent of the New York Banking Department, in his report to the Legislature now in session at Albany, points out numerous objections to the plan which is intended by Mr. Chase to provide us with a national currency. Mr. Van Dyke argues, with great force and clearness, that the measure would, in the first place, have the effect to seriously depreciate the value of State stocks—that it would derange various branches of business, and affect to a great extent all classes of bonds and mortgages. He shows, that so far as New York, Boston and Philadelphia are concerned, the proposed law would not yield any relief to the treasury, for the banks of those cities already hold Government securities to double the amount of the balance required to cover the entire bank circulation of those States. He asserts, moreover, that the attempt to distribute Government notes from a central bureau would be found wholly impracticable. These, however, are but a few of the objections to the financial project of the Secretary—many others equally grave and equally fatal to its success yet remaining to be noticed.

A telegram from Cairo states that twenty-five thousand troops are about to concentrate at that point, which, joined to the force already there, will constitute an army of from sixty to seventy thousand men. This army, it is said, will take up its line of march for Paducah within the next six days and from thence will march to Nashville, where it expects to form a junction with General Buell's command, and proceed Southward to New Orleans.

A telegram from Cairo announces that a portion of the Mississippi Expedition had left that point, and that the remainder would leave to-day, if the weather permitted.

The riot at Carbonear, Newfoundland, has become so serious that it is feared themilitary will be obliged to take active measures in order to quell it.

The steamer Oriental which reached New York yesterday from Port Royal, brings intelligence that General Stevens still holds his position on the mainland, although two of the regiments under his command had gone back to Hilton Head. As this statement differs entirely from all the accounts previously given by correspondents of the Northern press, who accompanied the expedition, it must be received with many grains of allowance. That General Stevens may have thrown a small body of men across from Port Royal Island, on to the mainland and covered them from attack by placing them under protection of the fire from the gunboats is quite possible; but all the letter writers agree in stating that, after destroying the earthworks at the Ferry, he returned with the principal portion of his troops to Port Royal Island, and that the embarkation was completed without loss under the fire of the Federal flotilla.

Among the gossip current at Washington are hints that a recognition of the Southern Confederacy on the part of England will speedily take place, and that war with that country may yet grow out of it.

Dissensions in the Cabinet are still spoken of.—The outside pressure for active offensive movements has greatly increased of late. The Philadelphia *Press* clamors for an advance along the whole line, and the same cry is echoed by Senators and Congressmen.

The war of the politicians upon General Stone still continues. His letter to Senator Sumner, in consequence of the strictures of the latter upon the course of General Stone with regard to the rendition of fugitive slaves, has been referred to General McClellan, but, it is supposed, will be brought up also for Senatorial action.

A disagreement exists between Generals Wool and Mansfield. The latter has taken umbrage at some harsh remarks of the former, and has asked to be removed to some other position. His request however has not been granted.

It is now very generally understood that the Cabinet has had under discussion the question whether the privateers which have been captured shall be treated as pirates or as prisoners of war, and that a majority of the members are in favor of making no distinction between Confederate privateers taken at sea and Confederate soldiers taken on land. Both classes will, in all probability, be treated hereafter according to the usual rules of war.

Amusements.

HOLLIDAY STREET THEATRE.—To-night Mr. Eddy appears in *Rory O'Moore* and the *Courier of Lyons*—two excellent pieces. Mrs. Phillips appears in the last named piece as Jeanne, a character admirably suited to her. There will also be a farce.

THE FRENCH ZOUAVES.—The entertainment offered at the Maryland Institute by the corps of French Zouaves is really excellent, and well worthy the patronage of the community. All the company are fine artistes, and their pantomimes are among the most finished pieces of acting ever given in our city. Zouave Frederick has a fine voice and sings with much expression. Those who desire to hear the Marseillaise sung to perfection, should visit the Institute. A matinee will be given this afternoon.

CUBAS.—This evening is the last appearance in this city of Isabel Cubas. She will introduce a new Spanish dance, entitled "El Ole," said to be one of the prettiest series of figures known in the Terpsichorean art. She will also appear in the French dance of "La Folie," which created the wildest excitement last evening, on the occasion of her benefit. On Monday next she appears in Washington. On Monday evening La Senorita Francesca will appear in some of her delightful Cuban dances, in addition to a powerful dramatic attraction.

BALTIMORE MUSEUM.—Kunkel's excellent troupe of nightingales will appear this afternoon for the especial convenience of ladies and children at three o'clock. To-night the Dabquer programme will be presented for the last time; on Monday an entirely new programme will be submitted.

BARNUM'S MUSEUM OF LIVING WONDERS.—The "What is It?" "The Albino Family" and "Monster Black Sea Lion," will be exhibited for a few days only at the lower Saloon of Kunkel's popular Museum. We assure our readers that the visit is well worth the price of admission.

THE SCHISM IN THE CORN AND FLOUR EXCHANGE.

In accordance with an adjournment, a number of the members of the Corn and Flour Exchange, who are dissatisfied with the election of officers of the Exchange for the ensuing year, met yesterday afternoon at three o'clock in a room in the Hooper Building, corner of Pratt and South streets. There were about seventy-five persons present. Peter G. Sauerwein, Esq., the Chairman of the previous meeting, called the body to order. The proceedings of the former meeting were read and approved. Mr. Sauerwein, as Chairman of the Committee appointed to propose a course of action, presented the following report, which was read:

"The committee appointed to take into consideration measures proper to be adopted in consequence of the election for Directors of the Baltimore Corn and Flour Exchange on Monday last, beg leave to report the statement and resolutions following.

"P. G. SAUERWEIN,
"C. KIDDER,
"JAS. A. HOOPER,
"SAMUEL PHILLIPS,
"JONATHAN TURNER.

"In forming a new organization for facilitating transactions in breadstuffs, we deem it due to ourselves and the public to make this declaration of our reasons and motives.

"The immediate occasion of this movement is the election for officers of the Baltimore Corn and Flour Exchange which was held on Monday. The regular ticket was the old Board, consisting of a majority of 'Southern sympathizers,' and the Union men forebore to introduce politics by running a ticket of their own. The Secessionists, however, not content with the control of the institution, have, by their action, ignored Union men altogether, by excluding from the board any candidate who is accepted as loyal in the community.

"The Union men are not so stupid that they cannot comprehend what is implied in this vote, nor so simple as to be misled by willful misinterpretations, nor so mean-spirited as to force ourselves where we are insulted directly and again insulted indirectly by the blow which is aimed at our Government through ourselves.

"For months past we have been made by the demeanor of our political adversaries to feel that our presence upon the floor of the Exchange was offensive and was tolerated merely because it could not be prevented. It would be going too far to say that there was no resentment or even provocation, but, whether right or wrong, the general behavior of Union men there as elsewhere has been patient and quiet, while the Secessionists have been arrogant, contemptuous and defiant. The wonder is that a separation has not sooner occurred.

"The election of Monday was but the culmination of their purpose. It is not strange that those who publicly denounced loyal men as disqualified, by the fact of their loyalty, to be their associates, should also regard them, however respectable in mercantile or private character, as disqualified to act as directors.

"The pleasure of offering an additional insult at once to them and its friends was too great a temptation to be withstood. Either they were utterly reckless of the consequences, or else they presumed yet this one time more upon the submissiveness of those who had already quietly borne so much. And at length, when they have excited a spirit of resistance, they attempt to allay it, not by apology, not by a reconstruction of the Board upon honorable terms, but by the poor logic that 'we ought not to introduce politics into business,' the counterpart of that other famous position, that 'the Government began the war by resisting the bombardment of Sumter, and attempting to defend Washington from capture.'

"But in abandoning a voluntary association, which had for us so few attractions, we are not merely influenced by a proper sentiment of self-respect, but we are partly governed by mercantile considerations likewise—considerations which, even if they stood alone, would vindicate our action from the aspersion of being a mere party movement.—Ever since the miserable affair of April our city has been in disgrace. The opinion was held by the Government, and spread widely over the whole land, that the people were disaffected. The act of a few ruffians, incited by malignant politicians, appeared to be the ebullition of popular passions; and the subsequent conduct of our authorities gave color to the belief that the majority of our citizens approved the outrage. Our whole business disappeared instantly and utterly in consequence. From the imputation of disloyalty we have slowly been recovering. By our votes cast in contested elections we have shown that a great majority of our people are friends of the Union, and we have warmed towards us the heart of the nation by our assiduous attentions to her soldiers in camp, in transit and in hospital.

"Our demonstrations of attachment and zeal have not been fruitless. Notwithstanding our political enemies pervert every fact, and persistently endeavor, both by their conduct and in their utterances, to confirm the impression of our incurable disloyalty; yet the people at large have judged differently, and most generously has the Government made allowance for the embarrassments of our case and accepted our atonement."

RESOLVED, That this association be called the "Maryland Corn and Flour Exchange."

Resolved, That the annual fee be five dollars.

Resolved, That a committee be appointed to prepare a charter assimilated as much as possible to that of the Baltimore Corn and Flour Exchange, and report on Monday morning at 9 A. M.

Resolved, That a committee be appointed to engage this room temporarily of Mr. W. E. Hooper, and to make economical arrangements for the immediate occupancy of the same.

Mr. John H. T. McPherson said that he did not think the committee had discharged the duty assigned them in such a manner as to merit the approbation of the gentlemen interested in the movement. He was not in favor of precipitating matters, and believed that a conciliatory course was best suited to the case. He was loath to part with the Flour and Corn Exchange, which had been the source of so much benefit to the trade, and would willingly exert his efforts to restore harmony to the association. He believed that in the late election of officers the real interests of the association had been prostituted to the spirit of party, which was destructive of all usefulness. His idea was to appoint a committee who should meet the Board of Directors elect, or a committee appointed by the members of the Exchange, with the hope that the difficulties might be arranged to the satisfaction of all, and harmony be restored. With this view he presented a preamble and resolutions, which condemned in strong terms the action of the Southern sympathizing members, and proposed the appointment of a committee to seek an adjustment, which he offered as a substitute for the report.

Mr. McPherson had scarcely finished reading his proposition, when Mr. Robert Turner rose. He said that the more he thought of the course pursued in the late election for officers, the more fully was he convinced that the action was dangerous to the interests of the city, and deserving the severest condemnation from any man who felt a single patriotic impulse. The men who perpetrated this stab at the Government were dangerous in the community, and their power for mischief should be destroyed. He believed that by their action in electing a party ticket, they had forfeited all rights under their charter, and it was the duty of the Legislature to resume those rights. Entertaining these views, he presented a series of resolutions, calling on the Legislature to repeal the law which incorporated the association. He offered it as a substitute for the substitute.

Mr. Sauerwein did not think that it would be becoming for them to attack the Exchange in that manner. There was too much depending on legislation and not enough of manly action. If the Legislature thought proper to repeal the law incorporating the Exchange, well and good; but he was opposed to asking them to do it. Let the new Exchange be instituted and the old would soon die out. If a law was passed by the Legislature compelling all those connected with any corporate institution to take the oath of allegiance, it would be very apt to destroy the Corn and Flour Exchange. If it was possible for two Exchanges to exist, it would be an advantage to the trade, for many of the members would belong to both institutions.

Mr Jonathan Turner made qu te a speech, which was for independent action. He went back and referred to Mother Eve's slip in the Garden of Eden, to prove that it was not God's intention that such a thing as "compromis." should exist in the world; and it only did exist on account of sin. His argument, to some minds, was just the reverse of what he intended it should be.

Further remarks were made by Mr. Sauerwein, Mr. R. Turner and Mr. McPherson, when Mr. Turner withdrew his substitute; and the substitute of Mr. McPherson was put and lost, there being but one affirmative vote.

The report of the committee was then adopted.

Mr. Sauerwein then stated that persons desirous of joining the new association could signify their intention by signing a paper to that effect. About sixty signed.

The Chairman appointed the following gentlemen a committee to petition the Legislature for a charter: Robert Turner and John Henderson.

On motion, Mr. Sauerwein was added to the committee, and constituted its chairman.

Adjourned until Monday at three o'clock.

From the St. Mary's Beacon.

GOV. HICKS' MESSAGE.—We, too, in common with the administration press of the State, have a word of congratulation on the subject of Gov. Hicks' message. We congratulate ourselves that it is the last. It is impossible to say what future evils Heaven may have in store for our unhappy State, but unless it is given over to final perdition, it will never again be afflicted with another Hicks. We know but little of our new ruler, Mr. Bradford, and nothing to his credit. He is said to be a man of exceedingly bitter feelings and of strong abolition proclivities. Be it so. We welcome any change that liberates us from the vulgar dominion of a Government pimp and informer. Hicks is the first Governor in our history that Maryland has had occasion to blush for. He may not be the last; but none lower than he can come after him. His present message is neither better nor worse than those which have preceded it, and, indeed, there is a pretty strong family likeness between them.—We have noticed, that he is fond of referring in depreciating and slanderous terms to those good, great and brave men who are now suffering for Maryland in Fort Warren. He is not worthy to tie their shoe-strings. The best thing he can do for them is to hate them, and such as he is may all that ever hate them be.

From the New York Tribune, Jan. 10.

An organized attempt was made yesterday to create a money panic. Men went about the city, visiting every bar-room, grocery, and little store, in search of specie, buying up coin in any quantities, from a dollar upward, at 4½ to 5 per cent. premium. We heard one man boast that he had just sold his last eagle at 50 cents premium. Of course there is no substantial reason for this eagerness to gather up the specie in circulation, and the whole movement is one of pure speculation. For some days past gold has gone up at the rate of a half per cent. per day, and somebody, expecting to make a handsome profit, by a continued rise, if he can only create a panic, has probably employed agents to collect all the coin within their reach.—Tradesmen should remember, however, that if for the sake of a small temporary gain they encourage this movement now, it cannot fail in the end to prove a source of very serious inconvenience, if not positive loss.

THE NEW CURRENCY SCHEME OF MR. SECRETARY CHASE ANALYSED.

From the Annual Report of the Superintendent of the New York Banking Department.

Amongst the methods proposed by the Secretary of the Treasury for replenishing the national exchequer, is one which, in its relation to the currency, must deeply interest the citizens of every State. Its ostensible object is to give a national characteristic to the currency of the several States, by predicating its issue upon a deposit of United States stock in the Treasury Department at Washington, receiving in exchange therefor notes for circulation, "bearing a common impression and authenticated by a common authority; the redemption of these notes by the associations and institutions to which they may be delivered for issue; and the security of that redemption by the pledge of United States stock and an adequate provision of specie." In other words, the General Government proposes to emulate the system already in vogue in this State, extending it, under authority of Congress, to the banking institutions of all the States, and basing the issue of currency solely upon its own stock, to be primarily purchased and deposited with it by the banks. The market thus created for the stocks of the Government will, it is supposed, "impart such value and stability to Government securities that it will not be difficult to obtain the additional loans required for the service of the current and the succeeding years at fair and reasonable rates."—Laudable as is the object sought to be accomplished, there are objections to the scheme, which my position calls upon me to present to the consideration of the Legislature.

If the action of Congress shall conform to the recommendations of the Secretary of the Treasury, the stocks of this State and the bonds and mortgages now on deposit in this department, amounting in the aggregate to $24,510,508 39, will cease to form a basis for banking. With an unwonted liberality the Legislature has admitted the stocks of the United States to be deposited as security for circulating notes to an equal amount with those of New York. If associations and bankers do not choose to avail themselves of the privilege, it is because they regard the stocks of their own State as a more desirable investment. To compel them to forego this preference, and to throw their securities upon the market at this time of depression (as many of them would be compelled to do), would be an arbitrary exercise of power that could not be justifiable save by the direst necessity. Upon the faith of State legislation these stocks have in many instances been purchased at a high premium, for the express object to which they are now devoted. Can the State withdraw its protection from the investments thus made, and leave the victims to pocket the losses to which they may be subjected? Of the $5,386,802 47 of bonds and mortgages on deposit, many are for a period of years not yet elapsed. The foreclosure of those already due, at a period when financial arrangements are difficult of accomplishment, could not be otherwise than productive of wide-spread distress; whilst the burdens imposed upon the banks of holding those not yet payable, would not leave them in the most feasible condition for investing in Government stocks. Nor is it to be denied that the use of New York stocks for banking purposes, has imparted to them a higher market value than they would have otherwise borne, by creating a demand for this specific purpose. What would be the result of throwing a large amount of these securities upon the market, cannot be doubtful.—That they would ultimately be sought for as a safe investment for trust funds as well as capital, is highly probable. But the primary result would be to inflict a serious loss upon the present holders, even if no direct injury to the credit of the State inured from the proceeding.

Whilst the creation of a market for United States stock evidently lies at the base of the proposition submitted by the Secretary of the Treasury, the arguments in favor of the adoption of the scheme are chiefly drawn from the favorable influence which it is supposed will be exerted over the currency of the States, rendering it more secure, more homogeneous in form and character, and more eligible as a medium of exchange. After stating that the existing bank note circulation "is usually furnished in greatest proportions by institutions of least actual capital"—that "circulation, commonly, is in the inverse ratio of solvency"—and that "weak corporations almost invariably seek to sustain themselves by obtaining from the people the largest possible credit in this form"—the Secretary adds: "The recent experience of several States in the valley of the Mississippi painfully illustrates the justice of these observations, and enforces by the most cogent practical arguments the duty of protecting commerce and industry against the recurrence of such disorders." However truthful these remarks may be in regard to the institutions and currency of some portions of the country, they certainly do not apply to New York, and furnish no basis for interference with her institutions. Nor should it be forgotten that in the States of the Mississippi valley, to which reference is made, the banking system in vogue was not one admitting of the issue of bank notes "in the inverse ratio of solvency," but a system modelled upon that of New York; save that it admitted of the deposit of a wider range of securities.

These were deemed ample protection, at the time of deposit, to bill-holders; and would probably have proved so, but for the untoward political events which would have done so much towards upsetting public and private credit. The ruinous depreciation of securities pledged by the banks, was the primary cause of their failure, with the concomitant losses to the public. The contingency from which the stocks of the United States are, under existing circumstances, by no means exempt; and should the banks, under the scheme proposed, purchase the stocks of the Government at their present market value, and subsequent events depreciate them largely, though the benefit of the operation on one side would be sufficiently obvious, it is not so readily seen what recompense would flow to the banks and bill-holders. Though the ultimate redemption of the stocks may be beyond question, yet the value to the bill-holders as a security is only the amount which can be realized at the period of forced sale, rendered necessary by the failure of the bank. The marked difference in this respect between the stocks of New York and those of the United States has been sufficiently demonstrated in the sales made under authority of this department during the last season. What it will be, should $700,000,000 be added to the present obligations of the Government prior to June, 1863, (as the Secretary of the Treasury estimates,) may be left to conjecture.

QUESTIONS TO BE CONSIDERED.

Would the proposition to base the currency solely upon the stocks of the United States bring relief to the national treasury? That it would create an additional demand for such stock is doubtless true; but that it would operate to the extent of "imparting such value and stability to Government securities that it will not be difficult to obtain the additional loans required for the service of the current and succeeding years at fair and reasonable rates," is not probable under existing circumstances. The outstanding circulation of all the associations, banks and bankers of this State amounts to $36,000,000. Of this sum about $6,000,000 is, at this time of writing, already secured by the deposit of United States stock in this department. It is a well-known fact that the banks of the city of New York already hold Government securities to double the amount of the balance required to cover the entire bank circulation of this State. Would a resort be had to the treasury at Washington for more stock, whilst this superabundant supply remains at hand? Would the banks of the interior pay specie to the Government, whilst they could procure all the stock which their necessities might require on their own credit, and in the way of ordinary exchanges of value, from their correspondents in New York, who would be sufficiently happy of an opportunity to supply the demand? And the same may be said to an almost equal extent of New England and of Philadelphia. That the proposition might have an equalizing effect in the distribution of the stock already issued, is quite palpable; but that it would be found radically defective, as a relief to the treasury, within a limited period, seems too apparent. The withdrawal of capital from other investments, such as State stocks, bonds and mortgages, loans and discounts, consequent upon this new demand of the Government, could not fail seriously to derange the business operations of the country, and aggravate the evils under which the producing interests are now laboring. A measure of reform, which might be eminently practical and salutary in a time of peace and prosperity, may become both inexpedient and oppressive, when urged to a consummation at a time when the business interests of the country are paralyzed to the extent to their utmost endurance by a state of war. Too much precaution, at least, cannot be employed where interests so vast and complicated are to be affected. The objects to be obtained should not only be of paramount importance, but the result should be certain of attainment, before venturing on an experiment which involves a change in the entire bank-note circulation of the country, under circumstances of unwonted difficulty and danger.

Thus far the subject has been considered only in the light in which it is presented in the recommendations of the Secretary of the Treasury. What shape the measure may assume under the manipulations of the committees in Congress, to whom it has been referred, time alone can determine. The public prints contain the draft of a bill, said to be under consideration by the Committee of Ways and Means in the House of Representatives, in which the deposit of securities by existing banks in the "Currency Bureau" at Washington is left optional with those institutions in exchange for certain privileges offered. The bill also authorizes the formation of banking associations in the various States, with the privileges of discount, deposit and circulation—the latter upon the basis of a deposit of United States stock—with twenty-five per cent. of said circulation kept on hand, in specie, for the immediate convertibility of the notes issued. The inducements consist in the reception of the currency thus secured for Government dues (except imposts), and the disbursement of it in the expenditures of the Government "whenever and wherever the public creditor is willing to receive the same." The Secretary of the Treasury is also authorized to employ the banks "that shall invest their capital and secure all their circulation by a purchase of the bonds of this Government, as agents for the Treasury Department, for collecting the taxes, dues, property and funds of the Government, and disbursing the same whenever and wherever the public interest can be promoted thereby."

This proposition involves the establishment of a class of banking institutions subordinate to Congressional authority, and wholly independent of the State Legislatures. It clothes them with peculiar privileges, which can only be enjoyed by State institutions on a renunciation of the requirements now imposed upon them by State authority. Whether the inducements offered are of such a substantial character as to attract capital into this form of investment, or to seduce existing associations into a compliance with the requisitions imposed, must be left to the developments of the future, under the determination of State Legislatures. That the power of taxation by Congress may be so exercised as to drive the present bank circulation out of existence, is undoubtedly true. The exercise of the power is a matter in regard to which the people will be quite likely to instruct their representatives. The establishment of separate classes of institutions, the one owing allegiance to the General and the other to the State Governments, with rival interests, feelings and privileges, cannot be but productive of lamentable consequences. The banks of this State, whose circulation is based upon securities in every respect as valuable, safe and convertible, as those which may be admitted under the proposed system at Washington, will not composedly see others enjoy advantages from which they are excluded.—The antagonistic interests thus aroused will soon ally themselves with political parties, and the country will again be subjected to the dangerous vicissitudes springing from a concentration of moneyed interests upon elections. If, however, Congress shall abstain from compulsory legislation in regard to the currency, there are two causes that must operate to mitigate the fears expressed.

The first is, that the inducements offered are not sufficiently strong to overcome the opposing tendencies to the scheme. When it is observed that the taxes to be imposed by Congress will most assuredly be assumed by the State Government, collected by its agents in the ordinary methods and in the usual currency, deposited in local banks until paid into the State Treasury, and thence handed over to the Government, whose necessities will require an immediate expenditure, it is not perceived that the "pet banks" are to receive a very valuable consideration in this respect. When to this is added the requirement of keeping their deposits in the "currency department," equal in value to the amount of circulation received, thus constantly making good the depreciation to which the Government stock may be subjected in the market, besides keeping on hand twenty-five per cent. in specie, the benefits to be derived from circulation must be materially lessened. The palpable absurdity of receiving the taxes in paper and imposts in specie (which the Secretary recommends and the bill recognizes) will not materially commend the measure in localities where capital most abounds. The second mitigating consideration is found in the impracticability of sending the currency to a great distance as are many of the States from Washington. Time, expense, inconvenience, risk, all cry out against it. Persons not practically conversant with the subject can scarcely appreciate the difficulties which must spring from this source alone. Circulation is neither obtained or exchanged in large amounts and at long intervals. On the contrary, the currency is in a state of constant transition from worn and mutilated to new. Bank officers alone can duly estimate how much of time and patience is requisite to keep up with the incessant demands for new circulation. During the last fiscal year (as will be seen by table No. 8) no less than two million five hundred and sixteen thousand five hundred and fifty-nine separate notes were counted and burned in this department. Think of the time, expense and inconvenience of sending these notes to the national capital! and it so with us, how from the more distant States?

IS MR. CHASE'S PLAN CONSTITUTIONAL.

Would the subordination of existing State institutions to the jurisdiction of Congress, and the creation of an unlimited number of corporations within the States by that body, be an exercise of constitutional power? It is so much easier to assume the affirmative of this proposition than to prove it from the Constitution itself, that it is to be regretted the Secretary of the Treasury should have waived the presentation of argument on so important a point. He declares, indeed, that "no argument is necessary to establish the proposition that the power to regulate commerce and the value of coin includes the power to regulate the currency of the country." This declaration can scarcely be regarded as an improvement on that Federal construction of the Constitution which uniformly found a warrant for all doubtful measures in the clause which authorized Congress "to provide for the common defence and general welfare." There was, indeed, an extent of jurisdiction involved in the latter, perfectly refreshing to latitudinarian constructionists; but the power "to regulate commerce with foreign nations, and among the several States, and with the Indian tribes," as well as "to coin money, regulate the value thereof, and of foreign coin," have usually been regarded as tolerably clear and explicit. Will the Secretary contend that the power to regulate commerce confers upon Congress the right to regulate exchange between one section of the country and another, or between this Republic and Europe? Yet exchange is as much an element of commerce as currency. Would Congress be justified in fixing the rate of transportation for a bushel of wheat from the interior to the sea-board?

Yet this cannot fail to be regarded as more intimately connected with the regulation of commerce, than to prescribe what sort of securities institutions in nowise amenable to Congress shall deposit at Washington. No; the only currency known to the Constitution is coin; and this Congress has the specific power to make and regulate. It may declare what shall be the denominations thereof, what the weight and what the fineness. But does the power to coin the precious metals carry with it the authority to manufacture paper, or to prescribe its value? The framers of the Constitution were hard money men. They had suffered from the depreciation of paper, and denounced it in emphatic terms. If they had designed to give Congress jurisdiction in regard to paper currency, they would have said so in explicit terms, and not have left future secretaries to grope for it amidst the regulations of commerce and the scintillations of metallurgy. The incorporation of the United States Bank was successfully resisted upon the ground that Congress had no constitutional power to establish such an institution; and public sentiment sanctioned the decision. Now, however, it is claimed that Congress can take all the banks of the country under its jurisdiction, and license as many more as cupidity may hatch into existence.

For more than three-quarters of a century the States have exercised exclusive jurisdiction over the banking institutions of their creation, and it is hardly to be expected that they will relinquish it now. With entire willingness to meet all the burdens which the present unnatural rebellion imposes, they will still be likely to demand that an interest which is so directly allied with the business and prosperity of the whole community, shall be left where the Constitution has reposed it, amongst the reserved rights of the States. If abuses exist, the remedy is with the several Legislatures. Congress has never so ingratiated itself with the public as to be regarded as a safe depository for the regulation of the entire banking interest of the country. For it is idle to contend that if Congress can prescribe the method and terms upon which State institutions may perform their most important function, it may not also exercise any other jurisdiction which interest, caprice or corruption may dictate.

WAR ITEMS.

FROM WASHINGTON.

Special Washington Correspondence Phila. Enquirer.

CORRUPTIONS IN THE ARMY—THE VAN WYCK COMMITTEE AND GEN. BLENKER.

The Van Wyck committee on contracts had several sutlers from Blenker's division before them, inquiring about the tax which it has been alleged has been levied upon them by Blenker. One sutler testified to having paid one hundred dollars down on the first of each month to Blenker's Adjutant. Some regiments, it appears, have two or three sutlers, who each were paying "taxes." It has not been developed what Blenker's Adjutant did with the money. On the inquiry being made of the sutlers if they raised the prices to cover this levy, they replied that they did not. The rates were fixed by the officers, but the main article of profit was in *beer*, which was sold for "five cents a mug," without stipulating as to the size of the mug.

Washington Correspondence of the N. Y. Herald.

GENERAL STONE AND THE RENDITION OF FUGITIVE SLAVES.

Some three weeks since, it was announced that General Stone, commanding a brigade in General Banks' column, was tickling the Confederates by returning fugitive slaves, and that he compelled Massachusetts soldiers in his command to perform that service. This announcement not only aroused the indignation of Governor Andrew, of that State, but that of the Senators and most of the representatives from Massachusetts. Senator Sumner, a few days afterwards, in commenting in his place in the Senate upon the order of Gen. Halleck concerning the disposition of slaves that came within his lines, took occasion to allude to Gen. Stone's course in returning fugitives, the facts concerning which I understand Mr. Sumner fully satisfied himself about. The Senator's notice of Gen. Stone was brief, but pointed. A few days afterwards Senator Sumner received a letter from Gen. Stone, the contents of which are the subject of street comment, and do not reflect creditably upon General Stone, who, it is said, employed language towards the Massachusetts Senator which is characterized by those who have read the letter as being unbecoming a soldier, much less an officer of the distinction and position of General Stone. Mr. Sumner treats the letter with contempt. The whole subject is in the hands of General McClellan at present; but it is the determination of several Senators to bring the subject before the Senate.

DISAGREEMENT BETWEEN GENERAL MANSFIELD AND GENERAL WOOL.

General Mansfield, who is at present in command at Newport News Point, is pressing a demand for removal to some other position, on account of an unpleasant disagreement between himself and General Wool. It appears that on the recent occasion, when a body of the Confederates crossed New Market Bridge, General Mansfield went out with a force to repulse them. There was a group of houses on each side of the creek. Those nearest to the Federal fortification afforded shelter to our soldiers, and those on the other sides were used for protection by the Confederates. In the skirmishes that occurred at that point, the Confederates in retiring burnt the houses that sheltered our troops, and General Mansfield, to deprive the Confederates of the advantage they had, burned those on the other side. For this he was severely censured by Gen. Wool, who, in general orders, characterized the act as a piece of vandalism. This public censure, for doing what he deemed a duty in exercising a precautionary care for the safety of his troops, has rendered Gen. Mansfield's position peculiarly disagreeable, but his request for a change has not yet been granted.

Special Washington Despatches to the New York Tribune.

INTEREST ON GOVERNMENT CLAIMS.

The bill introduced by Mr. Fenton to-day, and referred to the Committee on Claims, provides that any person having any claim or claims against the Government of the United States, which shall have been duly audited or certified by the proper officer of the Government, and presented for payment, shall be entitled to interest at the rate of 6 per cent. per annum from and after the expiration of thirty days from the time of presentation for payment. The woes which claimants against the United States alone know will be somewhat alleviated by this act, should it be passed.

THE CONDUCT OF THE WAR.

The assertion of several of our cotemporaries that General Fremont has been called before the Joint Committee on the Conduct of the War is unfounded. He will probably not be examined until the investigation of the battle of Bull Run is concluded. General Barry was the most important witness called to-day. He referred the committee to his official report, and explained that, in his judgment, he was in no degree responsible for the disaster. It is understood that several army officers, who have been summoned as witnesses, hold a different opinion.

A COUNCIL ON THE WAR.

[The following despatch was suppressed by the telegraphic censor at Washington.—Editors *Tribune.*]

On Monday night a council was held at the Capitol between all the members of the Cabinet and the War Investigating Committee. The session lasted three hours. The propriety of silence as to the debate, and the conclusion it was brought to, are obvious. It may not be improper, however, to state that the Cabinet officer whose life has been spent in courts of law led the demand for immediate battle, and that the counsel for delay came from the heretofore belligerent member of the Administration.

BURNING BY CONFEDERATES AT ACQUIA CREEK.

Some days since the railroad station at Acquia Creek, and several buildings in its vicinity, were burned to the ground.

Correspondence of the Philadelphia Inquirer.

WASHINGTON NEWS AND GOSSIP.

WASHINGTON, January 9.—It is hinted around in diplomatic circles that a war with England is inevitable, as the next steamer may bring the intelligence that the British Government recognizes the Southern Confederacy. The release of Mason and Slidell will not appease the roar of the British lion.

The Avenue report to-day is, that the most important despatches are on the way here by the Canada, and that the Government has received their purport by telegraph.

Among the many reports which prevail is one that the Generals of the Potomac will have an interview with General McClellan to-morrow on official business.

There is a heavy pressure brought to bear here from the North on the present inactive condition of the army.

The War Department, it is stated, has received no official notice of the intention of General Siegel to retire from the army.

There is a report here that some of the indiscreet friends of General Fremont are creating much mischief by embarrassing some of the minor departments. The Fremont trouble, which is looked upon merely as a bubble, will be satisfactorily settled as soon as more important matters are disposed of. General Fremont himself, it is proper to state, is in no way responsible for the follies committed by his friends.

There are more rumors to-day of dissensions in the Cabinet.

The Senate Chamber, this afternoon, was crowded to its utmost capacity to hear Senator Sumner's speech.

Treasury notes are 4 per cent. discount. Exchange on New York ½ per cent.

FROM VIRGINIA.

Correspondence of the New York Tribune.

FAIRFAX COURT HOUSE, Va., Dec. 31, 1861.—As yours is the only paper (so far as I am aware) that has the independence to publish anything reflecting upon the qualifications of the officers who are camping during the Grand Union Army in this part of Virginia, where I have lived ten years, and am well acquainted with its localities, I propose to let the public, through the medium of your paper, learn something of their acts and shortcomings. I am pained to see in the papers that actions are reported at the North as victories which are well known here as retreats or defeats. For instance, I observe it is reported that Gen. Jameson on Thursday made a reconnoissance with four regiments to Pohick Church, and scot scouts as far as the Accotink, without encountering, it is said, any of the "Confederates." Now, what is the truth? Pohick Church is two miles south of Accotink, and Gen. Jameson could never have gone to the church without having passed Accotink; and as to not having seen the enemy, if he had gone to Pohick, he would, on that day, have found about five hundred of—as the soldiers are pleased to call them—half-naked, half-starved rebels, whose horses are all dying for the want of hay. In fact, there are so many promises made by the Grand Army of what they are going to do next time (although the present opportunity is always lost), that the Union men are becoming disgusted, and think something is wrong.

I saw a few days ago that Gen. Hientzleman was going to do great things, and to follow the Confederates to their camps. That is the promise we have waited for, its performance, we fear, will never come. Again, General Franklin, or some other General, is going to do something else. We wait patiently. A movement is made; they meet, perhaps, some Confederates; a skirmish takes place in which I am pained to know the Union troops are almost generally worsted. They return to the camps and then more promises are uttered for the next time. Thus we live on promises. "Our Generals march up the hill and then march down again," report "no rebels." That night the Union pickets are driven in. More promises follow with the same result.

The Boston *Post* says that Gen. McClellan acknowledges the difficulty of proceeding towards Richmond by the "former route as attempted before." Now, how is this? We have the men, and if they are not soldiers, whose fault is it? Surely not that of the men. They, under proper discipline, would be equal to Romans in their best days, or the French under Napoleon in the Italian campaign. But there is no discipline in the army; men are permitted to roam over the country without authority, burning houses, robbing hen-roosts, pig styes, and stables. Now, sir, without more authority in the officers our country is gone, and the best thing the Government can do is at once to recognize the Rebels as a Confederacy, and save our men, money, credit, and self-respect. The army is dying by thousands, and when a man is taken sick his doom is sealed. Oh! for leaders!

From the Philadelphia Press.

Onward! Onward!

Why should there not be an advance along the whole line? Why should an order not be issued directing a general attack to be made at every point in our military border,—an order directing Brown to advance on Pensac