THE MARYLAND NEWS SHEET.

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SEE FOURTH PAGE.

LATEST NEWS.

TELEGRAMS.

FROM KENTUCKY.

Battle Between Gen. Schoepf and Gen. Zollicoffer.

CINCINNATI, January 20.—Important news has reached here from Eastern Kentucky. A battle took place at Somerset, Kentucky, on Saturday, between the Federal troops under Gen. Schoepf and Zollicoffer's forces, lasting from early in the morning till dark. The despatch says that Zollicoffer was killed and his army entirely defeated.—The loss was heavy on both sides.

Another Account---Zollicoffer and Baillie Peyton Both Reported Killed.

LOUISVILLE, Jan. 20.—Gen. Thomas telegraphs to Headquarters, that on Friday night General Zollicoffer came up to his encampment and attacked him at 6 o'clock on Saturday morning, near Webb's Cross Roads, in the vicinity of Somerset At 3 o'clock on Saturday afternoon, Zollicoffer and Baillie Peyton had both been killed and the Confederates were in full retreat to their entrenchments at Mill Springs. The Federal troops were in hot pursuit.

No further particulars respecting the losses on either side have been received.

[THIRD DESPATCH.]

A Decisive Victory.

CINCINNATI, Jan. 20.—The Lexington correspondent of the *Commercial* gives the following brief account of the battle of Saturday:

Gen. Zollicoffer, learning that the Federal forces had appeared in his rear, marched out of his entrenchments at 3 o'clock on Saturday morning, and attacked Gen. Schoepff in his camp. His pickets were driven in at an early hour, and the attack was made before daybreak.

The battle is reported to have raged with great fury until 3 o'clock in the afternoon, when Zollicoffer having been killed, the whole force of Confederates fled in confusion to their entrenched camp. The loss is not stated, but is thought to be heavy.

The Baillie Peyton killed is a son of the ex member of Congress, of Tennessee, of that name

Our victory is said to have been a very decisive one, and will result in the rout of the whole force of the enemy defending the right flank at Bowling Green.

STILL LATER FROM KENTUCKY--ANOTHER VICTORY.

Successful Assault on Zollicoffer's Entrenchments--Generals Thomas and Schoepff--The Stars and Stripes Waving Over the Confederate Fortifications--Death of Zollicoffer Confirmed.

CINCINNATI, Jan. 20.—A combined attack was made to-day on Zollicoffer's entrenchments by Generals Schoepf and Thomas resulting in the complete victory of our armies.

The Stars and Stripes now wave over the Confederate fortifications. We captured all their camp property and have a large number of prisoners. Their loss is heavy.

Zollicoffer's dead body is in the hands of the Federal troops.

STILL LATER FROM KENTUCKY.

The Rout of the Confederates--They Abandon Their Camp, Stores, Wagons, Guns, &c --Heavy Loss of Life.

LOUISVILLE, January 20.—The recent fight, it now appears, took place on Sunday instead of Saturday morning. After the defeat of the enemy on Sunday afternoon, General Thomas followed the Confederates to their entrenchments, sixteen miles from his own camp, and was about to attack them this morning, when he found their entrenchments deserted, the Confederates having left behind all their cannon, quartermasters' stores, tents, horses and wagons, which fell into our hands.

The Confederates dispersing had crossed the Cumberland in a steamboat and nine barges at White Oak Creek, opposite their encampments at Mills' Spring.

Two hundred and seventy-five Confederates killed and wounded, including the bodies of General Zollicoffer and Baillie Peyton, were found in the field.

The 10th Indiana regiment lost 75 killed and wounded.

Nothing further has yet reached here relative to the Federal loss.

Official Confirmation of the Victory in Kentucky.

WASHINGTON, Jan. 21, 10 o'clock A. M.—The Government has this morning received official intelligence of the victory in Kentucky. The account is similar to that received by the Press.

FROM WASHINGTON.

Correspondence with the Prussian Government Relative to the Trent Affair.

WASHINGTON, Jan. 20.—The Prussian Government, through its Minister here, having endorsed the course of England in the Trent affair, Secretary Seward, in response, while transmitting to him a copy of the printed documents bearing upon the subject, trusts they will satisfy the Government of Prussia that if the general peace of the world is to be broken, the fault will not be in anything the United States have done to produce such a disaster, or in the omission to do everything which a just and generous Power could do to prevent it.

The United States at a very early day addressed themselves to the unappreciated task of securing the incorporation of a just, equal and humane principle in the code of maritime war. They have energetically persisted in this great enterprise though all changing events, equally when acting as a neutral and when themselves engaged as a belligerent. The Secretary asks to be allowed the liberty of suggesting to the consideration of the Prussian Government the expediency of improving the occasion which has justly excited so many apprehensions, to recommend the general policy relative to neutral rights, as suggested by our Government, to the consideration of European States, adding, "It is only in a spirit of the utmost respect and deference that I take leave to remark that the periods when the United States will have occasion to act the part of a belligerent will probably be few and brief; while, judging from past experience, we cannot yet hope for so constant a preservation of peace among the nations of the Eastern continent.

The Reported Survey for a New Railroad to Washington.

WASHINGTON, Jan. 20.—Some days ago the House of Representatives adopted a resolution calling upon Secretary Cameron to inform them what surveys are in progress for a railway from Washington to New York, to intersect the Northern Central Railway at a point inside the limits of Baltimore, and whether these surveys were undertaken by authority of the War Department, and if so, under what law. A reply was received to-day, in which it is said no such survey has been undertaken or directed, and this Department has no knowledge of any such survey in progress.

Evacuation of Manassas by the Confederates.

WASHINGTON, Jan. 20.—Information has been received by parties direct from Manassas that the Confederate forces had evacuated that point, falling back to a position further South. It is not known, but the object is supposed to be to counteract an approach movement of our troops from the westward.

Presents from the Emperor of Japan.

WASHINGTON, Jan. 20.—The Government received to-day, as presents from the Emperor of Japan, two elephant tusks eight feet in length, a sword inlaid with gold, and pearls and other a ticles of minor value, including a handsome box containing a brief address or lettter to the President.

Visit of Gen. McClellan and Staff to the Secretary of War.

WASHINGTON, Jan. 20.—At noon to-day Major Gen. McClellan and staff, together with at least a hundred other army officers and a few volunteer officers, proceeded to the War Department to pay their respects to Secretary Stanton. They were introduced by Assistant Adjutant General Townsend, and were in full uniform. This ceremony concluded, they repaired to the residence of Gen. Cameron, where they formally took their leave of him.

The news from Kentucky causes intense delight. It is everywhere credited. No official confirmation, however, had been received up to 9 o'clock to-night.

The Recall of Cassius M. Clay.

The papers for the recall of Cassius M. Clay from his position as Minister to Russia—he having been relieved at his own request—will probably go out by the next steamer. His nomination as a Major-General is thought not improbable by his friends, if it has not already been sent to the Senate.

Release of a Female Prisoner.

WASHINGTON, Jan. 20.—Miss Poole, recently an inmate of the prison appropriated to women in this city, left here this morning in charge of an officer on her way to Richmond. She was released on parole not to give aid and comfort to the enemy.

Dead Horse Flesh.

WASHINGTON, Jan. 20.—Colonel Rucker has been appointed to confer with the Mayor of Washington relative to the removal of the dead horses lying unburied within and without the corporate limits.

Report Not Confirmed.

WASHINGTON, January 20.—The report that Gen. Wool has sent a notification to Norfolk to move the women and children out of that city is not confirmed by official intelligence.

The New Secretary of War.

WASHINGTON, January 20.—The new Secretary of War, Mr. Stanton, entered upon the duties of his office to-day. A large number of army officers, in full uniform, paid their respects to him.

Commissioner of Indian Affairs.

WASHINGTON, January 20.—The Commissioner of Indian Affairs has left here for the West.

Testing Guns.

WASHINGTON, January 20.—Preparations are being made at the Navy Yard to test the strength of the new rifled guns finished there. One of them, a 32-pounder, has been enclosed with heavy timber, and will be fired with constantly increasing charges until it bursts.

Later from California--The Inundation of Sacramento.

SAN FRANCISCO, Jan. 17.—The California Legislature has adjourned till the water subsides from Sacramento. The whole city has been under water from two to eleven feet deep. The people were driven to the second stories of their dwellings, and unable to cook their own food. Cooked provisions have been sent to them from here. The weather is still unfavorable. The whole valley has suffered severely, and many millions of property have been destroyed.

Great Flood on the Ohio River.

CINCINNATI, January 20.—Heavy rains have prevailed here since Saturday night, and in consequence we are having a great flood on the river. The water is now 51 feet, and is rising at the rate of three inches per hour. There is near five feet of water on the first floor of the buildings fronting the river. All the tributaries above are pouring out at flood height.

LOUISVILLE, January 20.—The river is rising here at the rate of three inches per hour, and is rapidly covering the levee and overflowing cellars on the river-bank.

THE LATEST FROM CAIRO.

Reconnoissance in Force Towards Columbus—Abandonment of Fort Beauregard by the Confederates.

CAIRO, Jan. 20.—General Grant and staff arrived yesterday morning. Gen. Paine's brigade reached Fort Jefferson on Saturday night, and General McClernand's brigade will arrive there to-morrow. The object of the recent expedition was a reconnoissance in force of all that part of Kentucky in which a portion of the operations against Columbus must necessarily be performed, and also to make, at the same time, a demonstration to aid General's right wing.

Our forces have been eminently successful. The Engineer Corps under Colonel Webster have obtained full and accurate knowledge of the country.

It is understood that General Smith has taken possession of the camp furniture, and whatever else was left in Camp Beauregard. The Confederates abandoned the place and fled to Columbus.

General McClernand's Brigade went to within seven miles of Columbus, and encamped on Thursday night in sight of the Confederate watch fires. Afterwards they visited the towns of Milburn, Sereleaceville and Blandville, surveying all the roads as they went. Part of General Smith's command will return to Paducah to-day.

FROM GENERAL BANKS' COMMAND.

FREDERICK, Jan 12.—Private but usually reliable advices from Hancock state that Jackson's retirement from Hancock, and his pretended retreat towards Winchester was a ruse, and that, without returning to the latter place he returned with 12,000 men to Romney. General Lander, following out his instructions, fell back on Jackson's approach.

The General Court-Martial, and Board of Examination for officers of the division continue their sessions. Several important trials by the former have recently been made, and the charges, if sustained, involve capital punishment.

All departments are very busy. The regiments both here and above have provided themselves with very comfortable and in many cases luxurious winter quarters, without expense to the government. Supplies of all kinds continue abundant, and the health of the troops continues good.

There is no exciting news along the river line. It is estimated that 300 refugee women from Jefferson county are now in and around this county. Many of them left children at home and are grieving to return, but a strict blockade is kept on by Colonels Geary's, Leonard's and Link's commands.

Later from New Orleans--The Confederates Expecting an Attack--Imperfect Defence of the City.

CAIRO, January 20.—A gentleman from New Orleans arrived here last night, and reports that when he left the citizens were daily expecting that Fort White, commanding the entrance of Lake Pontchartrain, would be attacked and captured by the Federals from Ship Island.

There were not over five thousand volunteers in the city, and not exceeding two thousand more could be raised for the emergency. There are no batteries on the river above or below the city. The only defence against attack from the Gulf are two forts on the opposite sides of the river towards the mouth. He thinks the city could very easily be captured by a small force

Naval Intelligence.

PHILADELPHIA, January 20.—The United States sloop-of-war Hartford dropped down the river yesterday afternoon at Fort Mifflin. She will sail as soon as she takes her powder on board.

Senator from Missouri

ST. LOUIS, Jan. 20.—John B. Henderson, a Douglas Democrat, and an uncompromising Union man, has been appointed by Lieut.-Governor Hall as Senator, in the place of Polk.

CITY INTELLIGENCE

A NEW POLICE FORCE.—The following preamble and resolutions were presented last evening in the First Branch of the City Council, by Mr. Dukehart, as a substitute for the resolution offered by Mr. Evans, requesting the Legislature to pass a law authorizing the City Register to pay the present police force a month's wages out of the funds which are in his hands to the credit of the Board of Police Commissioners. Mr. Evans objected to the substitute and opposed a motion made by Mr. Dukehart that the matter should lie on the table and be made the order for this afternoon at 5 o'clock. Mr. Streeter favored the motion to lay the resolution and substitute on the table, and stated that he could not see the necessity for pressing the subject, as in reality there was no money due the force, and none would be due until the 1st of February. The motion to lay on the table was carried.

WHEREAS, On or about the 27th of June last, the General Government of the United States found it necessary for the preservation of the peace and good order of the city of Baltimore to appoint a Provost Marshal to take charge of the police of the city; and whereas the then Police Commissioners declined to recognize the right of the General Government to appoint a Provost Marshal, and immediately gave notice to the police force under their orders that they were suspended from duty for the present and until further orders, thus rendering it necessary for the Provost Marshal, Col. Kenly, to procure for, and establish for the city a police force; and whereas, to Col. Kenly, as the Provost Marshal, the thanks of the people of the State of Maryland, and more particularly of the citizens of Baltimore, are eminently due for the promptness, energy and vigor displayed by him in organizing an efficient police in the short space of twenty four hours, thus securing order and preserving the peace when the city was left in a state of chaos by the late Police Commissioners; and whereas the subsequent acts of Colonel Kenly, as Provost Marshal, and his successor, George R. Dodge, Esq., the officers and men under their command, have been such as to entitle them to the grateful acknowledgments of the people, not only of citizens of Baltimore, but of the whole country, for the able, efficient and impartial manner in which they have discharged the onerous duties thus suddenly devolving upon them; and whereas, peace and order having been restored in our city, and the loyalty of its citizens fully proved, the majesty of the law fully vindicated by the people of Baltimore in the numerous evidences as evinced by them to support the Union, and the Constitution of the country, we, the representatives of the people of Baltimore in Council assembled, take the occasion to say that we are prepared at once to assume the payment of any police force, so soon as we are legally empowered so to do by the General Assembly of Maryland now in session; therefore—

RESOLVED, by the Mayor and City Council of Baltimore, That the General Assembly of Maryland be, and they are hereby respectfully and earnestly requested to pass an act having in view the establishment of a police force for the City of Baltimore, so that the General Government may be released from the payment of the police force now under its control and pay in this city.

Resolved, That we, the Mayor and City Council of Baltimore, pledge ourselves to levy any amount of tax which may be necessary for the support and maintenance of a full, efficient and loyal police force so soon as we are authorized legally so to do by the Legislature of the State.

A GOOD MOVE.—Yesterday, Mr. Streeter, of the First Branch, offered a resolution authorizing the appointment of a joint committee, to whom should be assigned the duty of classifying and arranging the records, and other valuable papers belonging, to the city. He stated, which is a notorious fact, that these valuable manuscripts, the preservation of which is of such vital importance to the entire community, are lying in a room in the City Hall, in the utmost confusion, and it was impossible to find information which should be within the reach of the people. A move of such importance as that introduced by Mr. Streeter should be heartily seconded by all departments of the city government. The resolution passed the Branch, and the President appointed Messrs. Streeter, Cromer and Young, as the committee on the part of the First Branch.

DEATH OF AN OLD CITIZEN.—Mr. Christopher Raborg, an old and highly esteemed resident of this city, died on Sunday evening last at his residence, No. 168 South Paca street. Mr. Raborg was one of the Defenders of Baltimore in 1814, and the Association of Old Defenders will attend his funeral. He was eighty three years of age, and leaves a large family of grand-children and great-grand-children.

MUST TAKE THE OATH OF ALLEGIANCE.—Yesterday evening the Rev. Mr. Schwartze, member of the City Council from the Second Ward, offered a resolution requesting the Fire Commissioners to have the oath of allegiance administered to all the employees of the Fire Department, and directing them to discharge all who refuse to take the oath of allegiance.

CITY PASSENGER CARS.—Mr. Hooper yesterday presented an ordinance in the First Branch of the City Council to authorize the City Passenger Railway Association to run cars on Sunday, from the 1st of April to the 1st of November. A motion was made to refer it to a committee, but was lost. It was laid on the table under the rule.

A VESSEL DISABLED.—Yesterday morning the schooner Joseph Forsyth, Captain Applegarth, from Washington for New York, arrived at this port. She ran the blockade of the Potomac river on Monday night last, and in passing one of the batteries her foremast was struck by a 32-pound shot, disabling her seriously.

CHARGED WITH THEFT.—Yesterday afternoon a man named Joseph Diddlemeyer was arrested on the charge of stealing a number of gas fixtures and tools, the property of a man named McCall. He was taken to the Eastern district police station, when Justice Spicer committed him for Court.

VACATION OF A HOSPITAL.—The Adams House, corner of Pratt and Hanover streets, which has been for some time past occupied as a hospital by the Government troops, will be vacated in a short time. One of the reasons assigned for this step is the high rent asked for the building.

RELEASE.—We learn that John W. Davis, Esq., has been notified that he is not required to return to Fort Warren at the expiration of his thirty days' parole, but is at liberty to remain in this city and to report to General Dix when required.

Amusements.

HOLLIDAY STREET THEATRE.—Dumas' great drama of the *Three Guardsmen* drew a fine audience last evening at this popular place of amusement. The management has evidently bestowed great care in its production; and while such artistes as Mr. Eddy, Mrs. Phillips, Messrs. Tilton, Knight, Bishop and Chester are embraced in the cast, it cannot fail of having a long and profitable run. It will be repeated to-night, with the farce of *Brother Bill and Me*, and a graceful dance by Miss Olivia.

FRONT STREET THEATRE.—Mr. McDonough appears this evening, for the last time, in two of his celebrated characters—Eustache Baudin and William Tell. Those who have not seen the distinguished actor should attend to-night, as he will not appear to-morrow—Miss Maggie Mitchell being engaged to appear in two of her best plays to-morrow night.

PROCEEDINGS OF THE CITY COUNCIL
(Regular Session.)

FIRST BRANCH—Branch met at 5 o'clock. Present WM. S. CROWLEY, President *pro tem.*, and all the members

Mr. SCHWARTZE presented a petition from Calhoun & Co., of Philadelphia, asking for compensation for firearms taken from a railroad car, *en route* for Cincinnati, on the 21st of April last. Referred.

Mr. DUKEHART presented a petition from Wm. Harris, asking compensation for firearms taken from his store on Pratt street. Referred.

Mr. HOOPER presented a petition from Ann Roach, asking for remuneration for her son, John Roach, who was killed on the 16th of August by the falling of a sand-bank, while in the employ of the city. Referred.

Mr. KIRKWOOD presented a petition from Catherine Huck, asking that the Comptroller may be empowered to rescind a ground rent on a property on Light street, south of Brown street. Referred.

Mr. KIMBERLY presented a petition from James F. Curley, asking for compensation for firearms taken from his store by a mob on the 21st of April last. Referred.

Also, a petition from John C. Bridges and others, praying that the sewer on Schroder street may be so repaired or enlarged as to give it capacity to carry off the water which flows into it. Referred.

Mr. SULLIVAN offered a resolution proposing the appointment of a joint select committe to examine into the vouchers and other papers connected with the expenditure of money for the defence of the city.

Mr. DUKEHART amended by adding "and what disposition has been made of the property purchased by the city for the purpose." Accepted.

Mr. HOOPER amended by adding the words "and where the property now is."

Mr. LAMDEN thought that, as it was probable some of it was down in Dixie, it might be prudent to instruct the committee to go after it. [Laughter.]

The resolution, as amended, was adopted.

Mr. SULLIVAN offered a resolution requesting the Register to furnish the amount of money paid by the City for extra legal counsel for the years 1858, '59, '60 and '61. Adopted.

Mr. CROMER presented an ordinance to regulate the giving out contracts by the City. Laid on the table.

The PRESIDENT announced the following gentlemen as the committee on the part of the Branch on the resolution of Mr. Sullivan—Messrs. Streeter, Sullivan and Dukehart.

Mr. HOOPER presented an ordinance granting permission to the City Passenger Railway Association to run their cars on Sunday, between the 1st of April and 1st of November. Laid on the table.

Mr. SCHWARTZE offered a resolution directing the City Comptroller to have gas mains laid on Exeter and Albemarle streets, between Canton avenue and Alice Ann street. Referred.

Mr. STREETER offered a resolution proposing the appointment of a joint committee to whom should be assigned the duty of the classification and arrangement of the records, and to take measures to secure their preservation. Adopted.

Mr MILES offered a resolution requesting the Warden of the Jail to inform the Branch whether the physician to the jail attends on the sick generally; adopted. Also, a resolution directing the Committee on Highways to examine into the condition of the Liberty road at Gilmore street; adopted.

Mr. EVANS called up the resolution requesting the Legislature to pass a law authorizing the City Register to pay the present police force out of any money in his hands to the credit of the Board of Police Commissioners.

Mr. DUKEHART offered a substitute, requesting the Legislature to pass a law creating a police force for the city. He moved that the whole subject be laid on the table and made the order for half past five Tuesday afternoon. Agreed to.

Mr. SCHWARTZE offered a resolution requesting the Commissioners of the Fire Department to have the oath of allegiance administered to all the members of the fire department. Laid on the table.

Adjourned.

SECOND BRANCH.—Branch met at 5 o'clock. CHAS. J. BAKER, Esq, President, in the chair, and all the members present except Mr. Miller.

Mr. GEORGE called up the resolution in reference to procuring a National flag, which was read, when Mr. MILLER offered the following preamble and resolution as an amendment:

WHEREAS, By resolution now on the table in this Branch, it appears that action was had in the First Branch, on the 7th of January, looking to the placing of a National flag on the hall in which the City Council holds its sessions, which resolution does not make any appropriation for the payment of expenses which may be incurred in carrying out the object therein contemplated, and does not bear the customary enacting clause which is requisite to secure its enforcement; therefore, be it

RESOLVED That the Register of the city be and he is hereby requested to reserve and pay over to the Comptroller, a sum pro rata from the per diems of the members of both Branches, equal to the sum necessary to procure a National flag, to be hoisted over the hall in which the City Council holds its sessions, to be unfurled each day during the session of the City Council.

Mr. ROBB moved to lay it on the table. Carried. Adjourned.

THE FINANCIAL TROUBLES OF MR. SECRETARY CHASE.

From the New York Herald's Monby Article, Jan. 20

The financial imbroglio in Congress is a puzzle to people who take a common-sense view of the situation. What are the facts? Mr. Chase requires a million and a half a day to carry on the war, and owes now, to contractors, a sum variously estimated at from eighty to one hundred millions of dollars. He cannot borrow. The banks, without whose interposition no loan could be negotiated, have already invested their whole capital in Government securities. To go abroad for money would be both idle and repugnant to the pride of the nation. He cannot raise money by taxation in time to relieve his wants. It is plain, therefore, that he must either follow the example of other nations, and issue his paper to his creditors, providing as best he can for its faithful payment, or he must notify Mr. Lincoln that peace must be made. Not a few of the noisiest declaimers against issues of Government paper are probably less stupid than they seem, and are secretly working in the interest of the rebels. Assuming that Government paper must be issued, the questions arise—What kind of paper shall it be? Shall it bear interest? When shall it be payable? When and how convertible, or redeemable in coin?

Some of our bankers insist upon an issue of Treasury notes bearing interest payable or convertible in a year, and not made a legal tender. There are just two objections to this scheme, and they are fatal. The Treasury notes which it proposes to create will be paid by Government to contractors at the rate of a million and a half a day, to say nothing of the present floating debt. What are they to do with them? They will not pass as money, for the banks will not receive them on deposit. The contractors cannot afford to hold them. If they are taken into Wall street, and sold peremptorily, it is a moderate estimate to predict that they will be hawked about unsuccessfully, from office to office, at 30 to 40 per cent discount; for it is utterly beyond the consumptive capacity of this or any other financial centre to take care of nine millions a week of any paper, of any kind, however good.

Even if they could be sold at 30@40 per cent. discount, the banks would lose, at a blow, 30 to 40 per cent, of their $100,000,000 now invested in Government securities, and, on the other hand, the Government would have to pay so much more for everything it needs, as contractors, in offering estimates, would of course take into account the loss on the Treasury notes. This objection must prove fatal to the scheme, and it is hardly necessary to observe that the provision making the new notes interest-bearing is a mere needless expense to the Government, as whatever notes are issued must necessarily pass from hand to hand for their face, and no one will derive any benefit from the interest except the last holder. The first impulse of the House Committee of Ways and Means was based upon sounder principles than this scheme of the bankers. The committee proposed an issue of Treasury notes, bearing no interest, made a legal tender, and convertible at any time into United States sixes. It only required a provision that these notes should be redeemable in coin, at the pleasure of the Government, to make this project as nearly perfect as possible under the circumstances, especially with a system of taxation producing at least $150,000,000 per annum.

The notes paid by Government to contractors would go into the banks all over the country, and would be paid out by them like any other currency. Every year at least $150,000,000 of them would be withdrawn from the banks by taxpayers and paid into the Sub-Treasury. Of this amount, after the peace, the Treasury Department would be able to cancel a portion every year, while another large amount would naturally be converted into United States sixes by their holders. This process would go on until no more notes were left afloat than were required for the ordinary wants of the people as a national currency. It is argued that such an issue as this would cause gold to rise to a premium. It is estimated that the loyal States on the Atlantic contain not less than $300,000,000 of gold coin, and we are receiving $33,000,000 annually from California. As all this precious metal is of no earthly use, except as a currency, and every million hoarded costs its owner $70,000 a year in loss of interest, how high is gold likely to rise? It is reasonable to expect that the holders of these $300,000,000 would resist a premium of 5 per cent.? Would they resist 4? Would not 3 be a more likely figure to bring out coin?

There are a number of persons who are embarrassing the Government in the most annoying manner, by clamoring about the evils of a paper currency, and insisting that Mr. Chase shall pay coin, which he hasn't got, and can't get. Less mischievous people than these are in the right place—in Fort Warren To say that a specie currency is better than a paper currency is as palpable a truism as to say that virtue is better than vice, sobriety than intemperance, common sense than folly. Everybody admits that issues of paper money are a great evil, that suspensions of specie payments are very bad, and that it is extremely objectionable to make anything but gold and silver a legal tender. The question is, Which is the greater evil—to issue paper and make it a legal tender, or to stop the war and acknowledge the Southern Confederacy? One or the other must be done, and at once Borrowing impossible; taxation too slow; the issue of exchequer bills; to be slaughtered in Wall street, too prodigal; there remains but one resource—the issue of Treasury notes, made a legal tender—unless we are prepared to lay down our arms and admit the dissolution of the Union. The dilemma is unfortunate, undoubtedly; but in our present circumstances it is unavoidable.

THIRTY-SEVENTH CONGRESS.---FIRST SESSION.

SENATE.

WASHINGTON, Jan. 20.—Among the petitions presented were the following: From citizens of Pennsylvania for the appointment of homoeopathic surgeons in the army. From Benjamin Silliman, Jr., and others of Connecticut, for the continuance of the coast survey, as a military necessity. From citizens of Monroe county, N. Y., charging slavery as the cause of all our difficulties, and asking its abolition; and from citizens of New York city against the appointment of a solicitor of customs

Mr. SHERMAN, of Ohio, from the Committee on Compensation, to which it had been referred, reported back a bill regulating the pay of officers of the Navy, and for other purposes, recommending its passage.

On motion of Mr. NESMITH, of Oregon, a resolution was passed instructing the Committee on Post-offices to inquire into the expediency of establishing a daily mail from the Dalles, in Oregon, to intersect with the inland mail route near Great Salt Lake, Utah Territory.

Mr. WADE, of Ohio, introduced a bill to authorize the Secretary of War to appoint one or more additional assistant secretaries in his department, to discharge such duties as he may direct, the term extending for one year.

Mr. W. remarked that he had seen the new Secretary, (Mr. Stanton,) who was about organizing his department, and deemed this authority necessary to enable him efficiently to discharge the duties he was entering upon. He, therefore, urged that the bill be immediately passed.

Mr. TRUMBULL, of Illinois, opposed to such hasty legislation, as likely to be imperfect; and it having been suggested that the other assistant secretaries were appointed by the President, (not the heads of departments,) and with the consent of the Senate, the bill, was, on motion of Mr. T., referred to the Committee on Military Affairs.

Mr. RICE, of Minnesota, introduced a bill to incorporate the Washington and Georgetown Railroad Company. Referred to the Committee on the District of Columbia.

Mr. WADE, of Ohio, introduced a bill to promote the administration of justice. It repeals that portion of the act of Congress which exempts persons from prosecution who have testified before committees of either House of Congress.

Mr. KING, of New York, moved to refer the bill to the Committee on Judiciary.

Mr. WADE urged that it was under the law as it now stood, that Floyd, Russell, Bailey and others, who had defrauded the Government, had got off.—It was framed for just such folks, and the old common law doctrine, quite insufficient for such cases, was thus set aside, which exonerates parties from testifying when it was supposed they might thereby criminate themselves.

The bill was then referred, as moved by Mr. King.

Mr. SUMNER, of Massachusetts, submitted a resolution to authorize certain naval officers to accept presents from the Japanese Government. Referred to the Naval Committee.

Mr. CLARK, of New Hampshire, introduced a bill to authorize the payment of compensation for occupation of property by troops of the United States.

[This bill prescribes that persons owning real estate within the prescribed limits of the District of Columbia and within the State of Maryland, which shall be occupied by troops, shall be entitled to a fair rent and full compensation for damages. Also the appointment by the President of four commissioners, two from the military, one from the District of Columbia, and one from Maryland, to decide upon rents and damages, the military commissioners to have $2 per day additional for their services, the pay of the other two being left in blank.]

On motion of Mr. WILSON, of Massachusetts, all prior orders were postponed to take up the bill to amend the 55th article of the Articles of War, making the first and second sections read as follows:

Section 1. Whoever, belonging to the armies of the United States in foreign parts, or at any place within the United States or their Territories, during the rebellion against the supreme authority of the United States, shall force a safe-guard, shall suffer death.

SEC. 2. AND BE IT FURTHER ENACTED, That in time of war or rebellion against the supreme authority of the United States, all persons who shall be found lurking, or acting as spies in or about the fortifications, encampments, posts, quarters, or headquarters of the armies of the United States, or any of them, shall suffer death, by sentence of a general court-martial.

Mr. HALE, of New Hampshire, wanted to know what "a safe-guard" meant?

Mr. WILSON explained that it was a military term—a mounted guard.

Mr. HALE didn't like technical terms in statutes.

Mr. WILSON said that the articles of war were acts of Congress, and this phraseology was employed therein. The law, as it now stands, provides only that a person who forces a safe-guard of the Republic in foreign parts suffered death. The object was to make the same penalty for the same offense here at home, and for lurking or acting as spies, so as to make it apply to this rebellion.

Mr. PEARCE, of Maryland, said the original law applied only to persons "lurking as spies," whereas the new proposition went much further, reaching persons who might be found about posts or fortifications, "lurking" though it may be called, with no evil intent and doing no harm.

Mr. HARRIS, of New York, moved to amend by making it read "lurking as spies, or acting as such," which was accepted.

After further conversation on its importance,

On motion of Mr. FESSENDEN, the bill was laid over till to-morrow.

Mr. POMEROY, of Kansas, introduced a bill for establishing two land offices in Colorado, which was referred.

Mr. WADE, of Ohio, submitted a joint resolution, appropriating the sum of $10,000, or so much thereof as may be necessary, to pay the expenses of the joint committee of the two Houses of Congress to inquire into the conduct of the present war Referred to the Committee on Finance.

On motion of Mr. FESSENDEN, of Maine, the bill from the House making civil and diplomatic appropriations for the year 1863, was taken up. Various amendments were considered, including the proposed striking out of certain appropriations for consuls appointed under an act passed last session, on the plea of the necessity of such officials at certain ports in view of the dangers from Confederate privateers. In discussing the bill some flagrant instances of hasty legislation at the extra session were pointed out. The bill was passed.

The Senate took up the special order, the report of the Judiciary Committee adverse to the resolution of Mr. Wilkinson, of Minnesota, for the expulsion of Mr. Bright, of Indiana, from his seat in the Senate, on the ground of disloyalty—the committee declaring that the facts do not justify such expulsion.

Mr. WILKINSON, of Minnesota, spoke in favor of the expulsion, declaring the necessity of a firm, heroic action, without reference to personal friendship on the part of Congress in such a crisis, if the country was to be saved. He read the letter dated 1st March, 1861, on which the charge of disloyalty had been founded, addressing Jefferson Davis, as "his Excellency the President of the Southern Confederacy," when introducing Thos. B. Lincoln, who wished to present a new firearm for the attention of Mr. Davis, and whom Mr. Bright spoke of as "reliable;" he also read the subsequent written explanation of Mr. B., in response to a private inquiry, in which he denounces abolitionism, and expresses indisposition to satisfy mere abolitionists. He said Mr. Bright had here declared he had done nothing which he would not do over again.

After dwelling upon this point he reviewed the passing events of that day, and the declarations of Southern Senators to show that the offending member knew there must be war, and then did all in his power to aid his friend, T. B. Lincoln, in his treasonable purpose of introducing into the Confederate service improved firearms. He read also extracts from the speech delivered by the Hon. Mr. Wigfall, of Texas, in the Senate in January last, declaring the purpose of the South to set up a separate Government rather than submit to the Yankee domination and policy, and if opposed, to make war on the Government—accept the wager of battle, with the determination never to be subdued. Mr. Wilkinson dwelt upon the second letter of Mr. Bright, which is to Mr. Fitch, and the declaration therein that he is opposed to "the whole coercion policy" of the administration Believing the evidence proved conclusively that the sympathy of the Senator was with the rebellion, he would never consent that he should participate in the secret sessions of the Senate, and thus possess himself of the secrets of the Government.

Mr. BAYARD, of Delaware, thought that an improper interpretation has been put upon the letter of Mr. Bright, by giving emphasis to certain words. He did not think this proper, and regarded the use in the letter of the term "President of the Southern Confederacy," as nothing more than evincing an intention to be respectful, which was usual and necessary in a letter of personal introduction. At the date of the letter, the 1st of March, 1861, there was no certainty that there was to be a war, especially such as has since been waged. Many thought there would not be, as the constitutional question of the right of a State to recede was still a mooted one. He cited instructions of Mr. Seward to Mr. Adams, written forty days after Bright's letter, showing that at that time neither Mr. Seward nor the President regarded it as settled that coercion was to be employed to subdue the seceded States, but indicating their expected return through those measures of conciliation under the Constitution—as a national convention, for instance—which still remained. Others then thought differently—thought war must come; and now the great mass seemed to regard the waging of bloody war as the only means to be employed.

Mr. B. did not believe yet that this Union was to be restored by war, though he might be declared disloyal therefor; but while he held a seat here he should declare his convictions, and this was one of them. Others thought differently, but he believed that eventually the people would come to a like conclusion with himself. Mr. Bayard then referred to that portion of Mr. Bright's second letter, in which he speaks of abolitionism. He hoped that it had not come to pass that to speak of abolitionism as an evil was disloyalty—that to be opposed to the Republican party is to be a rebel. If so, there are others to be placed in the same category. It might be a reason for a political party not to elect an individual to Congress, or to other positions, but it certainly did not justify expulsion.

Mr. MORRILL, of Vermont, favored the expulsion. He contended that the letter of Mr. Bright to Jefferson Davis was treasonable, as Davis at the time was waging open war against the Government, and had raised armies therefor. It had been said that the letter was only respectful, but he would say that it was the tone of a courtier—it was friendly, using the term "my dear sir." This Mr. Lincoln was about to leave to join and aid a man who was a traitor, levying war, and Mr. Bright knew it was the purpose of Mr. Lincoln to go and join him, yet he gave a passport therefor, declaring him as reliable. He spoke of the letter as being marked "private and confidential," when Mr. BRIGHT promptly rose and denied that those words were on the letter, and appealed to the chairman of the Judiciary Committee.

Mr. TRUMBULL responded that the committee had a certified copy of the original, and the words private and confidential were not on it.

Mr. BRIGHT called for the reading of a letter of similar import, which he addressed some six months before to Captain Franklin and Captain Meigs, introducing a gentleman who had something to bring to their notice. The concluding terms are exactly the same, and therefore it was not for Mr. Morrill to dwell upon them as friendly. They were common.

Mr. TRUMBULL explained that the letters were found on the person of Mr. Lincoln when he was arrested in Cincinnati, and that he wrote to the District Attorney therefor, who, however, only sent certified copies. He read the letter introducing Captain Franklin, who was at one time connected with the Capitol extension.

Mr. T. went on to express his disapprobation of Mr. Bright's course, saying that he disagreed in committee with the majority, and declared that the person whom Mr. Bright was so anxious to befriend was now held in prison for treason.

Mr. PEARCE, of Maryland, urged that at the time Mr. Bright had written the objectionable letter no force had been arrayed by the Government, and not a gun had been fired except the two or three at the Star of the West. And after that, when the President's Inaugural was delivered, it was argued here on this floor that it meant not war, and no one denied it. It was evident that the President did not regard the country in a state of civil war. Therefore Mr. Bright could not fairly be charged with corresponding with the enemy in a state of civil war. At that time, and even now, he presumed, there were those who, in view of their previous acquaintance with Jefferson Davis, were his personal friends still, even though they might condemn his course, and disagree with him entirely. He did not see that that should debar them from addressing him as "dear friend," instead of rebel and traitor. The phraseology was more common, and as used by Mr. Bright evidently had nothing more than the most ordinary signification.

Without disposing of the subject, the Senate adjourned.

HOUSE OF REPRESENTATIVES.

The SPEAKER laid before the House two communications from the Secretary of War in answer to resolutions from the House relative to the railroad survey between Washington and New York, and the dead horses in the outskirts of the city. Referred.

Hon. W. A. HALL, representative from the Third Congressional District of Missouri, appeared upon the floor and was sworn in.

Mr. DAWES, of Massachusetts, from the Committee on Elections, reported a resolution declaring the Hon. Joseph Segar not entitled to a seat in the Thirty-seventh Congress as a representative from the 1st Congressional district of Virginia. Ordered to be laid on the table and printed, and to be considered at a future day.

Also, that Mr. Segar be allowed to retain his seat, and address the House upon the merits of his case until it be decided. Agreed to.

Mr. KELLOGG, of Illinois, from the Judiciary Committee, introduced a bill authorizing the Secretary of the Treasury to settle with the States for supplies furnished by them to their troops. Referred.

The bill to amend an act supplementary