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"THE UNION, THE CONSTITUTION, AND THE ENFORCEMENT OF THE LAWS."

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Latest News by Telegraph TO THE BALTIMORE CLIPPER.

FROM THE ARMY OF THE POTOMAC

MALVERN HILL ONCE MORE!

Particulars of Hancock's Recent Movement.

Capture of Many Prisoners and Several Pieces of Artillery.

ANOTHER CANAL SOHEME.

Gen. Butler Digging Around Fort Darling.

FROM SHERMAN.

A REBEL RAID ON DALTON, GA.

Gen. Sherman Prepared to Meet It

More Depredations by the Pirate Tallahassee.

ETC. ETC. ETC.

Grant's New Movement.

Hancock's Brilliant Operations—Capture of Eight Cannon.

WASHINGTON, Aug. 16.—[Special Dispatch to the Inquirer.]—Your special correspondent at the front transmits the following, under date of Monday, August 16:

Yesterday morning they packed up and hitched up everything rather hastily at the army headquarters, preparatory to a move. An attack was expected from the enemy. Hancock has had the rebel pickets and two of our principal forts in front of the Ninth Army Corps. Large rebel working parties have been seen in motion every day for some time back, and our pickets have been so busy that it is quite likely that they are now situated in front of the Ninth Army Corps, as the position occupied by this corps is much nearer the city of Petersburg and the enemy than the position occupied by any one of the other corps.

After waiting a while for the enemy to make their demonstration in attempting to blow up the forts and simultaneously to attack us, we again unbuckled and moved. Hancock's headquarters is to-day where it has been for some time.

This scene, or whatever it may be called, led to the pretty thorough cleaning of the field hospital.

There was no cannonading and less picket firing last night than usual, and now I hear only an occasional musket.

On Saturday the Second Corps was put in motion on the James river, and by a circuitous route reached the north side of the river at Deep Bottom, near Dutch Gap, on Saturday night. Turner's and Terry's divisions, of the Fifth Corps, were moved over to Deep Bottom on Saturday night. Foster's division, which had for some time been posted at Deep Bottom, was advanced by General Birney a little distance on Sunday morning, pushing the rebel line of skirmishers before them for some considerable distance, when the Twenty-fourth Massachusetts regiment, Colonel Gibson, charged and broke the rebel line and captured several prisoners. Meanwhile Gregg's cavalry had cleared the roads for Hancock, and he got his Second Corps into position on Birney's right, on the New Market road, which leads to the vicinity of Malvern Hill directly to Richmond.

The position thus taken by Hancock is about ten miles from Richmond.

Birney made an assault on his front, and carried a line of the enemy's works, and guarded the approaches to Richmond in that quarter, capturing six pieces of cannon and two mortars.

The larger part of the prisoners taken belonged to Longstreet's Corps, which indicates that Longstreet has not reinforced Early, as has been supposed by some.

No intelligence has been received here corroboratory of the report current in New York of the capture of Fort Darling.

The New Movement.

CITY POINT, VA., August 15.—When, at early dawn on Saturday, the 12th, the ever-fighting Second Corps came marching into our wretched city with bands playing, bayonets gleaming, and torn banners fluttering, everybody and his friend guessed its destination to be Maryland or Pennsylvania.

The shipment of the troops was made from the points—the one at the mouth of the Potomac, at the latter place the Military Commission had an ample supply of food, which was duly drawn upon. As each vessel loaded up, she headed down stream and anchored off Lighthouse Point. Officers from Washington, why not go down? Why anchor there? queried one "cute" person, which caused another observant individual to remember that he had seen the pickets, which he just before the Point, all manned and awaiting orders.

This settled the question of up or down stream in their minds. The loading of transports continued until dark. At midnight I was disturbed by the conversation of two men, the same two whose opinions I have just recorded. They had watched since dark the fleet as it lay at anchor, and now they were about to have their view confirmed, for presently there glided past us an ominous silence the Kenesha, on which were Gen. Ala Hancock, Butler, Miles, and their staff. Fifty rods off the rear came another vessel, then another and another, until thirty-two had passed. Watching them until their lights were put out by Turkey Head, I retired.

At 8 A. M., of Sunday, the 14th, the Meteor, more recalled on board General Grant and staff, and passed up the river. Half an hour

after the United States Sanitary Commission, Governor Curtis, laden with supplies and horses, followed to land the whereabouts of the 2d Corps. Before arriving at her destination, she was halted by the gunboat Agawam. This vessel, while engaging a rebel schooner, previously had received a shell, which exploded, killing three men and wounding eight others.

Leaving all necessary supplies with them, the boat soon arrived at Deep Bottom, the place where our troops had debarked. They had already found the rebel pickets, and were engaged him about a mile distant from the bottom, and though it was evident we had surprised him, he was rallying admirably.

Later in the day when the Governor Curtis took more supplies and a reinforcement of nurses, we learned from very reliable sources that all well-defended positions, in which we lost two hundred and fifty in killed and wounded, very few killed, however.

We have captured six guns, two mortars, and one hundred prisoners. The object of the expedition is not yet apparent to outsiders. If the capture of Fort Darling be, we have first to pass the Howlett House battery, built on as high a bluff as Darling itself, from whence they could deliver a plunging fire such as no vessel could stand.

Commanded by this battery is a bar over which only very light draft vessels could pass. I hope it will not contraband for me to tell that measures are in progress by which these obstacles will no longer be considered as such, the conformation of the river near there favoring a canal project, which already gives earnest of better results than the Vicksburg canal. Other points, not necessary for me to state, discourage the idea of Fort Darling being the real point of attack.

These lines reach you, however, this point will probably be settled.

LATER ACCOUNTS.

HEADQUARTERS ARMY OF THE POTOMAC, August 16th.—Everything remains quiet in front of Petersburg. The enemy during the past two nights has been feeling our lines on the left, but nothing more than a skirmish has so far taken place.

The telegraph operators Flynn and Ham-bright, on duty at General Burnside's headquarters, who have been on trial during the past week, charged with making known the substance of despatches to others than those to whom they were addressed, were found not guilty by the court-martial.

Gen. Meade, however, deeming them to have been guilty of disobedience of orders and a breach of trust, has ordered them to be sent beyond the limits of the army, and forbidden them to return.

Deserters continue to arrive in small squads. A lieutenant and twelve men reached here yesterday.

They all tell the usual stories of demoralization and the prospect entertained in their ranks of a speedy destruction of the rebel army. Thousands, they say, are leaving our ranks without receiving any pay, while their families are starving, and they are determined to stay in the service no longer under any circumstances.

General Park is now in command of the 9th Army Corps.

THE MOVEMENT OF THE JAMES RIVER.

Additional particulars have been received of the action of Sunday. Part of the 2d Corps and part of the 10th Corps, engaged the enemy in the afternoon near Deep Bottom. The 10th Corps, under Gen. Birney captured part of a line of earth works with four 8 inch brass guns and a number of prisoners. His loss was small. The enemy fell back to a strong position.

The Second Division of the Second Corps was drawn up in line of battle, and advanced about a mile beyond where General Hancock captured the four guns two weeks ago.

Here the first brigade, Col. Macy, commanding, took the lead and charged across a corn field, over a hill and down into ravine, where they came to a swamp with a stream on the other side, and the ground covered with impenetrable brush on the margin.

During all this time they were exposed to a heavy fire from the rebel artillery, which did a good deal of damage. As it was found impossible to cross the ravine, the men were halted and lay concealed as well as possible until dark, when they were withdrawn.

Colonel Macy had his horse shot under him and mounting General Barlow's horse, the animal became unmanageable, and finally falling on the Colonel, badly bruised him.—The Colonel was wounded in the Wilderness battle and had returned to the field only a day or two before. The division lost at least three hundred men in this engagement.

The 1st and 2d Divisions, which were in support, lost about 250 in killed and wounded from the effects of the rebel artillery. The wounded were all brought off and are nearly all being cared for at City Point.

Lieut. Col. Warren, of the 36th Wisconsin, lost his left arm while gallantly leading his regiment in the charge. Major W. H. Hamilton, of the 36th Wisconsin, was severely wounded in the face, and Capt. Lindley, of the same regiment, killed.

Sergeant Hall, of the 36th Wisconsin, was killed, and about 12 of the men wounded. Sergeant Fachs, of the 30th Wisconsin, color bearer, was badly wounded (the third time for him in the present campaign).

Our troops still hold their position in front of the enemy's works, which are very strong, naturally so, owing to the formation of the country in the vicinity.

From the Lower Mississippi.

CAIRO, August 17.—Vickburg advices of the 10th say that two steamers, on a cotton expedition up the Yazoo, are reported captured by the rebels. A force of rebels, reported at 500 strong, attacked a force guarding a plantation in the vicinity of Goodrich Landing. They were held at bay until our troops were reinforced, and the rebels were driven back with considerable loss.

The steamer Malette, from New Orleans, on the 10th, has arrived. She was not molested on the way up.

Gen. Harbitt has arrived here.

Gen. Payne has returned from a guerrilla expedition in Tennessee.

A Rebel Raid.

Gen. Sherman Prepared to Meet It. LOUISVILLE, Aug. 18.—Wheeler, with 1,700 men, demanded the surrender of Dalton, Ga., on the evening of the 13th, of Col. S. G. Bold, of the Second Missouri, commanding that post, with 800 men. A slight skirmish was going on when the train left.

General Stedman was telegraphically advised thereof, and started with a large force from Chattanooga. The latest heard from Dalton was just at nightfall on the 14th, when cannonading was prevailing. Rumor says that trains were leaving Rerosa. This raid had been anticipated by Gen. Sherman, and he was prepared to meet it at all important points.

On Saturday three hundred guerrillas attacked Selma, Livingston county, Kentucky, garrisoned by three hundred of the 6th Kentucky, and after a sharp fight they were repulsed with the loss of eight killed and fifteen badly wounded, and several captured.

SECOND REARCASE. LOUISVILLE, August 17th.—Three hundred and fifty head of cattle captured by Wheeler have been received, and the damages to the railroad near Caltown repaired.

Four trains were at Dalton when last heard from. On the refusal of Seibold to surrender, Wheeler attacked Dalton and gained possession of some buildings in the town, where the enemy kept up a harassing fire, driving Seibold to the railroad station where they checked the rebels. The enemy was on both sides of the railroad trying to cut the road, but Seibold will probably reinforce Seibold in time to prevent it. A train is reported to have been captured at Altoona pass. Wheeler's force is probably divided and operating at different points. That portion at Dalton is aiming to destroy the tunnel at Tunnel Hill. Telegraphic communication with Dalton has ceased by the cutting of the wire.

DEPREDACTIONS OF THE PIRATE TALLAHASSEE. YACHTOWN, N. S., August 16.—The schooner Sophia, from Turks Island, has arrived to-day with the crews of the following vessels, sunk by the pirate Tallahassee:

Ship James Littlefield, of Bangor, Me., from Cardiff for New York, sunk on the 14th in lat. 42°, long. 66°; schooner Lamont, of Delaware, sunk 13th in lat. 40°, long. 18°; schooner Mercy, A. Hone, of Chatham, sunk yesterday in lat. 43°, long. 66°.

After the crews of the above vessels were put on board the Sophia, the Tallahassee sunk four other schooners, one of which was the J. H. Brown, of Gloucester. The smoke of a steamer was seen this morning in the direction of Seal Island.

Thomson, Me., August 17.—The rebel steamer Tallahassee, yesterday destroyed twenty-five vessels of Matineux Creek. He is manned mostly by Nova Scotia men. After sending the crews and passengers of the vessels destroyed into Friendship by small craft she steered in an easterly direction.

Boates, August 17.—A dispatch from the American Consul Agent at Yarmouth, Nova Scotia, states that six vessels were destroyed by the pirate Tallahassee on Monday, six miles from Cape Sable. Thirty men of the crews were landed at Yarmouth destitute. The pirate was in sight on Monday morning.

WASHINGTON, August 17.—Captain Fogar, of the revenue-cutter Miami, in a letter to the Treasury Department, dated New York 15th, repeats many of the particulars already known concerning the pirate Tallahassee, and states that he was on the eve of again starting on a cruise after the pirate, which he adds was built for speed, and has a crew of about 140 men, regarded as a perfect set of officers, and not under the control of the officers. From what he could learn from some of the victims of the Tallahassee, she intends to follow the track of European vessels, and destroy everything American that comes in her way.

The Fight between the Kearsarge and Alabama. WASHINGTON, August 17.—Captain Winslow, at the request of the Navy Department, has furnished a full statement of the fight of the Kearsarge with the Alabama. His dates, his letter, English Channel, July 30th, and mentions the fact, that just previous to the encounter, he had an interview with the French Admiral at Cherbourg, and assured him that in the event of an action, the position of the ships should be so far from the shore, that no questions could be advanced about the line of jurisdiction.

The night before boats were moving between the Alabama and Cherbourg, and in the morning strange men were seen stationed as captains of the guns, among them Lieut. Sinclair, who joined her at Cherbourg. The police prevented others from going on board. Captain Winslow repeats that the yacht Diorhond, under the garb of friendship, was affording assistance to the Alabama.

Reported Defeat of General Bull by the Indians. CHICAGO, Aug. 17.—The Dacotah Union, of the 9th instant, says: A rumor was prevalent at Fort Randall, that Indian runners had arrived among the Yanktons, with intelligence that Gen. Bull had a battle with the Indians on Knife river, and had been disastrously defeated. The rumor needs confirmation.

The Overland Mail. WASHINGTON, August 17.—The Postmaster General is on the eve of concluding a contract for the overland mail service from Missouri to California for four years from the 1st of October at the rate of \$750,000 per annum.

Payment of U. S. Army. WASHINGTON, August 17.—The sum of \$5,500,000 was yesterday sent to Paymasters for the armies under Gen. Grant and Sherman, in addition to the amounts recently furnished by the Treasury Department for troops in other localities.

Shorman's Army.

Two Miles from ATLANTA, GA., Monday, August 8.—A. M.—[Special Dispatch to the New York Times.]—Nothing but transports and mules nearer the railroad last night under a dark fire from the enemy.

The morning opens with any indications that anything decisive is on hand. The railroad trains come regularly to the front, avoiding clouds of convalescents. OUR LINES ADVANCE—TRACK OF THE ARMY REVERSED.

NASHVILLE, August 14th.—[Special to the Cincinnati Gazette.]—Latest dates from Atlanta are to the 10th. Since Schofield's movement of the 5th, to get on the Macon railroad, nothing important has been done. These movements have been partly successful, and the rebel line assumed a position about three miles north of East Point, and about one mile from the railroad.

The line thence extends north around the city to the Chattahoochee Railroad, with a defensive crotchet on the right strongly posted on Uttery Creek. Sherman has been making gradual approaches and is very near the enemy's works, with works fully as strong as those of the Confederates.

On the 6th, the rebels, becoming anxious over the approach of our army, made a demonstration on the Sixteenth Corps, but were heavily punished and driven back. Our loss was slight.

Had he certainly received large reinforcements, and evince a determination to make a desperate resistance. His troops are reduced to the barest rations of meat and bread, but otherwise there is plenty. Hood is strongly posted, but it is believed that his works could be carried.

The 9th of the city was shelled from all sides of the line with great vigor. Deserters and prisoners say Mobile has been taken. This may be only their opinion formed on the result of our progress already made.

Joachim succeeds Palmer in command of the Fourteenth Corps. Slocum succeeds Hooker.

SECRETARY WELLES CONTRACTS LATES ADMIRAL FARRAGUT. WASHINGTON, Aug. 16.—The Secretary of the Navy has addressed the following to Admiral Farragut:

Your dispatch of Aug. 15, 1864.—Sir—Your dispatch of the 15th inst., stating that you had on the morning of that day entered Mobile Bay, passing between Fort Morgan and Gaines, and encountering and overcoming the rebel fleet, I had the satisfaction to receive to-day.

Some preliminary accounts of your operations had previously reached us through rebel channels.

Again it is my pleasure and my duty to congratulate you and your brave associates on an achievement unequalled in our service by any other Commander, and only surpassed by four of the greatest sea warriors of the world.

The loss of the faithful Gravel, since 1862, when, proceeding up the Mississippi, you passed Fort Jackson and St. Philip, and, against all obstacles, captured New Orleans, and saved the new continent from being sold to the commercial emporium of the great central valley of the Union.

The Bay of Mobile was not only fortified and garrisoned, but a tremendous shore and by submerged obstructions, but the bay had also collected there a formidable fleet, commanded by their highest naval officer, a gallant and distinguished sea warrior, who, in faith to the Government and the Union flag, deserted his country in the hour of peril, and leveled his guns against the flag which it was his duty to defend.

The destruction of Mobile Bay which you have acquired will close the illicit traffic which has been carried on by running the blockade in that part of the gulf, and gives peace and happiness to the millions who are benefited thereby.

Great results in war are seldom obtained without great risks, and it was not expected that the possession of the harbor of Mobile would be secured without disaster.

The success of the day, and the brave companions, with the Tecumseh, a vessel that was invaluable to the guns of Fort Morgan, by a concealed torpedo, was a curious and such no human foresight could guard against.

While the nation awards cheerful honors to the living, she will ever hold in grateful remembrance the memory of the gallant and lamented dead, who perished while they live for their country and died in her cause.

To you and the brave officers and sailors of your squadron who participated in this great achievement, the Department tenders its thanks and those of the Government and country. Very respectfully,

GUYON WELLES, Secretary of the Navy. R. at Admiral David G. Farragut, commanding West Gulf Blockading Squadron, Mobile Bay.

Great Fire at Quebec—Estimated Loss over \$1,000,000. QUEBEC, August 14.—About ten o'clock last night a fire broke out in Peter's saw mill, Great street, St. Roch, and spread with great rapidity. Two entire blocks of buildings, formed by the intersection of St. Vallier, Esprit, St. Dumais, Grant, and Desparrie streets, were destroyed. Several houses were pulled down in order to prevent the flames from communicating with other blocks—600 of the buildings consumed were worth a lot of brick. Loss estimated at over \$1,000,000.

APPOINTMENTS. WASHINGTON, August 17.—Lieutenant Col. Elias M. Groves, late Chief Quartermaster of the Department of Washington, has been appointed Assistant Quartermaster General, with the brevet rank of Brigadier General, and assigned to duty in the Departments of Ohio and the Cumberland. He is succeeded here by Captain Elliott, of New York, who is promoted to Lieut. Colonel.

Ex-Mayor Park Released. CAIRO, Ill., Aug. 15.—The Memphis Belle-ton says that Ex-Mayor Park has been released from prison, he having written a letter which was satisfactory to the military authorities.

Thinking of a Steamer. CAIRO, Aug. 15.—The Memphis Gladiator, from St. Louis, for New Orleans, loaded with Government freight, struck a rock in the Mississippi River, thirty miles above here, yesterday, and sank to the sea. Her crew will doubtless be raised.

Return of Correspondents from Sherman's Army. NASHVILLE, Aug. 15.—Several correspondents of different newspapers have arrived here from below, says they anticipate no early movement of importance.

Sheridan's Army.

Our Advance into Strasburg—We Retire and Again Occupy the Town.—The Rebels in a Strong Position. HEADQUARTERS OF GENERAL SHERIDAN, NEAR MIDDLEBURGH, VA., Sunday Night, August 16.—[Special Dispatch to the New York Tribune.]—Enclosed my hurried dispatch of this morning, I stated on the authority of a current report, which lack of time prevented me from investigating, that the enemy had withdrawn to his works behind Strasburg, and that many believed him in readiness to encamp there whenever offered. The enemy's pickets, stationed at a short distance beyond Cedar Creek, were withdrawn on the 8th night, and on yesterday morning our cavalry crossed and took possession of Strasburg.—The rebel pickets soon after reappearing, the cavalry withdrew, assuming a new line within three miles of the town.

The explanation of this maneuver on the part of the enemy is possibly to be had on the supposition that he had received reinforcements in sufficient numbers to warrant the acceptance of battle in his chosen position.

The reconnoissance, consisting of the Jersey Brigade, composed of the 8th, 9th, and 10th regiments, each from the 8th and 10th corps, was made to night, at six o'clock, resulting in the pushing back of the enemy's skirmish line to within a short distance of the town.

The enemy did not seem particularly desirous of holding his line, and as our skirmish line supported by steadily advancing battle lines approached his position, retired toward Strasburg, keeping up a lively fire as he went.

Whether the enemy intends to fight at this point still remains a matter of conjecture.

Yesterday and to-day our troops have retreated quietly in camp. Everything is in readiness for a movement, however, and should the need rest in his present position, active operations will undoubtedly soon commence.

The present strength will be seen at a glance, and may account for delay.

The works occupied by the enemy on Fisher Hill and vicinity are naturally of the most formidable character, and preclude demonstration of the exercise of the greatest circumspection in assaulting them. Gen. Sheridan's headquarters are at Bell Grove, the residence of Mr. Benjamin Gooley, one mile from Cedar Creek crossing. Generals Cooper, Fremont, Sigel and Hunter, have respectively occupied the same situation at different times during the war.

A rebel spy was hung near Middleburg, where he was recognized by several officers as a bounty jumper from our army and a spy in the service of the enemy. A court martial had decreed the sentence of death, which sentence was executed to-day.

The weather is very warm and rain greatly needed in the valley. A general hospital has been established at Winchester.

Monday Morning, August 15.—Our forces are now in possession of Strasburg.

On our advance toward the town the enemy, who were posted in the spring of the line, fell back out of the town, leaving it in our possession. The enemy has abandoned his works beyond Strasburg, and is believed to be retreating towards Mount Jackson.

National Finances. WASHINGTON, August 17.—The official statement of the public debt on the 15th inst. shows the amount outstanding to be \$1,849,714,555, and the interest in both coin and lawful money to be \$76,988,000. The unpaid requisitions are \$85,600,000, and the amount in the Treasury over \$11,500,000.

As contracted with the official statement on the 19th of July, the public debt up to yesterday, has increased \$52,500,000.

The subscription to the 7-30 loan reported to the Treasury Department for to-day amount to \$2,326,000.

Several millions of Treasury notes, to meet this subscription, have just been sent to New York and elsewhere, and in the course of next week it is expected that applications will be forwarded to the Assistant Treasurers and National Banks in the principal cities, so that subscribers will not be subjected to delay.

In other words, the supply of Treasury notes will keep pace with the demand.

Much trouble is experienced at the Treasury in the conversion of the 7 30 into 6 per cent. bonds of 1881, owing to parties frequently endeavoring for others not holding legal authority for so doing, as imperatively required by a rule of the Department in this and all other similar transactions.

FROM SAN FRANCISCO. SAN FRANCISCO, August 17.—An application was made to the United States Circuit Court yesterday for the release of Charles L. Weller, lately confined in Fort Albatross, for using treasonable language, in urging Democrats to an armed resistance of the draft, etc. The application for the release is based in the Act of Congress requiring the civil indictment of parties arrested by the military authorities in the loyal States, and their discharge within a certain time.

The Supreme Court of California has affirmed the constitutionality of the law providing for the enforcement of contracts for payment in gold. The decision gives great satisfaction in business circles.

THE GRAND BALL AT SARATOGA. SARATOGA, August 16.—The Committee of Arrangements have fixed the time of the grand ball of the season for Friday night next, at Union Hall. Mrs. Lincoln is expected to be present.

AN UNARMED UNION SOLDIER CAPTURED.—He Captures His Captor.—A correspondent of the Chicago Tribune, writing from Marietta, Ga., relates the following:

While one of our soldiers was bathing in a stream near the picket line, he was captured while naked by a rebel cavalry man. Our pickets discovered them, and were about to fire, when the soldier between himself and the pickets, and told them to fire away. As they could not do so safely, one of them flanked him, and as soon as the rebel saw the movement he threw his gun to fire, at that instant the naked soldier seized him by the throat, pulled him off his horse and held him on the ground until assistance came to his relief, and as the rebel lost his liberty instead of the Union soldier.

The soldier's name was Terrell, the commissary sergeant of the 63rd Illinois. But he lost the rebel's horse, which ran away in the fight to the rebel lines. An army made up of such men may be wasted by disease or killed and wounded in battle, but they cannot be conquered.

Return of Correspondents from Sherman's Army. NASHVILLE, Aug. 15.—Several correspondents of different newspapers have arrived here from below, says they anticipate no early movement of importance.

A CANAL SOHEME.

[Correspondence of the New York Herald.] DEAR BROTHER—SUNDAY NIGHT OF JAMES RIVER, VA., August 13.—Evening.—There is every indication heretofore that the enemy will bear from the United States forces stationed on the north bank of the James, at this point, within the ensuing twenty-four hours. If my prediction proves true, the enemy will have ample occasion to feel the weight of the power of the United States, and condole to wince beneath it.

For some time past Major General Butler has been concocting over a brilliant scheme whereby to annoy the enemy, and advance the Union interest in this region materially. His plan contemplated nothing less than the construction of a canal at what has hitherto been known as Dutch Gap—hereafter to be known as Butler's Gap—in the direct face of the enemy, which, when done, should, among other results, by reason of its situation, compel the rebels to extend their line of defence to the distance of four miles—that is to say, the distance saved to us by the digging of the canal, which is to be a hundred and forty yards in length, is seven miles of water course in the James.

Some four days since the proper details of men and officers were made for this important and hazardous work, and these men were accordingly set to work, and under the general command of Major Ludlow, of the department staff. The work proceeded with some rapidity, and by the 1st inst. we were in possession of the canal, which is to be a hundred and forty yards in length, and seven miles of water course in the James.

The successful construction of the canal, of which there can be no doubt, will, it is already known, enable our gunboats to wholly overcome the formidable obstructions in the James river, and possibly ultimately be the means of their engaging Fort Darling and other rebel strongholds in places adjacent to Richmond, and perhaps, before the end comes, operating largely in the reduction of the rebel capital itself.

These are glowing anticipations; but nevertheless they are capable of realization by patient and judicious waiting for.

Any one who is naturally added to the necessity imposed upon the enemy of lengthening his line of defence a distance of four miles, requiring several thousands of men to man the prolonged line, will certainly be regarded as adequate compensation for the time, labor and men bestowed upon the accomplishment of the undertaking.

PEACE MEETING.—The New York Herald, of Thursday, says that the first real peace meeting, composed of the leaders of the Copperhead party, took place in that city on Wednesday, and was as secret as a Freemason's Lodge. Among the distinguished gentlemen present was Ex-Senator Bayard and Hon. Charles Brown of this State. Ex-Gov. Weller, of California, was Chairman.

Judge Clark, of Pennsylvania, made a brief speech, the burden of which was that the great object should be to get Lincoln out of office. His remarks did not please Senator Bayard, who rebuked them, and stated that he would be gained by pushing on man of wrong principles aside and putting another of wrong principles in his place. He said the democratic party must stand and strive for forward peace grounds, or it had no mission but that of hunting for spoils.

Senator Bayard left the meeting with a look of dissatisfaction, if not of contempt on his face.

Strong peace speeches were made by Ex-Governor Seymour, of Connecticut, Fernando Wood, John McKeon and others, whose names we did not learn. George T. Coe, a radical speech strongly pointing to General McClellan as the candidate; Ex-Governor Vroom, of New Jersey, did the same, as did also a gentleman from Indiana, whose name we lost.

After the meeting adjourned upon an humorous said: "We have marched up hill and down again." It was impossible to detect any viable object of the meeting, unless it was to make a few speeches in a secret council as an excuse for being here to lay pipe for the campaign, or for the diversion of the spoils.

It is a notorious fact that there were very few New York politicians at this secret convocation. The New Yorkers generally seem to look upon the whole affair as a pretty piece of impudence on the part of the Philadelphia press.

GRANT'S LATE MOVEMENT.—The Philadelphia United States Gazette, commenting on the surprise which Grant has just given the rebels, says:

The object of this movement is said to be to cut the pontoon bridge which connects above Fort Darling, and leave Lee on the south side of the river, outside of his defences, away from his depot, and removed from the city which he defends. If the pontoons are cut, he can reach Richmond only by way of Manchester, involving a much longer and more difficult march for him than that which remains to the assailants. If he advances by Manchester his march is not less than twenty or twenty-five miles, while the corps to which we have referred are within five.

This movement, doubtless, as it yet is with our certainty of fact, changes the whole aspect of the war. The campaign which we are waging the rebels to cover with all possible speed, as they may have the good fortune of seeing it before it has adverse occupation. Not only is Richmond threatened by this movement, Petersburg is equally endangered and Fort Darling rendered more insecure than ever.

The movement on the 15th inst. is not the only one. Other operations, whose character is not yet known, are progressing on that bank, which probably contemplate detaching Lee from the city, and placing him in a secret council as an excuse for being here to lay pipe for the campaign, or for the diversion of the spoils.

BALTIMORE AND OHIO RAILROAD.—A correspondent of the Philadelphia Inquirer, says:

A