NEW YORK HERALD.

JAMES GORDON BENNETT,
EDITOR AND PROPRIETOR.

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Volume XXVIII.....No. 4

AMUSEMENTS THIS EVENING.

ACADEMY OF MUSIC, Irving place.—Italian Opera—IL POLIUTO.

NIBLO'S GARDEN, Broadway.—FAUST AND MARGUERITE.

WALLACK'S THEATRE, Broadway.—PAULINE.

WINTER GARDEN, Broadway.—IRISH AMBASSADOR—LAKES OF KILLARNEY—MISCHIEVOUS VALET.

LAURA KEENE'S THEATRE, Broadway.—JENNY LIND—THE INVINCIBLES.

NEW BOWERY THEATRE, Bowery.—JOCKO—LONELY MAN OF THE OCEAN—JACK'S DELIGHT.

BOWERY THEATRE, Bowery.—JACK AND THE BEANSTALK.

GERMAN OPERA HOUSE, Broadway.—MASON AND LOCKSMITH.

BARNUM'S AMERICAN MUSEUM, Broadway.—DRESSBACH'S PERFORMING BEARS—LAVINIA WARREN, &c., at all hours. COLLEEN BAWN—Day and Evening.

BRYANTS' MINSTRELS' Mechanics' Hall, 472 Broadway.—ETHIOPIAN SONGS, BURLESQUES, DANCES, &c.—FAUST AND MARGUERITE.

WOOD'S MINSTREL HALL, 514 Broadway.—ETHIOPIAN SONGS, DANCES, &c.—DINORAH.

BUCKLEY'S MINSTRELS, Stuyvesant Institute, 659 Broadway.—ETHIOPIAN SONGS, DANCES, &c.—LUCRETIA BORGIA.

BROADWAY MENAGERIE, Broadway.—LIVING WILD ANIMALS.

AMERICAN MUSIC HALL, No. 444 Broadway.—BALLETS, PANTOMIMES, BURLESQUES, &c.

PARISIAN CABINET OF WONDERS, 563 Broadway.—Open daily from 10 A. M. till 10 P. M.

HOOLEY'S OPERA HOUSE, Brooklyn.—ETHIOPIAN SONGS, DANCES, BURLESQUES &c.

New York, Monday, January 5, 1863.

NOTICE TO PAPER MANUFACTURERS.

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THE SITUATION.

The particulars of the terrible fight at Murfreesboro on Saturday, the fourth day of the conflict, have not been telegraphed, in consequence of the breaking down of the Western lines, owing to a severe storm. We therefore remain in doubt as to the issue. The War Department received information yesterday of the damage to the wires, but it is said that all the authorities in Washington feel confident that General Rosecrans has crowned his four days splendid fighting with victory. By a blunder of the telegraph operator on Sunday morning, an erroneous impression got abroad that our left wing suffered a repulse during the battle of Saturday. This proves not to have been so, on the contrary the enemy were driven back with considerable slaughter at that point.

Our losses from Wednesday morning to Friday night were six hundred killed and three thousand four hundred wounded. We lost several thousand prisoners, and captured about one thousand of the enemy, including General Cheatham. The rebel loss was estimated at between four and five thousand.

The Richmond papers claim that up to the night of the 31st the Union troops had been driven back six miles on the centre and left, though with heavy loss to the rebels, and they are jubilant accordingly. The fighting of the last three days, however, has probably caused them to alter their tone ere this.

We are in possession of further details of the ten days' fighting on the Mississippi, which we give in full to-day, accompanied by a map of the vicinity of Vicksburg, and another showing the position of the rebel batteries. Our troops behaved with great bravery, and although the rebel authorities claim a victory, it is manifest that the advantages all lie on our side. The gunboats did not participate in the action, nor did the forces, naval and military, of Admiral Farragut and General Banks arrive to aid General Sherman, as was anticipated. The end is not yet on the banks of the Mississippi. Both armies seem resolved to contest the issue stubbornly, and render the fight at Vicksburg as obstinate and bloody as that at Murfreesboro.

The official account of the disaster to the Monitor is published in another column to-day, together with a highly interesting description of the ill-fated vessel and her officers. It appears that she was strained during a heavy storm on the 31st ult., sprung a leak and went down. The Rhode Island, which was towing her, lost a boat's crew, it is supposed in the effort to loose the hawser which connected the two vessels.

A detachment of Stuart's cavalry made a dash into Dumfries on Friday, and carried off with great rapidity some public stores and sutlers' wagons. With this exception there is nothing of importance from the Army of the Potomac.

A report in the Lynchburg papers of Thursday last states that a serious breach in the East Tennessee Railroad has been made by a body of Yankee troops, who penetrated Tennessee ninety miles, through Pound Gap, burning the bridge at Zollicoffer, near Bristol, and that at Watuga, nine miles beyond the bridge at Zollicoffer.

The British schooner Emma Tuttle, which was captured while attempting to run the blockade at Wilmington, by the United States steamer Cambridge, had put into Rum Cay (Bahamas) in distress, has been detained by the authorities there, and they would not release her without a permit from the government at Nassau.

The Asia, at this port, brings news from Europe to the 21st ult., three days later.

The scheme of intervention in the war affairs of America was again afloat in France. It was said that M. Drouyn de Lhuys, Foreign Minister of the Emperor, was about to address another note to the cabinets of England and Russia on the subject, calling the attention of the two governments to the "necessity" which exists for a course of common action by the three Powers in this direction.

The Paris *Moniteur* of the 21st ult. defends the act of the Emperor in writing the proposal for an offer of an armistice, and so forth, lately published. The *Moniteur* says that some journals misrepresent the motives of his Majesty, and asserts that his proposition was well timed and careful of the "susceptibilities" and "rights" of the two belligerents.

Mr. Bright, M. P., in the interest of the masses of the people of England, had made a powerful address to his constituents in Birmingham in support of the cause of the Union. Mr. Bright said he still had the utmost faith in the future of the United States. He quoted Kossuth, Garribaldi, and Victo Hugo to show on which side the sympathies of England ought to run. He added that he still regarded "the American republic as the free home of the working classes, with free vote and free career for the humblest. There would be a wild shriek of Freedom to startle all the world if that republic was overthrown."

Mr. Scholfield, M. P., colleague of Mr. Bright, declared he would himself vote for the recognition of the rebel States by England, as did some other members of Parliament in other places.

The fast Clyde steamer Vulcan had been sold to the rebel government, and was about to start, after having had a thorough overhauling, on her mission.

The London *Times*, in an editorial, impeaches the veracity of General Halleck's late official report of the progress of the war, and impugns his motives in detailing the operations of McClellan's army.

Mr. Chase's financial plans are also assailed by the London *Times*.

The debate on the Mexican war question was still continued in the Spanish Cortes.

MISCELLANEOUS NEWS.

The steamship Hammonia, Capt. Schwensen arrived at this port at a late hour last evening. Her news has been anticipated by the Asia.

The steamship Asia, from Queenstown on the 21st of December, reached this port yesterday morning. Her news is three days later.

Consols closed in London on the 20th of December at 92⅞ a 92⅝ for money. The Liverpool cotton market was flat on the 20th ultimo, and the quotations of the previous day were barely maintained. Breadstuffs were firm, but quiet. Provisions were dull, but steady, at firmer rates.

From Italy we have the important fact that the Rattazzi Cabinet has informed the Emperor Napoleon that the government of the kingdom "respectfully declines" further negotiations with France on the Roman question. M. de Sartiges, French Minister in Turin, had subsequently alluded to the subject, when the Premier of Italy told him that no benefit could accrue from their diplomacy concerning Rome with the Emperor. The Chevalier Nigra, Minister of Italy in France, had held the same language in the Tuileries. The Greek throne question had been settled. There was no doubt that the British government has determined to abandon the Protectorate of the Ionian Islands. Earl Russell has proposed to hold a Conference in London of the Great Powers, parties to the treaty of Vienna, and a notification to this effect has been addressed to the courts of Paris, Vienna, Berlin and St. Petersburg, with a view to the concession. The distress in the cotton manufacturing districts of France is deepening daily, and it threatens to become serious. In England the distress of the operatives was steadily on the increase.

As an evidence of the rapid extension of international communication by means of the electric telegraph, and an earnest of what we will accomplish in publishing a daily report of the news of the whole world when the Atlantic telegraph enterprise is completed, we call the attention of our readers to the fact that we give in the HERALD this morning advices from Egypt of the evening of the 20th of December, despatches from Malta of the night of that day, news from Omsk, in Siberia, dated on the morning of the 21st of December, and intelligence from Holland to the afternoon of the same day. These exceedingly interesting despatches were addressed to Mr. Cyrus W. Field, on board of the Asia, which sailed from Queenstown on the evening of the 21st ultimo; so that the telegram from Siberia was delivered in Cork on the very day it was written in the frozen regions of the Czar, distant over five thousand miles from Ireland. The report from Alexandria was sent over three thousand miles, and despatches from Malta about eighteen hundred miles, to the same destination. Had the Atlantic telegraph line been in working order all this news would have been received in New York immediately afterwards, could have been forwarded to San Francisco in the evening, and if the connection with Russia, by the Pacific, from California had been made, the words from Siberia could have been sent to the "spot where they were originally forwarded," thus making the circuit of the world within twenty-four hours. All this will be realized when the telegraphic line of the Atlantic and the Behring's Straits line are finished. So that the idea of Shakspere, expressed in the year 1600, by one Puck, the first electrician and predecessor of Morse, to the effect that "he would put a girdle round the earth in forty minutes" is very near its triumphant accomplishment—an event which will demonstrate that the men of the days of Queen Elizabeth were just as anxious to obtain early and reliable news as are the people of the present day, but that the rulers and cabinets of the world did not encourage or patronize the scientific aspirations and commercial acumen of Puck and his cotemporaries in a manner such as we trust the cabinets and capitalists of Europe and America will support the Atlantic Telegraph Company just now.

We publish this morning an interesting account of a trip of an emigrant train over the Plains, by Steven's Northern route, to Oregon. The expedition seems to have demonstrated the practicability of this route, and its advantages over the old roads, and may prove of great value to future emigrants.

Last evening the Rev. Dr. Cheever and the Rev. H. W. Beecher discoursed on the President's proclamation. A sketch of the leading points of Mr. Beecher's sermon will be found in another part of to-day's paper.

The Legislatures of Ohio, Wisconsin and California will assemble to-day.

The Democratic State Convention of Connecticut will be held in Hartford on the 18th of February.

Judge Paddock, of Cincinnati, in a soldier's habeas corpus case last week, fined a lieutenant $25 and costs, and ordered him to be confined twenty-four hours on bread and water, for contempt of court.

The stock market was very active on Saturday, but the recent large advance led to a pretty general realization of profits, and prices fell off 1 a 1½ per cent in consequence. The money market was easy at 5 a 6. Gold closed at 134¼ a ⅜. Exchange was firm at 147½.

The sales of cotton on Saturday were 1,000 bales, middling cottons buoyantly at 68c. a 68½c. Flour advanced 5c., with sales of 24,500 bbls.; wheat 1c., with sales of 95,000 bushels, and corn 1c., with sales of 70,000 bushels. Pork declined to $14 37 for mess, and $11 50 a $12 25 for prime, at which figures 1,400 barrels changed hands. Beef sold to the extent of 1,300 bbls.; lard 1,250 tierces and bbls., and bacon 1,750 boxes, all at uniform quotations. Whisky advanced to 29½c. a 30c., with sales of [illegible] bbls., mostly at 29½c. Coffee was in fair demand, and likewise were hay, hops, tallow, wool and manila hemp—the latter article closing as high as 9½c. per lb. Sugars, hides, lime, leather, molasses, seeds and foreign liquors were in moderate request. The freight market was less active.

The Campaign in the Southwest—Its Tremendous Importance.

All eyes are now anxiously turned to the Southwest. The great battles at Murfreesboro, in Tennessee, and at Vicksburg, in Mississippi, of which the accounts are not as yet satisfactory, have deepened this solicitude. The din of war in the East appears to have been hushed ever since the battle of Fredericksburg. The campaign in Virginia is thus far a failure, and the movement of Foster in North Carolina—dependent upon it—has also necessarily failed. General Foster acted his part well and won several victories; but he could not hold what he won, because Burnside had been defeated on the Rappahannock owing to the blundering stupidity at Washington which delayed the pontoons. The movements against Wilmington and Charleston are no parts of a plan of campaign, but for moral effect, and to prevent the blockade being run, by taking possession of the forts at those points by means of the gunboats. Success in these expeditions is therefore of comparatively small importance. The interest in the grand drama now being performed on a theatre so extensive as to embrace all the slave States south of the Potomac, is concentrated for the present in Tennessee, in Mississippi and Kentucky, and the two States by which Tennessee is bounded north and south. Owing to the peculiar strategy which distinguishes General Halleck and the War Department, the 300,000 men who are fighting the battles of the Union are scattered in numerous armies all around the edges of the vast region of rebeldom. There is an army at Washington and an army at Falmouth, an army in Western Virginia, an army in North Carolina, an army in South Carolina, an army in Louisiana, an army in Missouri, an army in Arkansas, two or three armies in Mississippi, an army in Kentucky, and an army in Tennessee, under Rosecrans, second only to that under command of Burnside. Thus, instead of one or two great overwhelming armies concentrated upon a single decisive point, striking blows as with the hammer of Thor upon the head and the heart of the rebellion, a number of small hammers are at work all around the extremities—hammers like those with which a carpet is tacked down—and the consequence is that "nobody is hurt" unless it be ourselves. There is enough of mutual slaughter indeed—more than would be necessary for two or three decisive battles—but it is attended with no important results, and is a useless destruction of life and property, making no impression on the rebellion.

If Rosecrans should now succeed under this vicious system, or if his army should not be utterly destroyed, it will be owing to the bravery of his troops, the skill of his officers and his own generalship, together with no ordinary share of good fortune, and not in the slightest degree to superior military guidance from Washington. There is a tremendous issue at stake. If the combinations of the Union forces in the Southwest should be successful, and if Rosecrans receives ample reinforcements in time, he will inflict a mortal blow upon the rebellion; for if he routs and destroys the enemy under Joe Johnston at Murfreesboro there is nothing to prevent his triumphant march to Montgomery, the capital of Alabama, the effect of which would be to hem in the remnant of the rebel forces in the Southwest to a narrow space along the eastern bank of the Lower Mississippi, thus cutting off completely the communication between the Atlantic States and the Southwest; while the capture of Vicksburg would open the Father of Rivers from Cairo to the delta, and all subsistence from the territory west of it would be completely cut off.

Late telegraphic despatches announce the storming of the rebel works in their great stronghold on the Mississippi; but this the Richmond papers not only deny, but positively assert the repulse of our arms with terrible carnage. But assuming the truth of the Northern intelligence, and at the same time a decisive victory gained by the army of Rosecrans, there would be a speedy end to the rebellion, and the conquest of Virginia, the total overthrow of Lee's army and that of Beauregard in South Carolina and Georgia, would only be a question of time, and that a very brief time too.

But on the other hand, if the combinations of the Union arms in the Southwest should now fail, and the Confederate chieftains should be finally victorious in the conflict with Rosecrans, by the sudden accumulation of large reinforcements, owing to their interior and shorter lines and their having possession of the railroads and the telegraphic communication, the fortunes of our cause would become desperate. Not only would the army of Rosecrans be destroyed, but Nashville would be in danger, and Grant and Sherman would be placed in imminent peril; and by vigorously following up the blow the rebellion would be placed in such a triumphant position as to turn the tide of invasion to the North. The fact of Joe Johnston—the confessedly second best general in the Confederate army—being assigned to the chief command of the rebel armies of the Southwest, and the other fact, that the Confederate President himself, deeming the situation in Virginia sufficiently safe under Lee, thinks the crisis in the Southwest needs even his own presence, are proofs of the immense importance which is attached by the leaders of the rebellion to the success or failure of their arms in that direction. The desperate nature of the fighting in Tennessee, at Vicksburg and other points in Mississippi, and the large forces engaged on either side, also serve to show that this is no ordinary campaign, and that the life of the republic or the success of the rebellion may depend upon the issue.

All eyes are now, therefore, directed with intense anxiety to the Southwest, watching the result of the bloody struggle, which cannot fail to be decided ere long against or in favor of the Union cause. If our arms should be crowned with success the proclamation will have little to do with it, and when the Union is restored it will become a nullity in law as well as in fact. If, on the contrary, defeat and disaster should now be the result, the proclamation would be so much waste paper and of no manner of effect. In either case it will be without efficacy. As the President himself suggested some time ago, "it is military success we want" above all other things. The proclamation, so far as it can have any influence at all, will be far more adverse than favorable to that consummation. If the white men of the loyal States cannot achieve it by their own valor and intellect, vain is the expectation that the inferior race which, for the most part, continues under the control of rebeldom, will render any essential aid to help them out. By force of arms, and not by paper proclamations, can the insurgents be defeated in the field; and after that is accomplished it is only upon the basis of the constitution and the equal rights of all the States that the Union can be firmly re-established and internecine strife prevented in future generations.

The Reassembling of Congress—The Currency Question.

After a fortnight's vacation indulged in by the members of both houses of Congress that body resumes its business session to-day; and, according to all accounts, we may look for speedy action on the financial questions that so vitally affect the prosperity of the country.

It seems, indeed, that the members of the Committee of Ways and Means have not availed themselves of the excuse of the Christmas holidays to shirk their official duties, but have been holding sessions and discussing the pros and cons of the financial scheme submitted to them by the Secretary of the Treasury. After all, there is just about as much chicanery as there is stupidity covered up in this appearance of industry on the part of the Committee of Ways and Means. The plan of operations is already decided on, and the country may as well make up its mind at once to see another deluge of legal tender notes let loose from the Treasury Department at Washington. Mr. Chase may endeavor to render this flood a little less destructive in appearance by covering up a part of the new issue of a thousand millions of dollars in the guise of bonds, but they will be, in fact, neither more nor less than paper promises to pay, and will have just the same effect in swelling the paper currency of the country as if they were legal tender Treasury notes, pure and simple.

It is manifest to the dullest comprehension that the Secretary of the Treasury is utterly ignorant of the very elementary principles of finance; and yet he is so obstinately self-sufficient that he will not look for or take counsel from the capitalists who have made the science a study and a success. These men understand and appreciate the effect of a sudden and immense expansion of paper currency; but the Secretary of the Treasury does not seem to have the slightest comprehension of the subject. He only knows that the necessities of the government demand the expenditure of a certain sum of money within a given time; and he deludes himself, and tries to delude others, into the idea that the manufacture of Treasury notes and bonds to the amount specified is the true mode of meeting the difficulty. That seems to be the Alpha and Omega of his financial knowledge. The speculators, who understand the workings of the notable invention of Mr. Chase, are the only persons who derive advantage from it; for to the public at large and to all industrial interests its effect is most injurious. Particularly is it disastrous to the working classes and to persons of fixed moderate incomes.

The experience of the past year has schooled the dullest minds into a comprehension of the simple fact that when an undue amount of paper money is forced into circulation its value relative to the precious metals decreases; that in proportion to that depreciation the prices of all commodities rise, and that the more the volume of paper money is added to the more decided will be these injurious effects. Mr. Chase is one of the few men of the country who obstinately refuse to recognize these simple truths. His remedy for the evil is to increase the evil, and Congress stupidly and ignorantly lends itself to carry out his views. Let every one, then, look out for a new flood of Treasury notes and bonds, without any curtailment of bank issues, and trim his sails accordingly.

THE LOSS OF THE MONITOR.—We announced yesterday, by telegraph from Fortress Monroe, that the celebrated iron-clad Monitor had foundered off Cape Hatteras, and that four officers and twelve men were drowned. The loss of this gallant little vessel will be generally regretted. When she steamed into Hampton Roads a few months ago, a mere experiment in naval architecture, no one supposed that she was destined to revolutionize the navies of the world and mark a new era in naval history. Her famous encounter with the Merrimac, however, made her immortal as the pioneer of iron-clads, and ranked her inventor, Captain Ericsson, as the greatest inventive genius of the age. When she sunk she was on her way to new triumphs, and her loss will be regarded as a national misfortune.

Although the feeling of the public is, that we could better have spared any other iron-clad than the Monitor, facts—which are always opposed to sentimentalism—teach us that the public feeling is undoubtedly wrong. All of the other iron-clads of her class are decided improvements upon the Monitor in every respect, and will do much more efficient service. Although the Monitor foundered, these other iron-clads have weathered Cape Hatteras in safety, and the expedition of which they form a part will undoubtedly be successful. The Monitor, like the old Ironsides, was the pet of the nation, and no one who takes a just pride in our navy can repress his disappointment at her fate; but neither to the expedition nor the country is the loss irreparable.

Iron-clads of the Monitor class were never intended for sea service. The most that was expected of them was that they could be towed from harbor to harbor along our coast, and as this has been successfully accomplished again and again the Monitor's misfortune does not vitiate Ericsson's fame, but is attributable to the fault of the Navy Department in sending her to sea without proper precautions against such accidents. The brave fellows who went down with her will be remembered as long as the Monitor herself.

THE GREAT CONTEST IN THE SOUTHWEST.—The accounts of the desperate battles of Murfreesboro and Vicksburg must have attracted the attention of the whole country. The engagement of the Union and rebel forces at the former place, in point of stubborn resistance and unyielding bravery, is unparalleled in the history of war. For four days the tide of battle has swayed with uncertain results, and yet the two armies engaged are in face of each other, waiting for the final blow that shall decide their destinies. The prowess of Greek and Roman falls into nothingness by the side of such unequalled valor. The contests of the Gracchi, and the bold defence of Thermopylæ by Leonidas and his three hundred, pale their fires before the unflinching valor of American arms. It used to be said, "When Greek meets Greek, then comes the tug of war." Now this is entirely changed, and future history will say, "When American meets American then there is war indeed."

Another Proposition for Mediation to be Made by Napoleon.

The Asia arrived yesterday, with three days later news from Europe. We learn that the Emperor of the French will address another circular to the courts of England and Russia upon the necessity of immediate mediation or intervention in the affairs of this country. We are not inclined to believe that either of those Powers will return a more favorable answer to Napoleon than was made to his first demand of a similar nature; but we deem the fact of his making this second proposal most significant of an evil intent towards our Union. It is, we fear, the last move before the recognition by France alone of the Davis government. Napoleon will say: "I appealed to you twice to act with me. You refused. My necessities will brook of no more delay. I recognize the Southern confederacy. My people are starving. I must have cotton." Our blockades will be broken after a short pause, allowing time to England to follow the example France will have set her. It is for this purpose—the breaking of the blockade—that France has several of her tremendously powerful plated frigates in our waters. She had no need of them for the inland expedition of Mexico. She well knew that, as the Mexicans have no navy, her armored vessels were of no use in the Gulf, save as regards any emergencies which might arise in case of a recognition by France of the Davis government.

We must not expect that fear of the consequences will deter France from an alliance with the Southern confederacy. We have, up to the present moment, proved incapable of putting down the rebellion, and, as a natural consequence, Napoleon will feel assured that, strengthened by his aid, Davis would prove too strong for us. The disastrous defeat at Fredericksburg will add to the probabilities of this conclusion, and only make Napoleon deem himself the more secure in his movement against us. He will reason from facts, as he has an undoubted right to, and will judge that we are incapable of subduing his forces, combined with those of Davis. We must not expect him to judge us as we judge ourselves, nor that he should be aware of our entire resources; and thus we must admit that were he to interfere events would seem to give him reason. We are divided upon questions of vast import to the life of our Union, and make to the world a sorry spectacle.

Another inducement to Napoleon to interfere will be the decree of emancipation. He will understand that all chances for cotton crops are at an end until that question is settled; he will pretend that fearful crimes and horrors will follow the workings of that decree throughout the South; that servile insurrection, upon a scale to terrify all mankind, will soon arise, and he will make humanity a reason for interference; and we much fear that here he will be met in a like spirit by England, both nations foreseeing that their supplies of cotton will be cut short if the negroes are to be freed. From Russia we may continue to expect friendly relations. She has no immense interests at stake, pushing her on to interfere in our struggle; the emancipation decree will not prove to her the bugbear it will to France and England. She has just set the example of an extended and vast emancipation, and will more than likely sympathize with Mr. Lincoln's decree. Be that as it may, we are assured that France and England will deem it a fearful blow at their commerce, and that from motives of self-interest they may feel all the more inclined to aid Davis.

The French Minister at Washington, it is said, openly states that during this month his government will mediate in favor of the South. This assertion of M. Mercier's, if true, puts all doubt upon that question at an end. We must and are, doubtless, preparing to meet with energy and determination the coming eventualities which menace all we hold dear. The people will call to a severe account those having the management of our affairs if, at this hour of peril, they neglect their manifest duties. We must prepare to battle for our constitution and laws—for our great and glorious Union. There is not a moment to be lost. Let our immense resources be fully developed, and, above all, let party squabbles and the intrigues of politicians cease in this, the moment of great danger to our beloved country. There must now be united movement. We must prepare to sustain, at all perils, the integrity of our republic.

PRANKS OF THE REBEL GUERILLAS.—It seems to be a favorite amusement with the rebel guerillas to cut our telegraph wires, affix a portable instrument and send despatches to our operators, from whom they often receive important military information. Thus the rebel Morgan played this trick upon the Louisville office a few days ago, and by telegraphing in General Granger's name to General Boyle succeeded in finding out from the latter general the force and positions of the Union troops and the movements which were in progress to cut off "that fellow Morgan." Having thus learned all he could of our plans, Morgan sent his compliments to Gen. Boyle, calling him "a bright youth and a smart boy." So the rebel General Stuart intercepted Union despatches at Burke's Station, in Virginia, during his recent raid, and sent a despatch purporting to come from Washington to our officers at Fairfax Station, ordering the instant destruction of our army stores there, and a telegram, signed "J. E. B. Stuart, Major General C. S. A.," to Quartermaster General Meigs, at Washington, ordering him to furnish better mules in future, as those previously furnished were very inferior. It seems to us that our operators might easily concert some system of private signals or cyphers which would defeat these paltry but annoying tricks, and we are greatly surprised that they have not had the wit and ingenuity to do so long ago. The Yankee nation is rather behindhand in this matter.

REDEMPTION OF POSTAGE STAMPS.—Our city Postmaster has been engaged for the past two weeks in redeeming postage stamps; but in doing so he only allows the redemptions to be made between the hours of ten and two each day. The consequence is that there is a long train of people at the Post Office every day, and at two o'clock, when the windows are closed, there is still a long cue of people left unattended to, and whose only resource is to return next day. Now, the limit of the time fixed for redeeming these stamps is the 15th of January, and if the Postmaster desires to make himself popular with the present holders of postage stamps he will at once extend the hours of exchange for the remaining days, making it, instead of from ten to two, from ten to four P. M. This will be a very popular idea, as nobody wishes to be stuck with postage stamps.

Meeting of the State Legislature—Our Annual Message.

We lay before our readers to-day our annual message on the condition of the State of New York; and, whether the State is viewed in a political or municipal light, the aspect is cheering and full of hope. The present is the most important epoch in its history. The extent of its area, the magnitude of its population, its central position and its vast commercial relations, justly entitle it to be called "the Empire State" and give it the balance of political power. This power may be exercised for good or for evil by those who temporarily wield it. In the existing condition of the country the importance of the State can hardly be over-estimated. Its ruler holds in the hollow of his hand the destiny of the republic; and on his message to-morrow, and the action or inaction which may follow it, greatly depends the solution of the great problem which now perplexes the American people.

The complexion of the Legislature is such as to create the deepest interest in the public mind as to the course it may pursue. The conservatives have a majority in the Assembly, but not in the Senate. The members in the Senate are twenty-three republicans against eight conservatives and one independent. In the Assembly fifty-six republicans against sixty-five conservatives and seven Union democrats. On joint ballot, therefore, the figures would stand thus:—

Conservatives	73
Republicans	79
Union democrats	7
Independent	1
Total	160

It will be thus seen that the republicans only require two votes from among the eight apparently neutral men to have a majority, whereas the conservatives would need the whole. The probabilities, therefore, are, that in the election of United States Senator, which devolves on this Legislature, the republicans will obtain the necessary majority, provided they do not set up a negro worshipper; for if they do, they may not only lose all the neutral votes, but some even of their own rank and file. In the latter event, a good democrat or conservative may stand some chance of election. In any event the election will be close. If the Senate and Assembly should persistently pursue cross purposes neither branch could succeed, and all legislation might be paralyzed. But at such a time we hope for better things from the patriotism of a majority in either House.

Among the subjects requiring legislation, or in which it will be attempted, are the canals, the ferries, the city railroads, the Central Park, the savings banks and banks of issue, the harbor defences, and the police system, which has become so corrupt and depraved as to require a complete revision. In the case of the present commissioners we have no doubt that the Governor will promptly do his duty; but there is need of some salutary legislation to reform the abuses which have grown up within the last few years, and it will be the duty of the Legislature to co-operate cordially with the Governor in this good work. It will be their duty above all to sustain him in his determination to "maintain and defend the sovereignty and jurisdiction of the State," according to the oath of office which he has taken, and to arrest those encroachments of federal centralization which threaten to swallow up, one by one, all the rights of the State, together with all the liberties and immunities of the citizen, and to reduce the form of government to a consolidated despotism, in which the will of one man would be universal law.

Immense Tax on Commerce.

On the 1st day of January the law imposing a duty of ten cents a ton on all vessels entering at American ports went into effect. This law, of which much complaint has already been made by our merchants and shipowners, was passed by the last Congress on the 14th of July, under the title of "An act increasing temporarily the duties on imports and for other purposes," and reads as follows:—

SEC. 15. And be it further enacted, That upon all ships, vessels or steamers which, after the 31st day of December, 1862, shall be entered at any custom house in the United States from any foreign port or place, or from any port or place in the United States, whether ships or vessels of the United States, or belonging wholly or in part to subjects of foreign Powers, there shall be paid a tax or tonnage duty of ten cents per ton of the measurement of said vessel, in addition to any tonnage duty now imposed by law: Provided, That the said tax or tonnage duty shall not be collected more than once in each year in any ship, vessel or steamer having a license to trade between different districts of the United States, or to carry on the bank, whale or other fisheries, whilst employed therein, or on any ship, vessel or steamer to or from any port or place in Mexico, the British provinces of North America or any of the West India islands: Provided also, That nothing in this act contained shall be deemed in any wise to impair any rights and privileges which may have been or may be acquired by any foreign nation under the laws and treaties of the United States relative to the duty on tonnage of vessels.

It will be seen by this that vessels are taxed more heavily than almost any other species of property, and fears are entertained that it will not only be the means of seriously embarrassing and restricting our commerce, but that it will lead to retaliatory measures and taxation on the part of foreign Powers. In addition to this is the stamp tax under the Internal Revenue bill, by which nearly all vessels to and from foreign ports are compelled to pay from one to five dollars each according to their tonnage.

To show the immense revenue that will be derived from this tax, let us glance at the tonnage employed between this port and Europe during the past year. The number of arrivals from Europe during that period was nine hundred, with an aggregate tonnage of one and a half millions, which, at the rate of ten cents per ton, gives the enormous amount of one hundred and fifty thousand dollars, which would be thus drawn from the very life-blood of our city. To point out more clearly the practical operation of this law let us take for example the steamers Scotia, of four thousand tons, and the Ocean Queen, of two thousand tons, the former making about eight trips per annum to Liverpool, and the latter twelve trips to Aspinwall. The first named would pay four hundred dollars a trip, or three thousand two hundred dollars per year, and the last named two hundred dollars a trip, or twenty-four hundred dollars per year.

It will be perceived, on reading the act, that Mexico, the British provinces of North America and the West India islands, are favored localities, vessels arriving from which are placed on the same footing with American vessels employed in the coasting trade. This appears like favoritism, and from this fact it is held by many that the act is in contravention of existing treaty regulations. As the tax is considered unnecessarily and inconsistently burdensome, and calculated to throw hindrances in the way of our trade and commerce, particularly with Europe, it is to be expected that our merchants will lose no time in petitioning Congress to modify the law.