

NEW YORK HERALD.

JAMES GORDON BENNETT, EDITOR AND PROPRIETOR.

OFFICE N. W. CORNER OF FULTON AND NASSAU STS.

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AMUSEMENTS THIS EVENING.

ACADEMY OF MUSIC, Irving place.—ITALIAN OPERA.—1 YVESPI SULLIAN.

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

WALLACE'S THEATRE, Broadway.—FAUSTINE.

WINTER GARDEN, Broadway.—FIRST AMBASSADOR.—LADY OF KILLARNEY.—MIRIAM'S VISIT.

LAURA KEMEN'S THEATRE, Broadway.—JENNY LIND.—THE FRENCHMAN.

NEW BOWERY THEATRE, Bowery.—JACK AND LOREY.—MAD OF THE OCEAN.—JACK'S DEPART.

BOWERY THEATRE, Bowery.—JACK AND THE BEAR.—THE FRENCHMAN.

BARNUM'S AMERICAN MUSEUM, Broadway.—MISS LAVINA WARREN.—COMMODORE NUTT, &c.—ALL SORTS.

ARVANT'S MINSTRELS' Mechanical Hall, 473 Broadway.—ETHIOPIAN SONGS, DANCES, &c.—FAUST AND MARGUERITE.

WOODS' MINSTREL HALL, 514 Broadway.—ETHIOPIAN SONGS, DANCES, &c.—DROMAID.

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

IRVING HALL, Irving place.—WILLIE PAPER'S CONCERT.—BROADWAY MENAGERIE, Broadway.—LIVING WILD ANIMALS.

AMERICAN MUSIC HALL, No. 44 Broadway.—BALLET, FANTASIES, BURLESQUES, &c.

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

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

New York, Wednesday, January 7, 1863.

NOTICE TO PAPER MANUFACTURERS.

Twenty thousand reams of good paper wanted. Size 32x44. Apply at the Herald office.

THE SITUATION.

We continue to give most important details of the great victory at Murfreesboro. Our correspondence from Nashville describes the movements of the federal army upon that point. Our map defines all the positions to which any historical interest attaches. General Rosecrans in the later despatch, which we give elsewhere, furnishes the additional facts. He says that one of the greatest battles of the war has been fought and won under his command; that his entire success on the 31st ultimo was prevented by a surprise of the right flank; but that he has, nevertheless, beaten the enemy after three days' fight. That they fled with great precipitation on Saturday night, and the last of their columns of cavalry left on Monday morning. He reports Generals Rains and Hanson killed, and Generals Cladson, Adams and Breckinridge wounded.

The Richmond papers say that the rebels destroyed two millions worth of property belonging to the Union army by an attack on its rear on Tuesday night.

Our losses in all the engagements were 1,100 killed, about 6,000 wounded, and several thousand prisoners. One-third of the wounded will soon be able to resume duty.

Despatches from Nashville state that all the bridges in East Tennessee have been burned, and that Colonel Bruce has recaptured Clarksville, taken a number of prisoners and 8,000 barrels of flour. Rebel authorities confirm the success of this "Yankee raid" into East Tennessee.

By an arrival from New Orleans we learn that General Banks has established his headquarters at Baton Rouge, where he had 10,000 men in camp. More vessels of his expedition had arrived.

Our correspondent's account of the late successful expedition to Vicksburg, which we publish to-day, is intensely interesting, and shows that it was conceived on the largest scale and carried out with the highest success. The expedition on the Yazoo river consisted of about seven-five vessels, consisting of armed boats and transports, the object of the enterprise being the possession of Vicksburg by landing the troops on the banks of the Yazoo under cover of the light draught gunboats, while the heavy iron-clads were to operate against the city from the Mississippi river.

The sagacious plan adopted by Brigadier General Williams last fall of cutting off Vicksburg from the banks of the Mississippi by making a diversion in the channel of that river appears likely to be carried out most effectually by the operations of nature. The rise in the river is widening and deepening the artificial channel or cut of Gen. Williams to such an extent as to alarm the citizens of Vicksburg lest they should find themselves in an inland town before next spring. It is thought that the course of the Mississippi will be so changed at this point in a few months that vessels of the largest class can go through the new channel and navigate the river without passing Vicksburg at all.

CONGRESS.

In the Senate yesterday, the Military Committee reported back the bill to temporarily suspend the act to prevent and punish fraud on the part of officers entrusted with making government contracts, and moved that the bill be put upon its passage, but after some debate the subject was postponed.

The House joint resolution for the immediate payment of soldiers and sailors was reported by the Military Committee, with an amendment authorizing an issue of \$50,000,000 of demand Treasury notes, in addition to the amount authorized by the act of July, 1862. The bill was referred to the Finance Committee. The bill relative to the discharge of State prisoners was taken up, and Mr. Wright, of Indiana, made a speech in opposition to it. A bill was introduced to promote the comfort of sick and wounded soldiers, by providing for the commutation of the rations of soldiers in hospitals at the rate of thirty cents per day. A resolution directing inquiry as to the expediency of reimbursing Minnesota for expenditures on account of the Indian outbreak was adopted. After an executive session the Senate adjourned.

In the House of Representatives the Select Committee on Emancipation reported a bill providing for the issue of ten million dollars of thirty year bonds, in aid of the emancipation of slaves in Missouri, the government pledging itself to deport and colonize the freed men. Some debate ensued and finally the bill was passed by a vote of seventy-three against forty-six. A resolution was adopted that the Committee on Ways and Means be instructed to inquire into the expediency of issuing Treasury notes bearing 3.65 interest, the amount in circulation, and such other sums as the demands of the public service for the current year shall require; that there be issued an equal amount of United States six per

cent twenty year's bonds, which bonds, with the interest, shall constitute a fund for the redemption of the 3.65 Treasury notes, the bonds to be of equal date of the Treasury notes, the interest to be paid in specie. The holders of the tender notes shall have the right to surrender them whenever the amount of one hundred dollars is presented, and receive the par value for the same. The holders of the 3.65 Treasury notes shall have the right to invest the same in twenty years six per cent bonds when an amount equal to five hundred dollars is presented. A bill allowing articles not now mailable to be sent to soldiers through the mails, at the rate of one cent per ounce postage, was passed. The remainder of the session was devoted to debate upon the Executive, Legislative and Judicial Appropriation bill.

THE LEGISLATURE.

Our State Legislature for the year 1863 commenced its session at Albany yesterday. In the Senate Lieutenant Governor Jones addressed the members, in accordance with the custom of presiding officers of that body on assuming the duties of the position, pledging to the Senators his best endeavors towards the honest fulfillment of the requirements of the responsible position, and asking for their hearty co-operation. He then announced his appointments of officers of the Senate, after which committees were appointed to wait on the Governor and the Assembly to inform them that the Senators were ready to receive any communication they might have to make. Notice was given of bills to allow soldiers to vote in camp and to regulate the sale of hay in this city and Brooklyn, when, without the transaction of further business, an adjournment took place. The Assembly was called to order at eleven o'clock, by the Clerk of the last House. All the members were present, and balloting for Speaker was immediately proceeded with. Two ballots were had, resulting in a tie each time—Mr. Dean, the democratic candidate, and Mr. Sillwood, the republican candidate, each receiving sixty-three votes. The Assembly then adjourned. It is thought Mr. Dean will be elected to-day. Governor Seymour's message will be sent in to the two houses to-day, should the Assembly succeed in organizing.

MISCELLANEOUS NEWS.

By the arrival of the Eagle, Captain Adams, at this port last evening, we have news from Havana to the 2d inst. The French iron-clad frigate La Normandie had arrived at Havana from Vera Cruz, en route for Martinique, to await orders. During her stay at Vera Cruz she lost 350 of her crew of 650 men by yellow fever, including her commander, Captain de Russell. Advice from Venezuela represent the disturbed state of affairs there as continuing, without any prospect of a peaceful settlement of the difficulties. The Brownsville (Texas) Banner of the 5th ult. announces that the brother of General Butler has consigned a cargo of merchandise to the mouth of the Rio Grande, which he offers to sell to the rebels for gold or cotton, and that the United States Consul at Matamoros had arrived at Monterey with a complete assortment of thread, needles, cards, &c., for the rebel soldiers. The local news from Havana is unimportant.

The United States transport steamship Ericsson, from Ship Island December 26 and Key West January 1, has anchored at Quarantine on account of the fog.

We publish some interesting news from New Orleans, brought us by the steamer McClellan, which arrived yesterday. It will be seen that other vessels of the Banks expedition had safely arrived. The Commanding General had, it is said, resolved on establishing his headquarters at Baton Rouge. Christmas day was characterized by scenes of unusual violence. A bloody murder occurred on that day, and eight persons were arrested for shooting in honor of Jefferson Davis. Among them was a disorderly English lieutenant of the British war steamer Vesuvius. We give an account of the insolent though ludicrous affair, showing how the lieutenant got into the wrong box, and how hard it was to get out of it.

The news from Key West, by the McClellan, shows that several captures of vessels running the blockade have been made. Our correspondent's letter explains fully the movements of our naval vessels in those waters. An Anglo-rebel vessel with a valuable cargo, has been captured by a United States ship. The health of the place is good.

The first day of January of the present year was celebrated by the freed negroes of Hilton Head, South Carolina, in a most enthusiastic manner. Our correspondence from that place, published to-day, is full of interest. According to the order and invitation of Gen. Saxton, commanding that post, thousands of contrabands met together, and were treated to numerous speeches, music, &c., &c., winding up with the more solid and substantial spread of a dozen of roast oxen. The roast meat was afterwards washed down by several doses of sweetened water, after the style of the Frenchman's eau sucrée, no doubt. The rules for the government of these negroes, and the manner of enforcing industry among them, are fully detailed in a general order from the General to that effect.

The Board of Supervisors for 1863 organized yesterday by the election of the following officers:—Supervisor Thomas Little, Chairman; Joseph B. Young, Clerk; Reeves E. Selmes, Deputy Clerk; E. A. Woodward, Assistant Clerk, and Henry Mathews, Sergeant-at-Arms. The standing committees were appointed and the Mayor notified that the Board was ready to proceed to business. The bills for the construction of the Harlem river bridge were ordered to be paid, notwithstanding the Mayor's veto of the same. After the transaction of some unimportant business the Board adjourned till three o'clock this afternoon.

A magnificent stand of colors was last evening presented to the Thirty-seventh regiment, (Irish Rifles), by the Common Council of New York, in appreciation of their valor and services during the present war. The presentation took place at the residence of Alderman Farley, corner of Fifty-fourth street and Lexington avenue, and the occasion was quite a patriotic and spirited one. The Baltimore and Ohio Railroad was again opened its entire length to Wheeling and Parkersburg on the 5th inst.

The six States of New England, with a population of 3,136,000, have twelve votes in the United States Senate, and the State of New York, with a population of 3,891,000, has two votes in that body.

The United States Hotel at Far Rockaway, Long Island, was burned to the ground, with almost all its contents, on Sunday morning, the 26th ult. It was occupied at the time, and furnished throughout. Loss heavy.

The demand for beef cattle was very active, both on Monday and yesterday, and, as the supply on sale was remarkably light, there was a further appreciation of fully half a cent per pound on all descriptions. The advance was particularly noticeable in the sales of prime cattle, which were in very light supply, and to obtain which there was a lively race around the yard by most of the first class butchers, who have been cut short for two consecutive weeks. Prices varied from 5 1/2 to 10c., with many sales at 8 1/2 to 9 1/2. The average price was about 7 1/2. The yards were cleared before noon. Milch cows were substantially the same. Veals were quite active and firm, owing to the short supply and the advance in beef cattle; sales were made at from 4 to 4 1/2. Sheep and lambs were again scarce, active and 8c. per head higher, varying from 43 to 46 1/2. According to quality; three fancy sheep sold at \$23 each. Swine were less plenty, very active and firm at 4 1/2 to 4 3/4 for corn fed, and 3 1/2 to 4 for still fed. The total receipts were 3,442 hives, 78 cows, 366 veals, 4,797 sheep and lambs, and 39,977 swine.

An active business was reported in cotton yesterday.

the sales and realize having amounted to 1,700 bales at from 90c. a 70c., mostly at 80c. a 95c. for middlings. There was less inquiry for breadstuffs, particularly flour, which declined, in some instances 10c. per barrel. Wheat and corn were steady. Pork and beef were moderately sought after, while bacon, lard, hay, hops and tallow, were in good demand, as likewise were Rio coffee, sugar and New Orleans molasses. The transactions in metals, chiefly hemp, fish, lard, rice, spices, tobacco, fruit and white-bone were limited. The freight market was steady, with moderate engagements reported, mostly of breadstuffs and provisions for British ports.

The stock market was again buoyant yesterday, the chief advance of the day being in Illinois Central, Hudson, Michigan Southern and Erie. There was less excitement than on Monday. Gold opened at 134, and closed at 134 1/2. Demand notes advanced to 130 1/2; exchange was dull at 143 1/4. Money was very easy at 5 to 6 per cent.

The Victory at Murfreesboro—The Campaign in the West and in the East.

The official and other authentic despatches from Murfreesboro which we publish this morning establish the grand result of the late desperate and protracted battle in that quarter as a decided and most important Union victory. The killed and wounded of the rebels, with our full occupation of the field, show that they were terribly punished; and from the numbers of prisoners picked up along their lines of retreat it is evident that they fled, under cover of the night, in an exhausted and seriously demoralized condition. They have suffered a repulse which breaks up their ambitious plans and calculations for the recovery of Nashville, and of Tennessee, Kentucky and the whole line of the Mississippi river from Cairo to New Orleans which General Rosecrans has achieved a victory which opens the way to a successful Union campaign from his present position to the Gulf of Mexico.

It is reported that General Rosecrans attributes this victory in a great degree to the brilliant Union cavalry raid from Kentucky, which, in breaking up the Tennessee and Virginia Railroad, cut off the army of Bragg from reinforcements which otherwise would have reinforced him from the rebel army at Fredericksburg. This may be true; but in any event it is widely believed that Jeff. Davis had already reinforced Bragg from Lee's army to a considerable extent, concluding that Lee, in the position from which he had repulsed Gen. Burnside, could repulse him again, and spare twenty or thirty thousand men meantime for the support of Bragg's movement against Nashville. From the Rappahannock we have been informed that the rebel force in front has been visibly diminished of late, from which it would seem that the rebel leaders have no fears for the present of any dangerous aggressive movement on the part of our grand army which is immediately under the eye of the War Department at Washington. The rebels, in fact, appear to be acting upon the idea that Gen. Burnside is to stand still for the rest of the winter and we may say, too, that in New York some such apprehensions are beginning to be entertained.

We do not care to inquire into the plans of the War Office; but we may take the liberty to suggest that our grand Army of the Potomac could be exceedingly useful just now in support of General Rosecrans, General Grant, General Sherman, General Banks, and Admirals Farragut and Porter in the West, by some active demonstrations which would hold the rebel army of Virginia to the defence of Richmond. If the overland route to that city from the Rappahannock has been found to be impracticable for a winter's march, there are other routes which furnish a secure base and a most desirable channel for offensive operations to the very doors of the rebel Congress. But let General Burnside be held to the Rappahannock until the rebel armies of the West are broken up and dispersed, and he may find their fragments coalescing with the army of Lee by tens of thousands, with the design of another grand effort to counterbalance all they may have lost in the West by a crushing campaign in the East. We trust, however, that General Halleck has no idea of repeating the disastrous programme of Corinth and Richmond.

We have, in addition to the victory of Murfreesboro, the gratifying news from that quarter that the Cumberland and Tennessee rivers are rising rapidly, and are already in good boatable condition. Thus, with these two valuable channels of transportation reopened, the future movements of our forces in Tennessee, Alabama and Mississippi will be immensely facilitated. Availing themselves of the advantages of these two rivers, we may be sure that Generals Rosecrans and Grant will promptly follow up their late successes; while Sherman, McClellan, Banks, Farragut and Porter are finishing the great enterprise of reopening the Mississippi from Vicksburg to New Orleans, if not already finished.

The present, then, is the time for our grand Army of the East to be moving upon Richmond, while all the rebel forces in the Southwest are there employed in their last desperate struggle to retain their limited footing in the Mississippi valley. Meanwhile, so long as Lee, with his principal army reduced, perhaps, to fifty thousand men, is permitted to hold at bay an army of over a hundred thousand men, we are at least losing the services of over fifty thousand of our veteran troops, and at the very time when they may be actively employed to the best advantage. We hope soon to hear that "all is very quiet on the Rappahannock," from the absence of any armed force, beyond a corps of observation, on that unimportant river.

Finally, with this favorable turn in the tide of the war in the West, we call upon President Lincoln to push forward the campaign, not only in the West, but in the East. Let him give to his tried and approved generals in the field the management of their armies; let our naval officers of the navy. Let him limit the attentions of the abolition faction to the negroes, hold all the mouthing politicians to their dirty work of party politics, and all military pettifoggers to their pettifogging, and Mr. Secretary Chase to his loans and Treasury notes, and all jokers to their jokes, and all thieving contractors and defrauders to a stern account, and we dare say that the end of the winter will yet be the end of the war, and that Louis Napoleon's occupation on this side the Atlantic will be gone.

HENRY WARD BEECHER IN ELIZABETH.—An evening paper undertakes to deny a statement that on the arrival of Henry Ward Beecher at Elizabeth to lecture there crowd had collected with hostile intentions, and that he was obliged to return without delivering his discourse. But, strange to say, the writer admits that after the lecture it was necessary to convey the reverend gentleman to the depot by troops of friends and by the police, and that "a crowd of boys and half-grown men indulged in noisy demonstrations;" so that the only difference between the first statement and the second is that he did deliver the lecture, and

that the hostile demonstrations followed instead of preceding it. In the essential features both statements agree. They only differ as to a point of time. But the subject is of no consequence.

Financial Condition of the State of New York.

The annual report of the State Comptroller has just been issued, and is, on the whole, a most satisfactory and encouraging statement of our financial position. After referring to the heavy expenditures entailed by the war, it proceeds to say that, aside from these drawbacks, the financial affairs of the State are in a condition of unusual prosperity. From the deep depression which characterized them four years ago they have been brought up to a point which may justly excite some degree of exultation. From the policy of economy and caution in voting appropriations for new enterprises which was then adopted the best fruits have resulted. The enlargement of the canals has been completed; for the first time in many years they fully answer the requirements of the constitution; all just demands have been promptly paid; the credit of the State was never so high; and, in the face of heavy war expenses, the funded debt has been reduced by the actual payment of \$2,100,000. An inflexible adherence to the same system of rigid economy is recommended in view of the uncertainties of the future.

Out of the appropriation of \$3,000,000 voted by the Legislature in April, 1861, for the purpose of raising and equipping troops for the service of the federal government, it is stated that there remained due on the 31st of July by the United States a balance of \$1,835,963 66. This has been carried over to the credit of the State in settlement of its proportion of the tax of \$20,000,000 voted by the act of Congress of August, 1861, the further sum of \$400,000 being paid to the federal Treasury in cash to complete said settlement. Further expenditures have been made since July last which are chargeable to the United States, but which are not applicable to the payment of the tax. They remain for future adjustment.

The total expenditures under the act of the 17th of April, 1861, to provide arms and equipments for the militia of the State and for the public defence, are set down at \$297,652 85. The whole amount advanced by the State for bounties to soldiers enlisted under the arrangement with the Commercial Bank of Albany was, from July 1st to September 30, \$3,500,000. The amount deposited with the bank to enable it to make these advances was \$2,000,000, consisting of canal funds and Comptroller's bonds, payable on the 1st of June and July next. By this arrangement the drawing of money from the Treasury on account of these bounties and the expense and delay of an extra session were avoided. It is for the Legislature now to promptly pass an act making the requisite appropriations to reimburse the amounts advanced by the bank.

The receipts of the canals for the fiscal year ending 30th September, 1862, are set down at \$4,854,989 67, and the expenditures during the same period at \$773,398 32, leaving a surplus revenue of \$4,081,591 35. After providing for all the sinking funds required by the constitution, there is a remainder amounting to \$685,348 69. The Comptroller makes several specific recommendations for the disposal of this balance, all of which appear to be judicious. The total amount of the State debt is estimated at \$30,517,424 62, showing, as we have already stated, an actual reduction within the last year of \$2,100,000 of principal. The revenues of the canals having, during the same period, filled all the sinking funds, no taxation will be required for that purpose; so that if these funds are kept full hereafter, as they should be, the entire debt will be extinguished as fast as it becomes due, and will be substantially paid off within twelve years.

The expenses of the government for the fiscal year commencing the 1st October, 1862, are estimated at \$8,971,705 16, and the revenue at \$8,227,000 57, leaving a deficiency on the 30th September, 1863, of \$744,704 59. A gratifying improvement is noticed in the administration of the State prisons, the receipts for the last year being considerably larger and the expenditures smaller than on the preceding one. It is also stated that the number of convicts in all the prisons is rapidly diminishing. In regard to taxation, it appears that the taxes for town, county and school purposes have increased enormously. Twenty years ago they amounted in the aggregate to only \$5,626,793 87. They are now estimated at \$16,000,000, without including incorporated cities and villages. The aggregate valuation of real and personal estate in the cities of New York and Brooklyn for 1862 is set down at \$1,449,303,948, and the State taxes at \$6,884,193 75. The Comptroller calculates that the total of taxes required to be levied for the ensuing year will be only \$3,260,933 87, or less than half the above amount. Of course if any new works are undertaken or extraordinary appropriations made, it will be necessary to increase the taxes sufficiently to cover them. At a period when profligate expenditure and waste characterize the administration of the national finances, this healthy exhibit of the financial condition of this great State is a cheering and hopeful sign, and affords a satisfactory assurance that here, at least, we are not likely to lose sight of the principles that should guide all well governed communities.

THE REPORTED BATTLE IN MEXICO.—The news from Mexico, which we publish this morning, would be of the utmost importance to the French army in that country if it could reasonably be relied on. But, coming to us as it does, by a circuitous and suspicious route, we are inclined to doubt its authenticity, at least until more reliable advices are received. It seems next to impossible to believe that five thousand French soldiers, with all their reputation for dash and gallantry, could in 80 short a space of time have dispersed an army of twenty-five thousand men, entrenched in formidable works on the heights of Puebla. If there has been any battle at all, it must have occurred in front of these extensive works—which we know have been in course of construction for many months, the ladies of Mexico even aiding to build them—rather than in the fortifications themselves. General Ortega, who commands the Mexicans, is an able and valiant man, and, assisted as he is by Comonfort and other intelligent officers, we think he would have made a more stubborn resistance.

There is another reason why we are inclined to doubt this news. Our last accounts represented the main body of the French army at Orizaba, where General Forey had determined to await his supplies of mules and other transportation. The reason given for this was that it was impossible for him to advance

without these supplies. Supposing that he has moved, he would surely have gone to the attack of one of the strongest positions in Mexico with a greater force than five thousand men; for he cannot have forgotten the defeat of the French army under General Lorencez at this same place in consequence of attacking with insufficient numbers. Besides, we have had dates from Vera Cruz to the 7th of December, in which no mention is made of any movement of the French army. Now, we have this apparently positive news coming all the way from Puebla to Monterey, to San Antonio, then through Houston and Opelousas to Vicksburg and New Orleans; and yet the despatch is dated San Antonio, the 4th of December, three days earlier than our previous news from Vera Cruz, and not as late by sixteen days as that received last night from Havana and published in another column.

WHY IS THE SAILOR'S PRIZE MONEY NOT DISTRIBUTED?—Complaints are being continually made to us by our sailors and naval officers that the prize money of the present war, which now amounts to over five millions of dollars, has not been distributed. There can be no sound reason for this neglect. In the case of the soldiers, the want of funds may be pleaded, though that reason is greatly weakened in view of the fact that so many lazy runaway negroes are supported out of the army appropriations. But there is no pretext in the case of our sailors and naval officers; and there is this to be said also in their behalf: soldiers get bounty; sailors get none; and many have families depending on them for support, and are looking to the prize money. It ought, therefore, to be promptly paid. The sailors are always brave and reliable, and they deserve encouragement instead of the bad treatment of which they so justly complain. We shall be glad to hear any good reason for postponing the distribution so long. Will Rip Van Winkle of the Navy Department awake?

THE ARMY OF THE POTOMAC.

HEADQUARTERS, ARMY OF THE POTOMAC, Jan. 6, 1863.

All is quiet as usual in camp. General Quiescent's third army corps was reviewed yesterday, and General Willcox's Ninth army corps to-day. The appearance and condition of the troops were excellent. General Burnside and staff were present on both occasions.

Flags of truce cross the Rappahannock almost every day. The principal business transacted is the exchange of such refugees as are authorized by the military authorities on both sides. The contract for the hides, horns and tallow of cattle slaughtered for the Army of the Potomac, recently entered into with John Watkins, of Philadelphia, has been annulled. It is estimated that the receipts from this source should cover the expense of herding and slaughtering for this army, and that responsible parties can be found to contract for these articles with profit to themselves and a saving to the government.

An agent of the Ordnance Department at Washington is here for the purpose of inspecting the ammunition for cannon, in response to repeated complaints of artillery officers. It has been ascertained that most of the premature explosions during the recent battle here, and those thereto, have been caused by the unworkmanlike manner in which the fuses have been fixed by shells; and some batteries have already replaced their stock on hand by that of a more reliable character.

The Porter Court Martial.

INTERESTING TESTIMONY OF GENERAL M'DOWELL AND GENERAL POPE.

WASHINGTON, Jan. 6, 1863.

In the Court Martial in the case of General Fitz John Porter, which convened at half-past nine o'clock to-day, General M'Dowell was the first witness introduced by the prosecution. He did not see General King on the afternoon of the 29th, according to his best recollection; had no recollection of sending any such message as this to General Porter when he left him at the head of the column, viz: "Take my compliments to General Porter, and say to him he had better remain where he is." If he had made such a remark to General Porter, as that "the position he occupied was too far advanced for a battle," he only intended to convey the idea that General Porter was too far forward to fall behind Bull Run, and in accordance with orders. A messenger from General Porter to General Pope may have arrived with a message on the 29th; General King may have seen him in the morning of the 29th. General King's division was there, but he was not in command of it during that whole day. Would have seen him if he had been there.

Q.—Do you know what uniform you wore on that occasion? A.—I sometimes on battle occasions wore a blouse over my uniform, and sometimes not, according to circumstances. I wore several messages to General Porter on that day. I have no copies, nor do I know what I wrote. General M'Dowell said he first saw General Pope on that day about 10 o'clock, and that he (General Pope's) headquarters, he had no knowledge of the force opposed to General Porter that day. He did not know where the right wing of the main body of the enemy was, and could not determine, therefore, whether General Porter could have attacked them successfully or not. Thought that he left General Porter on the morning of the 29th.

Major General John Pope was next recalled for the prosecution. Q.—What is the meaning of the term "combined forces of the enemy over which," in a despatch you say you won a victory on the 29th? A.—During the whole of the morning, and until late in the afternoon, we were, as I understood, fighting the forces of Jackson, west and north. Before the battle closed I understood the division of General King had engaged the division of General Longstreet, or a portion of it which held the main portion of Lee's army.

A lengthy question by the prosecution and the response of General Pope were put to rest by the Court and ordered to be stricken from the record. This question and answer are as follows:—Q.—Will you state whether, at the period to which you have referred in your testimony, you and any command you believe that the feeling of the general officers of the Army of the Potomac was unfriendly to you, and that you were feeling would prevent their making co-operation under your orders? A.—I did so believe at first, because my opinions in relation to the operations of the Army of the Potomac, and especially in relation to Washington, unaccountable to me, and those like me, who had never had any explanation of it. I have reason to believe that many officers of that army entertained unfriendly feelings to me; first, because I had been brought here from a distance and placed in a position of command of that army which was regarded as an obstacle to them as it was embarrassing to me, and, next, because of my address to the Army of Virginia on assuming its command. That, as I understood afterwards, was interpreted by the officers of the Army of the Potomac to be leveled at them. Viewed in that light, it must have created unfriendly feelings towards me. I had no design to make any attack upon that army. I was so deeply impressed with the idea that that army would fail to render me assistance and co-operation that I expressed my wishes to the President, the Cabinet and the General-in-Chief, to be returned to the West. I assumed command of the Army of Virginia with very serious forebodings of the result of the campaign before me.

The prosecution announced here that they had finally closed. The defense recalled Lieutenant Colonel F. T. Locke, Assistant Adjutant General of General Porter, who related and corroborated his previous testimony. In relation to General M'Dowell's uniform on the 29th, he said he wore a singular cap, a hat of the East India style, and a long surtout over his uniform. Lieutenant Wells was next examined as to the delivery to General Pope of a message, about 5 o'clock P. M. on the 29th, from General Porter, in the presence of General M'Dowell.

The defense here announced that they were through. The Court announced that counsel should prepare their argument by Saturday next and then adjourn. This case will probably be concluded by Monday next.

Musical.

To-night, at the Academy of Music, the favorite opera of "I Vespri Siciliani" will be given, with Signora Lora, Brignoli, Amadio and Susini. To-morrow (Thursday) night Miss Kellogg will make her debut at the Brooklyn Academy of Music in "Il Polacco," with Brignoli and Amadio. On Saturday there will be grand matinee at our Academy.

Death of Ex-Gov. Winner, of Michigan.

LANSING, Mich., Jan. 5, 1863. Ex-Governor Moses Warner, Colonel of the Twenty-second Michigan Infantry, died here to-day. His body has been sent home for interment.

The Massachusetts Legislature.

BOSTON, Jan. 5, 1863. The members of the Legislature, for President of the Senate, and S. N. Gifford, Clerk. A. H. Bullock will be speaker of the House, and W. S. Robinson Clerk. No quorum was had.

NEWS FROM WASHINGTON.

WASHINGTON, Jan. 6, 1863.

THE PAYMENT OF THE LOAN OF 1842.

The Secretary of the Treasury has replied to the resolution of the House calling for information relative to the payment of the loan of 1842. From this response it appears that the names of two hundred and thirty-six persons are registered as owners of the bonds. The Department possesses no other information as to the actual ownership of the loan. The Secretary says:—My judgment was determined in favor of the payment of the non-payment of interest from the second circulation growing out of its influence on the public credit, but by the circumstances that I found myself unable to obtain the needed specie at a cost so small that payment in coin was, in fact, a less inconvenience to the Treasury and less interference with payments to and for the army and navy than payment in notes would have been. The whole amount of coin required was advanced by moneyed institutions, most of which, it is believed, had an interest in the loan, nor any interest in the transaction except what rose from the general support of the public credit, and the advance was made without premium and at an interest of four per cent, and is not to be called for until it can be reimbursed from receipts from customs, directed by the act of Congress to the payment of the interest and principal of the public debt.

THE REPORT OF THE SECRETARY OF THE TREASURY ON THE BANKS.

The report of the Secretary of the Treasury on the banks states that the returns are incomplete, owing to the non-reporting of returns from the second States and from Maryland, Delaware and Illinois, in which States no laws exist compelling the publication of such returns. The aggregate bank circulation of the loyal States was, in January, 1862, nearly \$44,000,000 less than in January, 1861, while the specie reserve was increased in the sum of \$14,500,000, and the deposits in the banks had increased \$30,000,000, mainly in New York, Boston and Philadelphia. The number of banks in 1862 was 1,496, of which 611 were in New England, 502 in the Middle States (including Maryland), 147 in the five Southern Atlantic States, 122 in the five Southwestern States, and 194 in the Western States. In 1861 there were 1,601, and in 1860 1,602 banks—the preceding years being less than the returns for 1862. The combined capital, as reported, is \$419,761,812; circulation, \$138,000,000; deposits, \$297,127,000; loans, \$647,695,000; specie, \$24,000,000; specie, \$102,267,000. The amount of specie is greater than in any preceding year within ten years, excepting in 1859, when it was \$104,538,000.

THE CIVIL APPROPRIATION BILL.

The civil appropriation bill will probably pass without material amendment. Changes are proposed by various members merely to change their speeches upon.

THE RUMORED BOMBERS FOR THE SECESSION OF KENTUCKY.