NEW YORK HERALD.

JAMES GORDON BENNETT,
EDITOR AND PROPRIETOR.

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Advertisements, to a limited number, will be inserted in the Weekly Herald, and in the European and California Editions.

Volume XXVIII.....No. 25

AMUSEMENTS THIS EVENING.

NIBLO'S GARDEN, Broadway.—Leah, The Forsaken

WALLACK'S THEATRE, Broadway.—Lady of Lyons

WINTER GARDEN, Broadway.—Chimney Corner—Naramattan.

LAURA KEENE'S THEATRE, Broadway.—Pet of the Petticoats—Mr. and Mrs. White.

NEW BOWERY THEATRE, Bowery.—Colleen Bawn—Twenty-Seventh Street Ghost—One Glass More.

BOWERY THEATRE, Bowery.—Serious Family—Jack and the Beanstalk—Co-Lean Bawn.

BARNUM'S AMERICAN MUSEUM, Broadway.—Mis Lavinia Warren—Commodore Nutt, &c., at all hours Charles II.—Afternoon and Evening.

BRYANTS' MINSTRELS, Mechanics' Hall, 472 Broadway.—Ethiopian Songs, Burlesques, Dances, &c.—High Daddy.

WOOD'S MINSTREL HALL, 514 Broadway.—Ethiopian Songs, Dances, &c.—Down in Old K-y-ky.

BUCKLEY'S MINSTRELS, Stuyvesant Institute, 659 Broadway.—Ethiopian Songs, Dances, &c.—La Sonnambula.

BROADWAY MENAGERIE, Broadway.—Living Wild Animals, Bearded Sakl, &c.

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

BROOKLYN ATHENÆUM.—Dr. Macgowan's Lecture on Japan.

New York, Monday, January 26, 1863

ADVERTISEMENTS FOR THE COUNTRY.

The Weekly Herald, with its increasing circulation, is a capital medium for advertisements designed to reach the notice of country dealers and merchants.

NOTICE TO PAPER MANUFACTURERS.

Twenty thousand reams of good paper wanted. Size 32x46. Apply at the Herald office.

THE SITUATION.

The only news from the Army of the Potomac to-day is, that the enemy have been discovered by a portion of the cavalry of General Sigel's division to be in large force opposite Rappahannock Station, it was supposed with a view to watch the movements of our troops, should they attempt to cross the river.

A despatch from Nashville dated yesterday, states that the rebel guerillas under Forrest, Wheeler and Stearns, with a force of six thousand cavalry, were at Franklin, Tenn. The rebels attacked without success the guard at the bridge on the Chattanooga road, ten miles from Nashville, on Saturday. Our gunboats, twenty-two in number, were at Clarksville at latest accounts.

The recent victory in Arkansas, which resulted in the capture of the three forts at St. Charles, Duval's Bluff and Des Arc, on the White river, places the repossession of the State of Arkansas and its capital, Little Rock, virtually in the hands of our army. We give to-day some very interesting sketches of the forts taken, together with a map of the locality, which will show the importance of the points General McClernand and Admiral Porter have so brilliantly acquired.

Among the prisoners captured at Arkansas Post were one general, ten colonels, ten lieutenant colonels, ten majors, one hundred captains, nearly two hundred lieutenants, and a lot of adjutants, quartermasters, surgeons and staff officers. Jeff. Davis will probably now be willing to exchange, instead of putting in force the threats contained in his proclamation.

It is rumored that Gen. Cassius M. Clay has superseded Gen. Boyle in the command of the Department of Kentucky.

The steamship British Queen, at this port yesterday, brought us interesting news from the Bahamas, dated at Nassau, N. P., to the 20th of January. The Anglo-rebel trade from Nassau to the blockaded ports of the South, and *vice versa*, was more brisk than at any other period since the commencement of the war. The port of Nassau continued to be the great depot for the discharge, reshipment or reassortment, as desired, of British cargoes, consisting of every description of contraband of war, including gunpowder, intended for the comfort and use of the rebels. These supplies were all entered at Nassau, under the general description of "assorted merchandise," although, no doubt, the English Custom House officials were well aware of their real character and destination. The foreign vessels at Nassau hailed from Liverpool, Havre, Yarmouth, Madeira, Bermuda, Newfoundland and other places, while the rebel traders arriving in the port came mostly from Charleston and Wilmington, with cotton, rice and turpentine. The English steamer Thistle, which was lately overhauled by the Tuscarora, off Madeira, had arrived at Nassau with her valuable assorted cargo. The Governor of the Bahamas had published a portion of the official correspondence between Secretary Chase and Collector Barney, relative to the late search of the British vessel W. H. Cleare, at Staten Island. A prize crew, from the United States gunboat Cambridge, delivered up a prize to the English master, who was a prisoner on board, in order that he might navigate the vessel during a storm. He very naturally ran her into one of the friendly cays of the Bahama Channel and [illegible] her.

MISCELLANEOUS NEWS.

There are three steamships from Europe due at American ports this morning. Should the one named last in order be heard from first, the news will be five days later. The vessels sailed as follows, viz:—

Steamship.	*From.*	*Day of Sailing.*	*Destination.*
Saxonia	Southampton	Jan. 14	New York.
Edinburg	Queenstown	Jan. 15	New York.
Norwegian	Londonderry	Jan. 16	Portland.

The exciting reports from Mexico which we published yesterday and repeat in a more detailed form to-day, with the accompaniment of an excellent map, have not been confirmed by subsequent arrivals from Havana. On the contrary, our correspondent at the latter place states that the rumor which prevailed in that city, that the French had been surprised and cut to pieces at Puebla, had no positive foundation to rest upon. The news must therefore be taken, at least for the present, with some grains of allowance. The letters of our correspondents at Jalapa and Orizaba give some interesting details of the movements of the hostile forces. General Doblado had been defeated by Mejia with severe loss. The Mexican guerillas are reported to be growing very numerous, bold and audacious, and perpetually worry the French on favorable occasions. They are said to be using the lasso with fatal effect. Smallpox in a very malignant form was ravaging Vera Cruz, and lazarettos were being established for the accommodation of those affected with this loathsome disease.

The news from the Isthmus of Panama and the United States of Colombia, which reached us yesterday by the steamer Ariel, and which we publish this morning, is of a far more satisfactory and encouraging character than anything received for many months past. The civil war in New Granada seems to be at an end for the present. General Canal has submitted to the arms of Mosquera, and a treaty of peace between the liberals and conservatives had been drawn up and signed. The only results of this war have been bloodshed, distress and misery, and the country is now worse off perhaps, than at any previous stage of its existence. The troops of Mosquera had all left for Carthagena. No step had yet been taken to rebuild Aspinwall, which is said to present a most desolate appearance. An engineer has reported his ability to get off the royal mail steamer Avon from the rocks at a cost of £25,000. Business was rather better and would improve rapidly now that peace is declared in the republic, unless there should be another revolution. American gold had declined from its standard value of 4⅛ premium to 2¼, and it was even difficult to sell it at that.

The Internal Revenue Commissioner at Washington has recently given the following decisions:—There can be no doubt but that newspaper publishers are liable to license as dealers—whether wholesale or retail is a question for the assessor to determine. News agents, or persons acting as agents for several newspapers, selling and distributing the same, also making collections for subscriptions, will require licenses as dealers only. Persons whose business it is to solicit subscriptions for newspapers, &c., will require no license unless they make sales.

The House of Representatives of Indiana refused to receive Gov. Morton's annual message when it was delivered, and sent it back, with all the accompanying documents. The House subsequently reconsidered its action, and asked for the redelivery of the message; but the Governor says he has done his duty, and has nothing further to communicate.

The State bounty to volunteers in Rhode Island has been stopped.

A young girl, named Elizabeth Beatty, shot and killed a man named John McCormick, who had effected her ruin, at Pittsburg, Pennsylvania, on the 23d inst.

Clement L. Vallandigham has announced, in a letter, his determination to go before the Ohio Democratic State Convention as an applicant for the nomination for the office of Governor of the State.

The Sanitary Commission at Nashville has sent to Cincinnati for a supply of sourkrout for the hospitals in that city.

Captain Lavender, of steamer Saxon, who arrived yesterday from Key West, says that it was reported that the Alabama was off Havana on the 17th instant, and had sent a boat ashore.

The stock market was active on Saturday, and, as a general rule, prices were higher, though the course of the market was irregular and at times feverish. Government stocks were steady and bonds firm. Gold rose to 150¼; closing at about 150⅛ at six P. M. Exchange closed at 165. Money was in brisk demand at 6 per cent.

Cotton was steady, on Saturday, at 76c. a 76½c. for middlings, with sales of 1,250 bales. Flour advanced 10c., with sales of 30,000 bbls.; wheat 2c., with sales of 180,000 bushels, and corn slightly, with sales of 210,000 bushels. Oats were heavy and lower. There was increased activity in provisions at unchanged prices. Sugars, molasses, rice and teas were in fair request, as were also other leading articles of general merchandise. Whiskey was heavy and lower. The freight engagements were limited, mostly for Liverpool; rates were unaltered.

The New Abolition Programme—A Vigorous War till May, and Then "Emancipation or Separation."

Our readers will remember that in the early stages of this rebellion the slippery philosopher of the New York *Tribune* stoutly advocated the divine right of secession. He was in favor of saying to the seven original seceding cotton States, as General Scott, in one of his five alternatives, suggested to President Lincoln, "Wayward sisters, depart in peace."

But wherefore? Why thus submissively consent to a disruption of the Union? Because there was a powerful faction in the winter of 1860, and down to March, 1861, in the republican camp at Washington, in favor of this course. Perhaps, too, this policy would have been adopted but for the bombardment of Fort Sumter, the secession of Virginia and of the so-called border slave States, which she dragged along with her into the Dismal Swamp of this rebellion. The seven original seceding States, if allowed to try the experiment of a separate confederacy, it was thought would soon devour each other, like the Kilkenny cats, or would soon come back again. In either event, the institution of Southern slavery in those seceding States would be undermined, demoralized and broken up; and, in the meantime, the anti-slavery party of the North, relieved of South Carolina and her cotton confederates, would be able to rule the roast at Washington with a high hand.

Fort Sumter, however, and the secession of Virginia precipitated the war, and from that hour the abolition Jacobins began to lay their plans to drag the administration into an abolition crusade. They would extirpate this Southern institution of slavery root and branch; they would reduce the revolted States to the colonial condition of Territories; they would reconstruct the Union upon the basis of human freedom and human equality. Nor can it be denied that, in view of these ends, they have been wonderfully successful thus far, in their legislative and executive schemes. They have legislated slavery forever out of the Territories; they have abolished it in the District of Columbia; they have passed laws confiscating the property of rebels and emancipating their slaves, and declaring all fugitive slaves free within our military lines; they have made it a crime on the part of our military officers to restore or aid in restoring any fugitive slave to his master, and, finally, they have extorted from President Lincoln a proclamation declaring all the slaves in the rebellious States beyond the lines of our land and naval forces "now, henceforward and forever free." In a word, all that can be done by Congressional acts and Presidential proclamations to abolish slavery throughout the South this abolition faction have accomplished.

This emancipation edict, we were promised, would be as supernaturally powerful against the rebellion as was the blowing of their rams' horns by the trumpeters of Joshua against Jericho as they marched round the city's walls. But what are the practical results of this emancipation experiment? They show us that it is a delusion and a snare; that it is operating to unite the South and to distract and divide the North, and so now we have a change in the abolition programme. Greeley proclaims it to the world. The war is to be prosecuted with a terrible energy by land and water, till May, and then, should the rebellion still defy our arms, our navy, our volunteers, our militia and all the negroes we can muster into service, we are, as we understand the matter, to have peace, through the friendly offices of Louis Napoleon, Greeley or somebody else, and upon the basis of a national line of demarkation between a Northern and a Southern confederacy. In other words, with the failure of emancipation, we are to have a separation—"emancipation or separation" having been the abolition ultimatum from the beginning.

General Simon Cameron, it seems, was anxious to get back into the United States Senate, in order to work in favor of a separation, so as to obtain the control of our federal government. According to Bull Run Russell, Mr. Secretary Chase is also in favor of separation; and Wendell Phillips, with his original war cry of "no Union with slaveholders," has gone to Washington to point out to President Lincoln his line of duty. We must, therefore, look to our fleets and armies for active work and decisive victories in the interval, or by May next these abolition disorganizers, in the disruption of the Union, may bring upon us a disgraceful, delusive and ruinous peace; for that peace means endless war, which is purchased by a division of the Union.

The Brilliant Victory of Arkansas Post and Our Later Successes in that Quarter.—We published yesterday a very full and a very interesting report, from our special correspondent with the expedition, of the brilliant operations and complete success of the combined land and naval forces under General McClernand and Admiral Porter at Arkansas Post, on the river and in the State of Arkansas. The enterprise was admirably managed by those excellent officers, and their success was another Fort Donelson or Roanoke Island operation—the bagging of the whole rebel concern—fort, armament, supplies, garrison and all. Later advices from Admiral Porter's squadron inform us that his light draughts had ascended the White river for three hundred miles, clearing out all rebel obstructions in their way, and penetrating into the very heart of Arkansas. From this intelligence we know that the Western rivers are up, and we may, therefore, confidently expect very soon a succession of positive victories in that section—in Arkansas, Tennessee, Mississippi and Louisiana.

General Halleck has the men, the means and the facilities at his command, and let him employ them vigorously and skilfully, and we shall have by next May, not the inglorious peace of a separation, as suggested by Greeley, but the glorious triumph of the Union over the rebellion. Let the government work now as the country demands that it shall work, and the administration may still regain the public confidence in full and restore the Union in its integrity. The darkest hour is just before the break of day.

The Spring Trade.—Nature seems determined to be premature this year. Spring weather is visiting us in midwinter, and a sultry atmosphere, bright skies and unfrozen skating ponds leave but a faint memory of the boisterous but congenial season which January was wont to bring us. Business appears to follow in the wake of the weather, if we can judge from the aspect of the principal streets. On Broadway the beginning of the spring trade manifests itself in a cheering and exuberant fashion. New stores are being opened, and old stores touched up, redecorated and revived. New signs meet the eye at one point, and old signs, with new, bright faces, remind one that a fresh and hopeful season inspires the merchant class with anticipations of a large and profitable trade. Upon the whole, our business thoroughfares wear the cheerful look of old times, as though the days of national gloom and disaster were passing away, and prosperity was beginning to return with all its former brilliancy and promise.

The Loyalty of the People on the Finance Question.—There is probably no better test of the loyalty of a commercial people than the faith which they repose in the currency of the government during times of political difficulty. Such a test has been applied, and most favorably responded to, here in the matter of our postal currency. As soon as the newspapers and other institutions—such as railroad and ferry corporations—announced that they would receive nothing but the national currency for fractional parts of a dollar, the people responded at once, and shinplasters of all kinds, whether issued by municipal corporations, banks or business firms, vanished so completely that the postal currency is the only representative of small change now to be seen. Everything in the shape of small paper money except that for which the national government is responsible is rejected almost universally.

Let the Dead Not Be Forgotten.—The President has just approved of a bill for the issue of a hundred millions of dollars to pay off the army, and the paymasters are already busy in distributing the much desired and long coveted arrearages to the troops. This is well. But, while government is attending to the claims of the living, let the dead not be forgotten. There are thousands of brave fellows who will never answer to the roll call again, never trouble the paymaster, unless their spirits—appealing through the wants and sufferings of those they have left behind them—should find a voice. They died, many of them, with large arrearage of pay due to them, and thousands of helpless widows and orphans to-day remain the patient but sorrowing creditors of the government. Their cases should be attended to with as little delay as possible. It is true that the formula of the Second Auditor's department is tedious and difficult; but we would urge upon the authorities to hasten the payment of the claims of the families of our dead soldiers. Much suffering would be removed thereby.

Bull Run Russell's "Diary North and South."

Having left this country in disgust, after doing the Union cause all the harm he could, Bull Run Russell now favors us with a Parthian arrow in the form of his "Diary." A more curious jumble of gossip, description, moralizing, history, bad Latin, scandal, anecdote, second rate French, egotism, abuse, personalities, impertinence, ill-breeding and penny-a-lining we have never had occasion to peruse. Only "an Englishman born in Ireland," as Russell describes himself, could ever have kept and printed such a diary. From the time he landed in this country and duly recorded everything the servants at the Clarendon said to him in regard to national affairs, down to the moment when he sneaked on shipboard, fearful of assassination and thanking Heaven that he was off for Europe, he seems to have had no other object than to insult the American people as bitterly as possible. Invited to various dinners—not on account of any personal or social merits of his own, but simply as any other man would have been who represented the London *Times*—he rushed away from every table to make a note of the fact that his host or hostess had an immense mouth or a noticeable nose. Visiting Mount Vernon, he observes that our "principles of liberty" were contained in the charters of the colonies, and were "in no degree derived from or dependent on the Revolution," and that Washington "was not possessed of the highest military qualities, if we are to judge from most of the regular actions, in which the British had the best of it." After inspecting our largest army, he declares that a few thousand English soldiers could march over it without difficulty. When he is at last laughed out of the country, his falsehoods exposed, his stockjobbing operations discovered, and his character known, he still retains impudence enough to represent himself as a martyr to truth and our national vanity, and his last words are a thanksgiving that he has left us forever. To this we can sincerely say amen.

In New York city Bull Run Russell found nothing to admire. Its rapid growth is "far inferior to that of many parts of London." Fifth avenue is full of houses, with a "compressed, squeezed up aspect" and "narrow, lanky" parlors. The city railway cars are inconvenient and "the destruction of all comfort or rapidity in ordinary carriages." He bought a copy of the constitution "for three cents," but was dissatisfied with his bargain, because it was not "self-expounding." He dined with Belmont, the banker, and, although the house was elegant and the company agreeable, "yet there was something wanting. Not in host or hostess, or company or house. Where was it?" Evidently in Russell's self, who was unaccustomed to good society. The American ladies were pretty, but were not "of the grandiose Roman type, which Van Rammer recognized in London." He visited poor Greeley, who enjoined upon him "to be sure and examine the slave pens" when he went South. From New York he proceeded to Washington in "a long box on wheels," which we barbarians call a railway car, and dined at Minister Sanford's on the evening of his arrival, where he met Senator Anthony, of Rhode Island, who will not follow Simmons' example and resign, and who is correctly described as having "an Israelitish cast of face" and mind. The next day Secretary Seward introduced Russell to President Lincoln, of whose personal appearance he gives a comical description. It is characteristic of Russell that he details the full particulars of the President's reception of the Chevalier Bertinatti, although Secretary Seward had hinted to him "you are not supposed to be here." President Lincoln did not look like "what is called a gentleman," but received Russell "in a friendly manner," declared that the London *Times* was the most powerful thing in the world, "except, perhaps, the Mississippi," and welcomed Russell as the *Times'* "minister." Mrs. Lincoln's "features are plain, her nose and mouth of an ordinary type, and her manners and appearance homely, stiffened, however, by the consciousness that her position requires her to be something more than plain Mrs. Lincoln, the wife of the Illinois lawyer." The day after penning this description Russell received "a magnificent bouquet of flowers" from Mrs. Lincoln. Jeff. Davis, on the other hand, is "a very different looking man from Mr. Lincoln. He is like a gentleman;" and Mrs. Davis "is a comely, sprightly woman, verging on matronhood, of good figure and manners, well dressed, ladylike and clever."

Some of Russell's hits have a spice of truth about them. Speaking of a conversation with Sumner, he says:—"I thought I detected a desire to let the Southern States go out with their slavery if they so desired it. Mr. Chase, by the way, expressed sentiments of the same kind more decidedly the other day." This shows that the radical programme of accepting "the best attainable peace," now that the emancipation proclamation is issued, is by no means a new idea. Of Senator Wilson, who used to be a shoemaker, Russell says that he "is *ultra crepidam*" in his present position. Fremont is "without the smallest external indications of extraordinary vigor, intelligence or ability. If he has military genius, it must come by intuition; for assuredly he has no professional acquirements or experience." President Lincoln called McClellan "Georgy," and inconvenienced Captain Dahlgren by perpetual visits; for he "is animated by a most extraordinary curiosity about naval matters and machinery, and is attracted by the novelty of the whole department, so that he is continually running down 'to have a talk with Dahlgren' when he is not engaged in 'a chat with George.'" Moralizing upon the same topic, Russell continues:—"This poor President! He is to be pitied; surrounded by such scenes, and trying with all his might to understand strategy, naval warfare, big guns, the movements of troops, military maps, reconnoissances, occupations, interior and exterior lines, and all the technical details of the art of slaying. He runs from one house to another, armed with plans, papers, reports, recommendations—sometimes good humored, never angry, occasionally dejected, and always a little fussy." Again, dining with Commodore Foote, Captain Dahlgren and other naval officers, Russell reports:—"I learned from the conversation that it was the President who ordered the attack upon Charleston harbor; or, to speak with more accuracy, the movement of the armed squadron to relieve Sumter by force if necessary; and that he came to the conclusion it was feasible principally from reading of the attack on Kinburn by the allied fleet." Taken in connection with the President's letter to McClellan about "my plans," these extracts assist us to a conclusion in regard to the means used by the radicals to thwart the best efforts of our best generals.

As we intend to recur to this "Diary" again, we need not at present follow Bull Run Russell in his egotistical account of the cards he left, the horses he purchased, the dinners he received and the advice he gave. Of his share in the battle of Bull run our readers are already advised; and, apropos of this subject, Russell relates a capital story of a joke which frightened him nearly to death, and which was played upon him "by a dirty German soldier, who called out from the parapet, 'Pull Run Russell, you shall never write Pull's runs again,' and at the same time cocked his piece and levelled it at" the British lion. We cannot compare Russell's "Diary" to Gurowski's, although Russell refers to his obeisity even more frequently than the Count Adonis; for Gurowski shows himself much more of a gentleman than his English rival. The fate incurred by those who print whatever they may see and hear in the private houses to which they are invited is well known to Bull Run Russell from the experience of his friend, the Chevalier Willis, in England. That fate will be Russell's whenever he attempts to associate with gentlemen, even in Europe, in spite of his attempted defence that he "gave as many dinners to Americans as ever he received from them;" while here he will be remembered not only as a snob, but as a *litterateur* who deliberately labored to ruin a great nation in order that he and his friends might operate in stocks, and "act as if they had heard some very good news."

The News from Mexico—The Mexican Question in Congress.

The latest intelligence from Mexico, via Havana, gives details of a reported defeat of the French at Puebla. The facts, as stated in the despatches just received, seem greatly exaggerated. It being very improbable that four thousand French troops, even if surprised by eight hundred Mexican cavalry, could be so utterly defeated. It is evident that some mistake has been made in stating the numbers engaged. At present it is extremely difficult to obtain reliable information from Mexico, as, of course, all despatches must pass through French sources, and out of the suppression of news all sorts of wild reports are put in circulation. We do not doubt, however, that the invaders of Mexico will find they have undertaken a hazardous and extremely difficult task, and we should not be surprised to hear of their encountering defeat at the hands of their numerous and fully determined enemies, who are eagerly watching every opportunity to injure them. We can but add that Americans will gladly hear that Mexico defends herself with courage. Of the right of France or any other European Power to invade the soil or threaten the liberties of the independent Mexican nation there is but one opinion. It is an outrage upon International law and the rights of a free people, and were it not for the difficulties which now encumber this republic—the results of a devastating civil war—no such invasion would ever have been attempted.

The resolutions offered in the Senate on Monday last by Mr. McDougall, the Senator from California, concerning the presence and purposes of the French in Mexico, were set aside for consideration. These resolution declare that the attempt of the French government to subjugate the republic of Mexico by armed force is a violation of international law, is well as of the Treaty of London; that the attempt to subject that republic to French authority is an act not merely unfriendly to this country, but to free institutions everywhere, and is regarded as not only unfriendly, but hostile; that it is the duty of the American republic to require of the government of France that her armed forces should be withdrawn from Mexican territory; and finally, that it is the duty of the American government to lend all moral and material aid to Mexico to prevent the forcible interposition of any of the States of Europe in the affairs of that republic. This is in substance the matter of the resolutions which, it is to be presumed, will engage the attention of the Senate.

The case of Mexico, in relation to the European Powers, and especially to France, has been most eloquently and ably argued by that distinguished Mexican statesman and scholar, Don Jose Ramon Pacheco. In his letters to M. Drouyn de Lhuys, the French Minister of Foreign Affairs, Senor Pacheco has clearly shown that there is no honest pretext whatever for the interference of the Emperor of the French in the affairs of Mexico. Senor Pacheco speaks with the authority of one who is thoroughly conversant with the subject which he discusses, and as one who has been authorized by his government to give expression to these views. In his published letters he reduces the Mexican question to the simplest terms, so far as the pretensions of France are concerned. He says that Mexico has not offended either of the Allied Powers, and France least of all; for Mexico has never offended her at all, nor does she owe her a single dollar. He reminds M. Drouyn de Lhuys—who, by the way, is the intimate and personal friend of Senor Pacheco—that when he was sent to France by the Mexican government he hesitated to leave until an agreement could be made with M. Levasseur, for his government, to the effect that there should be no pending debts or difficulties between the two countries. A convention was held, and a settlement made, by which the Mexican government agreed to pay twenty-five per cent of their import duties to liquidate the claims of French citizens—an agreement faithfully observed by three subsequent Mexican administrations. He then refers to the other pretended claims of France, of which he summarily disposes, and passes on to consider the monstrous pretension of the house of Jecker & Co.

This transaction, Senor Pacheco says, is a fair illustration of the manner in which the governments of Mexico have always been treated. The house of Jecker advanced half a million of dollars to Miramon's government—giving a part in clothing, a part in old debts and the rest in money—and for this sum that house, through the French army, seeks to recover fifteen millions of dollars in cash, with the fifth part of all the revenues of the nation. Upon such unfounded claims as these, and other specious pretences fully detailed by Senor Pacheco, does the French Emperor send his legions into Mexico and threaten the life of our sister republic. What action Congress may take in this matter remains to be seen. That we shall actively interfere at present is not at all probable, nor indeed would it be wise. But there is no doubt that the Mexican people—if we are to believe their orators, their statesmen, their governors and their journals—will present a bold front to their invaders and roll back the tide of battle from the heights of Puebla to the Bay of Sacrificios. The conquest of Mexico is not yet accomplished, and we doubt that the arms of France—powerful as they are confessed to be—will so easily overthrow the nationality of that people.

In the meantime the country awaits with anxiety the action of Congress, and it would be well if the testimony of such a distinguished statesman as Senor Pacheco, the former Mexican Minister to France, the trusted servant of his own government, and the friend of the Emperor Napoleon and M. Drouyn de Lhuys, were carefully examined before any decision be made, as it gives a clear, impartial and succinct account of the just claims of Mexico to the consideration of all free nations, and the reasons which now direct her sons to defend their soil from all intruders, let them come from whence they may.

The Struggle in the Assembly—Its Revolutionary Significance.

In a constitutional country there can be no more alarming revolutionary indication than any violent interference with the freedom of discussion and action guaranteed to its legislative bodies. Whether this proceeds from within or without, from the overbearing conduct of a party or from the despotic acts of the sovereign, it is equally dangerous. It was the arbitrary measures of the First Charles towards his Parliament that led to his deposition and execution. It was similar efforts to restrict the constitutional rights of the people in the persons of their representatives that led to the successive revolutions in France, the death of one and the expulsion of others of its monarchs. In Switzerland—a republic resembling our own—a revolution was nearly brought about by the arbitrary efforts of some of its cantons to swamp the representative privileges of the others. In this country the same premonitory symptoms of revolution have not failed to manifest themselves. In the last Congress before the breaking out of the war the election of Speaker was characterized by scenes of violence and personal outrage that filled the minds of all true patriots with dismal forebodings for the future of the country. And now that we are wading with difficulty through the sea of troubles brought upon us by the men who disgraced Congress by their violence on that occasion, we have in our State Legislature, at a time when moderation and forbearance are more than ever called for, a repetition of the same threatened scenes of bloodshed and murder.

It is a lamentable evidence of the frenzy which has seized upon the minds of the leading actors in these occurrences that they are alike insensible to the results of their conduct and to the disgust and disapprobation with which it is viewed by their constituents. This insensibility to public opinion is one of the most alarming symptoms of the times. It proves that the contagious influences of the revolutionary events through which we have been passing for the last couple of years have so demoralized our public men that they no longer care about what may be thought or said of them. The unblushing apostacy of Mr. Callicot to the opinions that sent him to the Assembly is a painful enough evidence of this, though we do not know that it is worse, or even as bad, viewed in its general results, as the disgraceful violence of the proceedings by which the democrats are endeavoring to remedy his defection.

Much, however, as their conduct is to be condemned, it must be owned that it is not without some excuse in that of their opponents. The example set by the authorities in Washington of a total disregard of all constitutional restrictions by the arbitrary arrest and imprisonment of individuals, without any legal or even presumptive justification, has naturally had the effect of breaking down that respect for established principles and forms that previously prevailed. The earnestness of opposition induced by such a state of things is now producing its fruits, and the administration and its supporters are beginning to discover that in this, as in other States, the indignation created by their arbitrary acts is assuming a terribly earnest and menacing form. The disgraceful disclosures that have just come to light in connection with the contest for United States Senator in the Pennsylvania Legislature show how intense is this feeling, and how easy it would be to provoke it to sanguinary extremities. It is not merely a reaction, but a counter revolution, that has set in; and on the manner in which it is dealt with by the President and the conservative members of the party with whom he is associated will depend the extent and character of its consequences.

It may be that the adjournment of the vote upon the Speakership to this morning will have had the effect of bringing home to the minds of members a conviction of these truths, and that both parties will be prepared to sacrifice something to the spirit of conciliation. From the violence and tenacity of purpose hitherto manifested we confess we have but very little hope of such a result. There seems to be a determination on both sides to fight out this contest to the bitter end, entirely regardless of the grave consequences to which it is leading them.

The Continental Money and Our National Currency.

No financial truth is better established than that paper currency, like other things of prime necessity, rises or sinks in value according to the great law of supply and demand. In illustration of this too much forgotten principle, we publish elsewhere a complete account of the various issues of Continental money, derived, in part, from Congressional and other sources not easily accessible to the public. It will be seen that so long as there was no more currency afloat than the legitimate business of the country had been used to absorb the paper money was equal to gold and silver. When, however, the point of saturation was passed, every addition brought new depreciation, and, though all imaginable expedients, except a restricting of the quantity, were put in force to avert so fatal a catastrophe, the popular confidence was gradually undermined, the Continental notes sank lower and lower in value, till, at length, like other worthless shinplasters, they became a public nuisance, and by a convulsive effort were driven from the circulation altogether, and ceased to circulate as money.

One cardinal defect of the Continental currency was that its quantity was regulated, not by the wants of legitimate trade, but by the exigencies of war and the poverty of the government. Thus it was that the currency was hurried through the swiftly recurring stages of enfeebled purchasing power, till it finally expired without a groan. Of the three stages of par value, depreciation and demonetization, our national currency has, with wonderful despatch,