From a gentleman who lives on the lower James, and who has been till within the last few days in

Grant's lines, we learn that the Yankee army of the Potomac is seriously demoralized. He eays

that the hundreds of veteran Yankee soldiers with

whom he has conversed during the last month without exception testify to this, and declare that

THE MORALE OF GRANT'S ARMY.

not one of the three years' men whose terms of enlistment are about to expire will re-enlist. We have heard similar statements before, and afterwards known the Yankees to fight with great spirit: but we are disposed to believe there is something in it now. No troops who ever took the field

could preserve their spirit unimpaired under such a series of bloody reverses as this army of the Potomac has experienced. In three years of active heatilities they can claim not one 'victory' and but two drawn builes—Anticiam and 'Gettyaburglines Grant took them in hand cortainly nothing

has occurred to cheer them much. He has sidled from the Rspid Ann to the Appomatiox, achieving no success and leaving thousands of his dead upon

almost every mile of his route.