August 11. -- Broke camp at the usual hour, traveled down Dry creek, passed two or three mud holes, where the stock was watered. After eight miles marching, got to a spot where we could see the long looked for Powder river; saw columns of smoke down the river, indicating an Indian village a few miles away. It proved to be a fire which the hostile Indians had made a day or two before. The Powder river is at this point a very rapid stream, water muddy like the Missouri, timber very plenty, ranging back from the river from one-half to one mile; grass not very good, no chance to cut any hay anywhere on the river. Train reached camp at two o'clock, and camped in the timber on the river bank. In the evening the general, some members of his staff, and the guides, with an escort, went down the river to see if there were any signs of Indians. Found a "good Indian" very lately sewed up in a buffalo hide and hung up in a tree -- many such sights along the Powder river. The country traversed by the general was similar to the camp ground.

August 12.-- Train remained in camp. An exploring expedition was sent up the river under the command of Lieut. Jewett with orders to proceed twenty miles to look for a better location for a military post. Twenty-five of the Sixth Michigan cavalry went up the river with Lieut. Jewett to the crossing of the old traders' road from the Platte bridge to the Big Horn mountains, and past the same, known as the Bozeman trail, made in 1864 by J. M. Bozeman, of Montana. Lieut. Jewett found bottoms on both sides of the river banks heavily timbered, flanked by high bold bluffs, with Indian signs all along the stream, scarcely a mile where there had not been Indian villages; some within a few weeks, some that were probably made years and years ago; some very large camps gave evidence that the Indians had very large droves of horses, as the trees were badly girdled. Numerous Indian burial trees were found, with lots of "good Indians" tied up in them. Several bands of buffalo were seen during the day. Lieut. Jewett returned to camp the same day, having made a fifty mile march.

August 14.--The first timber was cut to-day for building a stockade, the general having decided to erect a fort on the opposite bank of the river at this point, on a large mesa rising about one hundred feet above the level of the river, and extending back as level as a floor about five miles to the bluffs. A very fine location for a fort, the only disadvantage being scarcity of hay land. Our stockade timber was cut twelve feet long and was from eight to ten inches in thickness. These posts were set four feet deep in the ground in a trench. Every soldier and all the teamsters who could be urged to work were supplied with axes and the men seemed to enjoy the exercise, chopping trees and cutting stockade timber.

August 16. -- Command still in camp waiting for a train of supplies from Fort Laramie before we proceed. Indian scouts discovered a war party to-day, and the soldiers gave them a running fight, Capt. North's Pawnees in the advance with only a few staff officers who were smart enough to get to the front with the Pawnees. Capt. North followed the Indians about twelve miles without their being aware of our pursuit; then the fun began in earnest. Our war party outnumbered the enemy, and the Pawnees, desirous of getting even with their old enemy, the Sioux, rode like mad devils, dropping their blankets behind them, and all useless paraphernalia, rushed into the fight half naked, whooping and yelling, shooting, howling, -- such a sight I never saw before. Some twentyfour scalps were taken, some twenty-four horses captured, and quite an amount of other plunder, such as saddles, fancy horse trappings, and Indian fixtures generally. The Pawnees were on horseback twenty-four hours, and did not leave the trail until they overtook the enemy. There was a squaw with the party; she was killed and scalped with the rest. On their return to camp they exhibit the most savage signs of delight, and if they felt fatigued did not show it On their return to camp they exhibited