THE NEW YORK HERALD.

Whole No. 5013. NEW YORK, THURSDAY MORNING, FEBRUARY 17, 1848. Price Two Cents.

ARRIVAL OF THE STEAMSHIP HIBERNIA.

ONE WEEK LATER FROM EUROPE.

STATE OF THE MARKETS.

Reduction in the Rate of Interest.

IMPROVEMENT IN THE MONEY MARKET.

Advance in Cotton.

DECLINE IN GRAIN.

Additional Failures in England and in Europe.

INSURRECTION IN ITALY.

Progress of the Influenza.

&c., &c., &c.

The steamship Hibernia, Captain Shannon, was telegraphed at half-past 4 o'clock yesterday afternoon. She reached the city about half-past 8 o'clock. She sailed from Liverpool on Sunday, the 30th ult.

The intelligence is one week later than that received by the Sarah Sands.

The Bank of England has reduced the rate of interest to four per cent. Out of the bank the rate is three per cent.

It is announced that the King of Denmark is dead.

The mercantile failures which have occurred since the 16th of January, have been fewer in number and less in magnitude in Great Britain than during any corresponding period within several months past. But, on the continent, firms of considerable importance continue to stop payment; and the reaction of the late crisis in England is very severely felt throughout Europe and in other parts of the world. In India, several other houses have stopped payment, almost the whole of them being branch houses or firms intimately connected with the great London houses which failed in the fall of the last year. The cities of Bombay and Madras have escaped with less loss than almost any other places, the chief weight of the late misfortunes having fallen, as we anticipated, on Calcutta.

The directors of the North and South Wales Bank, which suspended in November last, have made arrangements to resume payment in the early part of February. The head office of this bank is at Liverpool, with branches all over the principality.

Lord Palmerston has protested against the forcible levying of taxes upon English residents in Mexico, to support the war with the United States. These levies were made some six months since, and the English residents then protested against it.

The King of Wurtemburg opened the Chambers on the 22d ult. with a royal speech.

The King of Bavaria has ordered those Jesuits, who have taken refuge there, after banishment from Switzerland, to leave within three days.

The Madrid journals of the 22d, which reached us in due course, are as uninteresting as those of preceding days. The ex-minister, D. Francisco Xavier de Burgos, died on the 21st.

The editor of the *Presse* (Paris paper) states that he had seen a letter, written from on board an American ship of war, dated the 16th, off Messina, which states that a fire of artillery had been opened on that place.

It is mentioned in advices from Berlin, that a state of business approaching panic had been witnessed on the Bourse, in consequence of the nature of operations arising from the general aspect of political and commercial affairs.

The King of Sweden has taken umbrage at the conduct of France, Austria, and Prussia, neglecting to consult him on the proposed intervention in the affairs of Switzerland, his majesty having been, as he alleges, a party to the treaty.

Our Paris letters of the 28th Jan., state that anxiety respecting the situation of Naples and Sicily was increasing. The assembling of 35,000 troops in Naples, which we have already announced, was held fully to confirm the rumored intention of the disaffected to revolt. The King of Naples was believed in Paris to be still determined to refuse making any concessions to his people.

Intelligence from Rome, of the 18th ult., state that the account of the insurrection in Sicily had produced a deep sensation in that capital. It was reported that the Austrian ambassador, in compliance with instructions he had received from his court, in case any serious disturbances took place in the kingdom of Naples, had demanded a passage through the Roman dominions for an army of 30,000 men, to assist King Ferdinand in putting down the revolt. His Holiness had peremptorily refused that permission, and declared that he would, in conjunction with all his allies, resist by force all invasion of his States. Lord Minto, on the other hand, having been asked if England would permit Austria to send a naval expedition to Naples, was understood to have replied that his Government would take no step to prevent the repression of a rebellion, but that, in the event of the success of the revolters, and the establishment of a regular Government under the reigning family of Naples, Lord Palmerston would oppose all foreign intervention. Lord Minto, who had ordered the British fleet not to appear at Naples, lest its presence should occasion a revolutionary movement, had, on receipt of the intelligence of the insurrection at Palermo, sent directions to Admiral Parker to detach ships of the squadron to the Sicilian coast, to protect the persons and property of English residents. The Pontifical Government had concluded a loan of 1,000,000 of scudi, (£200,000,) at 94, with M. Delahante, a French banker.

The Queen has been pleased to appoint James Hosken, Esq., Lieutenant in the Royal Navy, to be Master-Attendant and Postmaster for the island of Labuan.

There are rumors, as there have been for some time, of an intention to establish in London a very large discount and banking establishment on the principle of paying interest on deposits. If this be done on a secure basis, it will materially affect the value of stock in the Bank of England by withdrawing a large portion of the deposits.

The position of the iron trade remains unaltered, except that several additional furnaces have been put out of blast. The spirit of infatuation still prevails among the workmen, and they continue to absent themselves from the works, while the unabated stagnation of business affords no prospect that the masters will be enabled to give way to their demands.

The colliers and miners are also partially on strike, and a few disturbances have taken place in the neighborhood of Kingswinford and Dudley, by the exhibition of violence on the part of the unemployed against the more reasonable of their companions who have returned to work. From the evident intention to commit outrage, it was judged expedient, in one instance, to send for the aid of the military, but the mob having accomplished their ends of intimidation, quietly dispersed.

So great is the distress of the working classes at Vienna, that the funds of the public pawnbroking establishments have been exhausted by the numerous advances which it has made on pledges, and it has consequently contracted a loan of 1,000,000 florins (about £104,000.)

The people of Venice and Milan amuse themselves by writing words applauding the Pope on all the dead walls, and the Austrian authorities are forced to employ a number of men to white-wash these obnoxious inscriptions, which are regularly effaced in the morning, and as regularly rewritten during the night.

Letters from St. Petersburg in the *Hamburgh Gazette*, state that the disorder of the Emperor of Russia has returned with increased violence. He has been compelled to keep his room for several days.

It is said, that the week before last there were 60,000 persons laid up at Madrid with influenza.

The King of Sweden has taken umbrage at the conduct of France, Austria, and Prussia neglecting to consult him on the proposed intervention in the affairs of Switzerland, his Majesty having been, as he alleges, a party to the treaty.

It is stated that 427 vessels, laden with grain for St. Petersburgh, are detained by the ice in the port of Rybinsk, which is situated at the meeting of the two rivers, the Rybinska and the Volga; and in order to preserve the grain, it will have to be disembarked and stored until the spring.

The overland mail from India and China, via Marseilles, reached Liverpool on the 25th inst. By this arrival we have received our mail advices, as follows:—Bombay, Dec. 15; Calcutta, Dec. 8; Madras, Dec. 13; Hong Kong, Nov. 29; Shanghae, Nov. 19; Amoy, Nov. 18; Manilla, Nov. 23; Singapore, Dec. 7; Java, Nov. 30; Mauritius, Nov. 28.

The political news from India and China is unimportant.

The *Amsterdamsche Courant* contains an announcement of Messrs. Hope & Co., of the 21st instant, by which the holders of Louisiana bonds are invited to deliver their bonds at the office of said Messrs. Hope & Co., together with a declaration of acquiescence in the proposition of the directors of the Louisiana Citizens' Bank. This proposition is to be had at Messrs. Hope & Co.'s, with a form of consent; and the term of applying is fixed from 26th January till the 14th of February.

The King of Bavaria has ordered those Jesuits who have taken refuge there after banishment from Switzerland, to leave within three days.

From Austria we learn that Prince Metternich's influence is on the wane.

Miss Frederica Herschell, sister to the celebrated astronomer, Frederick William Herschell, died on the 17th inst. at Hanover. Miss Herschell was herself an accomplished astronomer; she is perhaps most popularly known in England as the constructor of the selenic globe preserved in Greenwich Observatory.

The Earl of Moray died on the 12th instant, at Darnaway Castle, Morayshire, in his seventy-seventh year, from an attack of influenza. By his death the lord lieutenancy of Morayshire has become vacant.

Rear-Admiral Swaine died on the 14th inst. at Wisbeach, after a service of nearly sixty years. The deceased officer was midshipman of the Recovery, at Howe's relief of Gibraltar.

Cardinal Massini died at Rome on the 11th inst., of apoplexy.

The Dowager Baroness Dimsdale died at her residence, Hertford, on the 16th inst., in the 86th year of her age.

Special Despatches to the New York Herald.

LIVERPOOL, Noon, 28th Jan., 1848.

There is mighty little stirring amongst us here; the principal subjects at present on the *tapis*, where I think they seem likely to stick, are the "Gutta Percha Soles." So completely has this invention become the theme of universal eulogy, that every gentleman as well as gent, has determined to become a "snob" for a season. A remarkable, and yet uncommonly common, event is to behold such members of society plodding their homeward path through the "good old town," with a roll of napthatic cake under their arm; and if you venture to write a friend to spend an evening with you, the ready reply, with up-raised eyebrows, as much as to say, why, don't you know, is, "Oh! I've to sole a pair of boots."

Never, perhaps, since the days of Knox, was a greater solicitude evinced for the preservation of soles than now, for every man looks after his own. The cobblers are in despair—their glass is below freezing, and no wonder; the very morality, as well as understanding, of the populace is affected, and the fashionable mode of expressing an oath is, "pon my guttas."

By the way, talking of droll souls; the Metallini Duke has succeeded at last (for it appears by his own account he has long been trying) to set all on the look-out for Mounsiers advent—a "French fashion," that the ladies are scarcely likely to approve of—and it is positively affirmed by those who know best about it, that regular are the draughts of soul-stirring bitters that those sons of Mars, and Joinville's tars, refresh their thirst for revenging Waterloo. What is to be done? or rather what's doing? Why, every man is becoming a soldier; and as I know Punch's Militia Man is "no false creation" of Punch's "heat oppressed brain," but exists in the person of an old "Willan" who lives at a place called Oxton, near Burkinghead, (that town "to be let")—this veteran, who served and died for his country, by proxy, is regularly armed (like Hamlet's ghost) *cap-à pé*, "his *beaver* up," and with cutlass and loaded pistols, and is, in fact, although six years beyond "three score years and ten," a "militia man," ready cut and dried, whenever his country requires him. Thirteen hours a day does this patriot spend in his library, and never loses sight of his traps—I mean his accoutrements. But, joking aside, amongst other military and naval movements, a squadron of 12 armed steam vessels, of various sizes and power, is ordered to assemble at Portsmouth, and to be kept ready for service.

In the commercial way every thing seems "stale, flat, and unprofitable," and the frequent heavy arrivals of specie only tend to render our mercantile men the more *dollar*-ous, and those amongst us best (or worst?) employed are attornies and auctioneers.

Advices from St Petersburgh mention the stoppage of Mr. J. C. Plitt, a German merchant of immense business and of the very first respectability. £330,000 is named as the amount of his liabilities; Frankfort and Manchester are likely to suffer by this stoppage.

Three fourths of the failures during the last year in Berlin, are said to have been caused by railway speculations.

For thirteen days we have had a smart frost, and Peel's sliding scale has not prevented skating. However, such frosts are now a days few and far between, and the present opportunity of skating is certainly an ice-olated one with us. As long as the wind continues east we can have no arrivals, and the following American vessels, due at this port, have not yet made their appearance:—the Columbia, Cropper, New York; the Anglo-American, Brown, from Boston; the Patrick Henry, Delano, and the Marmion, Freeman, New York.

The Sarah Sands sailed hence for New York, on the 22d instant, and will, probably, reach New York about the 12th February.

The influenza has been very busy with all on this side of the Atlantic. It is said that the last week but one, 60,000 persons were afflicted with it at Madrid. Christian VIII., King of Denmark, after long suffering from this disorder, died on the 19th inst. at Copenhagen. Letters from Vienna of the 10th, state that Prince Metternich is dangerously ill. Great is the demand with us for medicine and hot water just now—in fact, as regards the latter commodity, it amounts, in many families, to this:—"Betty, (to the servant,) put a fire under the pump." In Ireland, however, the case is somewhat different. The favorite dose there is an ounce of lead, in the shape of a pill, applied externally.

Things theatrical are, like everything else, in bad odor with us. Fancy a renter's share in Drury Lane theatre, formerly worth £500, being last week knocked down at the auction mart in London for £70! *Punch* speaks confidently—(he has great confidence, that *Punch*)—of 300 "clowns" not acting with "pantaloons" (dreadful destitution!), and of harlequins being at a horrid discount. He also speaks—and he's a great authority—of the probable exportation of clowns' dresses to New Zealand, in the hope that the native chiefs will adopt the costume. But those New Zealanders are not such fools.

Van Amburgh is here, acting as agent for the Titus of the American arena, and is on the look out for talented artistes of the tumbling line, and has, too, purchased from our Batty sundry Albinos, piebalds, and chargers, which latter, at least, are to figure in the "Conquest of Mexico." He has also purchased elephants and camels, with or without number.

Young O'Connell has not given up the ghost on the floor of the House of Commons yet; but he has merely postponed that achievement (as his father put off the repeal of the Union) until an indefinite season, or until a more fitting opportunity offers of doing it with effect. But it won't do.

The Caledonia arrived yesterday (Saturday) morning, at 6 o'clock, very unexpectedly; yet, but for falling in with easterly winds off Cape Clear, she would have reached the Mersey half a day earlier. The departure of the Hibernia has been delayed 24 hours in consequence, simply to enable the officers of our Post Office to clear off the influx of letters by the Caledonia, as they and their office are only efficient to battle with an arrival and dispatch, it appears, in pugilistic fashion, "one down, t'other come on."

The absence, it seems, of a portion or the whole of the New York mail, has caused great inconvenience and annoyance; and long and unsettled countenances are the effect. The number of letters by the Caledonia is said to be "prodigiously" small. We received our Mexican and West India letters by the Teviot steamer, this morning—she was looked for seven days ago.

30th Jan., 1 P. M.—Still no account of the Columbia, Patrick Henry, Anglo-American, or the Marmion. Wind continues S. E.

PARIS, 18th January, 1848.

Events of high interest here have occurred since the date of my last despatches. The oldest and most cherished friend and counsellor, and one of the most beloved of the relatives of the Monarch of the Barricades, has departed this transitory life, after seventy years passed amidst vicissitudes seldom paralleled in the life and fortunes of any individual of any station or rank. The late Princess Adelaide of Orleans, was a person of strong masculine understanding, and exercised over the mind of her brother a great influence. She it was, who, when the wife of Louis Philippe shrunk from the offer of the crown made at Neuilly, by MM. Thiers and Scheffer, in July, 1830, stood boldly forward, pledged herself that her brother should consecrate his life to the country, and even offered to go personally to the chamber through the tumults of the streets, if her presence then could be useful. Since then she has never separated herself from the destinies of the new monarch. She inhabited the pavilion of the Tuileries, which forms the angle of the palace next to the river, in which she occupied the noble suite of apartments on the ground floor, where she died. On the restoration, it was her good fortune to find the chief part of the property of which she had been deprived by the revolution unsold, and she consequently regained it. Its amount was very considerable, being estimated in actual value at the death of the Princess, at twelve millions of dollars. With the exception of some legacies, she left this to the sons of Louis Philippe, her nephews. The Duke d'Aumale, possessing the princely fortune of the late Duke of Bourbon, received no share. The Duke de Nemours being the natural inheritor of the chief part of the immense private fortune of Louis Philippe, has received only two millions of dollars. The remainder is divided in equal parts between the Prince de Joinville and the Duke de Montpensier. These princes will thus be possessed of most munificent fortunes. The Duke de Montpensier got with his wife a fortune of above six millions of dollars, and the Prince de Joinville, who married the sister of the Emperor of Brazil, obtained a dower of scarcely less amount.

Since this severe stroke of affliction, Louis Philippe has visibly suffered. The struggle to suppress his emotions before his family and the public has only augmented their effect, and those who are best acquainted with what goes on in the chateau, are of opinion that the days of the sovereign will be abridged by this shock, although it is certainly untrue that there were any immediate grounds for uneasiness respecting his life. How much importance is attached to that life, has been rendered conspicuously manifest by the effect produced at the Bourse, by the slightest alarm respecting it. The moment the death of the Princess Adelaide was announced, the three per cents fell a franc; not, of course, on account of the princess herself, but from the effect it was feared that her death would have on the king. Since then every rumor regarding his health has caused a fluctuation. It is literally true that he cannot sneeze without lowering the funds.

Another great event, of which you will doubtless have heard, is the surrender of Abd-el Kader, that formidable chief, who has so long warred against the French in Africa, to the Duc d'Aumale. This was a lucky incident; a sort of windfall of glory to the young governor general of Algiers. Abd-el Kader was not, strictly speaking, making war with the French colony in Africa. He was attacking the Emperor of Morocco, by whose army he was beaten. He found himself beset on one side by the victorious troops of Abderhaman, and on another by the frontier of the French colony, bristling with bayonets, under General Lamoriciere, and in his rear the desert. There was no escape. He offered to surrender to the Duc d'Aumale, or rather to General Lamoriciere, on the condition of being sent with his family and suite, either to Alexandria or St. Jean d'Acre. These conditions were granted, and the Emir, with his followers, amounting to about an hundred persons, were accordingly landed at Marseilles in a French steam frigate.—At home, however, the conditions which had been granted, proved to be any thing but acceptable; yet how to back out of the affair, without violating the word of the governor general of Algeria, the son of Louis Philippe. This has just been, however, most adroitly managed. Abd-el Kader has been wheedled and flattered by the agents of Louis Philippe, until he has been actually persuaded to give up voluntarily the conditions on which he surrendered, and to throw himself on the generosity of the King of the French.

The reform movement has assumed dimensions and importance such as to command the serious attention of the government, which now sees that it will not do to treat it with contemptuous indifference. The *Revue des Deux Mondes*, a semi-official organ of the cabinet, in an article which appeared on Saturday, admits that the question can no longer be left to the reform banquets, but that it is rife for discussion in the Chamber. This is the first step towards practical legislation; and it may be now considered that ere long the colossal system of electoral and parliamentary corruption, which forms the instrument by which the government in France acts, must undergo a modification. The country demands it. The ministerial majority themselves admit that it is indispensable, and no cabinet can permanently hold office without, at least, making some concession to this universal demand. At the moment that I write, it is rumored that negotiations are going on between the Court and Count Molé, for a change of cabinet; but I believe they will lead to nothing.

In music and the drama, the great event of the last fortnight has been the production of Auber's new opera of "Haidee, or, The Secret." This work has been produced with every attention to effect, whether in the music, the libretto or the "*mise en scene*." The libretto is by Scribe, and has been found fault with as being complicated and far-fetched, but the brilliancy of the music and the splendor of the scenery and costume, draw all attention from criticism upon the drama. The opera in its character and style, belongs to the same class as "Masaniello," and although written for the *Opera Comique*, ought to have been produced at the Academy, where alone justice could have been done to it, and where it might have been illustrated and adorned with those delicious ballets, to which the strains of Auber are so admirably adapted. Such as it is, however, it has been eminently successful, and is likely to run on the alternate nights through the present season. It is also about to be exported to London, where it will be produced, it is said, at Covent Garden.

Verdi's opera of "I Lombardi," transmuted into Jerusalem, which I have mentioned in my former letter, "drags its slow length along," in gorgeous and heavy magnificence at the Academy. It has not been successful, and notwithstanding all the artistical skill, and the boundless expense lavished upon its production, it is not destined to live. Indeed, neither the Parisian nor the London public, have ever been able to relish the compositions of Verdi. Score after score has been produced in the one and the other capital, and the managers have omitted no expedients to secure success, yet the public has been insensible to the merits of the maestro. Nothing is more incomprehensible to the amateurs of London and Paris, than the invariable success of Verdi in Italy. At the moment that I write these lines, an "*affiche*" of one of his works would be sure to put an audience to flight in the capital of either England or France, while nothing else is necessary to ensure crowded and enthusiastic audiences in Milan, Venice, Bologna, Florence, Rome, or Naples. In fact, in the trans-alpine theatres, Rossini and Bellini are defunct, and Verdi alone lives.

In chamber music, Paris is, as it has always been, deficient. The Paris public loves the spectacle, and although the Conservatoire, from time to time, at distant intervals, attracts an audience of connoisseurs, yet the stage is the only arena in Paris in which a composer can hope for a real triumph. Up to the time I write, the season has not been marked by the production of a single concert worthy of mention. Cinti Damoreau has, however, just announced a concert, in which she proposes to take her final farewell of the public.

The stream of fashionable amusement in Paris, has been interrupted, and certain branches of business seriously damaged by the court mourning of two months, falling as it does, unfortunately, in the very middle of the Paris season. All receptions and balls at the chateau, are, of course, discontinued, and the same suspension of social amusements take place by etiquette, at all the embassies, at all the ministries; and in short in all the circles directly or indirectly connected with the court and cabinet. Many families also, glad to effect an economy in their expenses, shelter themselves under the pretext of fashion, and adroitly curtail their expenditures, and do homage to the powers that be, in the same measure. Even in public, at the opera for example, a considerable proportion of the audience appear in black. This is at once fashionable and cheap. Nevertheless balls and entertainments continue in the Faubourg St. Germain; and on the evening of the 18th, the great annual public ball in aid of the extinct civil list of the Restoration, was given in the Jardin d' Hiver, in the Champs Elysées. Of course, the votaries of the cause for which this entertainment is given, have but small respect or consideration for the family of Orleans.

By the bye, the "locale" of this entertainment merits especial mention. It is a conservatory on a colossal scale, erected in the Champs Elysées, enveloped by a roof and sides of some hundreds and thousands of square feet of glass, in which an endless variety of flowers, native and exotic, are cultivated and displayed, where there are promenades, ball rooms, "salons de lecture," and "salons de societé."

In fact, it is an immense establishment of public recreation and amusement—where promenades, concerts and balls are given, amidst the perfumes and dazzling hues of flowers and shrubs from every country and every clime, and amidst the brilliancy of tens of thousands of lamps, shedding an artificial day upon the scene of enchantment. It seems likely to supersede the great theatres which have hitherto been the resort of the votaries of Terpsichore during the winter half year.

MADRID, January 12, 1848.

The great event of this city which has marked the last month, has been the return of the Ex-Regent, Gen. Espartero, Duke of Victoria, from his long exile. The web of Spanish politics is too intricate to be perfectly known even here, much less at the other side of the Atlantic. Why or wherefore Espartero, who has been so long kept aloof, should now be invited back, raised to senatorial rank, and reinstated in his property and revenues, no one can tell. Still less can this be explained, when it is remembered that the invitation has emanated from his political opponents. But so it is. Espartero, coming from London by sea, landed at St. Sebastian, where the inhabitants spontaneously illuminated the town, on his arrival. Preparations were made to celebrate his return by public rejoicings, and honors, and salutations due to his rank as a Captain-General, were offered to him. He declined all these manifestations, and would not even accept a guard of honor due to his military rank. He travelled from St. Sebastian to Madrid *incog.*, and took care to arrive in the capital at four in the morning, an hour at which it was not to be expected that any popular manifestations should take place. After his arrival, crowds continued to collect in front of his hotel; but he avoided showing himself, or doing any thing which could provoke an outbreak of the public enthusiasm. When it became necessary to present himself to the Queen, he went out in plain clothes, in the brougham of a friend to avoid popular notice.

Various versions are given of his interview with her majesty; but we have reasons to know that it was such as to gratify the Ex-Regent. He was received by the Queen and King consort, none of the ministers being present, with words of kindness on the one side, and professions of devotion on the other, were interchanged, and the interview terminated satisfactorily.

Espartero afterwards took his seat and the oaths as a Senator, and is now understood to be about to leave Madrid on a visit to the provinces.

Innumerable reports have been circulated ever since the return of the Queen Mother from Paris, of the decline of Queen Isabella's health. It is certain that she has been subject lately to fainting fits which have produced much uneasiness and alarm.

On two of these occasions, the Prime Minister, Narvaez, has been suddenly called to the palace. In the last of these cases, Her Majesty is understood to have continued for nearly three hours in a state of insensibility. Nevertheless, the public anxiety has been allayed by the subsequent appearance of the Queen in public without any marks of visible indisposition.

Reports are, however, continually circulated connecting the supposed state of Queen Isabella with the views which the Queen Mother and King Louis Philippe are understood to entertain with regard to the succession of the Duchess de Montpensier.

No expectations are now entertained of the appearance of a direct heir to the throne, nor is there much hope felt of the Duchess of Montpensier having issue. Meanwhile the great power of Europe (England and France excepted) have not acknowledged the sovereignty of Isabella, and will be rendered still less likely to do so by the non-appearance of a successor in the direct line, or even in the collateral one of the Montpensiers. In short, the seeds of a disputed succession have been sown, and it has been more than once affirmed that England has signified her desire to see the Salic law, re-established in Spain, so as to throw the family of Don Carlos within the circle of legal succession, and thus reconcile the great powers of Europe to the "statue quo" of the Peninsula. Time alone, however, can prove what extent of reality there may be in these and similar speculations.

MILAN, January 12, 1848.

This city has during the last fortnight been the scene of extraordinary events. In former letters you have been informed of the secret struggle which has existed here between public opinion on the one hand and the iron despotism of Austria on the other.

We have an overwhelming armed force, ready to crush at any moment a defenceless and unarmed population. No organ of expression exists for public opinion. There is no press nor any journal, save one, which is the vehicle of the will and the decrees of despotism.

There is no jury, and consequently, in all questions between the government and the citizens there is no justice. Individual and personal liberty, there is none.

In this situation of deplorable helplessness, some intelligent and public-spirited individuals lately reminded the people of the mode in which the British colonists in America, before the war of independence, assailed the home government, by combining together to stop the consumption of tea, from which the British government derived so large a revenue. Imitating this example, it was suggested that we should exercise the same means of coercion over our Austrian despots, by ceasing to use tobacco in any form, of which the government retains a monopoly, and from which it derives an enormous revenue. It was further suggested that we should cease to put money into the lotteries, another monopoly of the government and an extensive source of revenue. These suggestions were thrown out towards the end of December, and a tacit agreement was come to that they should be carried into practical effect on and after new years day. This convention was rigorously carried into effect, and except in rare instances, not a cigar was to be seen in the streets or places of public resort. The few who smoked, whether from ignorance of what had been agreed upon, or from a desire to violate it, were soon made to feel the irresistible power of the opinion of the majority. Those who wilfully persevered, suffered rebuffs and insults, and finally had the cigars snatched from their mouths. In this state of things, the agents of the government and the police sent out hired individuals, followed by armed men and other agents of the civil power to smoke cigars, supplied to them gratuitously. The people were not slow to invent an infinite variety of modes of annoyance, which soon banished them from the public ways.

The Government seeing this, resorted, on the 3d inst., to measures of a more decisive and atrocious nature. The soldiers, generally Austrians, were supplied gratuitously with some thousands of cigars, and were let loose upon the town, retaining their side arms, bayonets and sabres. They were instructed to keep in bands of 60 or 80, to frequent the public promenades and the most frequented and fashionable *cafés*, where persons of their rank and position had not been accustomed to appear, and were desired to smoke the cigars in the most irritating and provoking manner. It may be well imagined that such instructions were not thrown away upon bodies of men selected, as the Austrian soldiers are, from the most abandoned and profligate classes of the population of the Empire. The Government well knowing what the consequences of such orders must be, directed them in case of their being insulted, to use at their pleasure their side arms—in a word, a massacre of the population was arranged by the authorities for the evening of the 3d instant. That such a measure was premeditated, is proved by the fact, that orders were sent to the hospitals in the morning to have all the available beds and litters prepared to receive the wounded. Things being thus deliberately arranged, these bands of authorized murderers issued from their barracks in the afternoon of the 3d, with the design on the part of the Government of spreading terror throughout Austrian Italy, by the exhibition of a modern St. Bartholomew, and if the results were not proportionate to their expectations, it was more through the irresolution, or through some remains of right feeling in their military agents than from any want of will in themselves.

The soldiers, as ordered, scoured the promenades and filled the *cafés*, puffing tobacco smoke in the faces of the peaceable and unoffending citizens. Insults and abuse of course ensued, and such of the soldiers as were sufficiently base to act upon the permission given to them, drew their sabres and bayonets, and fell upon the unarmed people. The number of killed and wounded is variously reported, but as their is no public press, and as the government journal is sure to circulate falsehood, it never can be certainly known. Common rumor varies from 50 to 200. The government reports admit only 12 actually killed. Numerous of the wounded, however, are in the hospitals and private houses. Among the murdered is a Councillor of State, M. Monaughini a respectable man, aged above 70, murdered on the threshold of his own house, by the infuriated and intoxicated soldiery, as he was entering it. One body was found literally cut to pieces, having on it not less than 32 sabre cuts and bayonet wounds.

For some days after this atrocious affair, the troops were consigned to their barracks, and only allowed to leave them when on actual duty. But the city exhibits the melancholy aspect of a town in a state of siege. The artillery are kept ranged on the boulevards which surround the city, and on the square before the chateau. The guns are loaded night and day. Horses are harnessed to them, and the gunners have their matches lighted.

The streets are swept from hour to hour by patrols of infantry, and squadrons of cavalry—the one with their muskets loaded, and the other with their sabres drawn. Each patrol of infantry is preceded as in time of war by three men with their loaded muskets slung and ready to be discharged. Such is the present condition of our city.

Meanwhile we learn that couriers have arrived from Vienna with despatches, investing the Governor with extraordinary power, in which is included that of declaring martial law.

In what all this will end, no one can tell. This reign of terror, however, does not appear to have intimidated other towns of Lombardy, for we learn that Como, Cremona, Brescia, Pavia, Padua, and other places, have adopted the system of abstinence from tobacco, and the the lotteries which have provoked the rage of our tyrants here.

Failures of Mercantile Firms.

The mercantile failures which have occurred since our last have been fewer in number and less in magnitude in Great Britain, than during any corresponding period within several months past. But on the continent firms of considerable importance continue to stop payment; and the reaction of the late crisis in England is very severely felt throughout Europe, and in other parts of the world. In India several other houses have stopped payment, almost the whole of them being branch houses, or firms intimately connected with the great London houses which failed in the fall of the last year. The cities of Bombay and Madras have escaped with less loss than almost any other places, the chief weight of the late misfortunes having fallen, as we anticipated, on Calcutta.

We regret to state, that besides the houses already reported, that of Hughesdon & Co., at Calcutta, has finally suspended payment; also Colville, Gilmore, & Co., the correspondents of Barclay, Brothers & Co.; and B. T. Ford & Co, the correspondents of Rickards, Little & Co. The Union Bank had paid with promptitude such bills as had been returned dishonored, and some hopes were entertained that the institution would not be irretrievably broken up. Messrs. Lambe, Rainals & Co., of Columbo, the correspondents of Laurence, Phillips & Co., remained firm, and no doubt was entertained of their stability. The house of Vinay, Cardoza & Co., at Madras, connected with the same firm, was expected to stand their ground, unless suddenly pressed by returned bills. Indeed, it will not be until the bills dishonored in London shall, when at maturity, be returned to India, that the full extent of the mischief can be ascertained. Provisional trustees have been in some cases appointed, under whose inspection the affairs are to be carried on until the next mail throws more light upon the prospects of commerce at home, and the assets likely to be yielded by the correspondent houses which have suspended payment there. Messrs. Lyall, Matheson & Co's affairs are, we understand, in the hands of Mr Skinner, Mr Lancaster, and Mr. Bailey; Messrs. Cockerell's in the hands of Mr Martin, Mr. McKenzie, and Mr Faire; and Messrs. Hughesdon's in those of Mr J J McKenzie, Mr. Kelsall, and Mr. McCallum. A meeting of the creditors of Messrs. Smith, Cowell & Co. has been held. The statement of affairs showed the liabilities of the firm here to be company's rupees 232 384, and their assets company's rupees 590,638, of which company's rupees 126 756 is a cash balance in the Bank of Bengal and Oriental Bank. Their total liabilities, arising out of bills drawn on account of their London and Liverpool correspondents, are company's rupees 812 384 and on what is considered a low estimate of the out-turn of property of those firms, the total assets will be company's rupees 927,858. It was resolved that the house should be allowed to carry on business under inspectors then appointed.

London has been generally exempt from further disasters; but during several days credit was shaken by the active reports circulated, that a large East India and China house had solicited assistance from the Bank of England, and was about to wind up their affairs. These rumors have been unequivocally contradicted; and it is positively stated that no present intention exists of any of the partners of this eminent and extensive house relinquishing business.

The failure of J. C. Plitt, German merchant at St. Petersburg, for £330,000, has caused great consternation in that capital. The government has placed seals on the property; and some malappropriation of funds belonging to a public company, in which malversations a deceased broker has been discovered to be a party, has excited great distrust.

The Baden Chambers are still discussing the extent of aid which should be afforded to Messrs. Von Haber & Co., of Carlsruhe, but no doubt is entertained that effective assistance will be afforded. It has been given with great reluctance.

At Vienna the reports which have been circulated respecting the great house of Arnstein & Eskeles, second to only one in that city, have, it is said, influenced the house to relinquish business, and there can be no doubt but that the partners will retire with a considerable private fortune, computed at half a million sterling.

The affairs of Messrs. Rupe & Co. of Amsterdam, are represented to be very unfavorable.

The sugar refining works of De Bruyn & Co. will not be suffered to discontinue operations, but will be carried on by other parties.

Messrs. Thomas Wright & Co. of St. Petersburgh, connected with Job Wright & Co. of London, have maintained their ground; the remaining bills, as in other cases of Russian and London houses, having been kept here and not sent back.

Mr. Michel Bass, banker, of Paris, whose name will be found in the subjoined list, is reported to have resumed business.

Messrs Perkins, Schlusser, and Mullens, of London, have signified their intention to pay 5s in the pound at an early day. Messrs. W. and J. Woodley have also declared a second dividend of 3s 4d in the pound.

The *Journal de L'Aisne* mentions the disappearance of M. Clerzot, a banker, at Laon. The amount of his engagements is not stated.

The old and respectable house of Johannes Bochmer, of Frankfort, which stands in our list of failures, is said to have resumed payment.

The directors of the North and South Wales Bank, which suspended in November last, have made arrangements to resume payment in the early part of February. The head office of this bank is at Liverpool, with branches all over the principality.

FAILURES IN ENGLAND AND OTHER PARTS OF EUROPE.

Bass, Michel, banker.....Paris.
Barnes, W., woollen manufac. Milnrow, near Rochdale
Baart, A., merchant.....Frankfort.
Batson & son, iron and coal merchants. Dudley.
Bertram & Parkinson, general merch..Newcastle.
Boissiere, A., merchant.....Algiers.
Bonnevialle, C., & Co. merchants.....Algiers.
Bochmer, J., wholesale druggist.....Frankfort.
Brightman, J., & Co. E. I. merchants..London.
Cochetaux & Co. manufacturers.....Templeuve.
Colville, Gilmore, & Co. merchants....Calcutta.
Cunard, Jos., timber merchant.....Miramichi.
Cux & Co. bankers.....Carlsruhe.
Delaunay & Co. merchants.....Havre.
Doering, drysalter.....Frankfort.
Fajon, C.....Montpellier.
Farel, —.....Montpellier.
Fore, B. F., & Co. merchants.....Calcutta.
Ferguson, A., timber & hard'e merch..Dublin.
Graham, J. and C. cotton spinners....Glasgow.
Granier, —, banker.....Montpellier.
Haas, C. C., merchant.....Frankfort.
Haber & Co., bankers.....Carlsruhe.
Hardman & Co., merchants.....Liverpool.
Heidelburg Brothers, merchants.....Frankfort.
Hennekine, Louis, banker.....Mons.
Hoffman M., merchant.....Frankfort.
Hopkins, Henry, stock broker.....London.
Hughesdon & Co., merchants.....Calcutta.
Krug, M., merchant.....Lubeck.
Lake, Hammill & Co., merchants.....Calcutta.
Lesage & Labry, dealers in cotton goods. Paris.
Lee, J. Maclean, underwriter.....London.
Maintz, M., merchant.....Offenbach.
Maring & Co.....Offenbach.
Mullens & Co., merchants.....Calcutta.
Oxley, Dunlop & Co.....Bradford.
Plitt, J. C., merchant.....St Petersburgh.
Smith, Cowell & Co., merchants.....Calcutta.
Volkart & Lubeck, timber merchants. Gottenburg.
Ward & Angell, leather factors.....London.

France.

The state of health of Louis Philippe has given rise of late to considerable uneasiness. It was naturally to be expected that the shock of the death of his sister, Madame Adelaide, would have manifested itself visibly, more or less, on that monarch's health. Advantage has been taken, however, by speculators on the Bourse (who, of course, manage to make rumors general through the medium of the press) to exaggerate the extent of his Majesty's illness for their own purposes. The Queen, to remove these reports as far as possible, caused the *soirées* and court receptions, which had been suspended since the death of Madame Adelaide, to be resumed forthwith; and not only were these attended by his Majesty, but he also gave audience to the deputation from the Chamber of Peers on the occasion of presenting the address. The real fact is, that his Majesty still labors under the remains of influenza, although considerably better. Any complaints by a monarch, so far advanced in years, and whose feelings have so recently been subjected to a severe and trying ordeal, will cause more general interest than usual; and we do not wonder, therefore, that they have caused the renewal of the old rumor of abdication. In reference to this, we copy from a Paris paper: "The rumor of an intention to abdicate on the part of the King has been revived. It is asserted that his physicians have recommended a greater degree of repose than is possible with the present position of Louis Philippe; but it is believed also that there are political motives of high gravity for such an act. It would, it is argued, bring the regency into immediate action with all the moral power of the crown; for the King, although no longer the nominal sovereign, would inspire the Government with force, and he would be regarded as the natural guardian of the young king. It would also afford an occasion for salutary concessions, which the Government now refuses to make, on account of their being a breaking up of their system. It would be an experiment of a new government with all the moral force of the old, and all the popularity which a few judicious reforms would impart. New actors would be on the stage, but the old prompter would be at hand.—At the death of Louis Philippe, under such circumstances, the new government would already be in action; it would have rallied round it all the partisans of the dynasty, and the guarantees of power would be already in full play. Such are the arguments brought forward in Paris for the abdication of Louis Philippe."

The Chamber of Deputies have been again reviewing the Swiss affairs. M. Guizot charges Lord Palmerston with departing from the line of policy adopted by the British government in 1832, when Mr. Percy, then British Minister in Switzerland, was instructed by Lord Palmerston to inform the Swiss government that all alterations in the Swiss federal pact tending to destroy the separate sovereignty of the cantons, would so materially change the foreign relations of Switzerland, as to entitle the powers which were parties to the treaties of 1814 and 1815, to object to such alterations. This, it is alleged, is all the French government has lately insisted on. A long debate took place in reference to the selling of government situations with the cognizance of government. M. Guizot