INTERESTING FROM EUROPE.

THE MAILS OF THE EUROPA.

The Prussian Government and General Butler.

COBDEN'S SPEECH ON THE WAR.

SECRETARY CHASE AS A FINANCIER.

The London Times and New York Chamber of Commerce.

The Anglo-Rebel and United States Navies.

&c., &c., &c.

The mails of the Europa reached this city from Boston at an early hour yesterday (Monday) morning. Our files of European papers are dated in London and Paris on the 1st of November. The journals contain the following very interesting details of the news telegraphed to the HERALD from Halifax:—

The Paris correspondent of the London *Herald*, writing on the 31st day of October, says —

If the French wish to make Mexico a French dependency no Power in Europe objects with the exception of Spain; therefore, why not try a little frankness by way of a change, and candidly state the object which the expedition is expected to accomplish. All commercial Powers, and England at their head, would be grateful to France for substituting herself for the adventurers who have made anarchy permanent in the country. Why not candidly confess it if such be the object in view?

Mme. Geffrard, the wife of the black President of Hayti and herself *nigro similima cygno*, had the honor of an audience of the Emperor and Empress at St. Cloud on Sunday.

The Vienna *Gazette* of the 29th of October announces that, in consequence of recent events in Greece, the Emperor has ordered the immediate departure of an Austrian naval squadron for the Archipelago. It will consist of the frigate Novara, the corvette Archduke Frederick, and two gunboats of the first class. This squadron, placed under the orders of Captain Baron de Pock, has the mission of protecting Austrian commerce and subjects in Greece.

Our Berlin Correspondence.

BERLIN, Oct. 29, 1862.

A Difficulty with General Butler—The Kreuz Zeitung on the Policy of England towards America, and the Recognition of the Southern Confederacy—Departure of M. Bismark—The Revolution in Greece, &c., &c.

Intelligence has been received from New Orleans of a Trent affair on a small scale in which the rights of the neutral Prussian flag are alleged to have been violated by the federal authorities. The Prussian ship Essex, Captain Klatt, bound for Liverpool, had taken on board a cargo consisting of cotton, staves, cotton, &c., with about seventy-five thousand six hundred dollars in specie (gold and silver). She had also twenty-five cabin passengers, mostly belonging to the better classes, including fifteen ladies and four clergymen. Captain Klatt intended to sail on the 15th of September, but was stopped *vi et armis* by General Butler, who insisted upon having $25,000 of the specie unloaded and delivered up to him. It is not stated on what grounds he made the demand. He had probably found out that it was Confederate property, and, therefore, subject to confiscation. The captain, who had signed bills of lading for the whole amount, and engaged to deliver it to the consignees at Liverpool, refused to comply with the orders of General Butler unless the latter actually proceeded to take possession of the money by force. It seems the General did not think proper to resort to such extremities without first reporting to Washington, but in the meantime the ship was detained in the port of New Orleans, where she was still lying on the 24th ult. Captain Klatt had protested in due form against the proceedings, and made the United States government responsible for the forcible detention of his ship, cargo and passengers by General Butler, claiming one thousand dollars per diem "demurrage" or damages for the injury inflicted upon him by the delay. It is possible that since then the dispute has been amicably settled between the Prussian ambassador at Washington and the Secretary of State. Of course America has nothing to fear from the half dozen cockboats which compose the Prussian navy; but for that very reason it is thought that the United States authorities will be the more willing to give satisfaction to a government with whom they have always been on the most friendly terms, and whose flag, if the representations of Captain Klatt are correct, would certainly appear to have been treated with scanty courtesy by the officer commanding at New Orleans.

The *Kreuz Zeitung* contains the following article on the policy of England towards America, which is of some importance as showing the ideas entertained by the leading circles of Prussia on this subject:—"The recognition of the Southern States by England appears to have assumed more and more the character of an open question, and it is not without interest to see how the Cabinet of Lord Palmerston is gradually maturing the decision of this delicate affair. The British government are undeniably in a difficult position. No doubt they are secretly rejoiced at the prospective debilitation of their powerful rival, and the diminution of the political influence of America in general by her splitting up into hostile States, or groups of States; but this satisfaction is damped on the one hand by the cotton famine and the blockade of the Southern ports, and on the other by their fears for Canada and mistrust of their 'magnanimous ally,' which make it incumbent upon them to devise the most cautious policy, and not to precipitate a catastrophe by premature interference. If, notwithstanding the clamor raised in England for the recognition of the South is daily growing louder and louder, and words are openly pronounced even by members of the Cabinet which serve to encourage it, while immediately after they are disavowed or explained away in other official quarters, it may well be worth while to examine these apparently contradictory movements a little more closely. In so doing, however, we easily arrive at the conclusion that nothing would be more erroneous than to ascribe the diverging opinions expressed by Gladstone and Lewis to a corresponding antagonism in the Cabinet. Gladstone has the mission to influence and prepare public opinion. Lewis disavows himself ostensibly to relieve the government from the responsibility and make it appear at last as if they only yielded to an irresistible pressure from without. Meanwhile the English press continues to represent the condition of the North as deplorable and hopeless, and the agents of the South second these manœuvres by urging that the recognition of the Southern confederacy would be an act not of hostility but of benevolence and humanity toward the North. In short, the old game is played of enveloping naked egotism in the decent mantle of Christian charity and modern civilization. In spite of all this, however, we do not believe for the present in the recognition of the South by England; nay, we almost doubt whether this recognition will ever take place in a form that would render England an object of hatred and animosity for the North. Complete exhaustion, the excitement of suspicion against the President, and disunion in the party that supports him—these are expedients by which England may hope to attain her ends more safely and emphatically, and which may finally induce the North to welcome her intervention as an act of kindness, instead of resenting it as an insult. By this policy, too, England would avoid the risk of doing anything that might make her dependent upon her 'magnanimous ally,' and would reserve her strength for other questions in which her interests are at stake."

M. de Bismark left for Paris on Monday morning, his journey having been delayed by the ministerial changes in France, which are not much relished here, inasmuch as Drouyn de l'Huys is known to be a partisan of Austria. In his appointment is to be regarded as indicative of the imperial policy, the projected triple alliance of Prussia, Russia and France would have been knocked on the head at the very outset, but the ministers of Louis Napoleon are generally mere tools, whom he uses as long as he wants them, but rarely allows to pursue a line of policy differing from his own. He has certainly no predilection for Austria, and she never has more cause to fear him that when he appears inclined to favor her. This truth, which the Austrian statesmen have experienced ever since the Crimean war, has received another proof at the present moment, if, as is suspected, he has had a hand in the Greek revolution, which has broken out so on expectedly and must fill the old legitimate dynasties of Europe with consternation. The fact of the soldiers having deserted the King and fraternized with the people is calculated to make a deep impression on those sovereigns who put their trust not in the affections of their subjects, but in the bayonets of their army, and it would be well if his Majesty William I. were to reflect seriously upon it and shape his course accordingly.

THE AMERICAN QUESTION.

Cobden on Intervention.

CHANCES OF A REUNION OF THE AMERICAN PEOPLE—ENGLAND CANNOT FORCE HER OPINIONS IN THE UNITED STATES.

[From the London Times, Oct. 30.]

This evening (Oct. 29) Mr. Cobden addressed a large meeting of his constituents at Rochdale at Mr. Fathem's machine shop, in the neighborhood of the railway station. The room, which will hold about 3,000, was densely crowded. The Mayor of Rochdale presided, and there were present the mayors from several of the neighboring towns, a large proportion of the principal manufacturers, and a mass of operatives.

Mr. COBDEN said:—Before I address myself to the general subject involved in the resolution which is now before you, I will, with your permission, say a few words upon that question which is most near to my feelings, as it must be to every one concerned, with this borough—I allude to the present state of distress in this district; and I should like, if I could, to say a few words that might contribute towards making the causes of your sufferings better understood, and also clearing up any misapprehension that may exist with regard to the position of this district. Among our fellow countrymen in other parts of the kingdom I should like to say a word or two in reference, not only to our own interes in this disaster, but also to the responsibility and duty arising out of it, which fall on all parts of the kingom. Now, you are suffering here very much in the same manner as you would be if England were engaged in a foreign war and this country were placed in a state of blockade to prevent the ingress of cotton for your mills. That would be a state of things which would be accepted by the whole kingdom as an affair which concerns the whole community. All England and the United Kingdom would come to your rescue; any necessary amount of expenditure would be incurred in order to rescue you from the danger which assailed you, and to compensate and indemnify you for the injuries which you might have sustained—(hear, hear)—there is very little difference in principle from such a case and that in which you are now really involved. You are suffering not from a blockade of Lancashire, *but from a blockade of the Southern ports of the United States.* Both arise out of a state of war—both arise out of the principles recognized in the conduct of war, and, as the government of this country *are asserting parties to such principles of warfare*, and as it is an evil arising out of a war which you cannot provide against, which you cannot remedy, and for which you are not responsible, then I say it must involve the same consequences—that your sufferings should be shared and your case relieved by the efforts of the whole of the community of the United Kingdom. (Hear, hear.) We are placed in this tremendous embarrassment in consequence of the civil war in America. Now, don't expect me to be going to venture upon ground which other politicians have trodden, with, I think, doubtful success or advantage to themselves; do not think I am going to predict what is going to happen in America, or to set myself up as a judge of the Americans. What I wish to say is a few words to throw light on our relations as a nation with the American people. I have no doubt whatever that if I had been an American I should have been true to my peace principles, and that I should have been among, perhaps, a very small number who had votes or raised their protests in some shape or other against this civil war in America. There is nothing in the course of that war *which reconciles me to the brutalities and horror of such a mode of settling human disputes;* but the question we have to ask ourselves is this, What is the position which, as a nation, we ought to take in regard to the Americans in reference to this dispute? It is no use arguing what was the origin of the war, or to advise its discontinuance. From the moment the first shot is fired, or the first blow is struck, farewell to all reason and argument. You might as well argue with mad dogs as with men when they have once begun to spill each other's blood in mortal combat. I was so convinced of that fact during the Crimean war—which, you know, I opposed—I was so convinced of the utter uselessness of raising one's voice in opposition to war when it had once commenced, that I had made up my mind that, as long as I was in political life, should a war again break out between England and a great Power, I would never open my mouth upon the subject from the time the first gun was fired until peace was made, because it is only by the exhaustion of one of the parties engaged in the war that a termination can be arrived at. Look back to our own history. What did eloquence, however great and masterly in the persons of Chatham and Burke, do to prevent a war with the American colonies, or to stop it after it had commenced? What did the eloquence of Fox do to avert the war with France which followed the French Revolution? There was a man at the commencement of the Crimean war who raised his voice in accents of eloquence, in power of pathos and of argument, fit to compare with anything that ever fell from the lips of Chatham or of Burke. I mean your distinguished townsman my friend Mr. Bright—(cheers)—and what was his success? Why, they burnt him in effigy for his pains. If, then, we were so powerless as politicians to check a war at home, how useless and unavailing it would be in me to presume to affect in the smallest degree the results of the contest in America. We all regret this dreadful and sanguinary war, but to attempt to scold the Americans for fighting, or to think of reaching them with arguments when *they are standing in mortal combat, millions of men*, armed, and fighting to the death, would be the greatest waste of intellect we could commit. But it is said by some that this war will soon be brought to an end, and brought to an end in a certain way. Now, I have travelled twice nearly through every free State in America. I know most of the principal persons engaged in this contest on both sides. I have kept myself pretty well informed of all that has been going on in that country, and though I think I ought to be as well informed as the average of my countrymen, Cabinet Ministers included, yet, if you were to ask me how this contest is to end, I confess that I should feel totally at a loss to offer an opinion that would be worth the slightest attention on the part of my hearers; but this I will say, that if I were put to the torture and compelled to offer a guess I *should not make the guess* which Mr. Gladstone and Earl Russell have made on the subject. (Hear.) I don't believe, if the war in America is to be soon brought to a termination, *that it will be brought to an end by a separation of the South from the North. There are great motives at work among the large majority of the people in America, which seem to me to drive them to this dreadful contest rather than see their country broken up a two nations.* I don't speak of it as a thing I feel great interest in myself; it may be considered as utopian, but I have no great sympathy with very great nations; I don't, myself, sympathize largely with those who desire the greatness of a people *by a vast extension of empire. What I like to see is the development and elevation of the individual man.* We have had great empires in all times. There were the great empires of Assyria, Persia and the rest. What trace have they left of the individual man? It is your little States—Greece, for instance, or Italy, which in the Middle Ages had so great an effect on the revival of learning—where you could ride on horseback through two or three States in a day or two—those were the countries where humanity has flourished and been glorified. These, no doubt, are utopian opinions, they are not the opinions of mankind now, and perhaps they ought not to be the opinions of men in political life until we see a better guide to morality or international law, which would assure to a small State that it would obtain justice at the hands of a greater one. But, leaving the dreams aside, what appears to be in the present day the permanent interchange among the races of man? Certainly not a desire to separate, but to agglomerate, to bring together in greater concentration different races speaking the same language and professing the same religion. What is going on in Italy? What is it that stirs the heart of Germany? What is it that moves Hungary? It is the nations wishing to come together. You find in Europe no instinct pervading the mass of mankind leading them to separation from each other, but there is a powerful movement all through Europe towards the agglomeration of the races of nations. It is very odd that statesmen here who have a profound sympathy with the movement in Italy in favor of unity cannot appreciate the force of that motive in the present contest in America. *Three fourths of the whole population in America are now contending against disunion;* they are following the instinct which is impelling the Italian, the German, and the other populations of Europe, and I have no doubt that one great and dominant motive on their part is that they are afraid that if they become disunited they will be treated as the Italians were treated when they were disunited—*namely, that the foreigner will come and set his iron foot among them and play off one against the other, to the degradation and possible subjection of the whole.* These are powerful motives, and if they are operating as they appear to operate, they may lead to a much more protracted contest than has been predicted by some of our statesmen. But the business which we really have here as Englishmen is not to speculate on what the Americans will do, for they will act totally independent of us. Let us give them our sympathy while we lament over a great misfortune, but do not let us attempt to scold, and worry and dictate to them, or even predict for them what will happen. But what is our duty towards them in this matter? *We have talked of strict neutrality. I wish our statesmen, and particularly our Cabinet Ministers, would enforce upon their own tongues a little of that principle of non-intervention which they profess to apply to their diplomacy.* (Laughter and cheers.) We are told very frequently at public meetings that we must recognize the South. But that recognition of the South is always coupled with another object—namely, to obtain the cotton you want, because if it were not for the distress brought upon us by the civil war in America I don't think humanity would induce us to interfere any more than it does in any other war in other parts of the world. And now let us try and dispel *this floating fallacy* which has been spread through the country by interested persons. *Your recognition of the South would not give you cotton; but the recognition of the South in the minds of parties who use that term is coupled with something more.* There is an idea of going and *interfering by force to put an end to that contest in order that the cotton may be set free.* If I were President Lincoln, and found myself rather in a difficulty on account of the pressure of taxation or on account of a discord of parties in the federal ranks, and if I wanted to see the *whole population united* as one man ready to make me a despot, I should wish nothing better *than for England and France, or both together, to attempt to interfere by force in the quarrel.* You read now of the elections which are going on in America, and I look to those elections with the greatest interest, as the only indication to guide me in forming a judgment of the future. You see it stated that in those elections there is some disunion of parties, *but let the foreigner interfere in that quarrel, and all the old times of demarkation will be effaced for ever, and you will have a united people joining together to repel the intrusion.* (Hear, hear.) It was so in France in the great revolutionary war. What was it that caused the Reign of Terror but the cry or alarm that the foreigner was coming to invade them? and the aristocrats were guillotined as traitors to their country because they were friends of the foreigner. *And let me remind you that your interference would not obtain cotton.* It would have in the present state of armaments, very little effect on the combatants. If people were generally better acquainted with the geography of America and the state of its population, they would see how much we are apt to exaggerate even our power to interfere to produce any result on this contest. The policy to be pursued by the North will be decided by the elections in the great Western States. I me n the great growing region of the Mississippi valley, the States of Ohio, Michigan, Indiana, Illinois, Iowa, Wisconsin and Minnesota. If they determine to carry on the war, and say, "We will never make peace while the mouths of the Mississippi, which drain 27,000 miles of navigable water into the ocean, remain in the hands of a foreign Power," we could never expect to put a period to it. You must remember that you have to go 1,000 miles up the Mississippi before you get to that vast region, peopled by 8,000,000 or 10,000,000 souls, that will be the future depository of the wealth and numbers of that great continent. And whatever the will of that people is, New York is but the broker of their opinion, and New York, Pennsylvania and New England must go with them. *It is an idle, then, as the talk of children for France and England to pretend that they can go there and reach that population.* For my part I think the language which is used sometimes in certain quarters with regard to the power of this country to go and impose its will upon the population of America almost *savors of the ludicrous.* When America had but 2,500,000 of population *we could not enforce our will upon it;* and the tendency of modern armaments, and when you have to deal with civilized people having the same mechanical appliances as yourselves, and when that people number ten or twenty millions, it is next to impossible for any force to be transported across the Atlantic which will effect a conquest. Englishmen are very apt to think that they can do anything by force; let them look at the Rhine. Their interference in this case would only do harm, and in the end you would not get your cotton. Even if you could, what price would you pay for it? I know something of the way in which money is voted in the House of Commons for warlike armaments, even in a time of peace, and I venture to say that *it would be cheaper to keep all the population engaged in the cotton manufacture—aye, to keep them on turtle, champagne and venison—than to send to America to obtain that cotton by force of arms.* (Laughter and cheers.) *It would involve you in a war, and six months of a war would cost more money than would be required to maintain the population comfortably for ten years.* (Cheers.) Now, gentlemen, what we should endeavor to do as the result of this war is to put an end to that system of warfare which brings this calamity home to our door, by making such alterations in the maritime law of nations, which affect the rights of belligerents and neutrals, as will render it impossible in future for innocent non-combatants neutral here to be made to suffer almost as much as those carrying on the war there. (Cheers.) I will not enter into this subject now because I have entered into it at length elsewhere, and I shall have to deal with it again in the House of Commons. All I wish to say is this, that it is in the power of England to adopt such a system of maritime law, with the ready assent of all the other Powers, as will prevent such a state of things being brought on us in future; I will add this, that I doubt the wisdom—I certainly doubt the prudence—of a great body of industrious people allowing themselves to continue to grow in dependence upon a foreign Power for a supply of food and of raw material, knowing that a system of warfare exists by which, without notice, at any moment, they are liable to have that food or raw material cut off from them, without having it in their power to resist or prevent it. (Hear, hear.) That is the only point in which other nations have carried on life and death struggles, and we must give the Northern leaders the credit of believing that the present struggle for the integrity of the Union is a struggle for life or death. What the late difficulty of finding recruits and the prospective difficulty of enforcing the draft have a tendency to prove is, that a large proportion of Northern citizens do not share that belief. *The people of the Confederate States bear it patiently because the war on their part is defensive.* So, if the North were asserting its independence its people would rise as one man, *and submit, if necessary, to a military dictator.* But it has yet to be shown that a contest for empire can inspire for any long time so desperate a resolution, or that the character formed by republican institutions would in such a case be capable of it.

The New York Chamber of Commerce.

ITS RESOLUTIONS AGAINST ENGLAND'S POLICY TOWARDS THE UNION.

[From the London Times (city article), Oct. 30.]

With regard to politics it is believed (on the Stock Exchange) there would be little uneasiness were it not for the rather severe daily decline on the Paris Bourse, the conviction being that even if any disposition to anarchy or violence were prevalent in Greece, of which there is as yet apparently no symptom, nothing could occur to carry the question out of the control of the great Powers, whose interests are at this moment more than at any former period in the history of Europe in favor of peace. In the course of the morning there was much comment upon the resolutions against England passed by the New York Chamber of Commerce; but the only impression produced by them was to confirm the belief that all classes of the American people in the Northern States have by the frenzy of the war been totally deprived of the power of logical perception, and that consequently *each wild demonstration of this kind* that may reach us from week to week *may be discarded as altogether inconsequential.*

[From the London Times (editorial), Oct. 30.]

Chambers of Commerce, as we have learned from home experience, are not always so wise as they think themselves. They advance somewhat exalted pretensions to enlightenment and intelligence, and claim occasionally to guide the opinions of the community by their superior discernment; but their very constitution *serves to narrow their views*, and they are apt rather *to express the desires of a class* than to represent the interests of a nation. We do not know, therefore, that we need much concern ourselves with the extravagant resolutions just passed by the Chamber of Commerce at New York; but people in time of war are so blinded by passion and so prone to discard the most obvious suggestions of reason that it is impossible to say what absurdity of argument may not prevail. For aught we know the Americans may actually be induced to believe that the neutrality which this country persists, *at such terrible sacrifices*, in impartially maintaining is infringed solely and exclusively for the benefit of one of the belligerents. That, at any rate, is the declared opinion of the New York Chamber of Commerce, though it is hard to understand how any public or responsible body could commit itself to so preposterous a resolution.

Both the belligerents in the American war repair to the markets of this country for supplies, but their dealings are conducted under very different circumstances. The federals, having the command of the sea, trade freely along the open highway between their ports and ours. Of these facilities they avail themselves to such an extent, that the Northern armies may be said, with little exaggeration, *to be equipped from British manufactories.* So enormously has this commerce recently increased, that it now constitutes a very notable feature in our exports, and the trade with New York is actually resuming its old proportions under the extraordinary and continued demand for munitions of war. *Birmingham is kept in work by orders from Washington*, and all those stores of material which gave McClellan so much advantage over his ill accoutered antagonists, *represent so much British produce exchanged for American wheat.* But while the Northerners are thus revelling in the resources which our markets supply, the Southerners are sorely pressed for opportunities of dealing. *They have the wherewithal to come into our markets, and, indeed, their cotton would be even more welcome to us than their enemies' corn.* They, too, could buy rifles and bayonets, coats and shoes, saltpetre and iron, but the federals are strong enough not only to protect their own trade, but to suppress that of their adversaries. One Northern vessel leads with muskets for the war, while another waits to snap up any Southern vessel that may venture to put to sea on a like errand. One federal fleet brings us the wheat of the Northwestern States, while another forbids the Confederates to send us a single bale of cotton. So unsparingly do the Northerners exercise their power that they all but put British ports, as well as Confederate harbors, under blockade, and tax to the utmost the forbearance of our authorities and our officers. Nevertheless, the Southerners, even in these desperate straits, have managed to do something. They have contrived to get a cargo or two of arms while their opponents were getting a hundred, and their daring privateers have now and then captured a federal vessel, while the federal squadrons were blockading their harbors and driving their merchantmen ashore. *In their efforts to construct something like a navy they have bespoken ships in England, and have succeeded in getting some of them to sea.* In particular, a steamer purchased in this country, and christened the Alabama, has lately escaped the federal cruisers, and was despatched, it is said, with the special mission of catching, if possible, a federal vessel laden with rifles and gunpowder for the Northern armies. This cruel and treacherous errand has roused the indignation of New York merchants. They are outraged beyond measure at the atrocity of such a venture, and at the perfidy of England in permitting such departures from her shores. We do not know whether the Alabama was fortunate enough to overhaul the particular prize of which she was in search, but a capture which she did effect is stigmatized by the New York merchants and importers as "a crime against humanity." They reflect with extreme severity on the "nature of our neutrality," as shown by our permitting ships and armaments to go forth for the work of plunder and destruction. They are aroused at the intelligence that possibly other such vessels may follow, and they invoke the influence of all men of peace and good will to prevent the repetition of such a scandalous act as the destruction of a federal vessel by a vessel fitted out in England. Otherwise, they say, though they are most willing to be friends with us, war with America must be the consequence.

It is really difficult to treat as serious this unconscionable expostulation. If "breaches of neutrality" are to be thus defined, the federals have committed a hundred where the Confederates have committed one. *The soldiers of the South have been shot down by weapons "fitted out in England." Their provinces have been invaded and their cities taken with armaments "fitted out in England."* English iron, English gunpowder and English munitions of all sorts have formed the means by which the Unionists have fought against the seceders. If the South had been strong enough to blockade New York as the North is blockading Charleston, McClellan could never have taken the field. It was with far more plausibility, if not more reason, that the Southerners lately reproached us with giving them the moral support of our admiration, while we gave their enemies all they wanted in guns and sabres. The truth is, that it is practically impossible for any neutral to withhold from belligerents those particular supplies which an absolute neutrality would be presumed to refuse. Directly or indirectly, munitions of war can be obtained from our markets; but of this breach of the neutral theory, such as it is, the federals get almost the exclusive benefit. *Their Attorney, indeed, was fain to acknowledge as much in his correspondence with our own government.* If we could succeed completely in withholding from both North and South together every species of supply connected with the prosecution of the war, it is upon the North, and not upon the South, that the damage would fall. It is but little that the confederates have got from us. They have been too strictly watched to do much. Their trade in this way is small, contraband and precarious, while that of the federals is carried on with little disguise and on an enormous scale.

The modest demand of the New York merchants that we should not only allow them to speculate in our markets, but make their speculations safe for them by refusing the same opportunities to their rivals, is not likely to find much favor over here. Commerce is rigidly impartial, and our own chambers would promptly reject the idea of instituting a political discrimination between equal customers. It would be more in accordance with theory if we refused all supplies of munitions to North and South together. As that cannot be done, we simply shut our eyes to the character of the venture proposed, and serve our customers with what they want but since accident throws nine tenths of this advantage to the side of the federals it is the height of unreason in them to complain of the practice. We do, it must be confessed, "permit ships and armaments to go forth," but where one cargo goes north to the South fifty at least go to the North, and the "work of destruction" therefore in which we are now charged with participating is prosecuted against Confederates rather than federals. As for the part which we thus assume, its real degree lies in the necessity, but if the federals desire any other justification for it they may find it in their own conduct during the Russian war, when they loudly proclaimed and unhesitatingly exercised their right as neutrals to furnish the Czar with such ships and munitions as they chose to supply.

Mr. Chase's Plan of Finance.

[From the London Post (government organ), Oct. 31.]

The present financial condition of the Northern States of America may well excite the alarm even of the least timid on the other side of the Atlantic. When gold has risen to a premium of nearly forty per cent the most sanguine may be pardoned for entertaining misgivings respecting the future. Indeed, when gold has risen to so high a premium, or, more correctly speaking, *the government securities have undergone so great a depreciation, the exact value of the latter cannot be ascertained.* Under ordinary circumstances the quotations in the money market fairly enough express the relative value of securities as compared with the standard of a metallic currency. But the quotations which for some time past have been returned from New York are expressive of nothing except the fact that the government securities are rapidly depreciating. The degree of depreciation is not, however, measured by the varying quotations of different days. It has no doubt surprised many that gold should, without any apparent cause, rapidly rise in a few days to a premium of thirty-seven, and a day or two afterward, in the absence of any exciting cause, fall to a premium of thirty-two. The facts that both quotations, except for purposes of exchange at the time effected, are equally fictitious. They are expressive of nothing more than the despondency or the confidence of the moment. But that gold, or rather the paper currency of the American government should be subject to such sudden and serious fluctuations is in itself most significant of the financial embarrassment of the State. When gold rises or falls as much as six per cent in the course of a few days without any apparent reason, it is a tolerably clear proof that no one can tell approximately what government paper is worth. If the paper dollar is worth seventy cents to-day, and only sixty cents a week later, its real value at the end of a month's time must be very problematical. And here, in truth, lies the most striking evidence of the rotten state of American finance.

The cause of the present extraordinary depreciation of the paper currency of the federal States lies chiefly *in the invincible obstinacy with which the Secretary of the Treasury and the Congress refuse to call upon the people for supplies.* An inconvertible paper currency would of necessity have raised the premium on specie, but alone it never would in nine months have raised gold one-third higher in value than itself. Nor would even more serious reverses in the field than those which the federal government has sustained have in so brief a period produced so great a depreciation. The immensity of the resources of the Northern States would have prevented such a result. According to all those principles which govern the fluctuations of the money market, the American war, disastrous as it has been to the belligerents, ought not to have raised the premium on gold to one-third its present height. It is not surprising, therefore, that with almost limitless resources, and a national credit as yet unimpeached, the Northern States should anxiously demand why a paper currency, established at the commencement of the present year, should now, in *its tenth month, be worth only two-thirds its nominal value.* The war has lasted but eighteen months; victories, if one might trust the despatches of federal generals, are gained whenever the rival armies come in contact, the Confederates, we are told, are too despondent to protract much longer a hopeless struggle, and yet, notwithstanding all these evidences of the success of the federal arms, the price of gold increases every day. Why, then, the Northern press demands, should the paper currency of the State sink in value day after day at a rate which promises soon to leave it utterly worthless.

When Mr. Chase, in the month of January last, set in operation *his favorite scheme* of meeting a yearly expenditure of close on two hundred millions by a plentiful issue of bank notes, European financiers *predicted a failure.* The resources of America being practically boundless, they pointed out that a Minister of Finance need experience no great difficulty in providing an ample income to meet the necessary expenditure occasioned by the war. With an unsullied credit, the American government would have obtained loans with the greatest facility, whilst taxation would not only have paid the interest on those loans, but also have, by judicious management, defrayed a considerable portion of the current expenditure. Borrow and tax, if you would sustain the national credit and pay the expenses of the war, was the advice given to Mr. Chase by financiers on this side of the Atlantic. The advice was disregarded. Perhaps Mr. Chase was a believer in his own system of finance, *preposterous though it is*, or perhaps, what is more probable, he distrusted the readiness of his countrymen to pay heavy taxes. He believed, like many others, that the war would be short, and that the South would be obliged speedily to succumb. With a Union re-established he anticipated no difficulty in obtaining from the nation the payment of its debts. The course which he adopted met with the unqualified approbation of the Northern press. It is not improbable that the paternal government of President Lincoln intended, in the event of victory, to pay the Northern debt by Southern confiscation, and, as victory was certain, it was no doubt considered inequitable to oblige loyal citizens in the meanwhile to be put to pecuniary loss. Mr. Chase's finance chimed with the popular expectations; and was therefore accepted with satisfaction. If it has brought the federal government to the verge of bankruptcy we do not think that the people have just cause for complaint. *Instead of proceeding on sound principles they thought proper to speculate*, now that fortune has decided against them they ought to submit with a good grace. The resources of the country have never yet been called upon; and it is impossible to say with certainty that when the call is made it will be responded to, so it is in a corresponding degree difficult to estimate the value of that currency which, in the event of the call being ineffectually made, would be totally worthless. We cannot, therefore, recognize the justice of the attack which is now made by the Northern press on the Secretary of the Treasury and the federal Congress. That the present depreciation of federal securities *is due to the neglected policy of the one, and the reckless mile compliance of the other, is true*; but, had the issue of the war been otherwise, the federal States would have shifted their burden to those which in vain attempted to form a separate confederacy. The North has now discovered that it must pay its own share of the expenses occasioned by the war, and, with bankruptcy staring it in the face, regrets that it did not earlier make suitable provision for an expenditure which for prodigality has been without a parallel. Now, at the eleventh hour, it acknowledges that a war can be carried on alone by a judicious system of loans and taxes, and, if absolutely necessary, the establishment of an inconvertible currency.

The Rate of Discount.

THE ADVANCE BY THE BANK OF ENGLAND AND ITS CAUSES.

[From the London Times (city article), Oct. 31.]

The Bank of England have to-day (October 30) advanced their rate of discount from two per cent, at which it had stood since the 24th of July, to three per cent. A movement to two and a half per cent was fully anticipated, and the *Gazette* return published this evening justifies the more decided increase now adopted. In the Stock Exchange the step is regarded with satisfaction, because if, under existing circumstances, the advance had been only to two and a half per cent, there would probably have been a prospect of continued uncertainty for several weeks as to whether another movement might not be found necessary, which would have interfered with all kinds of business, and particularly that of a speculative character. From the present date there will be a good prospect of steadiness throughout the remainder of the year. Looking at the rapid efflux of gold which has continued without interruption for two months, the general state of the discount market presents very anomalous features, since the commercial demand for money is still moderate, and in the Stock Exchange the supply is so redundant that it is now scarcely possible to obtain one per cent for advances on government securities. The inference, therefore, is that the amount of gold in circulation at home is much larger than usual, a circumstance which may be partly attributable to the influence of the great exhibition, partly to the large amount absorbed in the harvest operations, which were very late, and partly to the fear of taking bank notes occasioned by the recent theft of paper, which happily will now no longer operate. With regard to the specie shipments to India, an effect must soon be produced at Bombay and Calcutta which will gradually tend to moderate them for the future, and it is also to be remarked that as the returns to be received for them will consist of cotton and analogous staples of which we shall be almost the sole distributors to other nations, the influence will be exactly the same as if specie were sent back to us. Supposing political affairs to continue in a satisfactory course, there seems, consequently, good reason for confidence that ease will still prevail in the money market, and the prevalence of this opinion seemed to be indicated to-day by the tone of most descriptions of securities.

[From the London Post (City Article), Nov. 1.]

We have a drain for silver to India, chiefly for cotton, to meet; whilst the cotton, on its arrival in this country, will have to be worked up, and the manufactures sent to all parts of the world before we can get a return of the money expended; and this can scarcely be done within twelve months. In the meantime France as well as England will have to remit specie to India for the purchase of cotton. The Australian arrivals at this period of the year are uncertain; whilst the continuance of gold imports from America cannot be depended upon as, in the present distracted state of that country, no one can predict what may happen from day to day. Any plan for a solution of the difficulties of the United States *by mediation or otherwise would send the exchange on London and the premiums on gold down twenty per cent in an hour. Cotton would then flow in*, and probably we should have to send gold to, instead of receiving it from, America. Apart from this contingency the demand for silver for India already spoken of, and the numerous other foreign engagements we have to meet, induce the belief that, despite ingenious arguments to the contrary, money must become dearer. That a high rate of discount is not favorable to bullion operations is clear, but predictions with regard to money matters have proved so often fallacious that the commercial community cannot be too cautious how they receive or give credence to them.

The Silk Trade.

According to a circular of Messrs. Aries Dufour & Co (of Oct. 30), the orders and purchases of silk goods in the Lyons market during the month have been of fair extent. European sorts, being held at comparatively lower rates than those of China and Japan, have had the preference, more especially since the last advices from Shanghai have caused prices on the London market to advance more rapidly than might otherwise have been expected, and it is remarked that China silk being employed chiefly for the manufacture of goods destined for America, it will be difficult, so long as the consumption in that quarter remains closed, to obtain remunerative rates on those just quoted from Shanghai by the 3d of September mail.

The English Turf.

AN AMERICAN HORSE AT NEWMARKET HOUGHTON.

[From the London Times, Oct. 31.]

NEWMARKET HOUGHTON, Oct. 30.—Optional Selling Plate of 50 sovereigns, for two year-olds and upwards. Weight for age, with selling allowance. R. M. (1 m le 17 yards.)

Mr. R. Ten Broeck's g g Maggiore, by Lexington, 5 years, 9 st. (£50), (G. Fordham) 1
Mr. G. Bryan's b f Douche, 2 years, 5 st. 12 lb. (£50), (Wynne) 2
Mr. T. Wantlew's f Olive Branch, 3 years, 7 st. 12 lb. (£50), (R. Chinnaiaw) 3
Mr. Goddard's Peru, 3 years, 7 st. 12 lb. (£50), (Clement) 0
Mr. T. Parker's b f by Retaliation—Brilliant's dam, 3 years, 7 st. 12 lb. (£50), (J. Mann) 0
Mr. Payne's Antidote, 2 years, 5 st. 12 lb. (£50), (J. Grimshaw) 0
Lord Anglesey's c by Marsyas—Glance, 2 years, 5 st. 12 lb. (£50), (S. Adams) 0
Mr. Year's The Pensioner, 3 years, 7 st. 12 lb. (£50), (J. Jeffrey) 0
Mr. Blewitt's Hampton Court, 2 years, 5 st. 12 lb. (£50), (Kent) 0
Mr. Langton's The Minister, 2 years, 6 st. 5 lb. (£80), (Flatman) 0
Mr. Jones's Jewsbee, 2 years, 6 st. 5 lb. (£80), (Winfield) 0
Mr. Hutler's c Anacreon, by Nestle—Wild Duck, 2 years, 6 st. 10 lb. (£100), (C. Gray) 0
Mr. Wynn's Nawadahs, 2 years, 5 st. 12 lb. (£50), (Maidan) 0
Mr. Ashworth's Peneus, 3 years, 7 st. 12 lb. (£50), (Custance) 0
Mr. G. Ward's Fois de Gras, 2 years, 5 st. 12 lb. (£50), (A. Woodhouse) 0

BETTING.—5 to 2 against the winner of 1, 2 to 1 against Douche, 5 to 1 against Hampton Court, and 10 to 1 against any other.

Maltster made play, closely followed by Peneus, Olive Branch and Douche, the others lying up, with the exception of Maraiore who laid off until they reached the Abingdon mile bottom, when he gradually improved his position, and half way up he joined the leaders, and won on the post by a neck, a bad third.

Board of Councilmen.

INCREASE OF WAGES FOR THE LABORERS OF THE CROTON AQUEDUCT DEPARTMENT—THE CITY BOUNTY AND THE DRAFT—BALANCE IN THE CITY TREASURY—THE HOSPITALITIES OF THE CITY TENDERED TO GENERAL M'CLELLAN—GRATUITOUS INTERMENT FOR DECEASED ROMAN CATHOLIC SOLDIERS—SUPPLIES FOR SICK AND WOUNDED VOLUNTEERS, ETC.

A regular meeting of the Board of Councilmen was held last evening—Charles C. Pinckney, Esq., President, in the chair.

The minutes of the last meeting were read and approved.

The Committee on Salaries and Officers reported in favor of increasing the wages of the caulkers employed by the Croton Aqueduct Department to two dollars per day, and that of the laborers to one dollar and seventy-five cents per day. A resolution to that effect was adopted.

Councilman WEBSTER offered a resolution that the city pay a bounty of $200 to each of the volunteers who shall enlist after the adoption of said resolution.

Councilman HARNEY said that in consequence of not having received any official information from Gen. Anthon in reference to the number of men who have been enlisted in this city, he had the curiosity a few days since to call on the Comptroller, who informed him that the city bounty of $50 had already been paid to eight thousand men. He should certainly be in favor of using every means to free New York from the disgrace of having to resort to a draft, but until some definite information was obtained as to the number of men required to fill up her quota, he should vote against any additional appropriation being made.

The resolution was finally laid over.

The Comptroller sent in the following statement, exhibiting the balance in the Tre