IMPORTANT FROM EUROPE.

Arrival of the Australasian with Three Days Later News.

Important and Significant Letter from Napoleon on the Mexican Question.

He Explains His Plans to General Forey

The Territorial Extension of the United States to be Curbed and the Latin Race Restored on the Continent.

England's Bid for the Pope Not Relished in France.

Speech of the American Minister in London on the Rebellion and Emancipation.

Important Change of Ministry in Spain.

THE GERMAN QUESTION IN FRANCE, &c., &c., &c.

The steamship Australasian, Captain Cook, which sailed from Liverpool at eight o'clock on the morning of the 17th of January and from Queenstown on the afternoon of the 18th, arrived at this port at six o'clock yesterday (Sunday) evening.

Her news is three days later than our advices by the Edinburg.

La France announces that three Mexican bishops who had taken refuge in Europe are about to return to Mexico.

The treaty of commerce between France and Italy was signed in Paris January 17.

All the ministers of Spain had resigned. The Queen commissioned Marshal O'Donnell to form a new Cabinet.

The latest despatches from London, dated on the 18th of January, report:—It is rumored that we are about to have two earls made marquises and six new peers; five of the peers are to be Sir Charles Wood, Mr. Wentworth Beaumont, Mr. Monckton Milnes, Colonel Henry White and Mr. Edward Elliott. The name of the sixth has not transpired.

The London *Herald* of the evening of the 18th of January says, it has reason to believe that the Duke of Saxe-Coburg has accepted the throne of Greece.

A despatch from St. Vincent states that the Nepenthe Edwards, from Livepool for Calcutta, was totally lost on the island of St. Antonio; crew saved. The Cheviot, from the Clyde, arrived at Otago on October 12.

The London *Economist*, at the end of an elaborate article, comes to the conclusion that, according to present probability, the American war will continue perhaps during the entire reign of Mr. Lincoln, or, at any rate, during the greater portion of it.

The marriage contract of the Prince of Wales and the Princess Alexandra was signed at Copenhagen on the 15th ult.

It was reported that the fortifications of military storehouses and arsenals in France are to be iron-plated like ships.

The Chinese rebels had withdrawn from the neighborhood of Shanghae, and all was quiet.

Horace Vernet, the celebrated painter, died in Paris on the morning of the 17th of January.

The King of the Belgians had had a relapse, and alarming accounts as to the state of his health were current, but no official bulletins are published.

It is reported that England had put forward the reigning Duke of Saxe-Coburg as the new candidate for the throne of Greece, but that the Duke had declined to accept the nomination.

General Count de Seran, of France, formerly aid-de-camp to the Duke d'Enghien, has just died in his ninety-third year. He was one of the last representatives of the army of 1789. He had been a fellow student and even the corporal of Napoleon at the school of Brienne.

It appears that the number of bankruptcies gazetted last year in England and Wales was 9,308. Of these, 4,104 occurred in the London jurisdiction, as compared with an annual average of 548 during the previous ten years; 569 in the Liverpool district, as compared with a previous annual average of 79, and 662 in the Manchester district, as compared with a previous annual average of 89.

According to official statistics there are 515,000 operatives employed in the cotton manufactories throughout France, of whom 250,000 are male and 265,000 female. The departments which employ the most men in the cotton manufactories are the Haut-Rhin, 55,000; the Seine Inferieure, 40,000. Le Nord, 26,000; La Somme, 25,000; L'Orne, 13,000; L'Aisne, 12,000; L'Eure, 11,000; Les Vosges, 11,000, and La Loire, 10,000. A great proportion of the unemployed cotton spinners may find employment on the numerous lines of railways which are to be constructed this year in France.

Later news from South America had been received in Lisbon. Rio dates say:—Coffee was quoted at 7$000 a 7$100 for good firsts; stock 80,000 bags; shipments since last mail 91,500. Exchange 26¾ a 26⅝. At Pernambuco exchange was at 28⅝ a 28¾. White sugar, 3$350 a 3$500; browns, 1$850 a 2$100.

The Dublin meeting in advocacy of the restitution of the Galway subsidy was fixed for the 20th of January.

The steamship John Bell, from Glasgow for Portland and New York, with a general cargo, put into Queenstown harbor, with propeller, keel, sternpost and rudder carried away and mainmast broken, on the 18th of January.

The Europa arrived off Queenstown harbor at three P. M. on Saturday, the 17th of January.

A despatch from Liverpool, of the evening of the 17th of January, says:—The steamships Great Eastern, from New York, and Europa, from Boston, arrived to-day.

THE WAR IN MEXICO.

Important Letter from Napoleon to General Forey—He Declares His Position Towards the United States and His Desire for a New Government in Mexico—The French Invasion to Restore the Latin Race in America, Give Europe Peace, the Laborers Food and the Mills Cotton.

Among the diplomatic correspondence just issued in France is a letter from the Emperor Napoleon to General Forey, commander of the French forces in Mexico, from which the following is an extract:—

There will not be wanting people who will ask you why we go to lavish men and money *for the establishment of a regular government in Mexico*. In the present state of the civilization of the world the prosperity of America is not a matter of indifference to Europe; *for it is she who feeds our manufactories and gives life to our commerce*. We have an interest in this—that the republic of the United States be powerful and prosperous, but we have none in this—*that she should seize possession of all the Mexican Gulf, dominate from thence the Antilles, as well as South America, and be the sole dispenser of the products of the New World*. We see now, by sad experience, how precarious is the fate of an industry which is *reduced to seeking its chief raw material in one market alone*, to all the vicissitudes of which it has to submit. If, on the other hand, Mexico preserves its influence and maintains the integrity of its territory, *if a stable government is constituted with the assistance of France, we shall have restored to the Latin race on the other side of the ocean its strength and prestige; we shall have established our beneficent influence in the centre of America*, and this influence, by presenting immense openings for our commerce, will procure us the materials indispensable to our industry. Mexico thus regenerated *will always be favorable to us*, not only from gratitude, but also because her interests will be in harmony with ours, and she will find a powerful support in her good relations with the European Powers. *To-day, then, our pledged military honor, the exigency of our policy, the interest of our industry and of our commerce, all make it a duty to march upon Mexico*, and boldly plant there our flag, to establish *either a monarchy, if it is not incompatible with the national sentiments of the country, or at all events a government which promises some stability*.

Italy.

An official decree appoints the 20th of January for the termination of the extraordinary powers conferred upon the Prefects of Naples and Palermo.

The municipality of Genoa had voted 50,000 francs for the subscription to relieve the victims of brigandage.

THE AMERICAN QUESTION.

English Opinion of the Emancipation Plan—How It May Produce Foreign Intervention—The Outrages of the Alabama—Messrs. Bright and Scholefield on Neutral Flags and Democracy in General—The Cotton Supply—The Archbishop of Dublin to Mrs. Beecher Stowe, &c.

The London correspondent of the Manchester *Guardian*, writing on the probable effect of the emancipation proclamation, says he hears a very general expression of opinion that the first black outrage *will be the signal for a European intervention* in the interests of humanity.

The London *Times* has another article on the case of the Alabama. It admits that the resentment of the Northern States is very natural, and that when the case is stated from the federal point of view it is impossible to help feeling a certain degree of sympathy with their remonstrances. It contends, however, that many of the complaints against the British government are irrelevant, and that they amount altogether to very little, and it adduces arguments in defence of that government.

Messrs. Bright and Scholefield, members of Parliament for Birmingham, had again been addressing their constituents on the occasion of the annual banquet of the Birmingham Chamber of Commerce.

The London *Army and Navy Gazette* says:—The end of the war, except in mutual ruin, we can see none. Those who speak of reducing the South to the state of St. Domingo, little realize the miseries and horrors which must befall the South ere her bleeding carcase lies unresistingly at the foot of armed abolitionists.

Mr. Scholefield in the course of his remarks said, with regard to rights of neutral ships in time of war, he hoped a time would come when nations would no longer contend together in warfare; but while war was the only method of settling disputes, commercial men might mitigate the horrors of war and do something to prevent warfare by urging on the government moderation and conciliation. The freedom of commerce and its consequent extension would do much to do away with war. Looking to America, the most gigantic confiscation that ever took place had just been proclaimed by President Lincoln as a military necessity; and he argued generally against the conclusions of Mr. Cobden on the subject of international maritime laws.

Mr. Bright said he did not think that success would attend any attempt in Parliament to undo what was done at the Congress of Paris in 1854. It did not stop at a sensible point; but when it was altered, we should go forward, not backward. The ships of belligerent Powers should be made as safe as the goods of belligerent Powers now are if conveyed in neutral vessels. Blockading was a less horrible mode of warfare than cannonading, because it did not result in so much loss of life. It was useless to contend that the more horrible warfare was made the sooner people would require to put an end to it. It did not follow that because war disturbed the commercial element commercial men desired peace. The result of an armistice in America to-morrow would be ruin to many men in Liverpool, who considered themselves rolling in wealth. Blockades were virtually at an end. England could no longer blockade Russia, Prussia, France, Italy, Spain or Austria. Railways had stopped that. If they were to blockade the Northern States of America the price of wheat would be raised from 40s. to 100s. per quarter. He believed that the interests of all nations, and especially of England, required that we should go forward and not backward in any changes of international law, making it more humane and more consistent with the moral code. Only England opposed the necessary changes. If war were made less savage, if peace were made more possible by these changes, men would begin to look to some new mode of settlement other than war. He instanced the Trent affair, in which he declared that no insult was offered to England, and the government knew that no insult was offered to England, but was not honest enough to let the people know it. Consequently a savage feeling was aroused. Ten thousand men were sent to Canada in the depth of winter to coerce and menace a nation which could put a million of people in arms. (Disapprobation.) If we could cultivate a better temper in the people, we could arrive at a settlement of quarrels equally just, much more speedy, and less costly in treasure and in life. After giving his approval to the cession of the Ionian Islands, and urging a like step in the case of Gibraltar, Mr. Bright adverted to the cotton difficulty in Lancashire. He said the American war had produced a strange paralysis in Lancashire. One party destroyed cotton, the other prevented its transport to England. The quantity of American cotton in existence was variously estimated at about two to four millions of bales; but he believed the stock was really much below the higher figure. An armistice would produce a sudden fall in the present high prices, and sudden ruin to many. This led him to complain that the Foreign Secretary, by declaring his opinion that the South would soon be independent of the North, and the Chancellor of the Exchequer, by his speech at Newcastle, had done great damage to the trading interests in Lancashire, because their remarks were acted upon as though they were based upon authority and special knowledge, whereas they were as ignorant on the subject as ordinary individuals. He also charged the London *Times* with having, partly through ignorance and partly through malice, written such monstrosities about America as to cause most disastrous effects in Lancashire. Where weight was attached to its utterance the results of its false prophesying had been that people were afraid to do business in Lancashire, and the price of cotton yarn and cloth had never risen in proportion to the rise in the raw material. With 400,000 bales now in Liverpool, there was only a slight increase in the working of the mills, because of the uncertainty whether prices could be sustained. Mr. Bright concluded with a peroration rejoicing that in spite of all drawbacks the world was moving in the right direction, and he instanced the emancipation of the slaves in America as one of the evidences.

Mr. Laing, in a letter to the London *Times* on the cotton supply, says:—Lancashire may be kept on half rations, and saved from absolute starvation during the next two years by Indian cotton; but effectual and speedy relief can only come from America. I am convinced, also, that it is for the interest of India that the war in America should soon terminate, so that it may be seen to what normal price cotton will permanently settle down.

A circular had been issued in Liverpool, signed by several very influential men, calling a meeting to test public opinion in that town on the war in America and the emancipation of the negroes. A preliminary meeting of the promoters was to be held on the Saturday that the Australasian sailed.

A branch of the newly formed Emancipation Society was being organized in Manchester, and movements were on foot for giving expression to that sympathy for the anti-slavery administration of the North which prevailed in Lancashire, particularly amongst the working men.

A letter is published from Archbishop Whateley, of Dublin, to Mrs. Harriet Beecher Stowe, in regard to the slavery question and British sentiment in general upon America. The Archbishop says:—

Of course there is a great variety of opinion, as may be expected in a country like ours. Some few sympathize with the Northerners and some with the Southerners, but far the greater portion sympathize with neither completely, but lament that each party should be making so much greater an expenditure of life and property than can be compensated for by any advantage they can dream of obtaining. He then explains the various views entertained and the causes which have operated against manifestations of sympathy for the North, and concludes as follows:—I have now laid before you the views which I conceive to be most prevalent amongst us, and for which I am not myself responsible. For the sake and effectual emancipation of slaves, I myself consider there is no plan so good as the gradual one which was long ago suggested by Bishop Hinds. What he recommended was an ad valorem tax upon slaves, the value to be fixed by the owner, with an option to government to purchase at that price. Thus the slaves would be a burden to the master, and those the most so who should be the most intelligent and steady, and therefore the best qualified for freedom; and it would be his interest to train his slaves to be free laborers and to emancipate them one by one, and as speedily as he could with safety. I fear, however, that the time is gone by for trying this experiment in America.

Speech of Charles Francis Adams.

HIS OPINION ON MR. LINCOLN'S ELECTION, THE REBELLION AND EMANCIPATION.

[From the London Times, Jan. 17.]

Yesterday afternoon a deputation from the executive committee of the Emancipation Society waited on his Excellency the American Minister, in Portland place, for the purpose of presenting him with a resolution, agreed upon at a special meeting of the committee, approving President Lincoln's proclamation.

Among the gentlemen composing the deputation were the Hon. and Rev. Baptist Noel, M. A., Mr. P. A. Taylor, M. P., Mr. Benjamin Scott, F. R. S. A., Chamberlain of London; Rev. Newman Hall, LL. B., Rev. R. Everest, Rev. J. H. Rylance, Mr. W. Evans (chairman of the Emancipation Society), &c., &c.

Mr. Evans appropriately introduced the deputation, after which Mr. Cheson read the resolution, as follows:—

That this committee, constituted without respect to political party or social distinctions, for the development of British anti-slavery feeling, has learned with profound satisfaction the issue, on the 1st of January, of President Lincoln's proclamation, declaring the freedom of all persons held as slaves in the States, or parts of States, in rebellion against the United States government. That the President's injunction to the persons declared free to abstain from violence, except in self-defence, and to accept reasonable terms of hired service, with the offer of military employment under the United States government, is an effectual rebuke to the imputation that servile war was contemplated by the proclamation, or that the liberated negro would be left to starvation and to crime. That this committee recognizes in the limitation of that declaration of freedom to the districts so described no indifference on the part of the President and his Cabinet to the injustice and evil of slavery in other districts of the Union, but an act of submission to the constitution and of faithful regard to their official oaths. That this committee also connects with this proclamation of freedom, under the authority of martial law, the offer of compensation to loyal slaveholders for the loss of their slaves and that great scheme of emancipation submitted to Congress in the message of December 1, 1862, as an amendment to the constitution. That these acts, taken together, and with them other measures tending to the freedom and equality of the subject race, inspire this committee with hearty confidence in the anti slavery purposes of the United States government. That this committee therefore offers to President Lincoln and his ministers, through their representative in this country, its warmest congratulations upon the auspicious aspect they have given to this new year, and joins with the President in invoking for these acts of freedom, justice, and mercy "the considerate judgment of mankind and the gracious favor of Almighty God."

Mr. Taylor, M. P., expressed the great pleasure he felt at the course the American government had lately taken in regard to slavery. That course would greatly enlighten the people of this country, many of whom had been misled as to the origin and results of the war. Slavery had been one of the causes which had sown dissensions between the two countries. He therefore believed that the proclamation would not only tend to the entire abolition of slavery and the continuance of the Union, but that it would greatly conduce to a lasting peace between England and America. (Hear.)

The Hon. and Rev. Baptist Noel said he cordially approved Mr. Lincoln's policy. He had observed Mr. Lincoln's honest intention to maintain the constitution on the one hand, and to do what the constitution allowed on the other, for the liberation of the slave. The President had used the war power which had been put into his hands, and he (Mr. Noel) hoped that under God's blessing it might be the means of bringing the rebellion to a close. In abstaining from taking the same course in the border loyal States he recognized the President's submission to the constitution. But he (Mr. Noel) hoped and trusted the loyal States would accept the liberal offer which the government had made, and that, before long, America would be free from the stain of slavery. (Applause.)

The Rev. Newman Hall said the opinion of this country on the American struggle had been greatly misrepresented. The leading newspapers, which were supposed to represent public opinion, really did not represent the feelings of the masses. Many of the upper and middle classes had been misled on the question, but the working classes had not. No meetings had been called in support of slavery, while the meetings that had been held against it had been of the most triumphant character. All the opposition that had been attempted had been an utter failure. He would just give one illustration of the inconsistency of those who misrepresented public opinion. In the *Times* of the day before there had been a leading article, in the first paragraph of which the President had been condemned, on the high ground of philanthropy, for not issuing the proclamation, while in the next paragraph he had been condemned for what he had done on the ground that he had invaded the constitution. Now, when one paragraph in a leading journal contradicted another, he did not think there was much danger that the great body of the people would fall into error on the question. (Hear.)

Mr. Jacob Bright said he concurred in what had already been said. In Lancashire, where they should find opposition to the continuance of the war, if they were to find it anywhere, the working classes were almost unanimously in favor of the North. He had seen the question tested in Rochdale and many other places, and in these places he had seen a strong, warm and earnest feeling in favor of emancipation displayed. (Approbation.)

MR. ADAMS' REPLY.

His Excellency then replied in the following terms:—

Gentlemen—I receive this expression of the sentiments of so respectable a body with great pleasure and great satisfaction. I need not say how encouraging such manifestations will be to those persons in my country represented by the President of the United States, who have been driven into the necessity of maintaining such a painful struggle as has been carried on by them in America in devotion to great principles of public law and public order. I am very much encouraged by the circumstance that there is growing here, and in Europe generally, a better conception than has heretofore prevailed of the principles involved in the struggle. The election of Mr. Lincoln was a great declaration of the majority of the people of the United States in favor of the principle of human freedom. The signification of it was that the persons then elected to places of responsibility should be so far imbued with that principle as that, while they carried on the government in the spirit of freedom, they should at the same time avoid the necessity of a struggle of physical force. It was the conviction on the part of the opponents of that policy that the result would be as certain by that process, though perhaps much slower, that drove them into the desperate measure of stopping it at the threshold by violence. The consequence was that the government was attacked at its very foundations. The struggle to preserve it has been going on from that time to this. If, therefore, there has been what might otherwise be thought extraordinary haste and precipitate energy in any of the measures which have been taken by the government, it has not been owing so much to any will of their own, as to the fact that the violence of the resistance has caused the necessity for them. I think the idea which it is desirable to present distinctly is this—that the struggle has been one of self-defence against the aggressive system that was threatening destruction to the whole edifice of government as it stood, for the reason that it was too favorable to freedom. And with regard to this proclamation, the desire on the part of the President of the United States has been, as I conscientiously believe, not to hasten the measure of emancipation any faster than popular sentiment in the slave States would demand, nor any faster than the emergency should dictate, or, in other words, simply so to act as to prevent those very convulsions which war is too apt to precipitate. Therefore, in all matters incidental to the maintenance of his policy, regard has been steadily had to the possible avoidance of those dangers of servile war which necessarily must have been foreseen by all thoughtful persons during the contest. Therefore, while always keeping in view the ultimate consequences of this most remarkable, and, I may say, unprecedented struggle, I trust that the great results which we all hope to arrive at will be eventually reached, not, perhaps, immediately, not, perhaps, to-day or to-morrow, or the next day, but ultimately, by a steady perseverance in one course, which may force the consent of all parties, and yet avert the fearful consequences which we might naturally apprehend. I am extremely gratified in the assurances which have been given by several gentlemen with respect to the state of popular feeling in England on this subject. I have myself had occasion to notice the fact that, although some of the exponents of the public sentiment have appeared to be at times exceedingly harsh upon the United States, yet that when opportunity offered for an appeal to the people themselves the sentiment has uniformly responded to the policy which the United States government have enunciated. I am, therefore, encouraged to hope that the clouds which have hitherto gathered, and at times somewhat portentously, over the amicable relations of the two countries have now more and more the appearance of vanquishing from the sky. I feel sanguine that the expression of sympathy from here, which I have been lately the medium of repeatedly communicating to my countrymen, will have the effect of clearing away many impressions that may have been received by reading the attacks of hostile journals, and taking them too much as the true expression of the sentiment of the people. I think, by understanding distinctly—which they will now have the opportunity of doing—that the policy of Great Britain is not retrograde on the subject of slavery, wherever it may yet exist, and that it is true to the former pledges it so nobly gave to the world of its devotion to the principle of human freedom—the growing conviction of that fact will have the effect in America of restoring those amicable relations and reviving those warm sentiments which ought to be entertained between the two kindred people at all times. Gentlemen, I shall not longer detain you. I will just say that I shall have pleasure in communicating to my government a knowledge of the sentiments which have been expressed here by you to-day.

The deputation then thanked his Excellency for the courtesy with which he had received them, and withdrew.

Another Privateer Steamer.

[From the London Shipping Gazette, Jan. 17.]

Captain Blyth, of the ship Oregon of Newcastle, from St. John, N. B., discharging at London, reports here that on the 16th ult., in lat. 43 north, long. 60 west, he saw a large steamer, bark rigged, and under canvas. The weather was then thick, and the steamer did not appear to notice the Oregon; but at half-past eleven P. M. the weather cleared up, and the steamer bore down under steam, came close alongside, flying the American flag at her peak, and easing steam demanded to know to what country he belonged. Captain Blyth immediately hoisted the English ensign, whereupon the steamer hauled down the American flag and hoisted the Confederate flag, dipped it thrice, and bore away in an opposite direction. Captain Blyth then hoisted signals indicating that his ship was the Oregon of Newcastle; but the steamer did not hoist her number in reply. Captain Blyth reports she was heavily armed and manned, and supposed her to be renowned Alabama.

The Blockade and Seamen's Wages.

[From the Manchester Guardian, Jan. 17.]

In order to meet the difficulties which have arisen of late, in consequence of the captures by federal cruisers, and the loss of time sustained by sailors when taken in attempts to run the blockade, a clause has been of late inserted in the articles of vessels, to the effect that the sailor ship for a voyage to unblockaded ports only, and when they are taken to blockaded ports against their will and are captured, they are entitled to compensation from the owners of the ships. In several cases of this description, which have of late been tried in Liverpool, the sailors have established claims. Should a sailor become aware that a vessel upon which he has shipped on the understanding that she was bound to an unblockaded port, is actually intended for a blockaded port, he can at once desert and claim compensation.

Gallant Conduct of American Sailors.

A BRIG SAVED BY THE CREW OF THE SHIP AMERICAN UNION.

[From the Manchester Guardian, Jan. 1.]

Yesterday, there entered the port of Liverpool a brig whose voyage across the Atlantic, from Prince Edward's Island, has gained for the chief officer and eight of the crew of the American ship American Union a character for perseverance and bravery seldom recorded. From the statement of Mr. McStoker, the chief officer of the American Union, it appears that on the 29th of December last he signalized the brig James, of 360 tons, bound from Prince Edward's Island to Liverpool, in lat. 48 N. lon. 44 W. The brig was disabled, being leaky, her cargo shifted, and pumps choked. The captain of the brig asked to be taken, with his crew, on board the American Union, stating that his vessel was in a sinking condition, and unnavigable. The American captain gladly acceded to the British captain's request, and, after a great deal of trouble and danger, the crew of the brig were rescued. Mr. McStoker, the chief mate of the American Union, volunteered, however, to board the brig and take her to the nearest port, and with eight of his American crew proceeded on her perilous adventure. The weather was very stormy, and six hours after the American Union left the brig the only boat on board the latter vessel was carried away, and with it nearly all the provisions on board. Mr. McStoker and his crew, however, bravely held out upon a very scanty allowance of bread and water for about seventeen days, their deprivations being augmented by fearfully bad weather, work at the pumps and want of water. Yesterday their sufferings were rewarded by the safe arrival of the James in the Mersey. Mr. McStoker spoke no vessels after he left his own ship. The American Union, we may add, was outward bound at the time she rescued the crew of the James.

ENGLAND AND THE POPE.

The Diplomatic "Play" of Pius the Ninth and Odo Russell.

The London *Globe* of the 18th of January says that the French version of Mr. Odo Russell's interviews with his Holiness was founded on hearsay. It is not quite accurate. In answer to a remark of the Pope, playful or otherwise, Mr. Russell assured his Holiness that England would not refuse him hospitality in case it were required. Subsequently Mr. Russell gave a more formal assurance. This is very different from going to the Vatican with a framed proposal to the Pope that he should forthwith make Malta the headquarters of the Church.

M. DROUYN DE LHUYS TO THE FRENCH MINISTER IN ROME.

M. Drouyn de Lhuys wrote as follows to the French Minister at Rome on the 20th December:—I have heard in an indirect manner that Mr. Odo Russell, on being received by the Pope, gave to his Holiness, in the name of Earl Russell, *the advice to quit Italy*, adding that, in such case, her Britannic Majesty's government would willingly offer to him the island Malta as a place of residence; that English vessels would be at his disposal, and that the Pope might rely upon the eagerness of England to give him in the asylum that he might accept all the conditions of an establishment worthy of him. These propositions were made in an official form, adopted for the first time in the intercourse which Mr. Odo Russell has held with the Holy See. Mgr. Chigi having come to see me, I told him, in alluding to the above, that I had learned that *we had zeno auxiliaries and sympathizers* in the protection which we give to the Holy See. The Nuncio having confirmed the information which had been given me, I added, while avoiding to take the matter more seriously than was necessary, that we hoped very much that if the Pope, which God forbid, *were compelled to quit Italy, he would grant us the preference over England, and that we should ask it of it.*

REPLY TO THE FRENCH MINISTER.

In reply to this despatch the Prince Latour d'Auvergne wrote to Paris:—I hasten to send you the information which I have received, and which I have reason to believe is correct, concerning the proposition recently made to the Holy See by Lord Russell to put the island of Malta at the disposal of the Pope, in the case of his consenting, as England advised him to do, to give up Rome to Italy. In the course of the summer Mr. Odo Russell, who was about to take leave, solicited an audience of the Pope. Admitted to the audience, Mr. Russell pleaded as usual, but in decorous terms, the cause of Italian unity, for the success of which, he said, his government entertained the most ardent desire. At the moment of his taking leave of his Holiness, when he was already upon the threshold of the Cabinet, the Holy Father addressed to him, it seems, without attaching to them the least importance, these words:—"Adieu, dear Mr. Russell. Who knows if one day *I shall not be forced to go to you to ask for hospitality?*" At these words, Mr. Russell immediately returned into the cabinet of the Holy Father, to ask him if he indeed feared that he should be compelled to quit Rome; and if, in that case, he would really be disposed to go to England. The Pope very quickly reassured Mr. Russell, by adding that he was ignorant of the trials which Providence reserved for him; but that for the moment he had no apprehension, and did not at all dream of removing from Rome. Mr. Odo Russell, who doubtless reported this conversation to his government, giving it, perhaps, more importance than it really possessed, was immediately, we are assured, summoned to London by telegraph. On his return to Rome, in the month of November last, Mr. Odo Russell went to Cardinal Antonelli, and gave him a note in which Lord Russell, after having supported the cause of Italian unity *and the right of Italy to possess Rome*, *advised the Pope to quit the Eternal City*, and announced that, in case the Holy Father were disposed to follow this advice, *the English Mediterranean fleet would be placed at his service to convey him either to France or to Spain, or to Malta, where a palace would be put at his disposal, and where he could wait freely till Italy had pronounced in relation to his temporal sovereignty*. Mr. Odo Russell in presenting the note of his government to his Holiness, Secretary of State, authorized him to make confidentially such use of it as he might think fit. The Cardinal hastened to reply that he had no use to make of it, seeing that the Pope *did not dream the least in the world of quitting Rome*. The intention of His Eminence was even, we are assured, to maintain complete silence in this matter, so as not to give to the proceeding of Mr. Odo Russell an importance which it did not possess. But it soon became known at the Vatican, as Mr. Odo Russell himself spoke of it to one of the diplomatic employes accredited to the Holy See. Matters remained there, however, and Cardinal Antonelli regarded the incident as terminated, when, according to what has been told to me, Mr. Odo Russell again presented himself to His Eminence on the occasion of the Christmas fetes, and informed him that he had received a private letter from Lord Russell, in which that minister expressed his lively regret at seeing that the Pope was not disposed for the moment to accept his propositions, adding that he had reasons to believe that His Holiness *would in a very short time find himself under the necessity of profiting by them*. Cardinal Antonelli abstained from making any reply to this new communication.

THE HEALTH OF THE POPE.

[Rome (Jan. 13) correspondence of the London Post.]

The state of the Pope's health has not been so satisfactory of late as his Holiness's friends could have wished, although he was sufficiently recovered on the afternoon of the 31st ult. to attend the annual *Te Deum* of thanksgiving celebrated in the Jesuits' church. The Pope continues to suffer from erysipelas, and his doctors have deemed it advisable to open another issue in his leg, in order to give a free course to the noxious humors, and prevent their invading the nobler and more vital parts of the body. But his Holiness has also suffered morally of late, in consequence of two recent events which have affected him painfully. I allude first to the death of his elder brother, Count Gabriel Mastai, who died of the same malady as that which now troubles the Pope; and secondly, to the sudden demise of Cardinal Morlot, Archbishop of Paris, from whom his Holiness had received letters only a few days before. The depression resulting from these two events had an unfavorable influence on the Pope's health; but it was only temporary, for he is a strong man, with a good constitution, and he has given proofs of being restored to his usual condition of body and mind.

Spain.

THE NEW CABINET OF O'DONNELL.

MADRID, Jan. 17, 1863.

The new ministry has been formed and is composed as follows:—

President of the Council and Minister of War	Marshal O'Donnell.
Minister for Foreign Affairs	Marshal Terand.
Minister of the Interior	Marquis de Verga Arrago.
Minister of Finance	Senor Salaverria.
Minister of Justice	Senor Guillamas.
Minister of Public Works	Senor Santa Cruz.
Minister of Marine	Senor Lugan.

Denmark.

COPENHAGEN, Jan. 17, 1863.

The note of the Danish government in reply to the last despatch of Earl Russell, dated 29th November, has been published. The principal points of this reply are as follows:—the Danish government state that maintenance of the autonomy of Holstein is not, as Earl Russell considers, the duty of Denmark, but is merely a great sacrifice which existing circumstances have forced from Denmark, and which was only made on condition that no foreign intervention in the affairs of the monarchy would take place. The note then continues:—"As regards Schleswig, Earl Russell has given more credit to the secret reports of a subordinate agent than to the open and loyal declaration of the Danish government. For this reason Denmark will in future adhere to the points of international law engaged in the question, and will enter into negotiations with nobody concerning the state of affairs at Schleswig."

Germany and France.

PARIS, Jan. 17, 1863.

Count Goetz, the Prussian Ambassador, presented his credentials to-day, in private audience, to the Emperor. He dwelt upon the friendly relations existing between France and Prussia, adding his conviction that the treaty of commerce recently concluded would strengthen their ties of amity. The Emperor in reply expressed his satisfaction at the choice made in the new ambassador, in whose sentiments he fully participated. His Majesty stated further that, since the interviews he had with the King of Prussia, he had always desired that their relations should become more cordial. It was his opinion also that the commercial treaty was the best means of consolidating the union of the two countries.

Poland.

The military conscription which, according to the custom of Poland, took place during the night of the 14th of January in Warsaw passed off without disturbance.

Turkey.

La France professes to have intelligence from Constantinople that the Sultan acts as if he were preparing for war, and that England appears to urge him in that direction.

The Cabinet of St. Petersburg accuses the Porte of giving encouragement to the Circassians, and of fomenting agitation in the Caucasus and Doghestan.

Omer Pasha had resigned, but his resignation had not been accepted.

Dost Mahomet had withdrawn his troops from before Herat, in order to negotiate for peace.

It is reported that the ministerial crisis in Turkey arose from Fuad Pasha desiring to reduce the army by 50,000 men, and to relinquish the project of building iron-plated ships.

India and China.

A Calcutta telegram of Dec. 30 reports shirtings and twist higher and advancing. Exchange 2s. 0⅝d. Freights improving.

SHANGHAE, Dec. 6, 1862.

Shirtings lower. Silk firm. Exchange 6s. 1½d.

CANTON, Dec. 14, 1862.

Tea flat. Exchange 4s. 8⅝d.

Commercial Intelligence.

THE LONDON MONEY MARKET.

[From the Manchester Times (city article), Jan. 17.]

On Thursday last the Bank of England directors advanced the rate of discount to four per cent. The three per cent rate was fixed on 30th October last, and it may be stated that the reduction in the stock of bullion has to some extent influenced this rise. Of course other things have influenced the directors in the course pursued. The movement was evidently anticipated, for it produced little or no effect upon prices. As the Bank of France has acted simultaneously with the Bank of England and increased its rate from four per cent, at which it had stood since November 6, to five per cent, the disparity between the terms current in Paris and London will remain undiminished; so that it is quite certain that until the drain of gold is checked in France and a reduction of discount takes place in Paris, as a consequence there can be no very decided or prolonged return of ease on our side. It is believed, however, that the contracts entered into with London houses for the transmission of a million of bullion to Paris will still be fulfilled. The demand for bills at the advanced rate has been good. The banks and discount houses have advanced the rate of interest on deposits to three and three and one-quarter per cent.

There has been considerable activity in the share market this week, and in the early part prices were very firm, with a tendency upwards, but for the last two days there has been a reaction, and at the close last evening the tone was weak.

The return from the Bank of England for the week ending the 14th of January gives the following results when compared with the previous week:—

Rest	£3,194,883	Increase	£45,204
Public deposits	4,290,759	Decrease	4,562,078
Other deposits	16,772,782	Increase	2,379,474

On the other side of the account:—

Government securities	£10,871,348	Decrease	£764,500
Other securities	20,196,727	Decrease	699,658
Notes unemployed	7,601,370	Decrease	696,400

The amount of notes in circulation is £20,286,805, being an increase of £58,395; and the stock of bullion in both departments is £14,102,169, showing a decrease of £533,386 when compared with the preceding return. This is the lowest point touched by the bullion since October, 1861. At that time the rate of discount was 3½ per cent, and consols were nearly at the same price as at present.

LONDON, Friday—3 P. M.

Consols and railways left off weaker. Consols, money, 92½ a 92⅝; consols, account, 92⅝ a 92¾; consols, new threes, 92⅝ a 92¾; bank stock, 255 a 257; Indian loan, 108⅛ a 108⅜; exchequer bills, 6 a 10 prem.

Total amount of importations and exportations of bullion and specie for the week ending January 14:—

Imported	£184,659
Exported	955,236

THE PARIS BOURSE.

PARIS, Jan. 17, 1863.

The Paris Bourse is heavy. Rentes, 69f. 90c.

PARIS, Saturday, Jan. 17—3 and 5 P. M.

The Bourse has been heavy. Rentes closed at 69f. 9c. or 5c. lower than yesterday.

MESSRS. RICHARDSON, SPENCE AND CO.'S CIRCULAR.

LIVERPOOL, Jan. 16, 1863.

Cotton.—The market was dull and lower in the early part of the week, but became excited on the last American and Indian news, and prices advanced, recovering entirely the previous decline and ½d. per pound in addition. Yesterday and to-day, however, the market is again dull and very little dearer than last quoted. The quotations are:—Middling Orleans, 24½d. per lb.; Mobile, 23½d.; uplands, 23½d.

In Manchester business continues to improve, but still very slowly.

Breadstuffs.—The general tone of the trade this week has been quiet, but prices have ruled steady. At Tuesday's market, with a fair attendance of buyers, wheat met a moderate consumptive demand, at previous prices. Flour slow of sale, though unchanged in value. Indian corn in better request, and for prime mixed an advance of 6d. a 9d. per quarter was made. To-day's market was again well attended, and wheat sold to a fair extent for consumption at Tuesday's prices. Flour dull at our quotations. Indian corn in good request; prime quality of mixed is scarce, and brings 29s. 6d. per quarter; secondary, 28s. 6d. a 29s. per quarter; white meets a retail sale at 30s. 6d. a 31s. for Western. We quote wheat—red Western, 9s. 2d. a 9s. 3d. for Chicago; 9s. 3d. a 9s. 7d. for Milwaukee and amber Iowa, 9s. 8d. a 9s. 10d. for winter; Southern, 9s. 10d. a 10s. 2d.; white Western, 10s. a 11s.; Southern, 11s. a 12s. per 100 lbs. Flour—Extra State, 23s. 6d. a 23s. 9d.; extra Ohio, 24s. 6d. a 27s. per 196 lbs. Indian corn—Mixed, 29s. a 29s. 6d.; white, 30s. 6d. a 31s. for Western; 32s. a 32s. 6d. for Southern, per 480 lbs.

Provisions.—Beef, at a decline of 2s. 6d. per tierce, has met a better sale, but prices still tend downwards. Pork 2s. 6d. per bbl. lower, with rather more doing. Bacon.—With large supplies holders are pressing sellers at a further reduction in prices, but the business doing is limited. Lancashire cut and hams especially are neglected. Cheese sells to a fair extent at rather easier prices. Lard in the beginning of the week met a good demand, both for speculation and consumption, and sales reached 500 tons, at 37s. a 38s. 6d. per cwt. for good to fine quality. The Etna's news depressed the market, but at the close there is again a firmer feeling.

Miscellaneous.—Tallow—The finest descriptions maintain their value, but all secondary qualities are neglected and nominal. We quote Butchers' Association, 44s. a 44s. 6d.; city rendered, 40s. a 42s. per cwt. Quercitron Bark.—No transactions to report. Rosin firm. Sales are reported of about 2,000 bbls., at 26s. for common and 29s. a 30s. for medium to fine American. Seeds.—For clover seed there is a fair demand, and new American sells at 46s. 6d. a 47s. per cwt. Nothing done in flax or timothy seed. Petroleum depressed. Crude Pennsylvania is offered at £20 and Canadian at £12 10s. per ton. In refined a large business has been done, but at irregular rates, and 2s. is nearest value to-day.

THE LATEST MARKETS.

LONDON, Jan. 17—Evening.

Consols closed to-day at 92⅝ a 92¾ for money.

The latest sales of American stocks are:—Erie Railroad, 45½ a 46; Illinois Central