THE NEW YORK HERALD.

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EUROPE.

Arrival of the Saxonia With Two Days Later News.

OUR BERLIN CORRESPONDENCE.

IMPORTANT FROM GERMANY.

The War Attitude Maintained by Austria and Prussia, and Great Excitement in Military, Naval and Diplomatic Circles.

Napoleon's Diplomacy Doubtful and Threatening to the Belligerents.

Savoy and Nice a "French Parenthesis" Likely to be Closed by the Rhenish Territory.

England Deprecates a War, But Sympathizes with Austria.

Queen Victoria Compliments George Peabody.

FUNERAL OF THE EX-QUEEN OF FRANCE.

IMPORTANT NEWS FROM INDIA AND CHINA &c. &c. &c.

The steamship Saxonia, Captain Meier, which left Southampton on the 4th of April, reached this port early yesterday morning. She was off Sandy Hook from nine o'clock Saturday night, detained by a dense fog.

Her news is two days later than the advices by the City of Cork, published in the HERALD on Sunday.

The Lisbon official *Gazette* publishes the contract concluded between Portugal, France, Brazil and Italy for a telegraph to America.

The London *News* warns the Mexican bondholders in England to receive financial statements from imperial Mexico with caution, as Maximilian's government has "so many enemies at home and abroad."

From the Danubian Principalities, April 2, we learn that the electoral meetings which have been held passed off with perfect tranquillity. Several public officials, accused of bribery, have been arrested and handed over to the judicial authorities.

The Russian Consul at Bucharest has protested against any of the Poles residing in the Danubian Principalities being allowed to enter the National Guard now forming in the country.

A despatch dated Rio Janeiro March 9, received in England, reports there is no news of importance from the seat of war. The Brazilian Admiral, Viscount Tamandare, has arrived at Corrientes.

The steamship Ripon, from Southampton on March 27, arrived at Gibraltar at midnight April 1, and left at five A. M. next day for Alexandria.

The steamship City of Boston arrived at Queenstown on the 4th inst., at eleven A. M.

The steamship Malta, from New York, arrived at Liverpool April 4.

The United States frigate Canandaigua was expected daily at Southampton, England. She was at Falmouth April 2.

THE GERMAN QUESTION.

Our Berlin Correspondence.

BERLIN, March 27, 1866.

Fables of the Day—Alternation of Peaceful and Warlike Rumors—Armaments of Austria—Concentration of Troops in Bohemia—Fifty Millions for Schleswig-Holstein—Austria Wants an Increase of Territory, &c.

The excitement occasioned by the warlike rumors of last week begins to subside; but there is still a general feeling of insecurity, and no one knows what the next hour may bring forth. On Wednesday it was confidently believed that the *Staats Anzeiger* of that evening would contain an order for the mobilization of part or perhaps the whole of the army. There were persons who claimed to have seen a copy of the royal decree issued for that purpose, and the panic on 'Change was indescribable, railway shares falling from five to ten per cent, and government funds in proportion. Whether intentionally or by accident, the publication of the official print was delayed longer than usual, which was looked upon as a confirmation of those alarming reports; but at last it came out—flat, stale and unprofitable, as usual, without any of the terror-inspiring documents it was expected to contain. Next day was the King's birthday. His Majesty received the congratulations of the civil and military authorities, and it soon became known that he had made a speech to the assembled generals in which, though allowing the situation to be extremely serious, and intimating his full confidence in the approved valor and loyalty of his "magnificent army," he expressed a hope that the difficulties that had arisen between him and his imperial ally would be adjusted in an amicable and mutually satisfactory manner. This, of course, produced a favorable impression on the money market, and on Friday everything began to bear a different aspect. Telegrams arrived from Schleswig and Holstein announcing that the royal anniversary had been celebrated by the Austrian and Prussian troops with all the outward marks of friendship and harmony; that Generals Gablenz and Mantueffel had exchanged complimentary speeches, talked of their companionship in arms during the late war, and declared that if they should ever have to fight again it would be side by side against a common enemy.

It was moreover asserted, apparently on good authority, that the Emperor Francis Joseph had addressed an autograph letter to the King, congratulating him on his birthday and testifying his fervent wishes for the maintenance of a union which had already been attended with such happy results; and finally a telegram from Vienna in the Hamburg *Börsen Halle*, a paper notoriously in the pay of the Austrian government, announced that the armaments had been suspended by express command of the Emperor, and that the negotiations had again entered into a pacific phase. The *Kreuz Zeitung* and the *North German Gazette* (Bismark's organ), which had been blowing the war trumpet with all their might, also adopted a more subdued tone, protested that their words had been misunderstood, and disclaimed any intention of provoking a rupture with a Power which *ought* to conclude with Prussia they had always considered the safeguard of Germany against those eternal foes of peace and order—the democrats. All this served to reassure the Bourse, which had been quite frightened from its propriety by the clashing of swords kept up by both parties; the funds once more became buoyant, the bulls triumphed, and the unfortunate speculators *à la hausse* were utterly foiled.

The present week, however, has commenced with another explosion. In many instances the favorable rumors have proved as delusive as the alarming ones. First of all the autograph letter from the Emperor of Austria to his brother of Prussia turns out to be a myth. So far from having written, the Emperor has this time even omitted the telegraphic congratulation which it is customary for monarchs to send each other on such occasions. Such an omission, considering the strictness with which the Court of Vienna adheres to etiquette, is extremely significant. It shows that the political animosity between the two governments is assuming a personal character, and a personal quarrel between the respective owners of twenty and odd millions of subjects is infinitely more dangerous than the diplomatic squabbles of their ministers in the next place the armaments of Austria have not been suspended; on the contrary, they appear to be carried on with increased activity. Accounts from Bohemia state that troops are constantly arriving from various parts of the empire, especially from Galicia. Two whole divisions are to be stationed in Austrian Silesia, and all the towns and villages on the frontier are full of soldiers. From Cracow we are informed that in the last two or three days no less than twenty battalions of infantry, with a park of artillery and a train of ammunition, passed through that city *en route* for Bohemia. The railroads have been completely taken possession of by government, and all private travelling has ceased in that direction. At first it was alleged that these movements were only occasioned by the disturbances that had broken out in several districts of Bohemia; but such trifling wars would certainly not require the attention of so imposing a force, and there can be no doubt that it is intended as a demonstration against Prussia. A very short time must show whether it will succeed in its object. I was always of opinion that each of the two Powers was endeavoring to intimidate the other, and that if one of them really evinced a determination to go to war the other would be pretty sure to recoil from it. Just now it is Prussia that betrays symptoms of hesitation. The semi-official journals continue to disclaim all aggressive designs, and here, at least, no military preparations are visible. Bismark is reported to have had an interview with the Austrian ambassador, in which he used the most conciliatory language, and offered to pay Austria fifty million thalers for her share in the *condominium* of Schleswig-Holstein; but notwithstanding their financial straits the Cabinet of Vienna is not likely to accept such a proposal, and I can hardly imagine, therefore, that the Prussian Premier should have made it. What Austria wants is an accession of territory. She would have no objection to a good round sum of money, besides; but the Kaiser is too proud to give up his claims for money only, and after having suffered so considerable a loss of territory by the Italian war he thinks himself bound in honor to make up for it in some other quarter. The question now is, will Prussia consent to a "rectification" of the Silesian frontier? Will she return part of the conquests of Frederick the Great to Austria as an equivalent for Schleswig-Holstein? If she does not, she has only two other alternatives—the *ultima ratio* or an ignominious retreat.

A Peace and War Aspect.

THE LATEST DESPATCHES.

VIENNA, April 2, 1866.

Rumors of a peaceful solution of the Schleswig-Holstein question were current to-day, and produced a most favorable impression.

OBERBERG, April 2, 1866.

Yesterday morning the Austrian authorities in the frontier district received orders to recall all men on furlough to their regiments.

BRUSSELS, April 2, 1866.

Several of the minor German States have resolved to observe an armed neutrality in the present dispute between Austria and Prussia, and intend to place their armies upon a partial war footing.

VIENNA, April 3, 1866.

The rumor current here that the Duke of Coburg, who has arrived here, desires to mediate between the Austrian and Prussian sovereigns is not credited.

The official *Wiener Zeitung* publishes the text of Count Karolyi's note to Count Bismark, denying that Austria is preparing to attack Prussia.

According to the *Wanderer* Field Marshal Benedek has arrived here, and has been named Commander-in-Chief of the Army of the North. The chief command of the forces in Italy will, it is said, be entrusted to the Archduke Albrecht.

The rumors of Russian armaments are still current.

The *Presse* of to-day publishes a telegram from Florence, announcing the formation of a camp of seventy thousand men near Bologna, under the command of General Cialdini.

Despatches from Munich state that it is proposed to concentrate a *corps d'armée* between Wurzburg and Aschaffenburg.

It is stated that fortifications are being thrown up around the fortress of Neisse, in Silesia.

According to the Vienna papers the fact that Prussia is arming is undeniable. The Prussian government have already forbidden the export of horses.

The *Ost Deutsche Post* states that at a Cabinet Council held here it was resolved to issue a prohibition against horses being exported from any part of the Austrian dominions. This decision is believed to have been caused by the presence of numerous agents in Moravia buying horses for the Prussian government.

BERLIN, April 3.

It is believed that, in reply to the dispatch of Count Karolyi, Prussia will state that she has taken note of the declaration therein contained; that she also has no intention of following an aggressive line of policy, but would desire explanations respecting the armaments of Austria.

DANGER TO BOTH THE WAR POWERS.

[Vienna (March 31) correspondence of London Times.]

Prussia is playing a bold game; for, if the fortune of war should be against her, she may lose some of her most valuable possessions—*the Rhenish Provinces to France, and Silesia to Austria.* Even Saxony may chance to regain a part or the whole of the territory which was taken from her and given to Prussia in the year 1815. The area of the Prussian province of Saxony is about 385 square German miles (28,500 English), with a population of well nigh a million of souls.

Austria also runs great risk, for if she should be defeated *the inhabitants of the cities and towns in Venetia will hardly fail to rise against her.* Though the Hungarians *would not be faithless to her* should she be in distress, they would not fail strenuously to insist on the immediate restoration of their rights. In consequence of her geographical position Saxony is exposed to great danger. Should Prussia resolve to proceed to extremities she will take possession of certain strategic points in Saxony, from which Austria must needs try to eject her. The treasures of art, antiquities, curiosities, &c., belonging to the State are likely soon to be removed from Dresden to the fortress of Koenigstein or to Munich.

PREPARATIONS OF AUSTRIA.

[Vienna (March 31) correspondence of London Times.]

As the imperial government wishes to avoid unnecessary expense, the order for placing the troops on a war footing will not be given until there is *no longer a chance* of peace being maintained. However, Austria is not likely to be taken by surprise; for such masterly arrangements have been made that an army of 480,000 men can be made "mobile" within a fortnight.

Should there be a war the Archduke William, who is at the head of the Ordnance Department, will have the command of the reserve artillery; General Count Gondrecourt, who distinguished himself in Holstein, will be appointed Adlatus to General Count Clam-Gallas, the commander of the first army, which has its headquarters at Prague; Lieutenant General Count Coudenhoven, his Majesty's second Aid-de-Camp, will have the command of four regiments of cavalry, and Princes Thurn and Taxis and Baron Edelsheim are also likely to find employment under General von Benedek, who for the moment is at Verona.

A few days ago the Vienna financiers were in great trepidation, but they have partially recovered their equanimity, and now profess to think that a war with Prussia is preferable to a patched-up and short-lived peace.

FINANCES OF AUSTRIA.

[Vienna (March 3,) correspondence of London Times.]

The Minister of Finance has made a communication by which it appears that the state of the Austrian finances is not so unsatisfactory as is commonly supposed. Count Larisch states that he has paid off debts which had been contracted by his predecessor on security to the amount of 28,998,000fl.; that all the conditions of the Bank Act have been strictly fulfilled, and that he is provided with the means of discharging the obligations of the State "for some months to come." We are also informed that the taxes are pretty regularly got in, an assurance which excites surprise, as it is a notorious fact that trade is and long has been completely stagnant. The government will hardly apply to the national bank for money should it be engaged in a war with Prussia, as the directors openly declare that they are determined not to diminish their metallic reserve.

Position of the Great Powers.

FEELING AND POLICY OF FRANCE.

[Paris (April 2) correspondence of London Times.]

The anxiety occasioned by the state of affairs between the two great German Powers is not unlike that which preceded the breaking out of the war between Italy and Austria; and it is not dispelled by the elaborate article, believed to come from the Foreign Office, which has appeared in the semi-official *Constitutionnel*. I find it has rather increased than diminished the apprehension that if these Powers go to war *France cannot, nor if she would, maintain her neutrality.* It affects to be astonished that after the declarations in the Emperor's speech anybody can feel uneasy; but the *Constitutionnel* expressed the same astonishment, or something very like it, before the Emperor's ominous reply to the Austrian Ambassador's compliments on the New Year. It is all very well to reproduce certain passages of the speech from the throne and of the address of the Legislative body, to praise the consummate ability and prudence of M. Drouyn de Lhuys, and speak of the sagacity of the government as more than enough to tranquillize the public mind. It admits that the situation of affairs between Austria and Prussia is very bad, but that the repugnance of each to be the first to draw the sword is one of the best guarantees for peace. It speaks of neutrality, and it is true that the Emperor has declared that that policy will be observed so long as *Europe remains as we now suppose. But this is precisely what causes real alarm in public opinion.* It is because every one feels that if war break out between Prussia and Austria Europe will be anything but neutral. Explanations of the organ of the Foreign Office fail to allay.

There is, moreover, something contradictory in these assurances. After describing the present situation of the German Powers, and stating that the sole guarantee for peace is the fear of being the first to come to blows, the semi-official journal concludes with certain ambiguous words, which are more calculated to alarm than to tranquillize—

With all this we hear that a certain amount of disquiet prevails. It is because people do not take sufficient account of what has been said and what has been done by the imperial government with a view to all contingencies. Now, what do people gain by an disquieting themselves? They endanger the benefit of a wise and prudent policy.

It is clear, then, that there are contingencies beside the policy of neutrality, and that if these contingencies arise neutrality must necessarily be laid aside.

The anticipation of war between Prussia and Austria has made a most unfavorable impression on commercial affairs throughout France. It is remarked, as a curious coincidence, that the cash in the Bank of France is now 208,000,000 francs, nearly the amount it reached under the republic in 1848, in consequence of the prolonged stagnation of trade.

OPINION OF THE PARIS PRESS.

[Paris (April 3) correspondence of London Times.]

There are no new symptoms here worthy of notice on the great question of peace or war. The silence of the Prussian telegraph, which the *Presse* clings to as a good sign, is probably owing only to the Easter holidays.

The *Temps* gives a denial to the report that Count Goltz, the Prussian Ambassador, suddenly left the city for Berlin after having an audience of the Emperor Napoleon.

The *Decats*, in referring to the Prussian circular, says: It is evident now that in undertaking the war against Denmark, Prussia had *no other idea* than that of absorbing the Elbe Duchies, and to the last moment everything went well with her. Her soldiers gained easy laurels at Missunde and Duppel, she forced Denmark into a disastrous peace, and throughout the campaign she appeared to lead Austria, complaisant and resigned, at her heels. She did not then know, or rather she forgot in the ardor of conquest, what a drag an ally becomes when, at the moment of sharing the spoils, that ally stops, and begins to have scruples, and to invoke right and justice. Referring to the views expressed by Count Bismark with respect to the present state of the confederation, the *Debats* says:—He considers the confederation has been very badly formed; that it is based upon a false principle, that of the cordial and perpetual alliance of the two great German powers. Its military organization is not correct; in one word, which includes everything, Prussia is not sufficiently mistress of the confederation. That is what M. de Bismark wishes to make obvious. He very ingeniously declares that if Prussia is not sure of Germany she is exposed by the *mere fact of her geographical position to disagreeable risks. M. de Bismack does not deceive himself; he knows the map of Europe; he knows that Prussia has no safe frontier either towards France or Russia, and that its Silesian frontier could easily be turned by Galicia and Bohemia.* But it seems that the consideration of these defective frontiers and of this elongated and tortuous body called the kingdom of Prussia, instead of filling him with ideas of annexation, ought to render him more measured and more circumspect. It is, therefore, in the name of the interest of Prussia, and that alone, that Count Bismark claims from the German courts a revision of the federal compact and new military regulations—that is to say, the annexation, doubtless, of the contingents of the small States to the Prussian army. But the small States turn a deaf ear; and, though the future may destine them to disappear and blend with the Prussian monarchy, they think, reasonably enough, that the moment has not perhaps yet come for them to consummate this suicide. We need not be astonished, therefore, at the reply which certain States have already made to the third part of the despatch, in which Count Bismark calls upon them to declare to what extent they intended to give their assistance to Prussia. The cabinets of Munich, Dresden and Weimar have declared that they should be guided by articles 11 and 19 of the federal pact, which regulate the course to be adopted in case of a conflict between two confederate States. The Vienna journals assert that the majority of the German governments will make the same reply. We know what value is attached at Berlin to these antiquated pretensions; but the federal pact is of use; it may at all events serve to retrench the force of inertia of the small States. Will M. de Bismark advance to the attack of this fantastic redoubt? Under any circumstances if Prussia had any lurking desire to withdraw from the path she has entered upon, the despatch we have just analyzed might serve as a starting point for negotiations, in which she would have more to gain than to lose, even though she merely gained time to collect herself.

Writing in the *Liberte* upon the German question, M. de Girardin expresses the opinion that, as the unification of Italy cost Piedmont Nice and Savoy, so Prussia, in order to become the empire of Germany, is ready to sacrifice the whole left bank of the Rhine. He adds:—The day on which France annexed to her eighty-six departments three others—those of the Alpes Maritimes, Savoie and Haute-Savoie, *she opened a parenthesis which will not be closed until she has obtained the Rhenish frontier.* It was not necessary to be a man of genius to understand this, and Count Bismark did not fail to comprehend that truth! Consequently he does not simply count on the sympathetic neutrality of France; he does not doubt that the tide of events, *as soon as the dike* which restrains them has been broken down, will logically and forcibly unite France with Prussia and Italy against Austria. It is, however, precisely because the tactics pursued by Count Bismark are too apparent that we persist in thinking he will not succeed in his designs borrowed from the policy of Count Cavour. Austria, who knows them, is aware by experience of what the war of 1859 cost her; she foresees the consequences of a war in 1866, should it break out, and will not furnish to Prussia any pretext for aggression. Will Prussia commence war notwithstanding? We think not; for if Prussia were thus to attack Austria, *the latter would be supported by the majority of the States which compose the Germanic confederation.* Austria would the more have them on her side that she would be probably menaced with losing Venetia and the famous Quadrilateral, the preservation of which by an Austrian army is considered by the Diet and by Baron Von der Pfordten as absolutely necessary to the safety of the Tyrol and the security of Germany. Such are our reasons for refusing to believe in a war which would soon cease to be local and would become general.

A WAR MOVEMENT IN ITALY.

The Paris *La Patrie* publishes telegrams from Florence, dated the 1st inst. (evening), stating that the rumors current upon the Paris Bourse of a loan of two hundred millions effected with Messrs. Rothschilds, and of considerable armaments being proceeded with, had been formally denied in the Italian capital. The Italian Ambassador has been instructed to declare officially that the Italian government is in a position to meet its engagements without having recourse to foreign credit.

Prince Napoleon had arrived in Florence, and it was stated that an interview between him and General della Marmora had taken place. *La Nazione* of Florence denies that any understanding has been agreed upon between Italy and Prussia.

FLORENCE, April 3, 1866.

The principal generals of the Italian army have been summoned to meet at this city on the 6th inst.

It is asserted that the Italian monitors have been ordered to rendezvous at Ancona or Brindisi.

The *Nazione* of to-day states that according to advices from Venice military preparations are going on in Venetia.

TRIESTE, April 3, 1866.

It is stated that an Italian squadron, destined to cruise in the Adriatic, is now in course of formation.

WHAT ENGLAND THINKS.

[From the London Times, April 4.]

The temper in which the neighbors of Prussia and Austria have looked upon the menaces and preparations of those two Powers can hardly be flattering to either of them. It has been a mixture of *surprise, ridicule, pity and indignation.* There are certain States which the world can imagine drawing the sword against those they dispute with. Nations that have always confessed to a policy of ambition, that have a frontier to gain or a maritime position to attain to, are set down by politicians as among the aggressive Powers of the world, and when they threaten we see no great incongruity in their conduct, however much we may reprobate it or desire to oppose them. *But neither Prussia nor Austria ranks among these.* They have always in our time been conservative; they have professed to be content with their present territories and their present influence, and to set mankind the example of respect for legitimate rights and the positive enactments of treaties. If they were to threaten foreign foes, it would be sufficiently strange to their policy and traditions, but that they should attack each other, weaken themselves with respect to foreign Powers, *and overthrow the whole fabric of the federal authority, is so monstrous* that we can hardly believe it to be possible, and feel a kind of anger at their pretending it. On the other hand, there is no greater error than to deem war impossible because the parties have much to lose by it. Strong passions will always overcome great interests. Considerations of nationality, alliance, trade, hygeme services, have been over and over again set aside by enraged communities. For the last month the governments of Prussia and Austria have been pursuing a course which could only end in a rupture. The ambitious designs of the one have so much provoked the other, menace has been met so readily by menace, and preparation has so closely followed preparation, that were it not *for the remonstrances of other nations* the blow might at any moment be struck. Happily the neighbors of the two would-be belligerents have not underrated the danger, and all that can be done to restrain them has been done. It may be even now that these efforts will be unsuccessful, but the probabilities are in favor of peace. If the opponents can be induced to pause, if Prussia especially can be led to see that *the designs of her Minister are not only contrary to justice but offensive to the chief States of Europe, the storm may pass away.* The present moment is certainly critical; but by the use of due efforts the danger may be averted.

We have now something like a manifesto from each party. The circular of Count Bismark, dated March 24, is an able document; but yet it will hardly convince those who have followed the dispute. The first object of the Prussian Minister is to show that the great step he has taken *may* have been fully accepted by the great German Powers. Count Bismark argues that the present refractoriness of Austria is in violation of the Gastein Convention. In that convention Austria accepted, according to Count Bismark, the cession of the duchies by King Christian IX. In other words, both German Powers held that Schleswig-Holstein had not been taken possession of as a part of the German confederation, the sovereignty of which had passed away from the Crown of Denmark at the death of the late king, but that it had fallen to the victors by right of conquest. Austria accepted the cession of the duchies by King Christian IX., who was in possession of them upon the ground of the order of succession introduced in 1860; and now Count Bismark complains that her late ally desires to hand over that which belonging to the King our most gracious master in common with the Emperor of Austria to the Prince of Augustenburg, "who has no right thereto, and whose claims had been upon a former occasion emphatically disputed by Austria herself." This in the most solemn and formal manner Prussia has now disavowed all the principles on which Germany entered into the Danish war. No English minister could have more explicitly upheld the Treaty of London and the rights of King Christian than does Count Bismark in this document. Whereas the Duke of Augustenburg and his followers round the Germans to a crusade on the ground that the sovereignty of the duchies had entirely passed away from Denmark and had reverted to another family, the Prussian Minister now bases all his claims on the validity of the Danish rights up to the moment when they were destroyed at Duppel. The political tendency which can send such a despatch to the German courts needs no comment. If Count Bismark be correct in his view, then the war itself and all the humiliations which led to it were wholly unpardonable, for if King Christian had rights to yield the aggression that was made on him on the ground of the lack of right must have been plainly unjust. Of course, if the Prussian Minister considers Schleswig as now actually belonging to the Prussian Crown, he may complain that Austria desires to transfer it to the Augustenburgs. But the pretence of being aggrieved by the preparations of Austria, and the declarations that so far Prussia has made no preparations, are somewhat hypocritical. We may presume without fear of doing Count Bismark injustice that he would have little objecting to some overt act of hostility on the part of Austria which should give an excuse for occupying Holstein and forcing the Austrian corps of occupation to leave that province. On the whole, Prussia is as well prepared for war as Austria, and were Austria to force any advance on Schleswig, Prussia would be able not only effectually to resist it, but also to gain her own ends by establishing her military power over the whole of the duchies.

The note presented by Count Carolyi to Count Bismark is more peaceable than might be expected, after the publication of such a document as that of March 24. It is evident that the Emperor has no desire to further the policy of the Prussian minister by a warlike opposition. Nothing can be more *temperate* than this note, if its purport has been correctly reported. Austria repudiates hostile purposes, and declares that nothing is further from its intentions than to act offensively against the Prussian monarchy. Even the German confederation, which Prussia *has so uniformly slighted*, is spoken of with respect by her more conservative antagonist. To this note a pacific reply has been given by Prussia, and there is consequently reason to hope that, unless some new difficulty arise, or the Prussian Minister find it to his advantage to precipitate matters, there will be no breach of the peace. It must, however, be remembered that the cause of the quarrel still exists, and is not likely to be removed. Prussia desires the duchies, and has said openly that they shall be annexed. This has been announced in the most unmistakable manner, both by Count Bismark and General Manteuffel. We may presume that it is equally the intention of Austria to prevent such an *acquisition*, and to maintain her own dignity, the rights of the confederation, and the succession of an independent house. It is difficult to see how such a dispute is to be arranged. It is stated that Austria would not be unwilling to recur to a programme originated a year ago by Prussia, to the effect that the Prince of Augustenburg should be the civil ruler, while the whole military and naval authority should belong to Prussia. But such an arrangement would differ little from annexation; for not much discernment is required to see that the power of the nominal sovereign would be very limited and his reign probably short. The discussion of this question will probably be long and bitter; *but if the two Powers can be induced to abandon their hostile preparations* it may continue without any other result *than an increase of the chronic acrimony which obtains between the two Powers.*

The Anglo-American Banker.

GEORGE PEABODY AND QUEEN VICTORIA.

The following graceful letter has been written by the Queen of England to Mr. Peabody:—

WINDSOR CASTLE, March 28, 1866.

The Queen hears that Mr. Peabody intends shortly to return to America, and she would be sorry that he should leave England without being assured by herself how deeply she appreciates the noble act of more than princely munificence by which he has sought to relieve the wants of the poorer class of her subjects residing in London.

It is an act, as the Queen believes, wholly without parallel, and which will carry its best reward in the consciousness of having contributed so largely to the assistance of those who can little help themselves.

The Queen would not, however, have been satisfied without giving Mr. Peabody some public mark of her sense of his munificence, and she would gladly have conferred upon him either a baronetcy or the Grand Cross of the Order of the Bath, but that she understands Mr. Peabody to feel himself debarred from accepting such distinctions.

It only remains, therefore, for the Queen to give Mr. Peabody this assurance of her personal feelings, which she would further wish to mark by asking him to accept a miniature portrait of herself, which she will desire to have painted for him, and which, when finished, can either be sent to him in America or given to him on the return which she rejoices to hear, he meditates, to the country that owes him so much.

TRADE STRIKES IN ENGLAND.

A Social Revolution at Hand.

THE LONDON TAILORS.

[From the Manchester Guardian, March 30.]

The dispute in the London tailors' trade is assuming a very serious character. The masters are resolved not to yield; and as several large firms have determined to "lock out" if their men will not accept the revised scale of payments, it is feared that from 20,000 to 30,000 workmen will soon be out of employment.

The men say that they have taken steps which will prevent their places being supplied by hands from the Continent or the provincial towns, and that they have received such promises of support from their fellow-craftsmen as justify them in holding out.

[From the London Times, April 3.]

The threatened lock-out by the large West-end firms was generally carried into effect on Saturday morning, consequent upon Mr. Poole's workmen positively refusing to resume work on the terms proposed, that gentleman having repudiated the arrangement made on his behalf by his manager. About 1,200 or 1,500 men are thus on strike or locked out; and to supplement the funds in the hands of the society for their support a levy of 1s. per head was placed on every man throughout the trade, which was cheerfully paid in on Saturday evening last. Deputations from the committee were occupied the whole of Saturday in visiting several of the principal employers, with the view of impressing upon them the justice of the claims made upon Mr. Poole and the injustice of the lock-out, and it is stated that in some cases they succeeded in their object. On Saturday the agents sent over by Mr Poole to the Continent to engage foreign workmen returned, as reported by the men's committee, unsuccessful from their mission, the continental workmen having been informed by telegraph from the operatives' committee of the state of affairs in London. It is expected by the men that the failure of the above mission, with the resolution of the "outworkers" to make common cause with the men locked out, will be the means of bringing about an early settlement of the dispute, the orders of the employers at this season being very numerous and pressing.

An aggregate meeting of the trade is to be held early this week, should the dispute not be terminated in the meantime. The statement made last week that 15,000 men were or would be thrown out of employment is quite erroneous; the number of men employed by the whole of the West-end firms do not amount altogether to more than about 6,000, and it is only a portion of the firms that have locked out.

[From the London Times, April 4.]

Up to last night the number of master tailors in London who have locked out their men does not exceed thirty-two, but other masters have threatened a lockout if the Operatives' Committee do not speedily come to terms with the Masters' Association. The Operatives' Committee have received letters from the principal towns in England requesting men to be sent there, and the first detachment, consisting of forty men, are to be sent to Manchester to-day. These will be followed by a number of others to-morrow. In consequence of the outworkers sympathizing with the men locked out by refusing to do outwork, the business of the masters referred to is entirely suspended.

THE BUILDING TRADE IN BIRMINGHAM.

[From the Manchester Guardian, March 30.]

A general meeting of the master builders, operative bricklayers, carpenters and joiners, and laborers of Birmingham was held on Wednesday night, "for the purpose of appointing delegates to act as arbitrators under the provisions of the existing trade rules." There were about one thousand four hundred men present, who represented in equal proportions the trades concerned. The masons only were not represented.

The Mayor presided. The following resolution was adopted:—That we, the master builders, operative bricklayers, carpenters and joiners, and laborers of Birmingham, do mutually agree to abide by and conform to all trade regulations which shall be made and agreed to by the delegates we are about to appoint, or which shall be settled by the casting vote of the chairman they may appoint.

Delegates were subsequently appointed.

GREAT SUCCESS AND SOCIAL ADVANCEMENT OF THE OPERATIVES.

[From the London Times, April 30.]

* * * The enormous extent of these combinations tends, of course, to enrich the trade treasurers, while the new method of "striking" economizes the application of money. Be it remembered that these struggles are mere questions of money from first to last. A "strike" is a trial of endurance, in which it has to be seen whether the master can go longest without his profits or the men without their wages. In former times capital used commonly to beat labor; for the slender resources of the local trade were soon exhausted, and then the men had either to resume work or starve. But now, while the vast extent and unlimited affiliation of these unions provide almost inexhaustible funds, the employers are engaged to the fewest possible men at one time. We have seen that 2,517 bricklayers got their wages raised by the efforts of only 261 of their trade. This little band, just a tithe of the whole body, fought all the battle or the rest, and, of course, if nine men go on working while only one is idle, it is easy enough for the one to be supported by the nine. So Mr. Poole now tells us that the very men who have left his shop have gone into other shops and are working there on the very terms which they refuse to accept from him. That is only the usual course of operations. The minority of the society must needs work in order to support a minority in a "strike" which really represents the battle of all; but as these contests are now managed the outlay is very little, while the gains are large. The bricklayers calculate that they have gained nearly £20,000 by an expenditure of little more than £300. The carpenters and joiners confess to an investment of some £2,000 upon their "trade privileges," but the returns profit, according to their own showing, must have repaid them ten times over. There is another view too, of the case. Supposing that it does take £1,000 or £2,000 to secure a good advance of wages or a reduction of time in fifty or one hundred towns, a society like that of the carpenters and joiners could easily pay the amount out of their reserve without troubling the members for a sixpence in contribution. If £300, as in the case of the bricklayers, will do the work, what may not be accomplished by a reserve of £10,000? Let us repeat once more that we are not assuming the benefits of the men to have been reaped thereby. We wish only to point out the singular success with which the working classes have adapted these combinations to their own particular purposes, and the extraordinary power they have acquired. One inference, too, we may add, is conclusive, and that is, that if working men all through the country are thus bettering their incomes by ten or twenty per cent, their position as householders must have been bettered too, and this trade union will introduce them to the circle of ratepayers by an irresistible operation of events.

QUEEN AMELIE.

Funeral of the Late Ex-Queen of the French in England—Assembly of Prominent Citizens of France at Claremont—Royal Mourners, the Procession, the Religious Services, and the Tomb.

OPENING REMARKS.

[From the London Times, April 4.]

The mortal remains of the revered Marie Amelie, ex-Queen of the French, were yesterday consigned to the tomb beneath the Roman Catholic chapel at Weybridge. At an early hour many persons of social position attached to the exiled House of Orleans left London by the South-western Railway, and assembled at Claremont, to pay the last tribute of respect to the illustrious deceased. Among the more prominent of these were:—M. Lisboa, Ministre de Brezila Bruxelles; Le Marquis de Boulile, Le Comte de Bouille, Le Baron de Chaudin, Le Baron Edmond de Bussierre, M. Louis Malgre, M. C. Paravey, M. G. Faubert, M. Lamaille, M. Le Comte Gaubert, M. Le Comte de Pontonis, M. Le Baron Prosper de Barante, M. le Marquis de L'Aubespin, M. Terrgett, M. Emmanuel Duvergier de Hauranne, M. le Comte D'Haussonville, M. le Vicomte de Haussonville, M. Prevost Paradol, M. le Vicomte Henri de l'Aigle, M. Cousin, M. Real, M. Poizat, M. la Comte Raoul d'Hulst, M. le Marquis de Grave, M. G. Odiot, M. Ch. Odiot, M. Henri Piguetre, M. Guyot de Villeneuve, M. Cailleux, M. Louis Calla, M. Bagien, M. le General Julien, M. Boset de Grotzel, M. Allaire, M. Daresse, M. Edouard Odier, M. le Vicomte Vizier, M. Mathores, M. de Meurieux, M. Casimir Perier, M. le Duc d'Estissac, M. le Comte Rayer du Nord, M. le Comte Saut de Segur, M. le Vicomte Louis de Segur, M. le Vicomte Oscar D'Hautpool, M. la Marquis D'Harcourt, M. St. Marc Girardin, M. le Duc D'Apdeffret Pasquier, M. Biesta, M. U. O. Chabaud Latour.

The Duc d'Aumale, the Count de Paris and the Duc de Chartres arrived from their respective residences at Twickenham before nine o'clock. His Majesty the King of the Belgians, accompanied by his Excellency the Belgian Minister, and attended by Count de Moerkerke, arrived at half past ten from London, and his Majesty was met on the steps of the mansion by their Royal Highnesses the Duc de Nemours, Prince de Joinville, the Duc d'Aumale, Count de Paris and Duc de Chartres, who affectionately welcomed the King. Their Royal Highnesses the Duchess d'Aumale, the Countess de Paris and the Duchess de Chartres, accompanied by the Duchess of Wurtemburg and Princess de Salerne, arrived from Twickenham shortly afterwards.

THE COFFIN AND PALL.

During Monday the coffin containing the remains of the illustrious deceased had been placed in the picture gallery, which had been temporarily fitted up as a Chapelle Ardente, for the celebration of the solemn funeral service of the Roman Catholic Church. In the centre of the chapel, which was completely draped in black cloth, was a platform on which was deposited the coffin covered by a black velvet pall, with a deep fringe of silver lace, and a large silver cross embroidered in the centre. Twelve lighted tapers surrounded the coffin. On each side of the pall were placed the emblazoned arms of the House of Orleans and of the Two Sicilies, and at either end the monogram "M. A." surmounted by the Royal Crown of France.

The furniture was all covered with black cloth, and the only relief to the walls was here and there the late Queen's monogram and crown in silver. At the extreme end of the apartment was erected an altar with burning tapers.

THE PROCESSION.

At eleven o'clock the Rev. Dr. Grant, the Roman Catholic Bishop of Southwark, accompanied by other Roman Catholic clergy, arrived. Immediately afterwards the whole of the members of the royal family were conducted to the chapel, to be present at the solemn service. Owing to the limited capabilities of the chapel none but the relatives of the late Queen were admitted. The other persons who were assembled, and who were to attend the obsequies, met in the library.

Shortly before twelve o'clock the body was removed from the chapel and conveyed to the hearse, preceded by the clergy, the pall being borne by General Count de Montequin, General Count de Hondetot, General Count Dumas and General Count de Chasannes, who afterwards escorted the hearse to the park gates in Esher lane.

Immediately after the hearse the mourners and their friends adherents of the House of Orleans followed on foot. The road from the mansion to the lodge, nearly half a mile, was thronged on either side by the inhabitants of Esher and the neighboring villages, who received the procession as it passed with every demonstration of respect. On the lawn in front of the house was a large concourse of persons, the greater part of whom were French.

The funeral procession left the house in the following order:—

The cross-bearer, supported on each side by vouchs bearing tapers.

The clergy two and two.

The hearse, containing the body, followed by His Majesty the King of the Belgians, the Duke de Nemours, Prince de Joinville, the Duke d'Aumale, the Count de Paris, the Duke de Chartres, the Duke de Guise, and other members of the royal family, together with the ambassadors and other personages of rank attending the funeral.

On the arrival of the funeral procession at the lodge, in Esher lane, it was marshalled in the following order:—

Her late Majesty's carriage on horseback.

Four mounted mutes.

Two mourning coaches containing the bishop and other clergy who had officiated at Claremont.

The hearse.

First mourning coach, containing the King of the Belgians, the Duke de Nemours, and Prince de Joinville.

Second mourning coach, containing the Duke d'Aumale, the Count de Paris, the Duke de Chartres and the Duke de Guise.

Third mourning coach, containing the Duke Philip of Wurtemburg, the Duke de Penthievre and Prince Philippe, of Saxe Coburg Gotha.

Fourteen coaches followed, containing foreign ambassadors and others of rank.

All the carriages were attended by pages with batons, and in the rear followed upwards of one hundred and fifty private carriages of the members of the corps diplomatique and private friends of the ex-royal family.

The funeral procession proceeded at a slow pace through Esher, Hersham and on to Weybridge—a distance of nearly seven miles.

THE LADIES OF THE FAMILY.

About a quarter of an hour after the funeral had left the lodge gates six mourning coaches drove up to the mansion to convey the female members of the royal family to the chapel at Weybridge.

In the first were the Countess de Paris, the Duchess de Chartres, the Princess Margueritte and Princess de Joinville.

In the second were the Duchess d'Aumale, the Duchess Philippe de Wurtemburg, Princess de Salerne and the Countess Aucersperg.

THE MORTUARY CHAPE