SOUTH AMERICA.

Affairs and Revelations in Paraguay—The Retreat of Lopez—Pertinacity of the Paraguayans—Asuncion Sacked by the Brazilians—Cruelties of Lopez—Affairs in Buenos Ayres.

BUENOS AYRES, Jan. 28, 1869.

The Paraguayan war as a war has ended. So recent is it that the forces of three nations have found no opposing army before them that they still have the attitude of belligerents and occupy the enemy's country. Two places only are of importance enough to attract an army of occupation; these are Asuncion, the capital, and Cerro Leon, a small town of the interior. These were towns of considerable importance in the lifetime of the little republic, but now not a native is to be seen. They have retired before the allies. Houses, business, all articles difficult of removal, have been abandoned, and the people have gone in the direction in which Lopez has sought safety. Despite his atrocious cruelties, his more than savage ferocity, his people cling to him as before. The few soldiers unscathed, the multitudes of the sick and wounded have gathered about him, and at last accounts he was organizing them into a new army that has as little idea of giving up as had his first.

A proclamation has been issued by Lopez to his countrymen, setting forth that the patriotic forces of the country have been defeated but not destroyed, and he urges them not to succumb under one single defeat, but exhorts them "to fight with still greater decision against a relentless enemy, who has only remained master of the field in order to be more completely exterminated." As Lopez talks so do his people believe.

This proclamation was issued from Cerro Leon, where Lopez halted on his escape on December 27, and whence he fled again in a few hours to a retreat in the mountains. It is believed that a prompt following of him at first would have easily secured him, but now he has a skilful band of desperate men, already counting some thousands, and his followers are constantly increasing in numbers.

The Brazilians have lost no time in going on to retake Matto Grosso, a province of theirs which the Paraguayans took early in the war. Long ago Paraguay had to recall all the forces sent there at first. The ravages of war have been followed by those of pestilence in Matto Grosso, and, other than the exuberant soil and splendid timber, there is little left in that province to retake.

The Brazilians occupy Asuncion, and though the attempt is made to deny the wholesale pillage conducted there yet it is a fact that nothing valuable has been left unless it was too heavy to carry away. Houses of foreigners shared the same fate. Many houses were partly torn down to seek for hidden gold and silver. Outside the city there were medley stores of goods gathered and assorted for sale. Soon the supply of provisions gave out, when the hucksters would be glad to exchange a brass bedstead for a piece of beef or a splendid armchair for a pound of potatoes. The fine grounds of Lopez, rivalling in splendor some of the European residences of royalty, are now a howling waste.

The green banner of Brazil floats from the cubrilido of Asuncion; the government house on the Plaza, built by the Jesuit Fathers, is the headquarter of the Brazilians, while General Emilio Mitre is with the Argentines at the former residence of Venancio Lopez. The railway out from Asuncion has not been much injured, and the station itself is unequalled in South America. But the streets are fearful ovens, broad, shelterless, with scalding sand twelve inches deep.

The present place of retreat of Lopez, the lair o the lion, is among the Cordilleras Mountains, in a fertile district, where have been gathered all the principal families of Paraguay. As early as one month before the last battle Minister Caminos ordered all Paraguayan families off to the mountains, and young, and old, and sick, all were swept away by an inexorable guard sent for the purpose, and now many of the best families are living in bullock carts, in tents made of stretched hides, and living on mandioca and roasted corn. Clothing is almost unknown. The women and children huddle together; the men are sick, or wounded, or off on perilous duty. Cannon and horses are very few. This is a meagre view of the desperate reduction of Lopez and his followers, and yet the dissatisfied, the rebel among his ragged, starving countrymen is hardly one among a thousand. All Paraguay is a wide ruin, the name bids fair to be erased and the nation may dwindle now into the insignificance of a tribe of Indians, after having held three warlike nations at bay for four years.

At last light has come on the pretended conspiracy in Paraguay which cost so many lives. For it the best men in Paraguay were given to tortures indescribable and to death; and it was only an accident that prevented the same fate to the United States Minister, Mr. Washburn. The conspiracy was as follows:—

When the iron-clads forced the passage of Humaita, and went up to the capital, they caused great consternation. For many days no news had arrived from Lopez's army, and it was not even known where Lopez was. The iron-clads demanded a surrender of the town. The principal men of the city met for an informal consultation on the situation, and among them were many of the chief officers of the government, civil and military, and some foreign gentlemen. The commander of the fort was present. Every man at that meeting was hunted, tortured and killed. The commander refused to consult on the subject, declaring he would not surrender, but would fire on the iron-clads and also on any boats going off to them, and then he left the meeting. He was taken to headquarters and summarily shot. Every one, native or foreign, who even sympathized with the counsels of that day was marked and in due time perished, and the number of them is small who died with bodies unmutilated by whips or severe tortures.

One of the saddest episodes of those bloody times is the history of young Manlove, a captain or colonel in the late Confederate lost cause. He visited the allies and was received among them with great favor, and after several attempts to cross the lines he did so, and on this side his traces were all lost. On passing over he was at once arrested as a spy and his business was asked. He replied that he could tell his business to no one but to Lopez; but an interview was never granted him. Afterwards he revealed to a countryman that his object was to obtain letters of marque for American built privateers. After several months of imprisonment he was given a sort of liberty, sent to America, and allowed a small sum daily for his support. After the conspiracy was conjured up he was rearrested as a conspirator, flogged, tortured and at length shot. For a long time he was kept chained down, obliged to lie flat down, exposed to the weather. If he attempted to sit up he was cut at by the brutal keeper.

I could give you similar recitals of the fate of my own personal friends there, as related by persons who were witnesses of what they related and whose word is unquestionable; but I have not the heart to do it.

The navigation of the river Bermejo, so long prevented by Lopez, is now about to begin. The national government has set apart a sum not to exceed 5,000 silver dollars per trip a year up as far as Oran. This will open up a new life in that slow region.

Marshal Caxias has been superseded in command of the Brazilian forces by Marshal Guilermo Xavier de Sosa. The latter has entered on his new duties, having arrived for the purpose; and the former has arrived at Montevideo, *en route* for home, with a glittering retinue of staff officers.

Immigration to this Republic, chiefly from Italy, amounted to 36,000 during the year 1868. Extensive arrangements are made to increase it for 1869.

President Sarmiento's administration has won the confidence of all parties as no one has ever done before. The sum of $500,000, silver, has just been paid to Brazil as so much on the loan made from that government to carry on the war.

The Paraguayans sunk all the steamers they had on the upper Paraguay so as to impede navigation.

Exchange closed at 49¾d. to the gold dollar.

Harvests are reporting better than was feared at last mail. It is estimated that there will be about 600,000 bushels of wheat in this province.

BRAZIL.

Complications Among the Allies—The Brazilian Minister of Foreign Affairs Sent to the River Plate—The War in Paraguay—Condition of the Finances—Mercantile Uneasiness.

RIO JANEIRO, Feb. 8, 1869.

The Minister for Foreign Affairs, Conselheiro Paranhos, left Rio on the 1st of February for the river Plate upon a special mission. The official gazette announced the intention to send him there on the 28th of January, stating that, unhappily, the war was not yet over, but it was expected the allied arms would speedily succeed in bringing it to an end, and that the objects of the envoy were to prepare the way for peace and the diplomatic acts which would have to precede the termination of the war. Whether the official words mean that difficulties have, as has been reported, broken out between the allies is not clear, but it is not unlikely that such is the case, as the Brazilian government, and especially the Emperor, are firm in the determination to make no peace until Lopez is driven, or exiles himself, from Paraguay. It remains to be seen whether this can be adhered to.

The state of affairs in Paraguay appears to point to indecision among the allies. They have 20,000 to 25,000 men, it is said, at Asuncion, but Caxias and Admiral Inhauma have left their commands, and are on their way to Brazil, because of sickness, real or alleged. Caxias has written to the Minister of War from Montevideo, dating it from "Headquarters Montevideo," announcing his having given up the command provisionally to Marshal Guilherme Xavier de Souza, and that he would leave Montevideo on January 30 for Rio, if no countermanding orders reached him before starting. He is, consequently, expected here to-day, but may think he will remain at Montevideo to await Paranhos, and that this minister will induce him to return to Paraguay, for his return, with his whole staff, without asking permission, has greatly embarrassed the ministry.

A steamer has arrived to-day with mails from Asuncion, but with very little news, and that mostly of a negative order. The allies were quietly encamped at Asuncion and showed no intention of entering upon any operations against Lopez, and they were apparently waiting for instructions as to what course to pursue, notwithstanding that his parties were showing themselves in the low country and sweeping off the few individuals who had not yet obeyed his orders to leave for the mountains. It is even said that the Brazilian outpost at Lugue, twenty-seven miles from Asuncion, had been withdrawn in consequence of Paraguayans showing themselves in the neighborhood of that small town.

According to the latest accounts Lopez was still gathering men and was able to muster 8,000. But such figures are all guessing, as nothing reliable can be learned in regard to him. All that is really known is that he intends holding on to the government of Paraguay, and that the Paraguayan families have entirely abandoned that part of the country which the allies can enter. Whether it be through patriotism or fear, it is certain the Paraguayan people are all with him, and that if the allies set up a provisional government in Asuncion it will be one without a people to govern.

The whereabouts of General McMahon is also unknown, but he is supposed to be with Lopez, and that the Italian and French Consuls are also with him. The gunboat Kansas arrived at Asuncion on January 8 with despatches for the Minister, but could not deliver them. She was hard aground near Asuncion, but doubtless would get off in a few days after lightening.

General McMahon's unpopularity in La Plata, and especially Brazil, continues intense. A Brazilian gets excited if you mention the word McMahon, and he is apt to indulge in strong language over his conduct. Undoubtedly the deception was great. McMahon and the gunboats go up to Paraguay to demand satisfaction from Lopez, and some of the Brazilians confidently believed that those Americans who can do everything would mount the vessels on wheels and hunt him down until he was caught and hanged; instead of which McMahon becomes his dearest friend, and is believed to be buoying Lopez up to continue the war until the United States intervenes. Such is the view taken of his action in Brazil, and there is certainly color for the belief, and it is not promoting cordiality towards the United States.

Colonel Thompson, who is the Englishman that was second in command at Angostura, is expected here to-morrow, as, although not a prisoner, he is bound by the terms of the capitulation not to serve in the present war. It appears, however, that a number of Paraguayans belonging to the capitulated garrison have succeeded in making their escape and have rejoined Lopez.

The steamer just in from Montevideo brings the news of the suspension of the Montevidean Bank, it being unable to continue reducing its issue as required by the suspension decree of July last. It was the first to cry out for the resumption of specie payment on the 1st of June, 1868, with the purpose of breaking down the Maua Bank, which, however, went quietly into liquidation, refusing to attempt what was soon found an impossibility by the other banks. It is said the Maua Bank made largely by the crisis, by importing large sums of gold and buying its own bills through agents at a heavy discount.

In Rio the mercantile and moneyed community are feeling anxious over the finances, not knowing what policy the government intends to take with regard to the strange situation of affairs, and daily expecting it to enter upon a new loan or issue of paper money. The state of the treasury is also completely unknown, which keeps up a great uneasiness. However, the exports of cotton and coffee have been large, and this has caused exchange and gold to fall five per cent. But as large drafts are expected from the River Plate, the rise in the value of currency can be only temporary, and most banking men anticipate considerable further depreciation, notwithstanding the fact that the coffee crop is judged to be an average one and notwithstanding the unusual postponement for six weeks of the rainy season.

The report of the engineer upon the junction by a railroad of the upper San Francisco navigation with that of the lower river is very favorable. The ground is not difficult, and the improvement of parts where some obstructions exist in the river bed, which can be utilized, are estimated at only $1,000,000. Probably the railroad would cost as much more.

The San Paulo Railroad is still advancing in its prosperity, its receipts steadily increasing, and in December the surplus of receipts over working was $52,000, and in January must have been $10,000 more. A great part of this advance is due no doubt to the greater favor the railroad is growing into with the planters, many of whom thought it too new-fangled and too unaccommodating to leisurely habits, but a good deal is due to the increasing culture of cotton, which is steadily gaining ground, apparently without trenching on the coffee crop, and the fair prices and good yield this season are encouraging. The export, however, had only reached last year to the number of about 160,000 bales, equal to about half that number of customary Southern bales.

The Pedro II. Railroad is gathering advantages from its agreement with the Union and Industry macadamized road, and, by the first fortnight's returns, will add thirty per cent to its gross revenue.

The flagship Guerriere goes down to the River Plate in a day or two, somewhat unexpectedly, as she was to stop here for a time. What is the reason I have not yet heard.

Sovereigns are worth 13$200, making gold 148. Exchange is 18½d. to the milreis.

REMOVING STREET OBSTRUCTIONS.

Line of March on Tuesday and Programme of Operations—How Opposition Shows Itself and is Put Down.

The work of removing street obstructions pursuant to orders of the Mayor and Street Commissioner was resumed on Tuesday. Broadway having been relieved of signs, awnings and flagstaffs, as heretofore reported in the HERALD, as far up as Twenty-sixth street, the posse of seven sent from the Street Commissioner's office to carry into execution these late orders, entered upon a renewal of their labors at the latter street, and continuing their line of march up Broadway they advanced to Thirty-fourth street and here rested from their labors.

The same programme was pursued yesterday as on the route of the previous march. All kinds of signs coming under the category of street obstructions had to yield to this invading force representing the dignity and majesty of the municipal law. Awning posts and lamp posts were not allowed to be longer the vehicles of cheap advertising. Flagstaffs jutting out of windows and flaunting to the breeze, every possible variety of business were compelled to withdraw from the popular gaze. Some yielded quietly and gracefully and some showed symptoms of fight, or rather called upon the police to fight their battles for them. The former listened to reason, confessed the propriety of the order, and acknowledged the improvement manifest in the street by the removal of these signs as thus far proceeded with. We will give a sample of the opposition of the latter, and there were several just like it, and the mode of reasoning that had to be pursued with them.

"This sign of yours," said the leader of the posse to a house agent, "is an obstruction to the street, and must be removed."

"Who says that?" asked the house agent, excitedly.

"I say it," blandly observed the representative of the Street Department.

"Who the h—l air you?" blurted out the house agent.

"I belong to the Street Commissioner's office," very politely answered the person addressed, and he proceeded to explain the particular nature of his duties in the present particular case.

"That's my private property, and I'd like to see you touch it, that's all," savagely proclaimed the house agent.

"Here, take down that sign," the leader of the Street Commissioner's posse very quietly commanded the man under him.

"Policeman, arrest that man," shouted the house agent in a wild fury of rage to a gentleman in blue clothes and brass buttons.

"I'd like to see myself do it," answered Mr. Kennedy's satellite. "He knows what he is about."

"Now here, if you say anything more, I'll have you arrested," spoke up the executor of the law.

The house agent subsided at this last intimation of being restrained of his personal liberty. Others subsided about as quickly and about the same way. Altogether the opponents to enforcement of the late order were greatly in the minority. Thus far, however, we have only the beginning of the beginning. The march will be resumed this morning and kept up till every street of the city has been gone through and every sign removed which is now an obstruction to the street. Hostilities will next be extended against the proprietors of the apple and sugar and refreshment and other stands now obstructing the streets. To a few of the latter, as, for instance, the outdoor refectories about Grand street ferry and other ferries, will be given a few days to close up their business, but no longer or other grace. The war has begun. The fiat has gone forth. The streets belong to the city and the city must and will have the use of them.

MAYOR'S OFFICE, March 16, 1869.

TO THE EDITOR OF THE HERALD:—

SIR—As answer to a great number of letters of either complaint or compliment respecting removals of street encumbrances received by the Mayor, he requests me to make public statement that the credit of recently enforcing the ordinances on that subject belongs exclusively to the Street Commissioner's Department, and to add that for permits to place stepping stones between building and stoop fronts the Mayor's Office, under regulatory ordinances, is responsible; but the Street Commissioner has exclusive jurisdiction over streets beyond the stoop lines.

"It is an embarrassing question," to quote from one of the letters received, "whether to altogether relieve Broadway of sign, or the comforts of awnings, or to unreasonably restrict the loading and unloading of carts, may not be to, at the same time, remove its stores of country custom and its great thoroughfare of traffic."

The Mayor, however, believes that all the corporate authorities, including the Street Commissioner, endeavor to accomodate the wants and convenience of trade and commerce as to street requirements to the daily growth of a great metropolis. Very respectfully,

JOSEPH H. TOOKER, First Marshal.

EUROPE.

The Cunard steamship China, Captain E. M. Hockley, from Liverpool March 6, via Queenstown, the 7th, arrived at this port yesterday. She brings three days later mails.

The Emperor of Russia has invited the ex-King of Hanover to pay a visit to St. Petersburg.

The wind was so violent in Paris on the 3d inst. that one of the trees planted more than fifty years ago on the Quai d'Orsay was blown down.

The Emperor and Empress of Austria were announced to leave Vienna on the 7th inst. for a tour in Croatia.

The consulate general of France in the capital of Peru is to be raised into a legation.

The Paris *People* says it would be better for Spain to choose a republic than to offer the throne to the Duke de Montpensier.

News from Rennes states that the dykes of the marshes of Plaine-Fougères, France, have been broken down by the sea and great damage done.

It is rumored that the Pope is suffering from the same disease that caused the death of Rossini, and that although he frequently shows himself in public his health lately is much impaired.

The Greek General Coronos has been appointed to the command of a corps on the frontier to operate against brigandage and M. Delyannis has received orders to resume his functions as Greek Minister in Constantinople.

A report mentions that Count Beust has influenced the Prince of Montenegro to proclaim a full amnesty to all his subjects who, from political causes, have sought refuge in Austria.

The principality of Waldeck has ceased to exist. That State comprised a population of 60,000 souls, the sovereignity over which the Prince had leased to Prussia for ten years. The hiring has now been converted into a regular sale.

A letter from Ireland states that the Irish Protestant Defence Association have passed a resolution declaring an uncompromised resistance to the Church bill.

Queen Isabella has left the Hotel of the Pavillon de Rohan and taken possession of her new residence in the Avenue du Roi-de-Rome.

The Russian government is about to publish some correspondence on the Eastern question that will throw a new light on the Turco-Greek difficulty and also on the doings of the conference.

The Manchester *Examiner* says that a severe struggle between the South Yorkshire coal miners and their employers is likely to take place in consequence of the attempt of the masters to break up the district trade unions.

A letter from Kiel says:—The Prussian government is still actively occupied in fortifying the coasts. A few days ago about forty chests of large size arrived here and were immediately forwarded in a gunboat to the fortress of Frederichsort. From the precautions taken in handling these packages some personsthink that they contained torpedoes destined for the defence of the Kiel roadstead.

A horrible crime has been committed at the village of Dolce-Aqua, North Italy, caused by the enforcement of the grist tax. The population rose in mass and killed the Mayor, whose head was then mounted on a pike and paraded through the streets. During the same day twelve of the municipal counsellors were assassinated.

ENGLAND.

The Press on General Grant's Inaugural Speech—The Effect "on 'Change"—Enough of Mr. Johnson—The Alabama Question.

LONDON, March 6, 1869.

The great themes of conversation to-day in circles financial, political and commercial are the inaugural of President Grant and the Cabinet of the new administration. It is no exaggeration to say that the compact, sensible and comprehensive address with which the soldier President commences his term of civil office has elevated the character of the American nation in the estimation of the people of Europe. The leading journals are warm in their commendation of the model political paper. The Paris *Constitutionnel* of last evening praises its "straightforward, firm and enlightened spirit," and the London *Times* of this morning, although characteristically snobbish in its comments, sees "hopes of a beneficial and honorable career" for General Grant, and believes that if his advantages are well used "his term of office may be the beginning of a new period of prosperity, surpassing even that which came to an end eight years ago amid the flames of civil war." The style of the document the *Times* thoroughly approves, regarding it "not in the nature of a message," but "like a rather homely and familiar royal speech." The British organ may be excused for confounding the American President's inaugural with a message to Congress, but not for the blunder of supposing that a royal speech could ever be so outspoken, emphatic and independent as General Grant's address to the citizens of the United States. The heartiest endorsement comes, however, from the people, and they evidently sympathize with a chief magistrate who can be truly American without bombast and buncombe, and who is so evidently in accord with the masses without a tinge of demagogism.

The capitalists who have invested their money in American securities are of course in high feather over the passage of Schenck's bill and the position taken by Grant in regard to the payment of the United States bonds in gold. While Schenck's bill has failed for the lack of Andrew Johnson's signature and by the expiration of the late Congress, they regard it as certain that a similar law will be speedily enacted now that the new President has expressed his sentiments in such emphatic language. It is rather difficult to persuade any of them that a future Congress may undo what the present one may do, and that a powerful party may arise willing to pay the debt of the United States to the last dollar, but regarding it as simple justice to the debtor that it should be paid in the currency in which it was incurred. Under the influence of these favorable symptoms, however, there has been to-day an active demand for American securities at an increased quotation.

The question that is now asked with some anxiety here is, who will be the United States Minister to the Court of St. James? Englishmen are tired of our highly respectable representative, Reverdy Johnson. He has dined and talked himself out, and is scarcely regarded now as a reliable exponent of American sentiment. His positive assurances of the unbounded admiration entertained by the Americans for everything British and of the facility with which all supposed difficulties about the Alabama claims or any other vexed question could be settled were very gratifying and agreeable, but now that the Reverdy bubble has burst it is a difficult task for the amiable Marylander to enact the task of Mr. Toots and to persuade the English public that it's all right. Besides, there is a sharp, decisive paragraph in Grant's "royal" speech which occasions an uneasy feeling, and it is significant fact that the *Times* altogether ignores the evident allusion of the President to the Alabama claims, while other London journals strain a point to construe it into an abandonment of all idea of holding Great Britain to a strict accountability for the crimes of commission and of omission during the American troubles. The truth is, the statesmen here feel themselves to be in a very awkward position in relation to the Alabama matter, as it is called, and hence their anxiety to learn more of Grant's intentions through the character of the representative he may send to the British Court. They have already confessed judgment as to any direct damages that may have been done to the commerce and shipping of the United States by the piratical vessels sent out from British ports, by admitting remissness of duty on the part of the authorities. The question now is, will the new administration insist upon a settlement of the more important point as to the right of England, by a recognition of the rebels as belligerents, to destroy our commerce indirectly as well as directly, and to give a year's additional life to the rebellion? Before this letter is published we shall know who is to succeed the sociable and urbane Minister Johnson, but at present our British cousins feel an uneasiness, to say the least, upon the subject.

English Comments on President Grant's Inaugural Message.

The London *Times* says:—

If General Grant, coming into office unpledged and with a reputation for impartiality, can prevail upon the South to desert its attitude of passive resistance and accept what its more farsighted men must know to be inevitable, and if he can also mollify the spirit of the radical North and induce a more indulgent treatment of the vanquished Southerners, he may have the satisfaction of bringing to an end not only the war itself, but also the fierce and seemingly unrelenting animosity which during the last four years has divided the two sections of the Union. This is, we think, the utmost he is likely to contemplate in the way of modifying the action of Congress. * * * To the European public the most important part of the proclamation will be that which relates to the debt of the Union. General Grant's expressions, coupled with the recent action of the Legislature on the subject, will have a good effect in maintaining American credit. The President argues that if it be well understood that not a single farthing of the public debt is to be repudiated the national credit will be so much strengthened as to enable the Union to replace the debt with bonds paying less interest than is now paid. Nothing can be more certain than this, and we can well understand an American looking with jealousy at the easy terms on which a country like England is able to obtain money on occasion—the consequence of honorably bearing immense burdens throughout a long series of years. * * * In the principles General Grant enunciates throughout this document briefly as they are expressed, we see hopes of a beneficial and honorable career.

The London *Post* observes:—

Nothing, certainly, can be more clear or conclusive than his exposition of the effect which laws, whether good or bad, ought to have, and of the necessity that exists for yielding obedience to them; and there is, no doubt, considerable force in the remark that the most effectual mode of obtaining the repeal of obnoxious laws is to execute them with stringency. The commonplace that the greatest good of the greatest number should be the object sought to be attained scarcely merits comment; but it is unquestionably satisfactory to find that the President, passing from generalities, declares it to be his conviction that the State should pay to the uttermost farthing all its obligations. * * * It could scarcely be expected that the President would refer, except in general terms, to the foreign policy which he intends to pursue. To maintain the dignity of the State of which he is the Chief, and to respect that of others, is a very commendable sentiment, and if acted upon will promote that harmony which at present subsists between the American republic and other Powers. One passage in the proclamation will, however, probably arrest attention—"If others depart from this rule in dealing with us we may be compelled to follow the precedent." We are unwilling to believe that this can have any reference to the unfortunate dispute which has arisen between the United States and Great Britain in connection with the depredations committed by the Alabama and her sister cruisers, and to convey an intimation that unless the claims advanced by the American government are satisfied Americanfitted privateers will, in the event of Great Britain being engaged in a war with any European State, commit acts which would be in the nature of reprisals. The President must be well aware that we have done everything in our power to effect a satisfactory settlement of those claims, and have rather gone beyond the line than otherwise in submitting the *bona fides* of our conduct to the decision of a mixed tribunal.

The London *Star* says:—

He loyally accepts the proposed constitutional amendment, which, if ratified by the required majority of State Legislatures, will place all races on an equal electoral footing; and, with a due sense of the injustice of a purely military policy in respect to the Indians, he promises to favor any course tending to their civilization, Christianization and ultimate citizenship. Thus he listens to the humane voice of New England, which has always pleaded for these red Ishmaelites—the original owners of the American continent. Upon the subject of the debt he is equally emphatic, and still more precise. * * * * * * With regard to foreign policy, General Grant is very definite in his enunciation of sound principles, but somewhat ambiguous in the sentence which appears to suggest the application of them to our own case. He says we would deal with nations as equitably as the law requires that individuals should deal with each other. This is to lay down a maxim which cannot be too highly commended, and which presents an admirable contrast to the filibustering doctrines of General Pierce and President Buchanan—who looked upon Mexico, Cuba and Central America as belonging to the republic by the right of the strong to subdue the weak. "I would respect," he remarks, "the rights of all nations, and demand equal respect for our own. If others depart from this rule in dealing with us, we may be compelled to follow the precedent." This may be fairly interpreted as an allusion to the Alabama embroglio; but it involves no actual menace, and we must be content to accept the rebuke, if we feel, as we must do, that it is not wholly undeserved.

The *Pall Mall Gazette* says:—

The foreign policy indicated in the proclamation is unexceptionable so far as words go. The determination to "protect law abiding citizens, whether of native or foreign birth, wherever their rights are jeopardized," can lead to no ill will now that the naturalization laws are everywhere either revised, or in a fair way to be revised, and even apart from this consideration, the epithet "law-abiding seems expressly designed to exclude the Fenian visitors to Ireland. Nor will any one quarrel with General Grant for his determination to "respect the rights of all nations, and demand equal respect" for those of the United States. If the sentence that follows:—"If others depart from this rule in dealing with us we may be compelled to follow the precedent"—has any occult reference to the Alabama case, Great Britain will have no reason for alarm provided that the reprisals hinted at are strictly limited to the reproduction of the wrongs from which the United States has really suffered. British merchants will have no right to complain if an enemy's cruiser should hereafter escape from an American port merely through the accidental illness of one of the United States law officers, or through a misconception on their part of the weight of the evidence submitted to them by the President.

Ocean Postage Contracts.

On Friday, the 5th inst., the subject of ocean postage subsidies were brought before the House of Commons. The discussion which took place on the subject was as follows:—

Mr. Bazley had the following question on the paper:—"To ask the Postmaster General whether the late government, before its retirement from office, renewed the Cunard contract for seven years at the annual rate of £70,000, the Inman contract for the same period at £35,000 per annum, and the North German Lloyd contract at a letter-rate charge, terminable at six months' notice; whether such contracts, if granted, were not infractions of the implied promises of members of the late government that in future a self-supporting system of ocean postage should be established, and whether, under these circumstances, it would not be the duty of the present government to withold the ratification of those contracts." The honorable member intimated that he would not put the second part of the question.

The Marquis of Hartington said the old contract with the Cunard Company terminated on the last day of September, 1867, and the arrangements for mails between England and America for the year 1868 were of a temporary character, and included a fixed subsidy to the Cunard Company, with a payment of so much, according to the rate to the Inman's Company, the North German and the Hamburg Company. In August of last year tenders were advertised for by the government for the conveyance of mails for the present and future years, and contracts were entered into with the Cunard for two services a week at £70,000 a year, with the Inman's for one service at £25,000, and with the North German Lloyd's at a payment of so much for mails carried. It was, therefore, not quite correct to say the contract was renewed by the late government. He was glad his honorable friend declined to ask the second question, as the subject would come on again, when the late government would have an opportunity of vindicating their conduct. With regard to the last question, so far as any action of the government was concerned, it was completed before the present government took office. What was required for the completion of those contracts was, that they should be placed on the table of the House for one month, and if during that time not disapproved by the House, they were confirmed. They were laid on the table on the 2d of this month, and if there for a month they would be complete.

FRANCE.

The French Press on President Grant's Inaugural Speech.

The *Opinion Nationale* of Paris, March 6th, referring to the inaugural speech of General Grant, makes the following comment:—Speaking with his habitual frankness, General Grant declared that he had taken oath on the constitution without reserve and with the firm resolution to fulfil the duties devolving on the First Magistrate of the republic, to the utmost of his power. Grant does not renounce the right of veto any more than did Andrew Johnson; but laws govern all and the President will have to submit to all laws regularly and constitutionally drawn up on the same footing with the commonest citizen. Referring to the payment of the debt—the main question in the United States—the new President declares himself in favor of specie payment, in accordance with the recently voted law. As he says, "To protect the national honor every dollar of the government indebtedness should be paid in gold, unless expressly stipulated at the time of being contracted. Let it be understood that there must be no repudiation of a single farthing of the public debt." These are fine and good words, especially when pronounced by an honest man.

The principles expressed by the new President relating to the foreign policy are no less in accordance with the ideas of justice that must have been apparent to all heads of nations; but here only one programme is wanted, but one theory, and the future will prove in how far General Grant can support the views that he has manifested on taking the Presidential chair.

GERMANY.

The Opening of the North German Parliament—The King's Speech.

The opening of the North German Parliament took place on the 4th instant at Berlin. His Majesty, King William, was present and in his speech on the occasion said:—

He rejoiced that the prospect of the maintenance of peace had not since their last assembling proved fallacious. His Majesty mentioned the improvements which would be effected by the bills which had already been passed, and those which were still under discussion. A bill relative to the electoral law, framed in accordance with Article 20 of the constitution of the North German Confederation, would be laid before the Parliament to secure a uniform system of electoral procedure throughout the entire Confederation, and also to secure the legal status of the Federal officials. The budget of 1870 showed that an increase of the revenue was necessary. In the postal arrangements between the Confederation and foreign States progress had been made, and postal conventions with the Netherlands, Italy, Sweden and the Danubian Principalities will be laid before the Parliament. The organization of the Federal Consular system is approaching completion. A Consular Convention with Italy is about to regulate the respective powers of the Consuls of both nations, in order to ensure uniformity in the conduct of the Consular administration and the diplomatic representation abroad of North Germany. The necessary expenditure for this purpose will be brought forward in the Budget of 1870. The first duty of the diplomatic agents abroad will be to secure the maintenance of peace between all nations who, like ourselves, know how to value its benefits. The fulfilment of this duty will be facilitated by the friendly terms at present existing between the North German Confederation and all foreign powers, and which were proved afresh by the peaceful solution of the difficulty which but lately threatened to disturb peace in the East. The negotiations and the result of the Paris Conference have proved the sincere endeavor of the European powers to regard the blessings of peace as a valuable and common benefit, to be guarded by all as common property. Having seen the success of this course of action, a nation which has proved that it possesses both the will and the power to respect the independence of foreign States, and to defend its own, is justified in trusting in the continuance of peace, to disturb which neither foreign governments have the intention, nor the enemies of order the power.

THE MEASUREMENT OF YACHTS.

The following communications addressed to the the editor of the London *Field* were published in that paper February 27, 1869:—

SIR—I am anxious to make some remarks upon the letters of the numerous correspondents in your last paper, but before doing so will state that in my capacity of measurer for one of our oldest royal yacht clubs I addressed a letter on January 5 to the Commodore of the New York Yacht Club, asking him to favor me with the rule by which their yachts are measured. Up to the present time I have not received any answer to my communication, which I deeply regret, because the information I sought would have enabled us to arrive at a just appreciation of the size of the Dauntless as compared with the Cambria. Until I obtain this reasonable amount of information, in exchange for the English rule I sent them, I must, from the slight information I possess of the Dauntless, hold the opinion that a race between the two vessels would be a waste of time; for no just conclusion would be arrived at if the American yacht is, as we suppose, practically double the size of the English vessel; and I hope and believe that, until the Americans enable us to arrive at the true facts, Mr. Ashbury will not peril the reputation of our yachts by accepting so unreasonable a challenge.

In the letter you inserted from Mr. Charles H. Haswell, civil and marine engineer, to the Commodore of the New York Yacht Club, there appear to me to be several inaccuracies that I think it important to correct. But half of his letter is devoted to an exposition of the reasons for time allowances for difference of tonnage, and he fairly enough admits that "it is manifestly proper that the larger vessel should give an allowance in time proportionate to the advantages she derives from her greater dimensions."

Then this gentleman makes the remarkable statement that the British and American governments, until within the last few years, used a rule which he designates as "absurd." He misquotes the rule, or rather is inaccurate in his description of it; but whether or not it deserved to be called "absurd" your readers must judge. Enough for me to state that the law was made by act 13 Geo. III., cap. 74. It continued in use for our merchant vessels until an act passed 5 and 6 William IV., cap. 56, and is still in use for the vessels of our royal navy, and is called builders' measurement, and by it contracts for the building of vessels in this country are arranged down to the present time.

Mr. Haswell is quite correct in stating that the British government "now compute the actual capacity or internal volume of a vessel;" but this, the most important and only accurate plan known, is that invented by the late Mr. Moorsom, whose labors for this country were most valuable. They are recorded in our Merchant Shipping act of 1854, and it is the law by which our merchant ships' tonnage is registered. The United States have since then adopted our rule, and I believe it is now the law in France and most other European nations. Nevertheless, it is not considered to be applicable to yachts for match sailing, and that fact is apparent at a glance to all who understand the question, therefore the above "absurd" old rule is adhered to by all our yacht clubs (it is called the Royal Thames Yacht Club rule, because that is the oldest club in England, being instituted in 1823, forty-six years ago), and the New York Yacht Club, since their organization in 1844, twenty-five years ago, have not succeeded in bringing out a plan that, as far as we are aware of their rules, we have considered worthy of trial.

I repeat again that the New York Yacht Club have not furnished the particulars or dimensions of the Dauntless, or the rule by which they measure their yachts, although I am able to positively state that they are in possession of every particular needed about the Cambria, and have the exact formula by which she is made to appear as 188 tons, half the size of the Dauntless when measured by the same rule, and from our notion of the vessel as compared with the Sappho, which we have seen, the latter being set down as 274 tons, and the Dauntless 262 tons, in their own club book.

The clubs of this country to which the Cambria belongs number about 2,200 members and more than 800 yachts; while the New York Yacht Club, to which the Dauntless belongs, numbers only 279 members and forty-two yachts; and I hardly think it courteous of Mr. Haswell to complain so strongly of our rule, while at the same time he keeps us in utter ignorance of the rule he desires to force upon Mr. Ashbury. And while the 2,000 yachtmen in our various clubs see at present no reason to alter their rule of measurement, Mr. Haswell can hardly expect Mr. Ashbury to consent to adopt a rule for the Cambria of which he is ignorant and uninformed, to please the views of the members, 279 gentlemen, of the New York Club.

In the New York Club book the Dauntless is put down as having a crew of thirty-four men, a number far beyond any the Cambria could require.

I protest most strongly against Mr. Haswell's concluding remark—"That if the owner of the Cambria adheres to his proposition he subjects himself to the charge of an unwillingness to compete with the Dauntless upon equitable terms."

This letter has grown to a greater length than I expected, and I must for the present thank you for the space it must necessarily occupy. H. L.

SIR—Last week I began a letter in answer to H. L., in which I stated that I believed if the Cambria and Dauntless were measured for displacement there would not be much difference between them. Unfortunately I burnt it, as I expected only to be laughed at, as I had not the power to prove it, but the letters of Messrs. Haswell and Strong have so completely confirmed my views that I am tempted to write again. I wish H. L. to understand that I have all along contended that the Cambria has a fair chance with the Dauntless from my own experience. I was master of a schooner much after the style of the Americans. She showed an enormous deck, with a very shallow hold. She was close on 300 tons B. M., 128 register, and would carry 202 tons D. W. I found her remarkably fast, but not particularly weatherly—a beautiful sea boat when hove to. When blowing hard she would go through the water at a glorious pace, but she made such bad weather of it that it was impossible to keep sail on her for any length of time. When I took charge of her she had lost three bowsprits in about two years, besides other damage. I made great alterations in her, and improved her seagoing qualities, but still she was no more than a match for schooners that would carry as much and were not above 180 tons B. M.

Directly I saw the Sappho, I felt sure she could not beat our large schooners, unless she had a free wind the greater part of her course. By the extract from *Wilkes' Spirit*, I gather that the New Yorkers refuse to sail under our club measurement, and I think they are quite right, as they would not have a ghost of a chance by Thames Club rules. I should like to take one of our fifty ton cutters over there and sail against them on that lay. I guess I would win a few matches. You can judge roughly of a vessel's power by the canvas she spreads. How much more does the Sappho show than the Cambria? I doubt if she spreads as much; and if she was absolutely double the size of the Cambria she would be jury rigged. I fancy she has as much as is comfortable for her. In your Cowes news you mention that the Cambria has one foot added to her masts to clear the jaws of her gaffs of the cheeks, which, I trust, is a truer yarn than that I saw in a paper a short time ago, about three feet being added and a lot of lead placed in her keel. Her channel bolts will sing out crossing the herring pond if that is a fact. Perhaps I had better answer one or two of H. L.'s remarks. He asks if I think one of the small steamers that went round the island when the Sappho sailed a fair match for an ocean mail boat bound to New York. Certainly not; they are not built to encounter bad weather, neither have they the twentieth part of the displacement of any New York steamer; whereas the Cambria professes to be a seagoing vessel, and, as I contend, not so very much smaller than the New Yorker. With respect to what H. L. says about my getting a dressing, I have had more than my fair share of getting in first, taking all the vessels I have commanded, and I am not such a cod as to be ashamed of owning